

# SUS TAIN ABILITY REPORT 2024



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At Kaufland Romania, we see sustainability as an essential part of our daily business operations and our future plans. Despite the challenges of economic uncertainty and rising societal expectations, we've stayed committed to taking responsibility and showing measurable progress.

Sustainability isn't just a separate initiative for us; it's woven into the very fabric of our business strategy. We believe that focusing on sustainability not only strengthens our operations over time but also helps maintain the trust our customers, employees, and partners have in us. Achieving this involves setting clear priorities, regularly checking our results, and being transparent about our successes and areas where we need to improve.

A significant part of our responsibility lies in our value chain. By adhering to rigorous quality standards and collaborating closely with Romanian suppliers, we aim to bolster local economic growth while minimizing the environmental impact of long supply chains. According to our socio-economic study for the upcoming year, Kaufland Romania spent €2.93 billion with local suppliers out of a total of €3.64 billion. Our investment in locally sourced products increased by over 10% from 2023, which showcases our dedication to building long-term, transparent relationships with local producers.

This commitment is evident in our private label, "Vreau din România/ I want from Romania," which we've developed exclusively with Romanian suppliers. In 2024, we expanded this range to include over 260 products made with local ingredients and inspired by traditional recipes, ensuring that our customers have access to trustworthy, locally produced options.

Beyond our business activities, we are deeply engaged with the communities where we operate. In 2024, Kaufland Romania supported two national grant programs for NGOs and launched over 100 community and environmental projects in partnership with various organizations. Our total investment in community initiatives, which includes financial contributions and support in kind, amounted to €9.5 million this year.

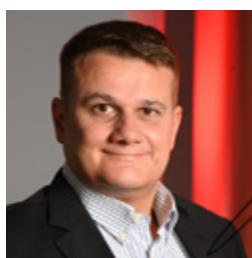
Engaging with the community also means encouraging our employees to get involved. Through our platform, Time for Good / Timp pentru Bine, we promote volunteering as a meaningful way to participate in civic life. We organized 29 volunteer events alongside our NGO partners, with more than 500 employees participating. To support this initiative, each employee is entitled to two extra paid days off for volunteering, allowing them to contribute to causes they care about. Over the years, I have contributed 141 hours of volunteering, which reminds me that our time can be one of our most valuable gifts.

Our over 17,500 employees are crucial to Kaufland Romania's long-term success. Along with their regular pay, we offer various additional benefits. We're also celebrating five years of our A.C.C.E.S. program, which helps integrate people with disabilities into the workforce. This initiative has gained international recognition, earning the Zero Project Award 2025, making it the only program from Romania acknowledged in this global initiative.

From an environmental standpoint, we have robust waste management systems in place that align with the Road to Zero Waste framework. In February 2023, we became the first organization in Romania to receive the DIN SPEC 91436 Silver-level certification, awarded by TÜV SÜD Management Service GmbH, verifying that over 90% of our operational waste is either prevented, reused, recycled, composted, or fermented. Since 2021, our investments in waste prevention and staff training have successfully cut our share of non-recyclable operational waste from 35% to below 10%, representing a reduction of over 70%. We maintained our compliance with this standard through annual audits in 2023 and 2024.

Looking forward, we are committed to pursuing sustainability with both determination and realism. We believe that true progress depends on collaboration, discipline, and a continuous commitment to improvement. I want to extend my gratitude to our employees, partners, suppliers, and civil society organizations for their ongoing contributions to our mission.

I invite you to read this report for a detailed look at our actions, achievements, and future aspirations, as well as our ongoing efforts to incorporate sustainability into our daily business practices and look toward the future.



**Marco Hößl**

CEO

Kaufland Romania and Moldova





# 01 OUR ACTIONS DO THE TALKING

**At Kaufland Romania, we launched several impactful projects during the reporting period, addressing social inclusion, community development, and environmental responsibility. From mobilizing large-scale volunteering and strengthening NGOs, to advancing inclusive employment and circular waste management, these initiatives highlight how diverse, structured, and effective our commitment to sustainable development is. The total value of our community investments, including financial donations and in-kind support, amounted to €9.5 million.**

# PEOPLE AT THE HEART OF OUR ACTIONS



# Time for Good Volunteering as a Driver of Community Change

**At Kaufland Romania, we believe volunteering is more than an act of goodwill — it is a strategic commitment to strengthening communities and fostering social cohesion. This vision is embodied in *Timp pentru Bine* (Time for Good), our volunteering initiative that mobilizes employees, partners, and leaders to act where support is most needed, from education and health to environmental protection and social inclusion.**

A study conducted by Kaufland Romania, between April and May 2024, in partnership with experts from the Faculty of Sociology and Social Work of the University of Bucharest, facilitated by UniBuc Consult - Training and Consulting Service and the research company iSense Solutions regarding the attitude of Romanians towards volunteering, shows that only 5% of Romanians are constantly and actively involved in volunteering actions, although 92% of them consider the call to volunteer a positive practice, regardless of whether they have worked as volunteers or not.

The program is rooted in the belief that meaningful change starts with individuals willing to contribute their time. Throughout the year, teams across the country dedicate work hours to projects developed in partnership with local NGOs. Whether renovating schools, planting trees, supporting shelters, preparing care packages for vulnerable elders, or contributing to environmental clean-up actions, volunteers offer hands-on help in areas where resources are limited. These efforts also strengthen teamwork, empathy, and a shared sense of responsibility — essential components of a sustainable and resilient organizational culture.

At Kaufland Romania, we organized 29 volunteering actions together with NGO partners, while over 500 employees took part in the broader *Timp pentru Bine* platform. A significant contribution came from Marco Hößl, CEO of Kaufland Romania and the Republic of Moldova, who dedicated 141 hours of personal volunteering time to community initiatives. His example continues to inspire colleagues across the company to get involved and turn solidarity into impact.

A milestone of the year was the *Timp pentru Bine Gala*, which brought together more than 100 business leaders, influencers, and journalists, who collectively pledged over 3,000 volunteer hours in a single evening. The event builds on the "Licitatia de Bine" (Good Deeds Auction) organized in March 2024, where participants bid volunteer hours instead of money. Inspired by international auction formats, symbolic objects were associated with social projects addressing issues such as school dropout, social exclusion, and pollution of rivers and green spaces.



*"Timp pentru Bine started from the conviction that giving is more important than receiving — that each of us has the duty to leave something meaningful behind. Over time, I discovered that good truly takes shape when it is done together, with people and organizations that believe in community... Time remains the most valuable resource we can give. At Kaufland, each colleague has two extra days off for volunteering activities that they choose themselves. I am proud to see them eager to help. And I am confident that through this campaign, there will be more of us and we will help Romania become the way we want it to be."*

Marco Hößl,  
CEO of Kaufland Romania  
and the Republic of Moldova.



The **Time for Good** platform, launched in 2022 as Marco Hößl's personal commitment to volunteer the same number of hours as his age, has since evolved into a national movement promoting volunteering and civic engagement. To date, it has brought together hundreds of Kaufland employees, business leaders, journalists, and public figures, generating thousands of hours of active support.

The initiative expanded further in 2025 with the **Festivalul de Bine** (*Festival of Good*) on Șoseaua Kiseleff, which offered interactive activities, educational workshops, and volunteering engagement opportunities for the general public — reinforcing the message that good is built together, with time, energy, and accountability.

The program's reach is complemented by a growing commitment to research and awareness. The study on Romanians' involvement in volunteering — launched as part of the initiative — will become an annual barometer, contributing to a better understanding of civic participation and guiding efforts toward a more engaged society.

Through **Timp pentru Bine**, Kaufland continues to demonstrate that solidarity, when embraced at scale, becomes a catalyst for long-term social change.

The Biz PR Awards 2024 Gala recognized the most creative and impactful campaigns that made a difference in the past year, and we are honoured that the Time for Good project was among them and was awarded in the Community Involvement category. In 2025, at the Progresiv Awards Gala, a competition that rewards innovation and performance in the local retail & FMCG market, the Time for Good project won 1<sup>st</sup> place in the Best CSR Campaign category. At the Comma Communication Awards Gala in Bucharest, in July 2025, the Time for Good campaign received the Silver award, in the Best Corporate Communication Campaign category.

An innovative element of the program is the Kindness Score platform, accessible on the [timp-pentru-bine.ro](http://timp-pentru-bine.ro) website, which offers users the opportunity to evaluate and track the impact of volunteering actions on the community. This tool facilitates more active involvement and supports the creation of an organized framework for the sustainable development of volunteering.

# A.C.C.E.S.

## Opening Opportunities for Everyone

Since 2019, Kaufland Romania has been transforming how people with disabilities access meaningful work. Through our **A.C.C.E.S.** programme we have built an inclusive environment where colleagues are supported at every stage of their professional journey. In 2024, 498 employees with disabilities were actively contributing to the team, while nearly 500 roles remain available for new colleagues ready to join a united, diverse, and professional workforce.

The programme goes beyond hiring. Kaufland has adapted 21 checkout stations, introduced 66 priority checkouts, and made 100 specially designed shopping carts available in stores. In over 170 locations, wheelchair-accessible carts provide a comfortable shopping experience, while technology-assisted "Voices for Hands" interpretation ensures that hearing-impaired customers can interact fully with staff. Together, these initiatives create a workplace and retail environment where accessibility is integrated into everyday life.

In 2024, we celebrated five years of **A.C.C.E.S.**, reaffirming our commitment to inclusive employment. The programme has received international recognition through the Zero Project Award 2025, becoming the only Romanian initiative honoured in this global forum. To mark this achievement, Kaufland Romania launched the **A.C.C.E.S. Caravan**, a national awareness tour in collaboration with George Baltă and Tedy Necula. The finale took place in Bucharest, where visitors explored four sensory installations designed to foster empathy and understanding for diverse abilities. The event also showcased the "ALT Portraits" exhibition, celebrating the stories of Kaufland employees with disabilities.

Kaufland Romania is also the first Romanian company to join the global Valuable 500 network, committing to inclusion at every level of the organisation. This commitment extends beyond recognition: the company conducted an accessibility audit of its career site and collaborated with platforms such as eJobs and Undelucram.ro to improve access for candidates with disabilities.

The impact of **A.C.C.E.S.** is both cultural and tangible. Employees experience stronger collaboration, greater empathy, and a sense of shared purpose, while customers and colleagues alike benefit from a more inclusive environment. Initiatives such as low-height tandem checkouts, individual workstations for wheelchair users, and ongoing training for store teams demonstrate Kaufland's belief that accessibility is not a one-off effort, but a long-term responsibility.

Kaufland has also strengthened its dialogue with local authorities and NGOs, ensuring that inclusion is a shared mission. Over ten public events in recent years have directly engaged the community, highlighting the company's role as a leader in diversity and inclusion.

**A.C.C.E.S.** has become more than an initiative — it is a model for inclusive employment in Romania. By combining accessibility, awareness, and opportunity, Kaufland is not only hiring differently, but changing how society thinks about disability, work, and potential.



