Sustainable Business

— facts and figures

Sustainable Business Activity of the
Companies of Schwarz Group: Facts and Figures

Fiscal Year 2025

This brochure is jointly published by the companies of Schwarz Group. The words “we”, “us”, “our” or similar expressions are meant to represent all of these companies.

About This Brochure

This brochure provides an overview of the current sustainability activities of the companies of Schwarz Group. It is based on the Sustainability Report for the 2025 fiscal year jointly created by the companies of Schwarz Group. The report was published in July 2026 and is available online at **www.gruppe.schwarz/en**. Production of the brochure was coordinated by Schwarz Corporate Affairs GmbH & Co. KG on behalf of the companies of Schwarz Group.

Have we sparked your interest?
Scan the QR code to see the Fiscal Year 2025 Sustainability Report:

Dear Readers,

“We do not just talk responsibility; we put it into practice every day.”

Gerd Chrzanowski
General Partner of Schwarz Group

Resources are becoming scarcer, geopolitical tensions are rising and societies are growing increasingly polarized. In these complex times, corporate responsibility requires clear answers. For us, the companies of Schwarz Group, one thing is certain: We are not wavering on our ambitious targets but are instead driving our plans forward with determination. Every day, we prove that economic success goes hand in hand with social and environmental action.

Rethinking value creation: From the circular economy to net zero

Our net-zero target validated by the Science Based Targets initiative (SBTi) and our joint climate transition plan form the basis for measurable environmental protection in action. Furthermore, our key performance indicators substantiate the successful completion of our jointly created REset Plastic strategy. Now, we are taking the logical next step toward a circular economy with our holistic

REset Resources strategy and specific initiatives for resource conservation such as “Road to Zero Waste.”

Securing the future: Focus on specialists and cohesion

Our 604,000 employees worldwide are at the core of our ecosystem. The current development in employee numbers clearly shows our reliability: Nine thousand newly created jobs in the past fiscal year. At the same time, we are focusing on the training of our future talents: We train over 10,000 people across Europe and offer more than 100 job profiles.

Demonstrating responsibility: Data-driven transparency

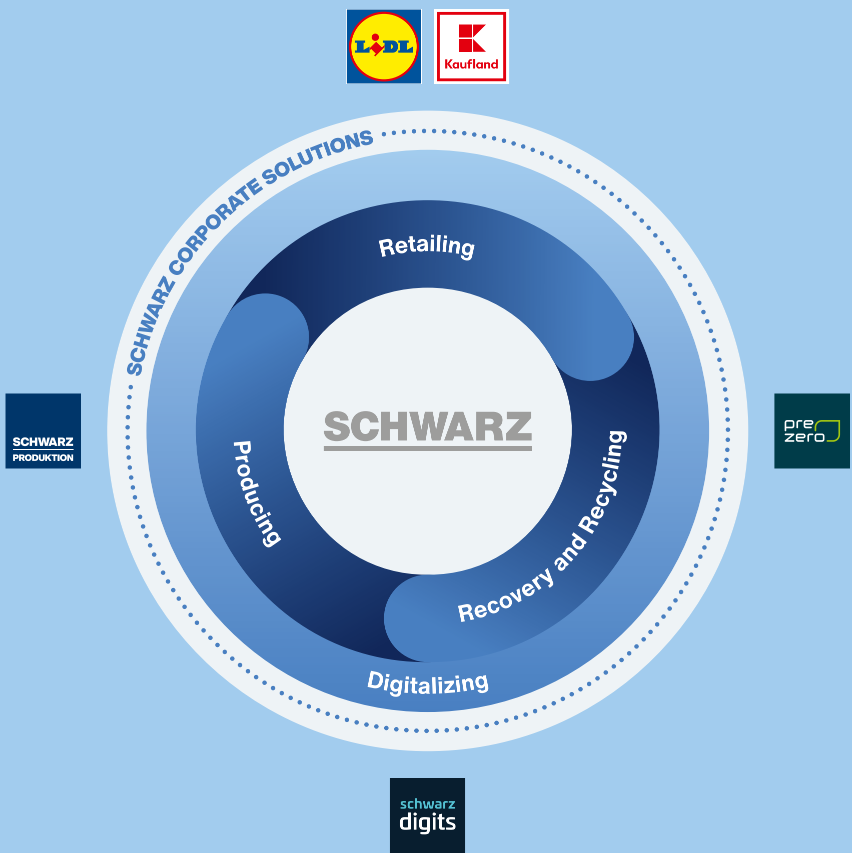
Strategic ambition requires reliable facts. In the meantime, we manage our sustainability targets via more than 1,500 key performance indicators. The fact that we not only demand transparency and a systematic approach internally, but demonstrably live by them, is validated by the recent recognition with the independent ESG Transparency Award for our transparent sustainability reporting.

