

Companies of Schwarz Group Commit to Reach Net-Zero by 2050 in Sustainability Report

- **Emissions down to net-zero by 2050:** The companies of Schwarz Group submit a joint net-zero commitment to the independent Science Based Targets initiative.
- **The companies of Schwarz Group are consistently driving forward their jointly defined sustainability commitment to people, the circular economy and the climate.**
- **The jointly created Sustainability Report of the companies of Schwarz Group informs on achieved reductions targets in the use of plastic.**

Neckarsulm, September 19th, 2024 – Acting Ahead instead of just thinking ahead: In the Sustainability Report for the fiscal years (FY) 2022 and 2023, which was published today, the Companies of Schwarz Group inform on their joint sustainability commitment.

Ambitious Net-Zero Commitment by 2050

As one of the leading global retail groups, the companies of Schwarz Group are aware of their responsibility to climate protection. They joined the Science Based Targets initiative (SBTi) back in 2020. Now they are taking the next logical step and are submitting a joint, official net-zero commitment to the SBTi. As such, the companies of Schwarz Group are committing themselves to reducing all emissions generated in their own companies and along their value chain to net-zero by 2050 at the latest.

Furthermore, the companies of Schwarz Group are supplementing their existing, jointly approved supplier engagement with absolute reduction targets in the upstream and downstream supply chain by 2034 and are working together with their respective suppliers to implement these. Using the 2022 base year, indirect emissions in the agriculture and forestry sector will be reduced by 42.4 percent and a 35 percent reduction will take place in the energy and industrial processes category. By 2030, the operational emissions in scope 1 and 2 are to be reduced by 48 percent (base year 2019). In the next step, these new climate targets will be validated by the SBTi.

In order to achieve their ambitious targets, the companies of Schwarz Group are implementing manifold measures: For example, in FY 2023 they used a total of 598,700 megawatt-hours of self-generated renewable energy. This includes a surface area of more than 4,000,000 m² for photovoltaic systems. That is equivalent to the size of 568 soccer pitches.

Thirty-four Percent Less Plastic Used in Private-label Packaging and Transport Aids

Another jointly declared target of the companies of Schwarz Group is the dedication to the circular economy to conserve resources and close recycling loops. In the course of the jointly developed “Reset Plastic” strategy, the companies of Schwarz Group reached new milestones

in the 2022 and 2023 fiscal years: Since the 2017 base year, they were able to reduce the use of plastic in private-label packaging and transport aids by 34 percent. As such, they exceeded the original reduction target of 30 percent by 2025 as early as FY 2023. Moreover, the recycled materials content in private-label packaging made of plastic was increased to 19 percent. The prospects are bright for reaching the intended figure of 25 percent recycle content by 2025.

Joint Sustainability Report Creates Transparency

General Partner, Gerd Chrzanowski, explains why sustainability plays a central role in his eyes: “As companies of Schwarz Group, we do not wait for challenges to become problems. We act ahead in order to secure a sustainable, healthy and safe life for billions of people. We create transparency with the aid of our Sustainability Report and integrate all stakeholders into our joint commitment to sustainability.”

Report Structure

The jointly created Sustainability Report of the companies of Schwarz Group, which was released on September 19, 2024, covers the period from March 1, 2022, until February 29, 2024, and thus includes two full fiscal years (2022 and 2023).

Additional Information

You can find further information and the current Sustainability Report of the companies of Schwarz Group on the newly designed website www.sustainability-report.schwarz.

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About Schwarz Group

Schwarz Group is an international leader in the retail industry with about 13,900 stores and 575,000 employees in 32 countries. In the 2023 fiscal year, the companies of Schwarz Group generated a total sales volume of 167.2 billion euros. Their unique ecosystem lets them cover the full value cycle: from production and retail to recycling and digitalization. They create solutions to make the lives of billions of people safer, healthier and more sustainable, both right now and in the future – they act ahead. Lidl and Kaufland form the pillars of the food retail market and are an integral part of their 7.2 billion customers' daily lives. Many of the own-brand products and much of the sustainable packaging on their shelves come directly from Schwarz Produktion. Through its recycling management solutions, the environmental service provider PreZero promotes a functional circular economy and is investing in a clean future. The IT and digital division, Schwarz Digits, provides compelling digital products and services that meet the high German data protection standards, thus ensuring the maximum degree of digital sovereignty. As a partner service provider, Schwarz Corporate Solutions assist the companies of Schwarz Group with all matters related to administration, HR, operational activities and everything in between.