

SCHWARZ



Implementation Plan

Road to Zero Waste Target

Implementation Plan for the Road to Zero Waste Target

The companies of Schwarz Group have jointly decided to apply this implementation plan for the jointly developed Road to Zero Waste target to the companies of Schwarz Group.

References to years refer to fiscal years.

- Target of the companies of Schwarz Group;
targets of the divisions of the companies of Schwarz Group contributing thereto:
- Target of the companies of Lidl Group (hereinafter “Lidl”)
- Target of the companies of Kaufland Group (hereinafter “Kaufland”)
- Target of the companies of PreZero Group (hereinafter “PreZero”)

1. Strategic Framework and Targets

- **Jointly developed target of the companies of Schwarz Group:**
By the end of FY 2030, the companies of Schwarz Group will reuse, recycle, compost or ferment a total of 95 percent of their own operational waste*.
*Excluding waste generated at our recovery and disposal facilities as well as construction waste
- **Sub-target:**
The national companies of Lidl and Kaufland, as well as the PreZero administrative locations, will be certified (by an independent organization) in accordance with DIN SPEC 91436 (standard for waste and recyclables management) by the end of FY 2030..
- **Specific divisional targets**
 - **Lidl:** By the end of FY 2030, Lidl will reuse, recycle, ferment or compost 95 percent* of its operational waste. Certification in accordance with DIN SPEC 91436 will be performed by an independent organization.
* Provided the necessary infrastructure is in place in the country
 - **Kaufland:** By the end of FY 2030, Kaufland will have all national companies certified in accordance with DIN SPEC 91436.
 - **PreZero:** PreZero will have all main administrative locations certified in accordance with DIN SPEC 91436 by the end of FY 2030.

In addition to the detailed targets set for the national companies of Lidl, Kaufland and PreZero, the other companies (Schwarz Produktion, SCOS, Digits) of the companies of Schwarz Group are also continuously making their own contribution toward achieving the target jointly established by all companies of Schwarz Group by optimizing local waste

sorting and disposal concepts and continuously reducing operational waste. Schwarz Produktion is a major driver in this regard. Thanks to its already high recovery rate, it makes a reliable contribution to achieving the stated target.

2. The Path to DIN SPEC 91436 Certification

DIN SPEC 91436 is the underlying standard for waste and recyclables management at the companies of Schwarz Group. The path to the official “Road to Zero Waste” label follows a defined process:

- System implementation: further development of recyclables management
 - Each national company or administrative location integrates the requirements of DIN SPEC 91436 into its existing recyclables management structures. The process is aimed at further developing existing procedures within the Road to Zero Waste strategy.
- External audit: independent review
 - An accredited, independent certification body conducts an on-site audit of the system, analyzes material flows, and rates the maturity level achieved (bronze, silver, or gold).
 - The reference model (list of criteria) is evaluated using checklists (contained in the DIN SPEC). To achieve bronze status, all criteria on checklist A must be met. Silver status requires that all criteria on checklists A and B are met. To achieve gold status, the highest possible maturity level, all criteria on checklists A, B and C must be met.
- Award and use of the “Road to Zero Waste” label
 - Upon completion of the audit, the official certificate will be issued and the license to use the label will be activated.
- Continuous optimization: ensuring compliance with the standard
 - To maintain the certificate and be able to permanently use the label, the locations must continuously optimize their processes. Annual surveillance audits are conducted and every three years, full recertification is required.

3. Phase 1: Preparation and Data Set

- **Detailed material flow analysis:** Each individual national company conducts a comprehensive inventory and classification of the waste it generates.
- **Baseline assessment by PreZero:** PreZero analyzes existing waste disposal routes and recovery rates for each division. This data serves as the definitive baseline on which all optimization measures are based.

- **Definition of measures:** Internationally uniform standard blueprints (e.g., employee training, container concept, icons and sorting instructions, disposal routes, waste prevention plan) are defined to ensure a solid baseline qualification.
- **Project preparation:** Defining responsibilities and officially launching the project to prepare for certification.

4. Phase 2: Qualification, Procurement & Rollout

- **National customization:** The national companies customize the international blueprints to reflect their specific national laws, infrastructure and regional circumstances.
- **Project support and collaboration:** Organizing kick-off meetings for the specific national companies to launch the joint project work. PreZero works closely with the national companies to ensure targeted preparation for certification.
- **Procurement strategy:** The companies proactively restructure their waste disposal agreements with external partners, integrating binding provisions that prioritize material recovery (recycling/composting) over thermal recovery (waste incineration) in legal and commercial terms.
- **Ongoing monitoring:** Continuous monitoring of key performance indicators and sorting rates. This allows for trends to be identified early on, so that corrective action can be taken in a timely manner before the audit if any deviations are detected.