We do not just talk responsibility; we put it into practice every day. For, above all else, the complex challenges of our times require trusted partnerships and values-based collaboration. This is the strong foundation upon which we are building solutions and products for a better life together with our employees, customers and suppliers.

Gerd Chrzanowski
General Partner of Schwarz Group

Our
Ecosystem

The companies of Schwarz Group cover the entire value cycle — from production and retail to recycling and digitalization. We create solutions that make life more sustainable, healthier and more secure, both today and in the future — we act ahead.



Retail brands Lidl and Kaufland operate 14,500 stores in the food retail sector in 33 countries. Lidl, the reliable fresh food discounter, offers the best quality at its usual low Lidl prices. As a full-range retailer, Kaufland offers a broad selection of fresh food and products for everyday needs. Its one-stop-shop concept guarantees a simple and convenient shopping experience.

PreZero is one of Europe's leading partners for the circular economy. The circular economy division of Schwarz Group helps businesses, municipalities and communities to keep resources in the loop, reduce emissions and transform waste into measurable added value. With around 30,000 employees at approximately 470 locations across ten countries, PreZero lends the circular economy operational strength.

Schwarz Produktion is one of Europe's leading food producers. Around 6,500 employees across 19 production sites reliably supply millions of people across Europe with high-quality food every single day — from mineral water, soft drinks and baked goods to chocolate, nuts and coffee, as well as jams, pasta and ice cream.

Schwarz Digits provides compelling digital products and services that meet the high German data protection standards, thus ensuring the maximum degree of digital sovereignty. The core sovereign services provided by Schwarz Digits include cloud, cybersecurity, data and AI, communication and workspace solutions. The IT and digital division of Schwarz Group operates seven data centers.

Schwarz Corporate Solutions (SCOS) provide support to all units within the companies of Schwarz Group. Acting as a strategic advisor, Schwarz Corporate Solutions provide the administrative and operational structure for the other companies of Schwarz Group.

ESG Strategy

As companies of Schwarz Group, we take a holistic approach to sustainability and do not operate in isolated silos: We are able to understand and manage the interdependencies among ecological necessities, social responsibility and good corporate governance.

Environment (E) — Conducting Business With Environmental Responsibility

Keeping resources in the loop, reducing emissions and protecting biodiversity. With the REset Resources circular economy strategy and their joint net-zero target, the companies of Schwarz Group are setting specific, measurable goals together.

