

Press Release

More Environmental Protection, Less New Plastic: The Companies of Schwarz Group Publish Progress Report

- **Today companies of Schwarz Group publish progress report on their commitment to sustainability**
- **Report outlines diverse range of activities and milestones within the scope of joint sustainability strategy**

Neckarsulm, 28 November 2023 – Because they are aware of their great responsibility with regard to sustainability, the companies of Schwarz Group are involved in numerous initiatives and projects aimed at minimizing the use of natural resources and promoting both renewable energy and social justice. The figures and performance results for the 2022 fiscal year (FY) published in their latest joint progress report vouch for the corporate group's success in its extensive commitment to sustainability. The progress report illustrates how the companies of Schwarz Group consistently use four key topics – people, product quality, circulatory systems, and ecosystems – as a guide for their activities. This includes empowering employees to make sustainable decisions, reducing food waste, promoting conscious nutrition, and designing sustainable shops.

“From production and retail to waste disposal and recycling, as well as digitalization, the companies of Schwarz Group cover the majority of the supply chain on their own. Together they form a unique ecosystem. With around 575,000 employees in 32 different countries and 6.8 billion customers visiting Lidl and Kaufland shops every year, the companies of Schwarz Group have a great deal of leverage to shine a spotlight on sustainability in our society,” explains Florian Schütze, Vice President for Corporate Responsibility at Schwarz Unternehmenskommunikation.

More Environmental Protection and Reducing Plastics

During the reporting period, the companies of Schwarz Group managed to step up their involvement in environmental protection significantly and reinforce their leading role in promoting a circular economy by using resources responsibly. They were also able to make remarkable strides with their joint REset Plastic strategy.

Green Energy from North Sea Wind Farm

The companies of Schwarz Group have been procuring 100 percent* of their electricity from renewable sources since the 2022 fiscal year. Furthermore, Lidl and Kaufland Germany signed a

long-term power purchase agreement this year with RWE Supply & Trading. As of 2028, the two retail divisions will procure roughly 250 million kilowatt hours of green energy each year from an offshore wind farm in the North Sea.

More Recycled Plastic, Less New Plastic

In total, we managed to save almost 59,000 tons of new plastic and around 100,000 tons of CO₂ in the 2022 fiscal year by using recycled plastic in all disposable private-label PET bottles at Lidl and Kaufland – compared to PET bottles without recycled plastic. Because of this, and also thanks to their lightweight design, the bottles produced by Schwarz Produktion are extremely environmentally friendly. In addition, the companies of Schwarz Group are using more and more recycled material for their private-label products made of plastic, for their shop facilities, and for construction. The environmental division PreZero played a key role in this regard in terms of consulting, supplying recycled material, and implementing the strategy.

Waste: Valuable Material in the Wrong Place

During the last fiscal year, the companies of Schwarz Group also campaigned to conserve resources and protect the environment. For example, around 87 percent of the total waste produced by the companies of Schwarz Group was either recycled, reused, fermented, or composted. At the annual cleanup campaign in Neckarsulm and Heilbronn and as part of the international “River Cleanup Collective” project, the employees of the companies of Schwarz Group collected over 23 tons of trash in total from public spaces.

Reporting Structure

The companies of Schwarz Group consist of the retail divisions Lidl and Kaufland, the environmental service provider PreZero, the food producer Schwarz Produktion, and Schwarz Dienstleistungen, as well as further associated companies and national organizations. The sustainability performance of the digital divisions is still included under Schwarz Dienstleistungen in this report and will be reported under the newly established division Schwarz Digits in the future.

*Excluding any purchase agreements that the companies of the Schwarz Group cannot influence, such as those for individual leased properties with a binding electricity procurement clause

Additional information

The progress report is available at www.progress-report.schwarz.

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