# ÎN STARE DE BINE

## Building Stronger NGOs for a Healthier Society

Nonprofit organizations are essential pillars of social progress, yet many struggle with limited resources, unpredictable funding, and increasing needs in the communities they serve. For six years, ***În Stare de Bine***, funded entirely by Kaufland Romania and implemented in partnership with Fundația pentru Dezvoltarea Societății Civile (FDSC), has been tackling these challenges head-on.

With an annual budget of €1 million, the program goes beyond simply financing projects. It empowers NGOs to become stronger, more resilient, and capable of addressing structural challenges in their communities. Grants, training, and long-term organizational support ensure that initiatives in health, education, social inclusion, culture, and sports not only reach the people who need them most but also have a sustainable impact.

Over six years, ***În Stare de Bine*** has awarded over €6.2 million in grants, mobilizing thousands of individuals and organizations across Romania. These efforts have touched more than 4.6 million people, nearly a quarter of the country's population. Projects range from mental health services for vulnerable youth and mobile medical caravans to inclusive education programs and initiatives that promote healthy lifestyles or support marginalized groups. Each intervention is designed to engage communities actively, encouraging them to take part in solving local challenges.

What sets the program apart is its focus on strengthening the NGO sector itself. By investing in organizational development, innovation, and sustainability, ***În Stare de Bine*** helps NGOs grow more capable of navigating complex social challenges while fostering long-term positive change.

In a rapidly evolving social landscape, the program acts as a stabilizing force, ensuring that those closest to the communities — the NGOs — have the knowledge, tools, and resources to continue their vital work. Through ***În Stare de Bine***, Kaufland Romania demonstrates that lasting social impact is achieved not only through direct action but also by supporting those who support others.



# START ONG

## Small Ideas.

## Big Impact

Every major social innovation once started as a small idea. But for many grassroots groups, local associations, and emerging NGOs, taking the first step is often the hardest part. **Start ONG**, developed by Kaufland Romania in partnership with Act for Tomorrow, provides exactly that step — micro-grants and strategic guidance to help small organizations turn promising ideas into real, impactful projects.

With an annual budget of €500,000, the program is designed for local actors who know their communities best but often lack the resources to act. **Start ONG** supports initiatives across education, health, environment, culture, social inclusion, and more. Beyond funding, the program strengthens organizational capacity, offering strategic assistance to ensure that projects are well-managed, sustainable, and scalable.

Speed, accessibility, and flexibility are at the core of **Start ONG**. Application processes are simple, funding is delivered quickly, and beneficiaries receive ongoing support. For many, this is their first-ever financing experience — a confidence-building step that encourages innovation and helps create resilient local networks.



In 2024 alone, **Start ONG** provided €500,733 to 124 NGOs and educational institutions, supporting initiatives across every county in Romania. The projects directly improved the lives of 23,147 people, creating tangible benefits in communities.

**Start ONG** demonstrates that sustainable social change doesn't require massive budgets or complex programs. By empowering small organizations to act locally, the program shows that sometimes the most transformative ideas emerge from the smallest teams — and that when communities are given the right tools and support, even small ideas can have a big impact.

More information can be found on [startong.ro](http://startong.ro).

### Implicitarea face diferență platform

At Kaufland Romania, we have launched [implicitareafacediferenta.ro](http://implicitareafacediferenta.ro), a dedicated platform presenting our Corporate Social Responsibility (CSR) initiatives and their impact in the community. The platform provides transparent and up-to-date information on social, environmental, educational, and health-related projects implemented in partnership with NGOs and local stakeholders.

# WASTE: A VALUABLE RESOURCE

The "Road to Zero Waste" initiative demonstrates how waste can be reintegrated into value-generating cycles when treated as a resource rather than a burden. The approach prioritizes prevention, reuse, and recycling instead of incineration or landfilling, with the goal of managing materials more responsibly for future generations.

The world is facing an immense challenge. According to World Bank forecasts, global waste volumes may rise by 70% by 2050. A single plastic bottle can take centuries to break down in the ocean, illustrating the long-term environmental consequences of today's waste systems.

Kaufland therefore views waste as a material with potential when managed within a controlled and well-functioning system. This thinking underpins the Schwarz Group's REset Resources strategy, which focuses on strengthening circular practices across the organization.

The Road to Zero Waste initiative is a central element of this strategy. In 2019, the company committed to reducing non-recyclable waste across its operations. Kaufland Romania and Slovakia are pilot countries, while Germany, Czechia, and others will follow by 2030 with the aim of achieving DIN SPEC 91436 certification.

Effective waste management and circular approaches can help decrease greenhouse gas emissions associated with landfilling and reduce reliance on primary raw materials. By 2025, Kaufland aims to significantly increase the volume of materials it reuses, recycles, or recovers.

# How Kaufland Romania Advances the Zero Waste Vision

**Kaufland Romania is one of the early adopters of the Road to Zero Waste framework in Europe, implementing a formal, independently verified system for reducing non-recyclable operational waste. In February 2023, we became the first company in Romania to obtain DIN SPEC 91436 Silver-level certification, issued by TÜV SÜD Management Service GmbH.**

The certification confirms that at least 90% of our operational waste is prevented, reused, recycled, composted, or fermented. The standard does not imply the absence of waste, but it provides a structured, auditable method for reducing the share of materials that cannot be recovered through current waste-management systems.

At Kaufland Romania, we began intensifying efforts in 2021, when non-recyclable operational waste accounted for 35% of total waste. Following an investment of €1 million in prevention, sorting, training, and infrastructure upgrades, this share dropped to below 10% — a reduction of over 70%, confirmed through independent auditing.

We have maintained the certification through annual surveillance audits in 2023 and 2024. Although the review is based on a sample of locations, waste-reduction measures are implemented in all stores nationwide, since the non-recyclable waste quota is calculated at national level. Internally, Kaufland employees sort waste in stores into over 20 categories. We actively monitor the amount of household waste, provide yearly training courses and information materials for employees, and constantly involve them in recycling campaigns, such as internal competitions.

As one of the two pilot countries, Romania provides operational insights that support the planned rollout of the initiative across Europe.

Rather than a claim of being “zero waste,” the certification reflects a systematic approach to reducing non-recyclable waste and keeping materials in use for longer. In a context where global waste volumes continue to rise, our approach highlights how large retailers can advance circular practices through measurable improvements, independently verified results, and long-term commitment.





# 02 GOVERNANCE

**Responsible governance forms the foundation of our day-to-day activities at Kaufland. We have embedded sustainability in our strategy, operate our organization accordingly, and meet regulatory requirements. This enables us to run our Company proactively, based on values, and with a view to the future.**

# KAUFLAND GROUP PROFILE

**1,577**  
stores

**17**  
logistics  
distribution centers

**5**  
meat processing  
plants, including

**1**  
sausage factory

The companies of Kaufland Group<sup>1</sup> are represented in eight European countries with 1,577 stores and approximately 157,000 employees. In Germany, Poland, Romania, Czechia, Slovakia, Bulgaria, Croatia, and the Republic of Moldova alike, the Kaufland brand stands for a relevant selection, impressive quality, low prices, and simple shopping experience. The companies of the Kaufland Group operate five meat processing plants that produce meat and sausage products for stores, and 17 logistics sites across Europe.

With 17,000 to 30,000 items per store<sup>2</sup> on average, Kaufland offers a wide assortment of food and everyday products. In the 2024 fiscal year, Kaufland generated sales of EUR 35.2 billion – a year-on-year increase of 2.9 percent.

In line with the maxim "Kaufland makes it possible for everyone to purchase good, healthy, and sustainable products", Kaufland hypermarkets, as full-range retailers, offer a broad selection of food and other products to meet all needs. The core focus is on fresh produce. The product range includes brand name goods, attractive private label items, regional products and a wide variety of articles that help protect people and animals and conserve nature.

Around 24 percent of revenue is generated through the sale of private label goods produced directly for Kaufland. The remainder is attributable to branded products.

As a company of Kaufland Group, we are committed to comprehensive protection of the environment, the climate, and biodiversity. We always comply with the guidelines and strategies jointly developed by, and applicable to all companies in the in the Kaufland Group.

Kaufland has had a presence in Romania since 2005. With over 17,530 staff and 190 stores, Kaufland is one of the leading food retailers in Romania.

We expanded the Romanian store network by 13 stores in fiscal year 2024 and hired around 950 new staff.

## KAUFLAND MEAT PROCESSING PLANTS

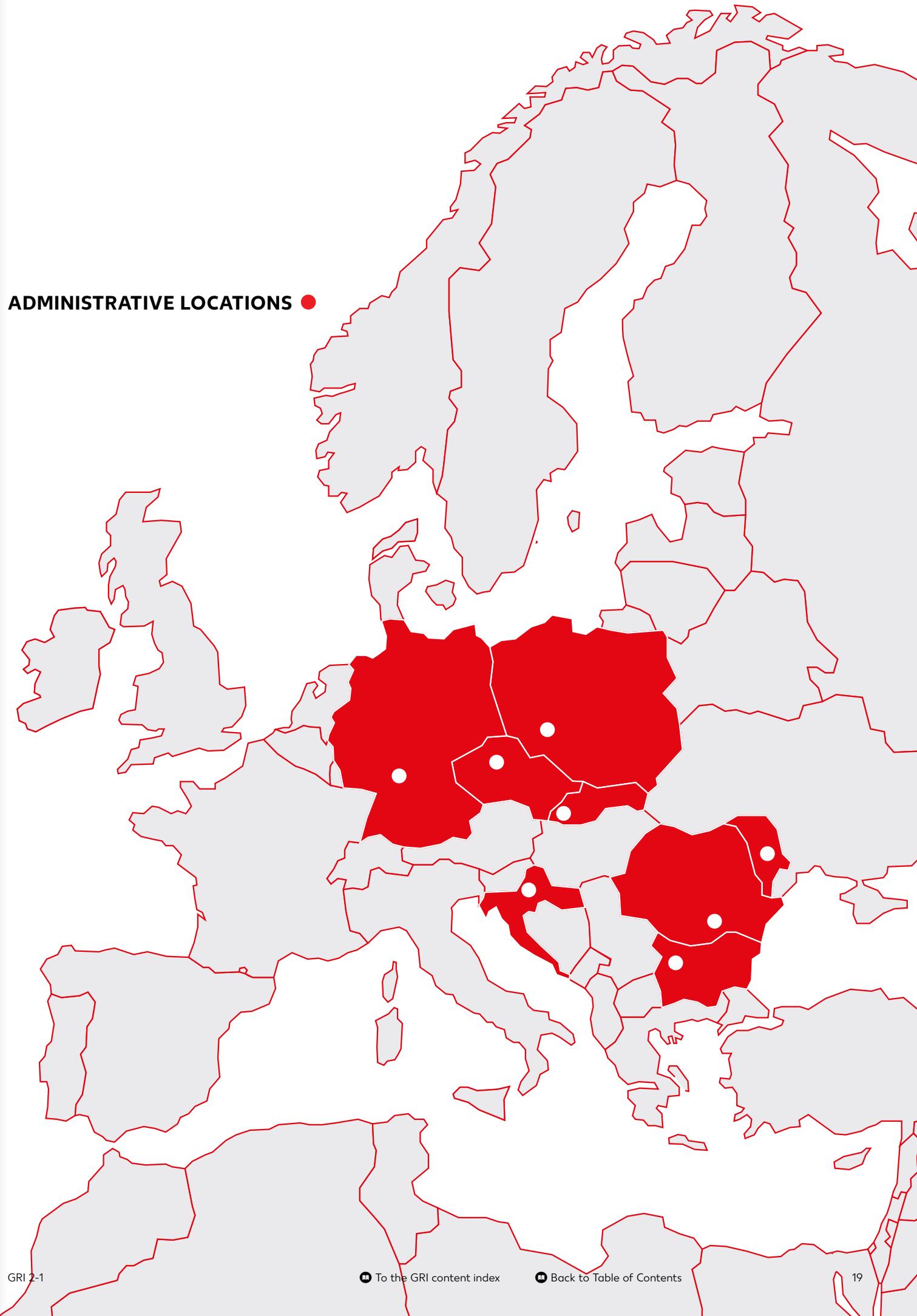
Since the first Kaufland store was founded, the production of fresh meat and sausage production for the private labels has been in the hands of Kaufland Fleischwaren Gesellschaft. It operates five meat processing plants, of which four are in Germany and one in the Czech Republic, where some 3,000 employees process pork, beef

and poultry on a daily basis. The Kaufland meat processing plants are therefore among the leading meat production businesses. They primarily supply meat and sausage products to Kaufland stores, where they are sold via service counters and self-service shelves.