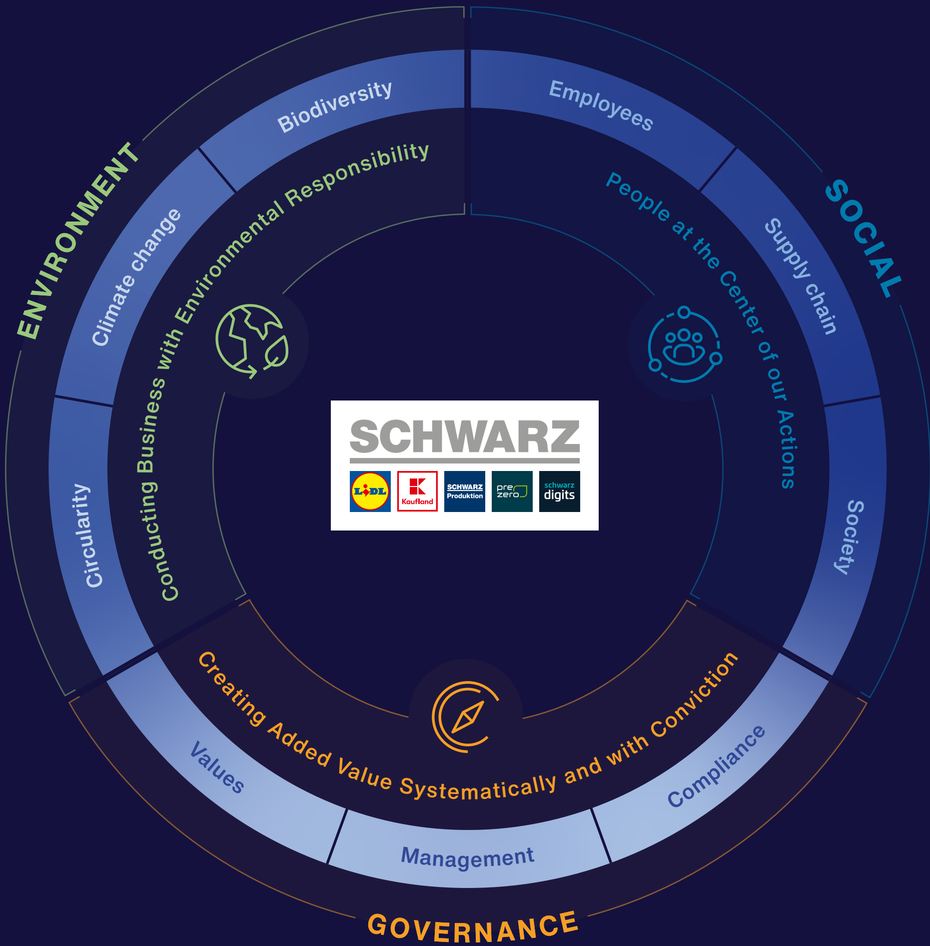
Social (S) — People at the Center of Our Actions

A total of 604,000 employees from 174 countries work for the companies of Schwarz Group. An attractive working environment, fair conditions throughout the value chain and social commitments form the foundations — even in economically challenging times.

Governance (G) — Creating Added Value Systematically and With Conviction

Sustainability is the result of clear processes, structures and values. Using over 1,500 key performance indicators, the companies of Schwarz Group manage their activities transparently, backed by data and based on principles of integrity and compliance. In this way, they foster trust among stakeholders and are safeguarding their future.

Three dimensions, one commitment



2025 fiscal year figures for the companies of Schwarz Group

Strong growth in challenging times

The companies of Schwarz Group have closed the 2025 fiscal year with a significant increase in revenue and a further consolidation of their market position. In an environment beset by economic and geopolitical crises, their ecosystem creates stability, jobs and added value. In doing so, the companies of Schwarz Group combine economic success with ecological and social responsibility.

185.6 billion euros

of total revenue generated by the companies of Schwarz Group (previous year: 175.4 billion euros). That corresponds to growth of **5.8 percent.**