5. Target Achievement & Rollout Plans in the Lidl, Kaufland and PreZero National Companies

The rollouts for the specific national companies are staggered to make optimal use of resources during implementation and at external auditors.

By the end of FY 2028, all certification projects at Lidl will have been launched, and 15 of 31 national companies will have been certified.

By the end of FY 2028, all certification projects at Kaufland will have been launched, and 5 out of 8 national companies will have been certified.

By the end of FY 2028, all certification projects at PreZero will have been launched.

5.1 Kaufland Rollout

All Kaufland national companies aim to obtain DIN SPEC certification in the target year.

Country	Status/progress
Romania	Silver certification
Slovakia	Gold certification
Czechia	In preparation
Germany	In preparation
Bulgaria	In preparation
Croatia	Planned
Poland	Planned
Moldova	Planned

5.2 Lidl Rollout

All Lidl national companies are to obtain gold certification by 2030 at the latest. (Last updated 8/3/2026)

Country	Status/progress
Belgium and Luxembourg	In progress
Bulgaria and North Macedonia	Planned
Denmark	In preparation
Germany	In progress
Finland	In progress
France	In preparation
Greece and Cyprus	Planned
United Kingdom	In preparation
Ireland and Northern Ireland	Gold certification
Italy and Malta	Planned
Croatia and Slovenia	Planned

Lithuania, Latvia and Estonia	Planned
Netherlands	Gold certification
Austria	In progress
Poland	In preparation
Portugal	In preparation
Romania	In progress
Sweden	Planned
Switzerland	Silver certification
Serbia and Bosnia	In preparation
Slovakia	In preparation
Spain	In progress
Czechia	Gold certification
Hungary	In progress
USA	Planned

5.3. PreZero Certifications

All PreZero main administrative locations aim to obtain DIN SPEC certification in the target year.

Country	Status/progress
Germany	Planned
Austria	Planned
Italy	Planned
Belgium	Planned
Netherlands	Planned
Luxembourg	Planned
Spain	Planned
Portugal	Planned
Poland	Planned

Sweden	Planned
USA	Planned

6. Governance, Audits & Verification

- **Readiness check (pre-audit):** Prior to the initial external certification, the service provider GreenCycle GmbH conducts a one-time, comprehensive, internal on-site audit (including site inspections, document reviews, and a thorough review of all DIN SPEC checklists) in collaboration with the national companies (NAT teams) to ensure that the national companies of the divisions are optimally prepared for the external audit. Once the initial certification is attained, this process transitions to annual, primarily data-driven surveillance audits and structured voluntary disclosures by the national companies of the divisions.
- **Independent audits:** Initial certification in accordance with DIN SPEC 91436 is carried out exclusively by accredited, external and independent auditing companies.
- **Quality assurance (recertification):**
 - **Annual surveillance audits:** Once the initial certification is attained, the independent organization conducts annual on-site audits to verify compliance with the processes and rates.
 - **Recertification every 3 years:** Every certificate issued expires after 3 years, at which time a full recertification audit is required.
- **Regular review of the overall approach:** The entire implementation plan and the progress of the national companies are regularly reviewed and verified by an external party in line with the governance structures in place to ensure full compliance with regulatory requirements.
- **Ensuring data integrity:** The collected key performance indicators are validated annually by an independent, external certification body to ensure full compliance with the EmpCo Directive during the audit process.

7. Resources and Control Mechanisms

- **History & integration:** From 2018 to 2025, the jointly developed REset Plastic strategy was the basis for the commitment of the companies of Schwarz Group. In order to address growing regulatory requirements (such as the EU Packaging and Packaging Waste Regulation (PPWR)) and the global shortage of strategic raw materials early on, the companies worked together to refine the strategy into the holistic REset Resources circular economy strategy. This strategy broadens the focus from plastic packaging to all material streams, the entire life cycle, and all key

fields of action in the circular economy (products, construction, food waste, recyclables management, packaging, and recycling processes). In 2025, as part of REset Resources, the companies jointly established new, comprehensive targets across the five strategic REdesign, REduce, REuse, REcollect, and REcycle fields of action. In the fall of 2025, the Road to Zero Waste target was published for the REcollect field of action.