<sup>1</sup> For a better understanding, the entirety of the companies included in the reporting scope is referred to in the report as "Kaufland". This includes the Kaufland companies in Germany, Poland, the Czech Republic, Croatia, Slovakia, Bulgaria, Romania and Moldova. If information refers exclusively to our national company, we indicate this accordingly. The words "we", "us", "our" or similar, as well as the abbreviated form "Kaufland", are used throughout this document to refer to these companies as a whole.

<sup>2</sup> The size of the range differs between national companies and depends on the size of the store.

**ADMINISTRATIVE LOCATIONS** ●

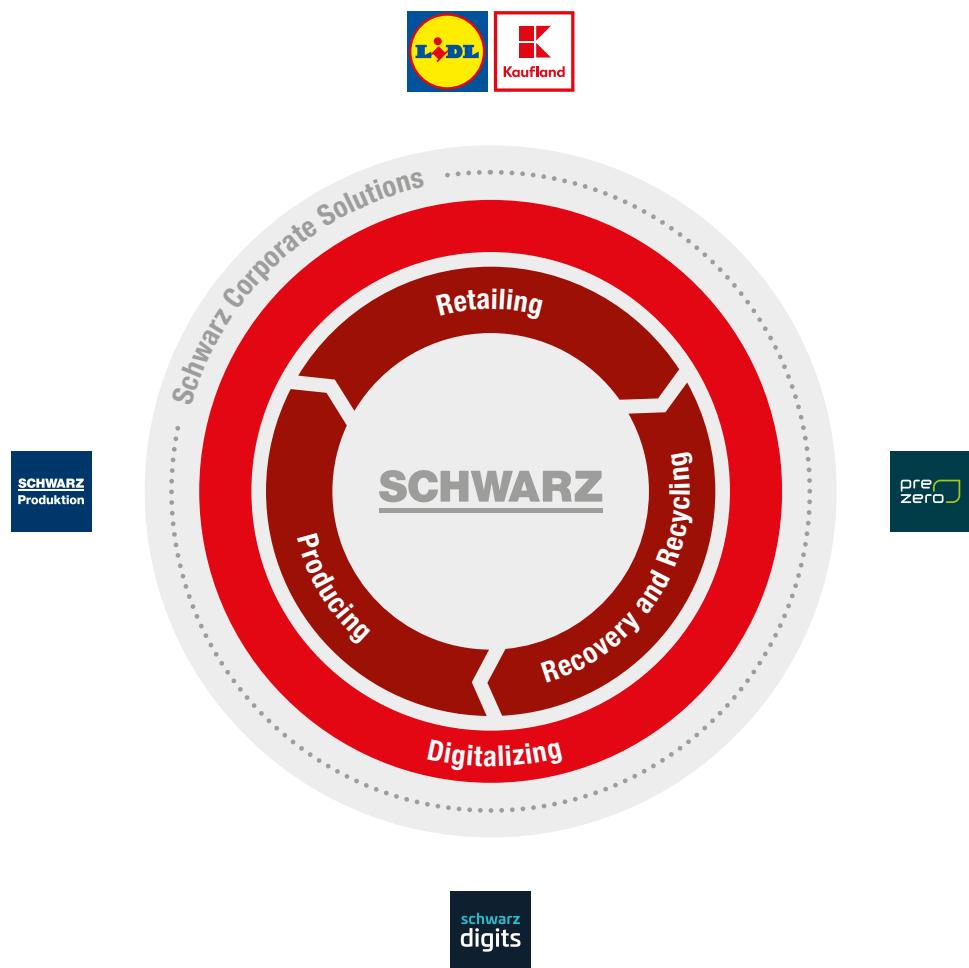


# Kaufland as part of Schwarz Group

Schwarz Group is one of the world's leading retail groups with 595,000 employees in over 30 countries and total revenue of EUR 175.4 billion. Few corporate groups are as diverse, since the companies of Schwarz Group cover the entire value cycle. Based in Neckarsulm, Baden-Wuerttemberg, the two retail divisions Lidl and Kaufland form the pillars in the food retail market. In addition, Schwarz Produktion is active in food manufacturing, and PreZero in environmental services. The

topics of digitalization and IT are driven forward in a separate division, Schwarz Digits. All of the companies of Schwarz Group receive support from various service companies at home and abroad. As of the end of fiscal year 2024, Schwarz Group comprised 1,237 companies. In all areas of Schwarz Group, we use our influence on society and the environment to make a positive contribution to sustainable development, and combine ecology with economy.

## ENERGY CONSUMPTION WITHIN THE COMPANIES OF SCHWARZ GROUP



## RETAIL

Every day, the Lidl and Kaufland retail divisions offer their customers a wide range of products in more than 30 countries. They are continuously involved in various measures along the entire value chain, for example, to protect the climate and biodiversity or to conserve resources.

## RECOVERY AND RECYCLING

The PreZero Group, as an environmental services provider in waste and recycling management, pursues its vision of closed loop recycling in ten countries and thus contributes to a cleaner future. As a pioneer in its industry on the road to zero waste, PreZero promotes an efficient circular economy to positively impact the environment and society. At the same time, PreZero supports its partners in economy, sport and municipalities with the transformation to greater resource conservation and efficient recyclables management.

## PRODUCTION

The 23 companies of Schwarz Produktion manufacture high quality foods (beverages, chocolate, ice cream, baked goods, nuts and dried fruit, coffee, and pasta products) along with sustainable packaging and materials such as paper for the retail divisions. Three plastics and recycling plants are also part of a unique PET recycling loop.

## IT AND DIGITALIZATION

Schwarz Digits is the IT and digital division of Schwarz Group. The Schwarz Digits brands develop and provide IT and digital solutions worldwide, for example for digital production facilities, stores and e-commerce formats as well as loyalty programs. They also offer external customers superior cloud services, cybersecurity, AI and retail media solutions.

## SERVICES

All departments of the companies of Schwarz Group are supported by Schwarz Corporate Solutions. Acting as a service provider, Schwarz Corporate Solutions provides the administrative and operational structure for the other companies of Schwarz Group, covering areas such as controlling, finance, and HR, as well as procurement and real estate. This approach enables us to combine forces, take advantage of synergies, and work together in partnership in our day-to-day business.

# The Kaufland value chain

As a retailer, Kaufland operates at the interface between producers and consumers. In this role, we have direct and indirect relationships with our customers and a wide range of suppliers in numerous supply chains. Upstream value creation activities range through to the cultivation and harvesting of agricultural primary products as well as to livestock and fishing companies. The value chain extends from the processing of raw materials to the transportation of goods to logistics centers and to stores. This is where Kaufland offers the finished products to consumers – our key customer group, which is therefore also at the center of our downstream value creation activities. We aim to offer them products that have been manufactured responsibly.

However, raw material production, the processing of agricultural primary products, and the resulting production and transport processes all have environmental and social impacts. We therefore wish to contribute to the step-by-step improvement of environmental and social standards. That is why we work in partnership with suppliers, are reducing

our use of raw materials, where possible, and we incorporate the concept of closed loops right from the production stage. Kaufland Romania's commitment also works towards improving the living and working conditions of people in the production countries.

We also want to exert our influence in downstream activities. Specifically, as a food retailer, we have the opportunity to shape the consumer behavior of a wide range of people and to empower them to make sustainable, informed and healthy purchasing decisions. We therefore continually review how we can make our assortment healthier and more sustainable – and are transparent in informing our customers about this.



# Our governance structure

The Executive Board is responsible for operational management of the companies of Kaufland. Its members as of the end of fiscal year 2024 were Jochen Kratz (Kaufland Dienstleistung GmbH & Co. KG), Evelyn Opel (Kaufland Stiftung & Co. KG), Thorsten Sauter (Kaufland Stiftung & Co. KG), Ante Rados (Kaufland Stiftung & Co. KG) and Chairman Frank Schumann (Kaufland Stiftung & Co. KG).

Each Kaufland national company and Kaufland Dienstleistung GmbH & Co. KG are managed by national management boards. The Kaufland companies in Poland, the Czech Republic, Croatia, Slovakia, Bulgaria, Romania, and Moldova are indirect subsidiaries of Kaufland Stiftung & Co. KG.

The chairs of the Management Boards of the national companies are:



**Stefan Hoppe**

Poland

since October 2024 (previously Gunnar Günther until the end of March 2024 and Michał Lagunionek until the end of September 2024)



**Heiko Koch**

Czech Republic



**Patrick Rudat**

Croatia



**Sven Reinhard**

Slovakia



**Ivan Chernev**

Bulgaria



**Marco Hößl**

Romania



**Marco Hößl/Sergiu Fala**

Moldova



**Jochen Kratz**

Germany

(Kaufland Dienstleistung GmbH & Co. KG)

# SUSTAINABILITY COMMITMENT

Kaufland's jointly developed strategic guiding principle "We make it possible for everyone to purchase good, healthy, and sustainable products," guides our CR activities at national and international level. It shows how sustainability is put into practice at Kaufland and, above all, how it will be promoted in an ambitious way in the future. In doing so, it is always important to keep Kaufland's stakeholders and environment in mind.

We developed our sustainability strategy in line with Kaufland's cross-company strategy, which in turn was developed and adopted by the Executive Board in cooperation with the Corporate Development department. This is also based on the corporate principles and values implemented in each case. Further information on the corporate principles is available in the [\*\*Strengthen society\*\* !\[\]\(a81f8d41ac7696d4fce540895b15f10f\_img.jpg\)](#) chapter.