Around

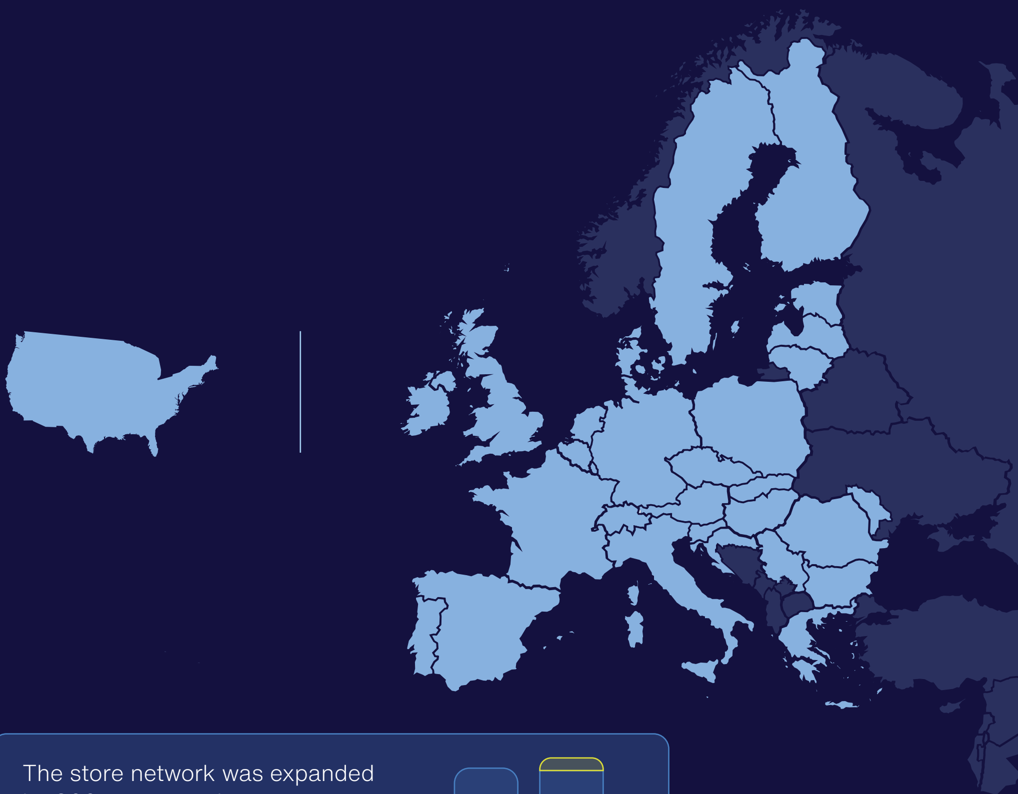
9 billion euros

were invested in fiscal year 2025.

3.7 billion euros of which benefited Germany as a business location.

“We are strengthening the future viability of our ecosystem through targeted investments and strategic partnerships. We take responsibility for Germany as a business location and are doing our part for a strong, sovereign Europe.”

Gerd Chrzanowski
General Partner of Schwarz Group



The store network was expanded by 300 stores to about

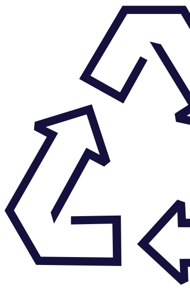
14,500 stores

in 33 countries.
(Previous year: 14,200; **+2.1 percent**).

REset Plastic: Target Attainment in FY 2025

Successful completion of our jointly created REset Plastic strategy at the end of the 2025 fiscal year: targets for the use of recycled material as well as plastic reduction exceeded and target for recyclability achieved.

Target exceeded

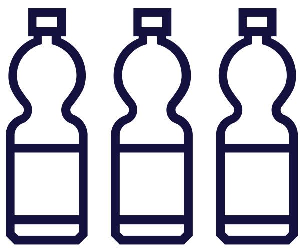


26.1 %

use of recycled materials

By 2025, Lidl and Kaufland will use on average 25 percent recycled material in their own-brand primary plastic packaging.

+6.4 pp.
compared to FY 2024



Target achieved

67.3 %

recyclability

By 2025, Lidl and Kaufland will ensure 100 percent of their own-brand primary plastic packaging is recyclable to the greatest extent possible.*

+3.9 pp.
compared to FY 2024

Target exceeded

35.7 %

plastic reduction

By 2025, Lidl and Kaufland will use 30 percent less plastic in their own-brand primary plastic packaging and plastic transport aids compared with the base year 2017.