- **Operational project management & structure:** With regard to operational implementation, specialized project groups comprising experts from the companies of Schwarz Group are formed that are led by dedicated project managers. This cross-divisional collaboration within the companies of Schwarz Group involves more than 200 employees at all levels of the organization from key areas and departments, such as Purchasing, Procurement, Sales, Logistics, Supply Chain Management, Corporate Responsibility (CR), Corporate Affairs and Controlling. Projects are managed by various bodies on the basis of a clear, multi-tiered system:
 - **Meetings & meeting frequency:**
Project groups comprising approximately 10–15 people meet every two weeks to evaluate the progress of the action plans and jointly establish a general framework. A quarterly high-level review is held at the management level with approximately 20 people. A decision-making meeting is held every six months at the Executive Board level with approximately 15 people.
 - **Collaboration specifics:**
The collaboration covers the regular collection of data on total waste generated and the comparison of recycling and recovery rates. In addition, the companies of Schwarz Group actively promote knowledge sharing between the national companies so that they can efficiently share best practices in preparation for certification audits and adapt these practices to the specific requirements of their countries.
- **Resources required, budgeting & prioritization:**
 - **Resources required:**
In order to ensure that the action plans are implemented in due time, the departments are prescribed a fixed number of hours to work on the projects. At the national companies of the divisions, the costs are evaluated one year before the project begins so that they can be factored into the budget and HR planning. The detailed costs depend on the size of the national company and the external certification body conducting the audit. Staffing capacities are planned for each national company, with additional support or resources being provided as needed by PreZero and/or the international departments.
 - **Structured budgeting & capacity planning process (short-term individual measures):**
To systematically define the necessary budgets and capacities for individual operational measures (e.g., training, container concepts, sorting stations, IT integration) and to ensure they are in place in due time, the requirements of the national company are assessed as part of a standardized process prior to

the project commencing. The consolidated individual measures are included as mandatory items in the respective annual and departmental budgets for the relevant fiscal year and are approved.

- **Ensuring approval of long-term budget allocation & prioritization:**
The companies of Schwarz Group have jointly made a binding commitment to the “Road to Zero Waste” target. The initiative is therefore a top strategic priority for the companies of Schwarz Group. To ensure long-term compliance with the relevant standards, recurring follow-on costs (for the annual surveillance audits and full recertification every 3 years) are a permanent and mandatory fixture of the financial and budget models of the respective retail divisions and their national companies. The cost savings achieved by optimizing recycling processes and reducing waste help to sustainably finance the ongoing certification processes.
- **Required technologies & further development:** Achieving the Road to Zero Waste targets, in conjunction with the holistic REset Resources circular economy strategy, is supported by the targeted use and further development of technological resources:
 - **Monitoring systems & data infrastructure:** Widespread use of digital tracking tools and databases for the detailed capture, classification and analysis of waste and recyclable material flows along the entire supply chain. The national companies can use these systems to transparently track sorting and recovery rates at each location, enabling the companies to identify deviations early and take specific steps to prepare for audits.
 - **Technological innovations & investments in waste management infrastructure:** To ensure closed-loop material cycles and long-term access to high-quality recyclables, the companies of Schwarz Group continuously invest in cutting-edge recovery and recycling technologies:
 - **Sorting and processing plants (PreZero):**
 - PreZero’s commitment to directly financing recycling logistics across the board is reflected in the ongoing investments in the operation, expansion and modernization of approximately 470 locations and over 30 state-of-the-art sorting plants by PreZero across 10 European countries, as well as continuous investments in the expansion and modernization of its own collection vehicle and garbage truck fleet. The plants use a multi-stage process combining mechanical and automated pre-sorting with sensor-based fine sorting, using up to 26 near-infrared (NIR) sorters per plant. In addition, in order to prevent serious fires and downtimes at the plants, cutting-edge sorting technologies are used to automatically detect and remove improperly disposed waste and rechargeable batteries. To optimize purity and control sorting processes, state-of-the-art robotics, artificial intelligence techniques, and innovative methods, such as black

scanning to precisely sort hard-to-detect dark or black plastics, are used.

- PreZero also deploys leading-edge plant technology in its downstream processing. This approach to providing premium processing has established PreZero as a leading recycler of post-consumer plastics in Europe. Organic and biological waste is converted into high-quality biogas, compost, and fertilizer. Processed secondary raw materials, which offer reliable quality and supply security, are returned as resins to the ecosystem of the companies of Schwarz Group and to external partners in the paper, glass, and metal industries.
- Biotechnological recovery processes: Targeted investment in the planning and implementation of an industrial insect refinery in Buchen, Baden-Württemberg, starting in 2027. By using the larvae of the black soldier fly, unavoidable food waste is biotechnologically converted into insect protein and oil and returned to the animal feed cycle as nutrients.
- **System integration & controlling:** Full synchronization and interface integration of the CR databases with existing merchandise management and control systems. This integration ensures reliable reporting and the seamless incorporation of sustainability and sorting KPIs into regular corporate and budget management processes.