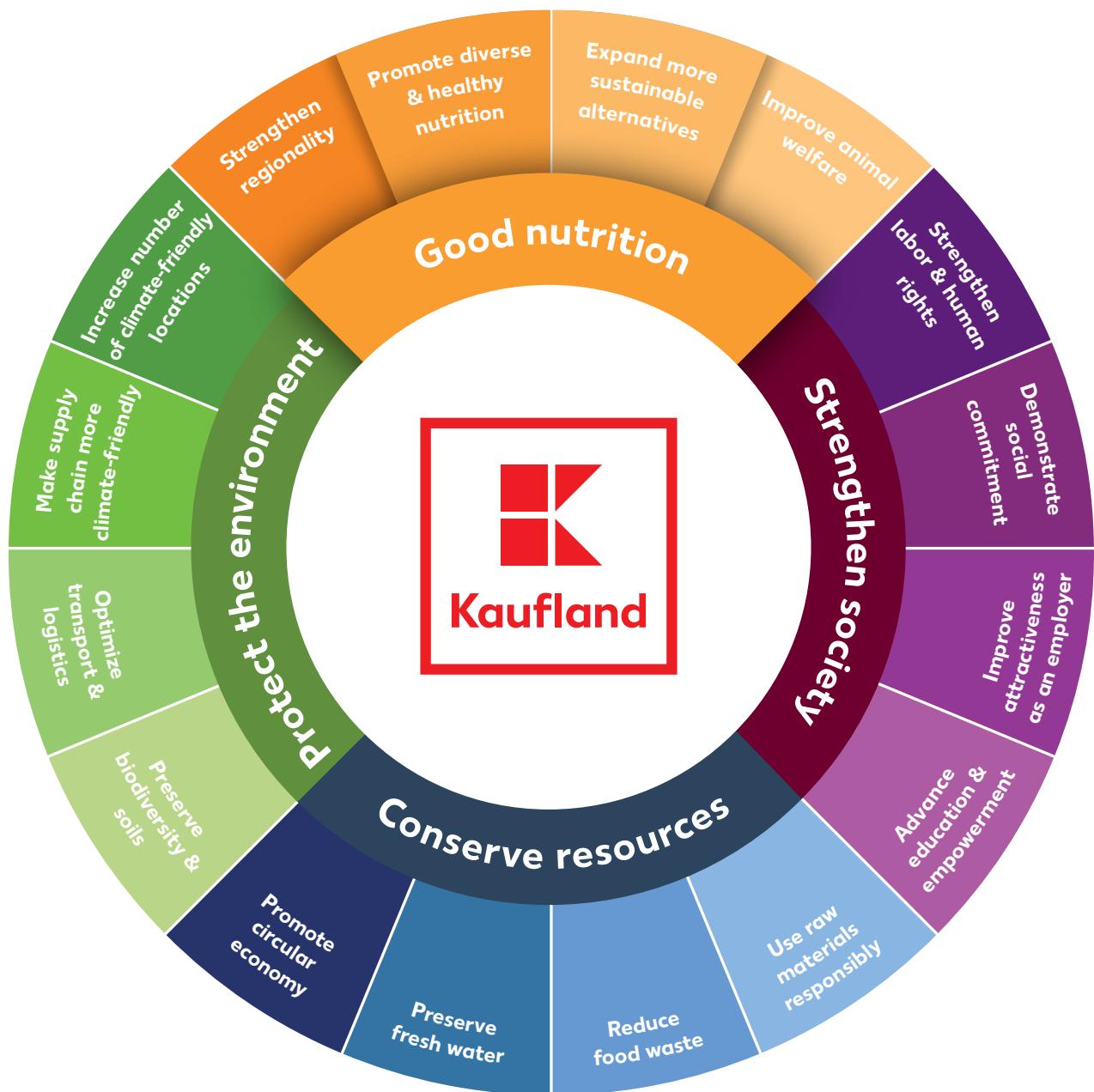
## Our CR strategy

Sustainability is firmly incorporated in our actions and shapes all areas of our business activities. Sustainable, healthy, and environmentally friendly products are also gaining importance for our customers. Furthermore, the regulatory requirements concerning sustainability have become much stricter in recent years. We can therefore expect sustainability to have an even greater bearing on our food retail business in future than it has to date. Our CR strategy is the response to this development. It embodies our objective to be a responsible and future-viable food retailer and is intended to fulfil both the current and future expectations of our stakeholders. Kaufland is forging ahead with a clear mission as a strong, reliable food retailer, employer, and partner, in order to lay the foundation for a future worth living in, with access to good, sustainable food.

After all, Kaufland's core competency lies in providing a varied range of food products. We see it as our role to make good food accessible to all – now and in the future. This has resulted in our strategic focus field "Good nutrition", which enables us to offer our customers real added value as well as controlling our environmental and social impacts – with a particular view to both human health and the protection of our increasingly polluted planet. Good nutrition forms the comprehensive framework for our commitment, which means that all activities relating to our jointly developed CR strategy make a long-term contribution to it. Our CR strategy is rounded out by the "Protect the environment", "Conserve resources" and "Strengthen society" focus fields. The 16 categories they comprise reflect our commitment throughout our business activities.

More information on each of the focus fields is provided in the chapters entitled [\*\*Protect the environment\*\* !\[\]\(006190f2bbfbd38324559ea514e41ca7\_img.jpg\)](#), [\*\*Conserve resources\*\* !\[\]\(9eb4fb100a7ec3474b26b02b26dfda33\_img.jpg\)](#), [\*\*Strengthen society\*\* !\[\]\(6bcf6aa60209766aec7389345a9ecf38\_img.jpg\)](#), and [\*\*Good nutrition\*\* !\[\]\(6ab514319c3351124c8734a96a930a3c\_img.jpg\)](#).

## THE KAUFLAND CR STRATEGY



# Our sustainability organization



The jointly determined strategic alignment of the Kaufland companies as regards sustainability is coordinated at international level by Corporate Responsibility International, as per its mandate. This department is part of the Corporate Affairs unit, which is the responsibility of the Chairman of Kaufland Stiftung & Co. KG. This structure also applies at Kaufland Romania, where Corporate Responsibility (CR NAT) is responsible for coordinating the sustainability commitment of Kaufland Romania. As part of the Corporate Affairs unit in Romania, it reports directly to the Chief Executive Officer of Kaufland Romania and keeps them constantly informed of specific plans, developments and projects relating to sustainability. Regular meetings are held between the Head of Corporate Affairs and/or the Head of CR, and the CEO.

In addition to determining the specific international framework that we further define at national company level, CR INT makes specialist recommendations, offers assistance, and is responsible for coordinating the sustainability orientation as a trend and standard setter. At Kaufland Romania, the projects and activities are based on the international framework of the joint CR strategy.

Moreover, CR INT and CR NAT function as an interface to all other departments of the companies of the Kaufland Group. In this role they provide operational support in planning, coordination, and optimization of all jointly developed sustainability activities, as well as in complying with the jointly adopted strategic framework.

The Sustainable Purchasing unit at Kaufland Stiftung & Co. KG and Kaufland Romania functions as a strategic and specialist contact for purchasing-related sustainability issues and fulfillment of our responsibility in the supply chain for our products. Close cooperation between purchasing units and colleagues for sustainability in purchasing enable targeted measures that help us to fulfill our responsibilities as a food retailer.

Furthermore, the cross-company project cooperation between companies of Schwarz Group results in an exchange between divisions on their respective sustainability commitment, which in turn enables and encourages a transfer of knowledge and synergies.

## THE ROLE OF THE MANAGEMENT BOARD

The underlying responsibility for the sustainable orientation of Kaufland lies with each and every company of the Kaufland Group. The individual members of the respective management board, in turn, is responsible for supervising the sustainability measures of its business units. This role includes being actively involved in sustainability projects and measures. According to the subject area and project, the relevant departments are identified and representatives are integrated into the various boards with clear roles and tasks. Corporate Responsibility reports directly to the highest respective governance body, both at Kaufland Stiftung & Co. KG and here at Kaufland Romania. Development, approval, and updating of sustainability-related matters is coordinated directly by the sustainability departments with the Executive Board or Management Board, with critical concerns also communicated. This direct connection keeps reporting lines short and means knowledge can be shared quickly. By providing all relevant information, the responsible departments enable the decision-makers to make informed decisions.

The Executive Board is responsible for validating and approving strategic guidelines such as the materiality assessment at international level. The sustainability KPIs collected on an annual basis are reviewed and approved by the Management Board of Kaufland Romania both during the collection process and prior to publication of the final sustainability reports.

## CR MANAGEMENT

As part of our jointly developed CR strategy we aim to assign specific milestones and measurable targets to our projects and actions. Measuring progress forms the basis of the CR management; it is systematically integrated as part of our annual planning and strategy cycle and solid data management is constantly expanded.

Until fiscal year 2024, a group-wide software solution was used for sustainability management, with the aim of creating more transparency regarding CR activities. As the requirements for management and reporting are increasing, we implemented a structured selection process for a new group-wide software solution with the companies of Schwarz Group at international level back in 2023. CR INT focused on the technical development and implementation of the selected software solution for Kaufland during the reporting period. The business rollout will follow gradually in the next fiscal year. This will significantly strengthen data-based sustainability management.

We also continue to develop our sustainability metrics. A coordinated data collection process is carried out on the basis of a collectively defined, set of CR key performance indicators using standardized definitions and parameters across all entities and national companies. We revise and update the KPI set annually. A comprehensive range of control measures at multiple levels and the integration of established controlling structures ensure high quality assurance of the more than 1,000 key performance indicators for sustainability.

## CORPORATE DUE DILIGENCE

For several years, the companies of Schwarz Group have had in place a jointly developed **Code of Conduct for Business Partners** in which we set out our expectations regarding compliance with human rights and environmental standards and also reserve the right to audit business partners' compliance with them. We also establish the processes required for the adequate protection of human rights among their employees and compliance with environmental standards in our corporate principles, policies and procedural instructions. Further information can be found in the chapter entitled **Strengthen society**.

## POLITICAL REPRESENTATION OF INTERESTS

As regards political representation of interests at national and international level, we always keep promotion of sustainable development in mind, such as in the areas of healthy eating and sustainable packaging. Suggestions for improvement and obstacles to progress are constantly and constructively being discussed in dialogue with politicians.

On account of its office in Brussels, Schwarz Corporate Affairs GmbH & Co. KG is also registered in the European Union Transparency register and is subject to a corresponding Code of Conduct there. It is responsible for representing the interests of the companies of Schwarz Group, and thus also the Kaufland companies, in the political arena and gets involved there. In addition, the Company establishes positions on topics that are relevant to politics or society, working with the divisions to incorporate their specific focus areas. Companies of Schwarz Group participate in political debates purely on a content-related basis; they do not make donations to political parties.

The Public Affairs department is active within the Corporate Affairs department at Kaufland Stiftung & Co. KG. Kaufland Romania also has public affairs officers who provide advice and support to various departments. They represent Kaufland as a company of Schwarz Group in industry associations and bodies and hold an open dialog with stakeholders and partners.

# Materiality assessment

**In our materiality assessment, we regularly analyze sustainability-related opportunities, risks, and impacts arising from our business activities. The objective is to obtain a comprehensive overview, and from it to derive and refine the relevant content for our sustainability reporting and the strategic agenda.**

## PROCESS TO DETERMINE MATERIALITY

The companies of Schwarz Group completed a comprehensive and substantiated double materiality assessment in 2023. On the basis of the dimensions "impact materiality" and "financial materiality", a total of 31 sustainability topics were evaluated. These were derived from a list from the European Sustainability Reporting Standards (ESRS), which were clustered and supplemented with company-specific topics.