+1.9 pp.
compared to FY 2024

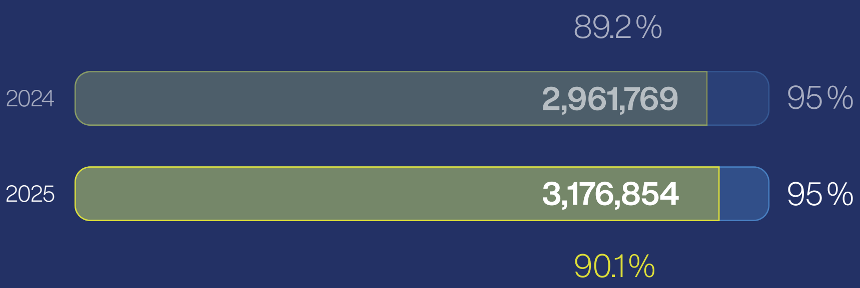
*This reflects the maximum recyclability currently possible taking into account the trade-offs between product protection, material usage and the use of recycled materials. This is fundamentally limited by industry-wide and regulatory hurdles. Among other things, the specific European measurement methodology for the pending packaging ordinance (PPWR) has not yet been finalized. For this reason, the comparatively strict German minimum standard currently still serves as the basis for calculation.

Circular Economy

90.1 %

of the own operational **waste** of the companies of Schwarz Group **was reused, recycled, composted or fermented in fiscal year 2025.**

Amounting to **3,176,854 tons out of 3,524,788 total tons of waste**, this shows a further increase compared to the previous year's rate of 89.2 percent. The target is to reach 95 percent by 2030.*



*The companies of Schwarz Group are deliberately excluding thermal recovery of waste with energy recovery (pursuant to the DIN SPEC 91436 definition) from their 95 percent target. They are thus exceeding the targets set by many competitors, who do include thermal recovery. Construction waste as well as waste generated at recovery and disposal facilities is excluded.

Around

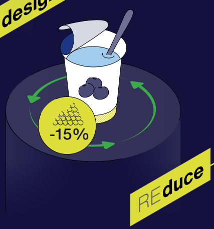
67,000 tons

of virgin plastic saved each year

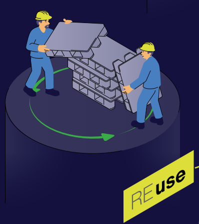
Since 2021, all disposable PET deposit bottles produced by companies of Schwarz Produktion for Lidl and Kaufland private labels in Germany have been made of **100 percent recycled material**, with the exception of the cap and label.

After achieving the ambitious targets of REset Plastic, the companies of Schwarz Group are taking the next step in the circular economy. In the future, they will manage all material flows across all divisions under REset Resources to consistently minimize waste and keep valuable resources in the loop over the long term. REset Resources is based on five specific fields of action representing the packaging targets as part of the circular economy strategy:

We will make the packaging for our private-label products as recyclable as possible by 2030.

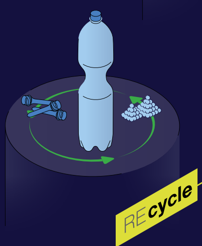


We will reduce virgin material in single-use packaging for our own brand products by 15 percent (absolute) by 2030.