The next step was to allocate impacts and financial opportunities and risks to these topics. Internal and external stakeholders who could be affected by these impacts, opportunities and risks were matched to each topic. Experts from Kaufland Stiftung & Co. KG were identified to assess the materiality on behalf of the Kaufland Group. Together with their teams, they evaluated the materiality of the individual impacts, opportunities and risks associated with each topic. The interests of the affected stakeholders were also taken into consideration.

This produced a list of material topics for Kaufland, to which the relevant indicators pursuant to the Global Reporting Initiative (GRI) were allocated in the final step. This enabled the final content for this report to be determined. See the chapter entitled [\*\*About this report\*\*](#) for more details of the report profile.

The entire value chain was considered in the assessment, and the respective impacts, opportunities, and risks were allocated accordingly – for instance, to the upstream value chain, to operations, to the downstream value chain, and across all stages. In so doing, we prepared ourselves, along with the companies of Schwarz Group, for the upcoming Corporate Sustainability Reporting Directive (CSRD). We also considered impacts, opportunities and risks associated with human rights, both in operations and in the value chain.

The impacts that played a crucial role in determining material topics, alongside the opportunities and risks, were systematically prioritized. A distinction was first made between actual and potential

impacts, in each case either positive or negative. Impacts classified as actual were weighted higher than potential impacts. Negative impacts were assessed based on three factors: scale, scope and reversibility. The reversibility factor was not applied to positive impacts. Potential impacts were also evaluated based on likelihood.

All topics were depicted on a group-wide, uniform priority scale. We defined a threshold with the other companies of Schwarz Group, above which a topic is deemed material. This enables comparability throughout the Group.

#### In the process described here, the following stakeholders were particularly taken into account:

- Consumers, customers and (end) users
- Consumer protection
- Employees
- Managers
- Suppliers, producers
- Service providers, business partners
- Investors, banks, insurance companies
- Competitors
- Associations
- Trade unions
- Policymakers, authorities, offices
- Residents, municipalities, neighborhoods
- NGOs, civil society and initiatives
- Press, media
- Workers in the value chain
- Science
- Nature

## OUR MATERIAL TOPICS

The analysis described revealed six material topics in the three categories: environment, social and governance (ESG). We also report voluntarily on eight additional topics. Further information can be found in the chapter entitled [About this report](#).

Focus fields	Material topics (ESRS)	Corresponding topics in the CR strategy	Voluntarily reported topics
 <b>GOOD NUTRITION</b>	<ul style="list-style-type: none"> <li>Consumers and end users: Safety</li> </ul>	<ul style="list-style-type: none"> <li>Expand more sustainable alternatives</li> </ul>	<ul style="list-style-type: none"> <li>Promote diverse and healthy nutrition</li> <li>Improving animal welfare<sup>1</sup></li> <li>Strengthening regionality<sup>1</sup></li> </ul>
 <b>PROTECT THE ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>Climate change adaptation</li> <li>Climate change mitigation</li> <li>Energy</li> </ul>	<ul style="list-style-type: none"> <li>Climate-friendly locations</li> <li>Climate-friendly supply chain</li> <li>Optimize transport and logistics</li> </ul>	<ul style="list-style-type: none"> <li>Preserve biodiversity and soils</li> </ul>
 <b>CONSERVE RESOURCES</b>	<p>No material topics</p>	<p>No material topics</p>	<ul style="list-style-type: none"> <li>Promote circular economy</li> <li>Use raw materials responsibly<sup>1</sup></li> <li>Reduce food waste</li> </ul>
 <b>STRENGTHEN SOCIETY</b>	<ul style="list-style-type: none"> <li>Workforce: Working conditions</li> <li>Value chain: Equal treatment and opportunities for all</li> </ul>	<ul style="list-style-type: none"> <li>Improve attractiveness as an employer</li> <li>Strengthen labor and human rights</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate social commitment</li> </ul>

<sup>1</sup> The topic is mentioned in the overarching management approach only; no GRI indicators are disclosed.

# IN DIALOGUE WITH OUR STAKEHOLDERS

We aim, through dialogue with our stakeholders, to identify risks early, develop innovative solutions, and promote social acceptance for our actions. Ongoing dialogue with our internal and external stakeholders is therefore a key component of sustainability management at Kaufland. The companies of Kaufland Group operate in many countries, and this means that they interact with numerous national and international stakeholders in a variety of ways. For us, trust-based cooperation is based upon listening to other opinions, sharing ideas and experiences, and striving to find the best solution.

Communication therefore flows in both directions. We regularly inform all of our stakeholders about our activities. We use different methods to do this, such as sustainability reports, press releases, guidelines and customer brochures for external stakeholders and customers, and intranet portals for our employees. We are involved in collaborations and networks and participate in dialogue and information exchange formats organized by third parties. For instance, we regularly engage in constructive dialogue with non-governmental organizations (NGOs), which not only gives inspiration for the sustainable development of our

product range but also enables us to establish a position on various issues that are relevant to society. We also facilitate and encourage direct and mutual exchange by organizing a range of events and personal meetings. This includes the neighborhood and resident dialogs that are held alongside larger construction projects. This approach ensures that stakeholders are informed about decision-making processes in a transparent way and are actively involved.

Through their expertise, observations, and critical as well as constructive interactions with Kaufland, our stakeholders provide valuable feedback that flows through to our work. In addition, Kaufland Romania is involved in a range of collaborations and networks and participates in dialogue and information exchange formats organized by third parties. More information can be found in the [\*\*Strategic partnerships\*\* !\[\]\(7e46b98862b032bac4dfd70e25da77c3\_img.jpg\)](#) chapter.

**We build on the constant communication with our stakeholders and make use of their valuable feedback.**

## STAKEHOLDER GROUPS AND COMMUNICATION CHANNELS



**Employees/managers:** Intranet, staff magazine, staff radio station, employee app, social media, internal newsletters, the "K-Ideen" ideas initiative, general and specific training courses (e.g., on sustainability, animal welfare, or energy management), CR campaigns for employees, CR expert committees/working groups, onboarding events for new staff, online surveys, e.g., following seminars and training courses



**Customers:** Customer brochure, customer management, point of sale, social media, magazine and newsletter, website, advertisements in external magazines (e.g., general interest magazines), displaying seals on products, recognized sustainability labels



**Policymakers:** Tours for political representatives, round tables, participation in initiatives, attendance at trade fairs and industry events, responding to stakeholder queries, political representation of interests via Public Affairs department



**Associations:** Store tours, lectures, participation in working groups and/or multi-stakeholder initiatives, in-person meetings, attending trade fairs and industry events, responding to stakeholder queries



**Business partners:** Annual reviews (with suppliers), attending topic-specific (industry) events and trade fairs, Kaufland meat processing plant supplier conventions, in-person dialogue



**NGOs and initiatives:** Meetings in connection with initiatives/memberships, panel discussions, involvement in NGO surveys, in-person dialogue and annual reviews, attending topic-specific events



**Media:** Store tours, press releases, social media, advertisements, website



**Banks:** Dialogue on ESG queries, ESG ratings of companies of Schwarz Group



**Scientific community:** Lectures and events, projects with universities and institutions (also in the context of initiatives)

At regular intervals, but at least every two years, we evaluate which stakeholders are relevant for the companies of the Kaufland Group. This is based on external inquiries, such as from NGOs, and wide-ranging monitoring of topics that feature in social debate. Simultaneously, we also take into account any changes in responsibilities on the part of politicians or NGOs, for example. A comparison is also made with the results of the materiality assessment and associated topics.

## STAKEHOLDER EVENTS

Stakeholder events are an integral part of our stakeholder management and help to create transparency, reinforce networks, and drive sustainable innovation. The findings and ideas gained from these stakeholder events are purposefully used in refining our sustainability strategy and realizing specific actions.

### Kaufland in Romania

During 2024, Kaufland Romania's representatives participated in over 20 profile events during which they spoke about the company's sustainability projects, strategic objectives and campaigns implemented in recent years regarding the reduction of the company's impact on the environment and the contribution to the country's economic growth, as well as community involvement projects. Among the most important ones, we mention: Sostenlandia CEO Forum, organized by Sustainability Embassy in Romania, Eat Smart. Eat local. How much do we produce and consume locally? organized by Green Report, Romanian ESG Summit organized by CSR Media, ESG SUMMIT 2024, organized by Newsweek magazine, Biz Days, Leadership day, organizer - Biz Magazine, The IAA Global Conference "Creativity4Better, organizer - IAA - International Advertising Association, Sustain Ability, Organizer - Progresiv Magazine.



# Strategic partnerships

Kaufland sees itself as an active partner in social and political discussions. This is why monitoring legislation, talking to political stakeholders, and working with associations to shape public opinion in the sector is an integral part of our work. Our ultimate aim is to be able to transfer legal requirements into operational practice as quickly and smoothly as possible and to work with suppliers to identify future topics early on. To this end, we also cooperate with recognized organizations that offer certification, such as the Rainforest Alliance and Fairtrade, as well as organic food associations such as Demeter and Bioland. More information on the use of external seals and certificates is provided in the **Good nutrition**<sup>1</sup> chapter.

We are actively involved in various multi-stakeholder partnerships and cooperations at national and international level, such as the Roundtable on Sustainable Palm Oil (RSPO), the Forum for Sustainable Palm Oil (Forum Nachhaltiges Palmöl; FONAP), the Sustainable Agricultural Supply Chains Initiative (SASI) (formerly Initiative für nachhaltige Agrarlieferketten, INA), the German Initiative on Sustainable Cocoa (Forum Nachhaltiger Kakao), the Sustainable Nut Initiative, the Sustainable Rice Platform (SRP), the Forum of Modern Agriculture (Forum Moderne Landwirtschaft) and Donau Soja. The goal of these multi-stakeholder platforms is to work together with all stakeholders in the supply chain to implement suitable measures and solutions for the responsible use of resources in the value chain and for raw material procurement.

## UNITED NATIONS GLOBAL COMPACT

The companies of the Kaufland Group recognize their special responsibility for sustainable development and undertake to act in a manner that promotes social, health and environmental awareness in their day-to-day business; this clear commitment to sustainability should also be made transparent to the public. The companies of Schwarz Group joined the United Nations Global Compact (UNGC) in 2020, and in doing so, have committed themselves to complying with and promoting the Ten Principles of the UNGC. The companies regard it as their respective corporate responsibility to stand up for the strengthening of

human rights, fair pay and safe working conditions in all areas of their business activities worldwide. Kaufland is opposed to all forms of corruption and is committed to environmental and climate protection. As part of the annual "Communication on Progress" process, the companies of the Schwarz Group document their corresponding measures and progress. As part of Schwarz Group, Kaufland makes an important contribution and has already implemented a variety of measures in the past to support the principles for a sustainable global economy.

<sup>1</sup> The PANAO Partnership membership expired in 2024.

<sup>2</sup> Before joining the World Banana Forum (WBF), Kaufland's activities had, from 2014, been grouped under the Action Alliance for Sustainable Bananas (ABNB), which was merged into a working group of the WBF in 2022.

**A selection of commitments and memberships of Kaufland Romania is listed alphabetically below:**

- American Chamber of Commerce in Romania – AmCham Romania
- Association of Major Retail Networks in Romania – AMRCR
- Bucharest Real Estate Club
- Diversity Charter
- European Supply Chain Initiative – SCI
- HR Club
- International Advertising Association Romania – IAA
- Romanian Diversity Chamber of Commerce – RDCC
- Romanian-German Chamber of Commerce – AHK
- Sustainable Romania Coalition – CRS

**The interests of the Kaufland companies are also represented via the membership of Kaufland Stiftung & Co. KG in the following associations, initiatives and organizations. Kaufland International also works with the following partners:**

- Allianz der Pioniere (Alliance of pioneers) (since 2024)
- AWS – Alliance for Water Stewardship
- The A.I.S.E. Charter for Sustainable Cleaning
- Donau Soja
- Food for Biodiversity e.V.
- Forum Nachhaltiger Kakao e.V. (German Initiative on Sustainable Cocoa)
- Forum Nachhaltiges Palmöl e.V. (FONAP; Forum for Sustainable Palm Oil)
- Fur Free Retailer
- GLOBALG.A.P.
- International Featured Standards (IFS)
- Juice CSR Platform
- Partnerschaft für Nachhaltigen Orangensaft
- (PANAO; Partnership for Sustainable Orange Juice)<sup>1</sup>
- ProTerra
- Round Table on Responsible Soy (RTRS)
- Roundtable on Sustainable Palm Oil (RSPO)
- Sustainable Agricultural Supply Chains Initiative (SASI)
- World Banana Forum (WBF)<sup>2</sup>

**The most important thing for us is to invest in the welfare of the future generations. This is why, in 2018 we became a founding partner of the Sustainability Embassy in Romania, a non-profit initiative whose mission is to promote the transition to the new economic model, the sustainable business, where companies can solve social and environmental problems without sacrificing economic efficiency and profit.**

**Through programs such as Sustainability School, Sostenalia CEO Forum, National Sustainability Day, Sustainaplay, Community Meetups, workshops, and conferences, it is actively creating a community of sustainability professionals that apply responsible business practices. Furhter information can be found [here](#) **

**As part of Schwarz Group, the interests of Kaufland Romania are also represented in the following institutions:**

- Ellen MacArthur Foundation (member since 2018)
- Science Based Targets initiative (SBTi) (member since 2020)
- UN Global Compact (participant since 2020)

# COMPLIANCE

**For all companies of Schwarz Group, economic success is inseparably linked to responsible corporate governance – and that also applies to Kaufland.**

We operate in accordance with clear principles at Kaufland. These include avoiding and minimizing the negative impacts of our business activities on the environment, economy and society as part of our corporate due diligence, and consistent compliance with all applicable laws.

Violations of applicable law may result in financial losses for us and damage our reputation. In addition, such violations can result in personal liability for damages and criminal law consequences for individual employees or members of the respective company's governing. The actions of our Company and our employees are therefore subject to a central corporate principle: "We comply with applicable law and internal guidelines", which is binding for all employees. Kaufland and its management expressly commit to complying with this corporate principle and ensuring its application in practice.

## Our Compliance Management System

Kaufland has implemented a Compliance Management System (CMS), that includes binding CMS requirements. These CMS requirements define certain standards and elements to ensure that compliance is at an appropriate level. A key component of the CMS is to avoid and identify any violations against applicable legislation and internal policies, and to resolutely pursue and prosecute if violations are identified (zero-tolerance principle). The main focus areas of the CMS include anti-corruption/anti-fraud, data protection, antitrust law, supply chain and human resources (HR).

The measures available under the CMS include, in particular, developing and communicating rules and regulations (e.g., rules regarding the handling of inducements and data protection rules), conducting training as well as investigating all internal and external reports of possible legal violations. If a gap in the existing mechanisms is identified, the findings are entered into the Compliance Management System. The policies and requirements are published in a central IT system.

The departments responsible for compliance review the effectiveness of the measures described. Legal & Compliance or Legal & Governance evaluates various data extracts from IT systems for this purpose and also orders additional ad hoc and risk-based special reviews. Kaufland Internal Audit reviews the CMS as a whole at regular intervals.

All standard agreements concluded between Kaufland and business partners contain a compliance clause which sets out the obligation to comply with all relevant legal provisions. The Kaufland standard agreements also contain the Code of Conduct for Business Partners. More information on the Code of Conduct for Business Partners is provided in the **Strengthen society**  chapter.



## Grievance mechanisms

The Compliance Officer and Compliance team (compliance@kaufland.com), the external counsel, and an IT-supported online reporting system are available to all parties in the supply chain as points of contact and channels for reporting potential compliance violations. The online reporting system is available 24/7 in multiple languages. Employees can also contact the Compliance team and employee relations consultants and the works councils – anonymously and confidentially. The Legal & Compliance or Legal & Governance department of the Kaufland national companies and Kaufland Stiftung & Co. KG prepares quarterly and annual reports informing the respective

corporate management about significant issues and developments. The straightforward access to decision-makers makes it possible to pass on and exchange information at all times. All significant critical concerns are reported to the highest governance body at the Kaufland companies.

We are involved in various multi-stakeholder initiatives in order to foster the effectiveness of reporting systems in general and across industries, and expand the reach of our own grievance mechanisms.





# 03 GOOD NUTRITION

**We want to make our product range healthier and more sustainable, and in so doing take responsibility for people, animals, and the environment. We aim to contribute to good nutrition, with food that not only tastes good, but also does good for the future, through conscious product range decisions, clear criteria, and close partnerships.**

# STRATEGIC AND OPERATIONAL TARGETS

**With our large and versatile range of healthy and sustainable products, we promote good nutrition that is accessible to everyone. We will continually work to improve the impact of our product range on promoting health and**

**protecting the environment. We aim to make Kaufland Romania the shopping location with the best range of products for good and conscious nutrition by 2035.**

Target	Deadline	KPI measurement	Status	Target achievement in FY 24
For all private label products that are classified as unhealthy according to World Health Organization (WHO) criteria, we refrain from using packaging designs targeted at children. Changes are being gradually implemented until 2025 for all relevant private label product packaging.	2025	Share of private label items with revised design	✓	100%
Our goal for the coming years is to progressively increase the share of plant-based protein sources and expand our range with new and innovative products.		Target and measurement methods under development	⚙️	

✓ Achieved  
 ↗ Increase  
 ↘ Decrease  
 ▬ No change  
 ⚙️ Ongoing



# MANAGEMENT APPROACH

As a strong and reliable food retailer, employer, and partner, we aim to lay the foundations for a livable future and help to ensure that all people have access to good, more sustainable food. We have incorporated this approach as a

principle in the corporate strategy; it forms the basis of our respective sustainability commitment that we systematically pursue with our CR strategy. More information on the CR strategy can be found in the [Governance](#) chapter.

## Challenges: The consequences of our diet

Our diet has a significant impact on our health.<sup>1</sup> According to the World Health Organization (WHO), people around the world are eating more and more foods that are high in calories, fat and sugar, while at the same time are doing less and less physical activity. An unbalanced diet, particularly if combined with insufficient exercise, may increase the risk of overweight, obesity, and thus also diet-related diseases such as type 2 diabetes and cardiovascular diseases.<sup>2</sup> The production of food can also have negative environmental and social impacts. One example is the intensive land use associated with the production and consumption of meat, which contributes to climate change and extinction of species, as well as hunger and water scarcity. Meat production requires a lot more space compared to the production of plant-based food products. Food production can also have an impact on workers, such as through poor working conditions. As a result, how we plan to

sustainably feed a global population of 10 billion people by 2050, while remaining within our planetary boundaries, must surely be one of the most important questions of our time.<sup>3</sup> Further information on the subject is available in the Kaufland Guidelines on our [website](#).



<sup>1</sup> AJPM: Healthy Lifestyle Score Including Sleep Duration and Cardiovascular Disease Risk, 2022.

<sup>2</sup> WHO: Obesity causes cancer and is major determinant of disability and death, warns new WHO report, 2022.

<sup>3</sup> BMUV: Planetare Belastbarkeitsgrenzen, 2024.

## Our strategic approach: Good nutrition

With our "Good nutrition" focus field, we aim to promote both the health of our customers and the ecological balance of the planet. We take the negative environmental impacts of our food products seriously and are actively committed to continuously reducing them. Guided by the latest scientific findings, we view the planetary health diet as a pioneering concept that brings health and sustainability together, and use it as the foundation of our efforts. In this context, we aim to promote a varied and healthy diet, by expanding

the range of more sustainable alternatives, making the products themselves more sustainable, strengthening regionality, and improving animal welfare. We want to encourage our customers to increasingly opt for regional, more sustainable and healthier products. To do so, we are focusing on simplicity, variety, joy and enjoyment. An overarching nutrition strategy was jointly developed at Kaufland in early 2025, which will be described in more detail in the next report.

The concept for our "Good Nutrition" focus field comprises the following guiding principles:



An important reference for more sustainable product and range development is the European Union's (EU) "Farm to Fork" strategy, among other things, which was introduced as part of the European Green Deal. This strategy aims to improve the sustainability of food production and supply throughout the EU. Its overarching goal is to make the European food system healthier, fairer and more environmentally friendly. Moreover, regulatory measures such as carbon tax, plastics tax and the EU Regulation on deforestation-free products (EUDR) underscore the political will to promote

the move towards more sustainable products. More information on the EU Deforestation Regulation is provided in the [\*\*Protect the environment\*\*](#) chapter.

We describe the approaches and measures we take for a sustainable product range and the procurement of raw materials in position papers and purchasing policies. The scope of the policies and position papers is always clearly defined, and can vary depending on the topic.

## KAUFLAND'S "GOOD NUTRITION" FOCUS FIELD IS BASED ON FOUR PILLARS:

PROMOTE DIVERSE AND HEALTHY NUTRITION	EXPAND MORE SUSTAINABLE ALTERNATIVES	STRENGTHEN REGIONALITY	IMPROVING ANIMAL WELFARE
 <p>We aim to improve our customers' health and satisfaction by offering a wide range of regional, fresh, and sustainably produced foods. Against this backdrop, Kaufland is creating a range of healthy alternatives and supporting its customers in eating more healthily. We also offer fresh fruit and vegetables and range of products designed to meet particular dietary needs – from gluten- and lactose-free products to sports nutrition, including information about good sources of protein.</p>	 <p>We are constantly expanding our range to include sustainable alternatives, to enable our customers to make more environmentally friendly and responsible shopping decisions. Our growing range of healthy and environmentally friendly products, from Fairtrade, organic or other sources, provides more choice for conscious nutrition and more sustainable consumption. Our objective is to offer at least one more sustainable option in every product group. We also work with renowned certification providers.</p>	 <p>Regionality stands for short transport routes, freshness and quality, as well as supporting local farms. Regional products are often seasonal. If local fruit and vegetables are in season, the distance from producer to store is short – which saves energy, reduces CO<sub>2</sub>e emissions, and ensures freshness. This is why we are expanding our range of regional products and focusing on partnerships and collaborations with local suppliers.</p>	 <p>We actively advocate for better living conditions for animals by promoting products from more species-appropriate animal farming and continuously raising our standards. We aim to expand our range of products from animals that have been raised humanely, and support conscious consumption of animal products. Further information on the subject is available in the Kaufland Guideline on <a href="#"><b>Animal Welfare</b></a>.</p>

We offer an ever-growing selection of products that align with the aforementioned four pillars. We focus on both branded products and private label products. Beyond product range planning, we raise awareness among our customers, enabling them to make more informed and conscious

purchasing and consumption decisions. In this context, we address different dietary preferences, growing environmental awareness, and an increasing affinity for digital applications.