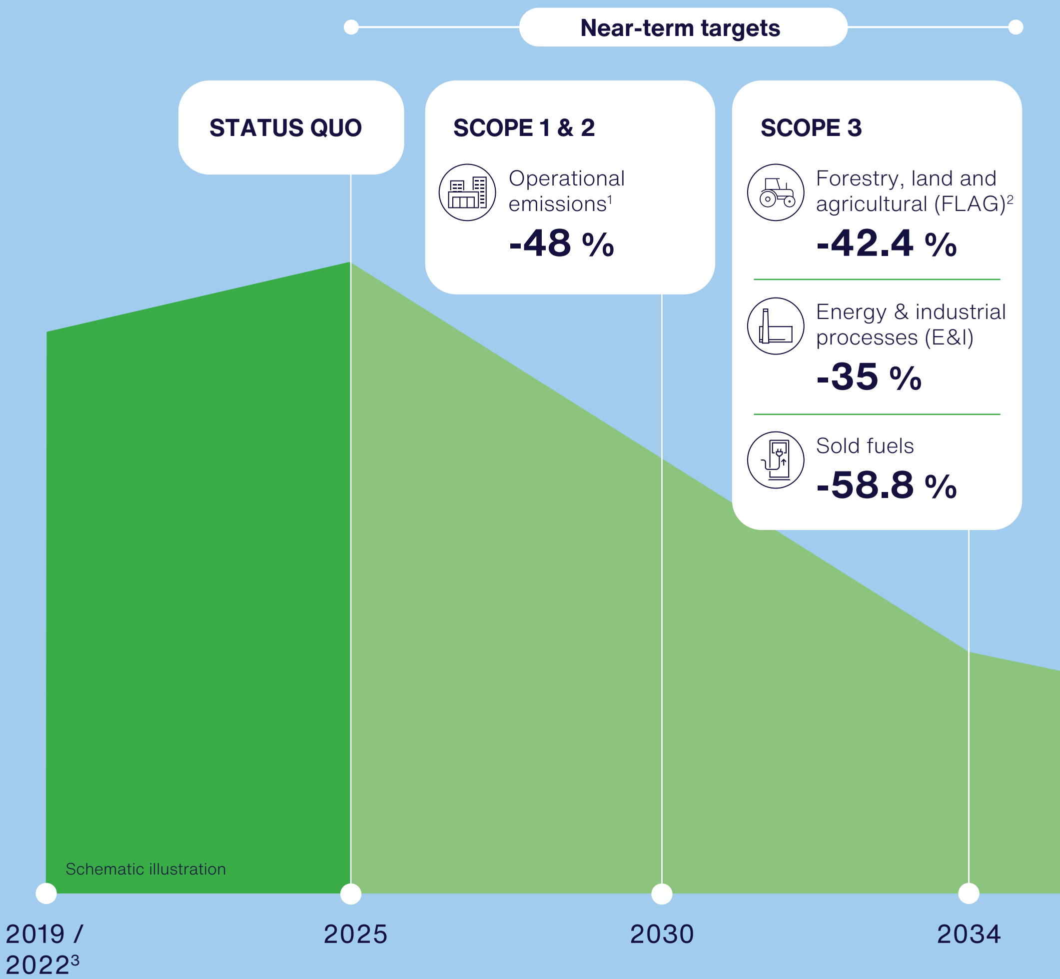
We will transition to nearly 100 % multi-use pallets for our internal picking processes by 2027.

We will collect and recycle the same quantity of recyclable materials as we put into circulation with our private-label packaging and our household leaflets by 2030.



We will use 65 percent recycled material in our private-label packaging by 2030. We will use 30 percent recycled material in the primary plastic packaging for our private-label products by 2030.

On the Path
to Net Zero by 2050*



*By 2050 at the latest, the companies of Schwarz Group will reduce all greenhouse gas emissions generated along the entire value chain to net zero. Unavoidable residual emissions will be neutralized through carbon removal solutions in accordance with the SBTi standard.

The near- and long-term climate targets of the companies of Schwarz Group, as validated by the SBTi

More information:

Long-term targets

Net zero by 2050

SCOPE 1 & 2

Operational emissions[1]

-90 %

SCOPE 3

Forestry, land and agricultural (FLAG)[2]

-72 %

Energy & industrial processes (E&I)

-90 %

Sold fuels

-90 %

2050

1 | Target also includes biogenic emissions and the removal of biogenic raw materials.
2 | Target includes a commitment to deforestation-free supply chains for key raw materials as of December 31, 2025.
3 | Targets for Scope 1 and 2 refer to the base year 2019; targets for Scope 3 refer to the base year 2022.

Climate Protection

In FY 2025, the companies of Schwarz Group report about

197.3 million tons of CO_2e

Scope 1

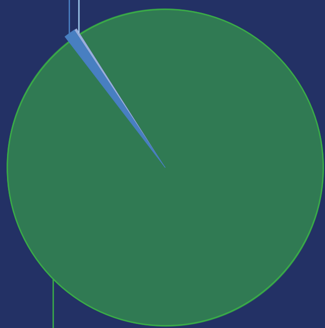
1.23 %

(2.42 million tons of CO_2e)

Scope 2

0.04 %

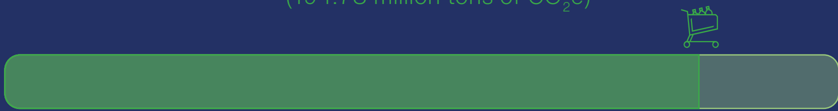
(87,337 tons of CO_2e)



Scope 3

98.73 %

(194.78 million tons of CO_2e)



83.3 %

are generated in our upstream value chain (including purchasing, production, goods transport).

16.7 %

are generated in our downstream value chain (including use and disposal of products).

Since around **98 percent of their total emissions are generated** in the **upstream and downstream value chain**, the companies of Schwarz Group are increasingly directing their strategic focus **toward Scope 3**. As a decisive success factor, the companies of Schwarz Group are making targeted investments in empowering their supply chain partners, for instance through programs such as Supplier LOCT.

All emissions reported by the companies of Schwarz Group in FY 2025 equal

0.37 %

of total emissions worldwide.

-44.1%

reduction in **Scope 1 and 2 emissions** achieved by the companies of Schwarz Group by the end of fiscal year 2025, despite continued growth (compared with the base year 2019).

As a result, the near-term **2030 target** of a **48 percent** reduction is already within reach.

Climate Protection

98.4 %

of electricity sourced by the companies of Schwarz Group comes from **renewable energies,** financially backed by the purchase of guarantees of origin.

The remaining parts are attributable to supply contracts that the companies of Schwarz Group cannot influence, such as those for individual leased properties with a binding electricity procurement clause.

The **self-generation** of electricity from renewable sources, especially **from photovoltaic systems**, is a cornerstone of the climate strategy of the companies of Schwarz Group.

2024 369,620 MWh

2025 473,082 MWh

2025

+28 %

The power generated could supply over 136,000 households (assuming an average consumption of 3,470 kWh per household).

4,374 buildings

of the companies of Schwarz Group were equipped with photovoltaic systems at the end of the 2025 **fiscal year,** including stores, logistics centers and administrative buildings.

2025

This equals an increase of

+9.6 %

2024

3,992

5,735 buildings

are now certified in accordance with a recognized **environmental standard (e.g., EDGE, DGNB)**.

Lidl and Kaufland stores have **seen an increase of 38 percent** year on year in this respect.

2024

5,533

2025

+3.7 %

24,024 electric charging stations

(2024: 19,871) **were available as of the end of the 2025 fiscal year** at 6,973 (2024: 5,570) locations.

People at the Center of Our Actions

9,000 new jobs

were created by the companies of Schwarz Group in fiscal year 2025 — **5,000 of these in Germany.**

In doing so, the companies of Schwarz Group are supporting Germany as a business location.

604,000 employees

from 174 countries are employed at the companies of Schwarz Group. This reflects the group's commitment to diversity and international cooperation across national borders.

10,000 people

trained by the companies of Schwarz Group **across Europe**.

21,438,560 euros

is the **amount donated** by the companies of Schwarz Group in the 2025 fiscal year.

In this way, they supported social commitment and nonprofit organizations.

5.9 %

decrease in employee turnover

With

more than 100

different job profiles across retail, waste management and recycling, production, administration and digitalization, the companies of Schwarz Group offer a wide range of entry-level and career development opportunities.

Legal Notice
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Schwarz Corporate Affairs GmbH & Co. KG is represented by Schwarz Corporate Affairs Management GmbH, with headquarters in Neckarsulm (Germany), District Court of Stuttgart, HRB 769866, which in turn is jointly represented by two managing directors with authorization to represent the company, namely Susanne Marell and Florian Schütze.

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Acting ahead rather than just thinking ahead — the companies of Schwarz Group.

Schwarz Group is an international leader in the retail industry with 14,500 stores and 604,000 employees. In the 2025 fiscal year, the companies of Schwarz Group generated total revenue of 185.6 billion euros. With their unique ecosystem, they cover the entire value cycle — from production and retail to recycling and digitalization — driven by a clear vision: the leading ecosystem for a better life.

www.gruppe.schwarz/en