**More information is provided in the Kaufland Guideline on our website**

# How we promote good nutrition

**Responsibility for laying the foundations for more conscious nutrition lies predominantly with the CR Purchasing department. Based on shared understanding, Purchasing at Kaufland Romania and the international purchasing departments set targets as part of their product range responsibility, for more products that correspond to the four pillars, taking into consideration their own findings, and scientific information, trend analyses and competitor monitoring.**

Our Purchasing department is responsible for range development, and for selecting private label products and products from brand manufacturers for our stores. Direct dialogue on sustainability matters is held at least once per year between the national and international organizational units of Kaufland and the private label suppliers. Cooperation with manufacturers of branded products also involves regular dialogue. Long-standing partnerships with suppliers and producers are essential for Kaufland to meet its sustainability targets, while also ensuring planning security for suppliers.

Our principles and measures for more sustainable range development and on the use and procurement of raw materials are laid down in various guidelines and policies. These are provided in the **Conserve resources** chapter and are also published on our [website](#).

The manufacture of meat and sausage products is also a direct part of our process through our meat processing plants. As part of the Kaufland Group, the meat processing plants largely produce meat and sausage products for Kaufland stores in Germany, the Czech Republic, and Slovakia, and are in close contact with the purchasing departments with regard to range development and requirements. Other suppliers also produce meat and sausage products for Kaufland, in addition to the Kaufland meat processing plants – all of them subject to the same strict requirements.

Compliance with food regulations, evaluating potential consumer complaints, and in-house specifications for labeling private label products are the responsibility of the Purchasing departments at Kaufland, together with Quality Management and Quality Assurance. These departments are also in close contact on product safety issues with Kaufland's private label suppliers and the production operation units of the meat processing plants.

The CR department at Kaufland, in close cooperation with Marketing and Corporate Communications, is responsible for implementing communication measures and initiatives to help our customers to make more conscious purchase and consumption decisions. Purchasing and Quality Management provide support. Concerns, criticisms, and complaints can be submitted via grievance mechanisms such as hotlines through Customer Management. The relevant department reviews these concerns on a case-by-case basis. Customers receive a prompt answer, and if necessary, additional departments are involved in the response and solution.



# PROMOTE DIVERSE AND HEALTHY NUTRITION

**We strive to promote a diverse and healthy diet by offering the largest selection of regional, fresh and sustainably produced foods, thereby contributing to the health and satisfaction of our customers.**

## Products that offer more.

**Kaufland offers a diverse product range with items tailored to support a conscious and healthy lifestyle and diet. Daily consumption of fruit and vegetables plays an important role in our nutrition and general health. At Kaufland Romania we also offer more than 350 products in our fruit and vegetable range.**

Kaufland in Romania offers over **240** K-Bio products.

Kaufland offers more than **570** organic products in Romania.

Our quality standards for fruit and vegetables go beyond statutory requirements and severely limit the use of active substances approved for use, in order to ensure that the level of chemically synthesized plant protection products used is kept as low as possible. These quality standards are set out in the ["General Kaufland Specifications" and in the "Kaufland Exclusion List"](#) for Particularly Dangerous or Hazardous Pesticides". Details on cultivation and quality control from the field to store shelves can be found in our [Transparency Report on Fruit and Vegetables](#).

Staying in good health means being able to eat a varied and balanced diet, even in the case of intolerances and allergies. Our broad range of products therefore also includes lactose- and gluten-free confectionery, dairy products, and baked goods, among others. In addition, we meet the particular need for sports nutrition with our private label K-Concept+ Sports. The product range was developed with nutritional experts and ranges from protein and energy bars to shakes. A total of 181 gluten-free articles were available at

Kaufland Romania during the reporting period, and we have been working to expand this private label range.

We highlight high protein content in dairy products and offer a diverse range of plant-based and animal protein sources to help our customers with regular protein consumption. Kaufland in Romania also offers more than 382 vegan products, of which over 110 are from our private label K-TAKE IT VEGGIE. We aligned the prices of K-TAKE IT VEGGIE products with their animal equivalents in 2024.

We also place an emphasis on organic products in our range, with a total of more than 240 items available from the private label K-Bio at Kaufland in Romania. These are free from colorings, flavor enhancers, and artificial aromas and were produced in accordance with the EU organic production regulation. We also offer additional organic products from a number of brand manufacturer. Our range in Romania therefore comprises a total of over 570 organic products.

We also aim to increase transparency around the proportion of animal-based protein sources compared to plant-based protein sources. To that end, in 2023, Kaufland assessed its branded and private label product range in Germany as a pilot project using a methodology from the World Wide Fund for Nature (WWF). It revealed that

plant-based alternatives were offered to around 10 percent of items in the "dairy products" segment and around 8 percent of the "animal product" segment (meat, etc.). Kaufland plans to evaluate suitable methods to check how the proportion of plant-based proteins can be increased. This will rely in particular on the protein split from WWF Switzerland, as well as the Protein Tracker developed by the Green Protein Alliance and ProVeg Netherlands.

### Kaufland in Romania

Kaufland Romania places strong emphasis on supporting local producers through long-term, transparent partnerships. The company's "Vreau din România / I want from Romania" private label currently includes over 260 listed products, developed exclusively with Romanian suppliers using local ingredients and traditional recipes. Additionally, the "Born and Raised in Romania Pork" program ensures customers have access to fully traceable, Romanian-sourced fresh meat. These initiatives reflect Kaufland's commitment to strengthening local businesses, improving product quality, and contributing to a more competitive national economy.

## Reinvented recipes

**We are working with our suppliers to gradually optimize the recipes of our private label products, with a view to making food healthier. This involves, for example, reducing sugar and salt, and using more sustainable and healthy fats with the highest possible content of unsaturated fatty acids.** When reducing sugar, salt, and fat, we focus on specific product groups often consumed by children, including soft drinks and cereals. As part of this process, we ensure that quality and taste remain unchanged and do not use any substitutes. For new recipes, we ensure that the sugar, salt and fat content is kept as low as possible from the outset. Items whose salt, sugar or saturated fat content has already been reduced will be continuously reviewed for further reduction potential.

We are also committed to avoiding additives wherever possible and ensuring an authentic taste. We therefore avoid using flavor enhancers or artificial aromas in our private label products wherever possible and aim to minimize the use of spices and yeast extract.

We have also put various measures and initiatives in place in order to make children and adults more aware of the topic of conscious nutrition and the responsible consumption of food. For all our private label items that are classified as unhealthy according to World Health Organization (WHO) criteria, we refrain from using packaging designs targeted at children in all countries.



# EXPAND MORE SUSTAINABLE ALTERNATIVES

**At Kaufland we strive to offer our customers more environmentally friendly and responsible options, which is why we are always adding more sustainable alternatives to our product range. We use sustainable, certified raw materials where possible and adhere to strict**

**standards that go above and beyond minimum legal requirements. We have set ourselves the goal of offering a more sustainable alternative in every product category.**

## Guaranteeing high product quality and safety

**The quality of our products and ensuring that our customers are safe and healthy are among our top priorities, as this is the only way to foster trust and build long-term customer satisfaction. That is why we must perform detailed analysis on all deliveries following standardized processes. Many tests are carried out even before harvest, or before the goods are loaded.**

When it comes to its private labels, Kaufland has also defined quality standards for ingredients, pollutants, and sustainable raw materials that in some cases go beyond legal requirements. All food and drugstore private label products, as well as pet food, undergo periodic laboratory testing conducted by external, accredited testing institutions using a risk-based approach. Regular analytical reviews are also carried out by external, accredited laboratories for the non-food private label products. In each case, the safety, legality, and quality of all products is extensively tested. Manufacturer brand products are also subjected to random testing, with one area of focus being regional suppliers to ensure products meet food safety standards. Responsibility for commissioning the testing and following up on the results is shared between the national quality assurance function and Kaufland's international quality management organization.

Periodic, risk-based, and, if necessary, unannounced production site audits by selected external certification bodies are also carried out, covering areas such as hygiene and quality. In addition, on-site audits are also regularly performed at farms that participate in the Kaufland animal welfare program in the respective country. Farmers are given advice and support during the audit process and are inspected with regard to their compliance with the binding Kaufland-specific animal welfare criteria. These audits also take place with the help of independent institutions.

Certification systems also play a fundamental role in our strategic orientation and the establishment of a sustainable product range. In the food industry, Kaufland relies on recognized standards – such as Fairtrade, organic, and the Rainforest Alliance – to promote socially and environmentally sustainable production. Not only that, production sites supplying Kaufland companies with food and drugstore products in the private label range are also certified according to the International Featured Standards (IFS) or the British Retail Consortium (BRC) standard, both of which are included in the terms and conditions for Kaufland suppliers. Failure to provide proof of compliance results in a risk assessment and an audit, with the results then being used to decide whether or not to enter into

a supplier relationship. The raw materials used and production conditions at Kaufland meat processing plants are also subject to the same requirements, like those of the IFS, and undergo countless quality checks. The shared guiding principles here are to only bring safe food onto the market, to ensure consistently high quality, and to avoid potential dangers to health.

All potentially critical results that are determined through the above-mentioned processes are forwarded to the company departments responsible for product safety to be processed as a priority, for potential problems to be resolved, and if necessary, for suitable actions to be taken. Quality complaints about products and product-related crises are managed, assessed, and processed by the person or persons responsible for quality assurance and/or quality management in Purchasing. If necessary,

other experts from the Legal and Governance department of Kaufland Stiftung & Co. KG as well as external legal professionals can be consulted.

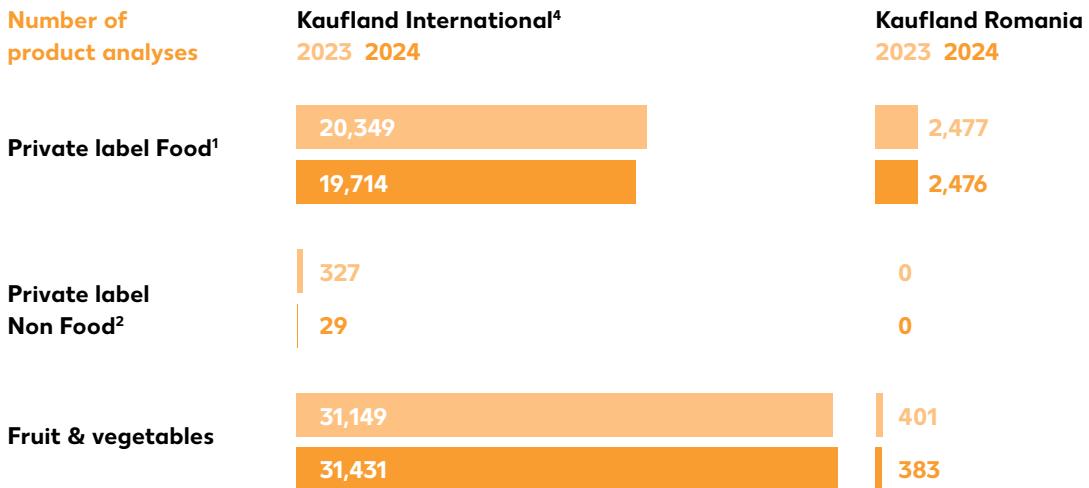
If our suppliers fail to adhere to statutory or Kaufland-specific requirements, we determine what actions are suitable, including the termination of the supplier relationship.

A comprehensive complaint management system is a key aspect of quality assurance and is firmly established as part of Kaufland's customer service and customer management activities. Customer concerns and complaints can be submitted by phone or via an online form on the Kaufland website. More information on the grievance mechanisms at Kaufland can be found in the [\*\*Governance\*\*](#) chapter.

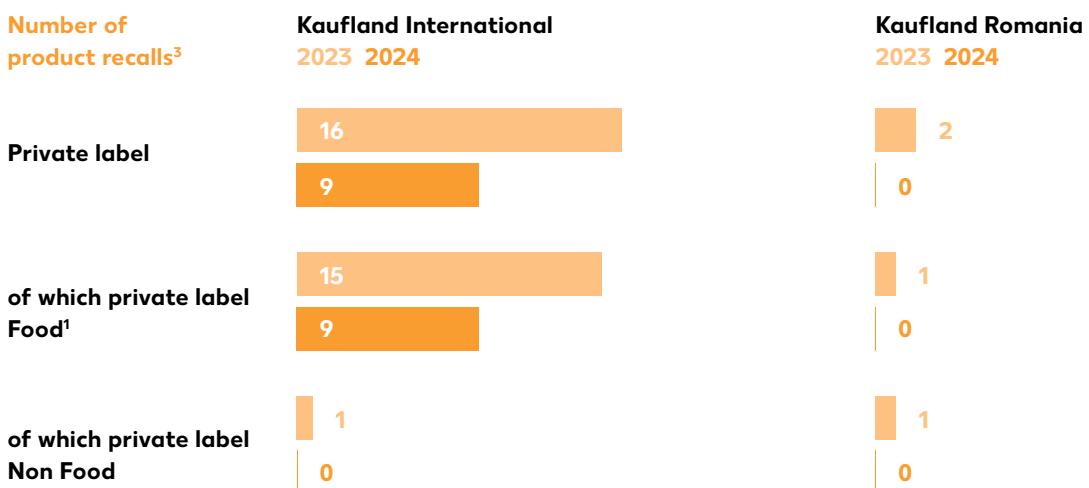
#### Other examples of quality assurance by Kaufland:

- Ensuring that food and drugstore private labels comply with specified values that, to some extent, go beyond legal requirements and also consider the requirements of NGOs and test magazines, including corresponding checks by independent accredited institutes
- Defining of own specification values for pesticides in purchasing policies that go beyond the legal requirements set out in Regulation (EC) No 396/2005 of the European Parliament
- Cooperating with agricultural producers that are certified pursuant to the GLOBALG.A.P. standard for controlled agricultural corporate management or the QS quality standard
- Cooperating with and supporting all producers of fruit and vegetables during the completion of the GLOBALG.A.P. additional module GRASP for social concerns of workers
- From January 2026: Certifying all Kaufland fruit and vegetable suppliers from eleven high-risk countries according to recognized international water standards
- Excluding hazardous pesticides in the global procurement of fruit and vegetables via a corresponding exclusion list containing over 300 substances

**More information on certified raw materials can be found on our [website](#).**



**Internationally, nine own-brand products were recalled in the reporting year, while there were no product recalls in the Kaufland meat plants.**



<sup>1</sup> The Food category includes all groceries as well as articles from the near-food sector, e.g., cosmetics, detergents/cleaning agents, flowers and plants.

<sup>2</sup> The decline in product analyses in the Non Food category is due to the change in procurement at Lidl.

More information is available in the "From producer to shelf: ensuring product traceability" section of this chapter.

<sup>3</sup> This shows the number of unique sales items recalled in public product recalls for private labels. Product withdrawals are not taken into account. All actively listed articles (with listing in at least one market) at the end of the fiscal year (the cut-off date) are included. Excluded are: difference markets, dummy buyer groups, ancillary business (and irrelevant product groups), special items/lot/seasonal articles, displays, sales sets.

<sup>4</sup> Kaufland International comprises the Kaufland companies in Germany, Poland, the Czech Republic, Croatia, Slovakia, Bulgaria, Romania and Moldova. Further information can be found in the chapter "About this report".

# From producer to shelf: ensuring product traceability

At Kaufland we strive to guarantee the highest possible level of transparency along the entire value chain through product traceability. This applies in particular to our private labels, where we have a direct relationship with our suppliers. Bar a handful of exceptions, the labels of our private label products in our food range contain information on the supplier. This information enables our customers to trace the origin of each product.

Full traceability of fish and meat is an area of particular importance for us. One of the ways we do this is by using the fTrace service. By scanning a QR code and entering the batch number printed on the product packaging, customers can access comprehensive information about the origin of any fish products and some meat products of our private labels as well as the manufacturing or processing plant that has supplied them.

This system is set to be implemented for products in the following private label ranges: K-Blue Bay, K-Classic, K-Favourites, K-Bio, K-Purland, and K-to go. It is set to be gradually rolled out for more product groups.

We also disclose the origin of our private label and own imported products outside of the Food category. Specifically, we disclose the headquarters locations of our key strategic suppliers in the textiles, shoe, and hardware product groups and ensure that this information is kept up to date. Since the end of 2021, we have been transferring responsibility for the procurement of more and more non-food private label products to Lidl and [refer to them](#) with regard to supplier disclosures. As a result, suppliers of Lidl private label products are manufacturing products for Kaufland on an increasing basis, in accordance with the specifications defined by Lidl.

# Greater clarity through product labeling

Product labels are an important means of ensuring that customers have access to clear, reliable information and guaranteeing quality, safety, and transparency. We clearly label merchandise produced according to ecological and social standards with independent certifications and respective product labels. To highlight the benefits, consumers are informed about the sustainability of the products in our leaflets and on packaging. For example, Kaufland marks corresponding products from its private label range with the logo "Machen macht den Unterschied" (Our actions do the talking!), in connection with relevant and established sustainability labels such as Fairtrade or Rainforest Alliance.

In the reporting year, we continued to work on our own sustainability labels to offer customers transparent information about environmentally and socially responsible products. However, with the EU planning to introduce legislation on environmental advertising (Green Claims Directive), we have started to conduct a critical review of these labels.

The aim of this process is to ensure that the claims are easier to trace and check in order to avoid misleading environmental promises and ensure full legal compliance moving forward.

In line with our aim to provide information on, and familiarize our customers with, the right way to sort and dispose of product packaging, we also continue to use sorting and disposal information on multi-component packaging as part of the REset Resources strategy. More information can be found in the [Conserve resources](#) chapter.

## OUR INTERNAL PRODUCT LABELING:



We want to make the world a bit better too. That is why we have long been committed to sourcing food from sustainable suppliers and protecting the environment, climate, and biodiversity – all under the slogan "Machen macht den Unterschied" (Our actions do the talking).

**Find out more at [www.kaufland.com/actions](http://www.kaufland.com/actions)**



The "Bewusster verpackt" (Consciously packaged) logo informs customers about our efforts to optimize packaging.

**Find out more at: [www.kaufland.com/packaging](http://www.kaufland.com/packaging)**



The "Immer wieder verwenden" (Reuse again and again) logo is used for non-food products that can be reused and do not have to be single-use items. It is only used in product communications.

**Find out more at: [www.kaufland.com/packaging](http://www.kaufland.com/packaging)**



The "Rezeptur ohne Mikroplastik" (Microplastic free formula) logo indicates that products do not contain any microplastics. The logo refers to the formulation for the products, not to the packaging or carriers like towels or pads.

**Find out more at [www.kaufland.com/microplastic](http://www.kaufland.com/microplastic)**



The "Färä ambalaj" (Packaging-free) logo is used for fruit and vegetables sold without any packaging and is only used in product communications.

**Find out more at: [www.kaufland.com/packaging](http://www.kaufland.com/packaging)**

**WE ALSO UTILIZE THE FOLLOWING EXTERNAL LABELS, LOGOS AND CERTIFICATES TO ENSURE TRANSPARENCY AND QUALITY:**





# 04 PROTECT THE ENVI- RONMENT

**Protecting the environment is fundamental to our actions. In our focus area protect the environment, we concentrate our efforts across strategic pillars: This ranges from climate protection at our locations and the more sustainable design of mobility to reducing emissions in our product range and preserving biodiversity. In this chapter, we show how we assume this responsibility along the entire value chain. Together with our partners, we are working towards a future that is good for everyone.**

# STRATEGIC AND OPERATIONAL TARGETS

**Our mission: Protecting the environment is the key to a livable future. With ambitious targets and actions, we are taking a stand together with the other Kaufland companies for greater protection of the environment and the preservation of biodiversity. This commitment doesn't end with us: We are also involving all stakeholders in our value chain.**

Target	Deadline	KPI measurement	Status	Target achievement in FY 24
Companies of Schwarz Group, to which Kaufland belongs, have made a net-zero commitment to reduce all greenhouse gases that they generate to net zero by 2050 at the latest.	2050	Validation of net-zero target by SBTi		Targets are validated by the Science Based Targets initiative (SBTi)
Kaufland will reduce its operational emissions (Scope 1 and Scope 2) by 80 percent by 2030 compared to the base year of 2019. <sup>2</sup>	2030	Scope 1 and 2 greenhouse gas emissions		<div style="width: 70.88%; background-color: #6aa84f; height: 10px; display: inline-block; vertical-align: middle;"></div> 70.88%
Kaufland will reduce its indirect emissions in the agriculture and forestry sector by 42.4 percent by 2034 (base year 2022).	2034	Scope 3 greenhouse gas emissions		<div style="width: 2.02%; background-color: #6aa84f; height: 10px; display: inline-block; vertical-align: middle;"></div> +2.02 %
Kaufland will reduce its indirect emissions from energy consumption and industrial processes by 35 percent by 2034 (base year 2022).	2034	Scope 3 greenhouse gas emissions		<div style="width: 8.59%; background-color: #6aa84f; height: 10px; display: inline-block; vertical-align: middle;"></div> 8.59%
Kaufland has committed to reducing its absolute Scope 3 emissions resulting from the use of sold fuel by 58.8 percent by 2034.	2034	Scope 3 greenhouse gas emissions		<div style="width: 1.31%; background-color: #6aa84f; height: 10px; display: inline-block; vertical-align: middle;"></div> 1.31%
Suppliers that are responsible for 80 percent of product-related emissions have committed to their own climate targets by the end of 2026, based on the SBTi criteria.	End of 2026	Percentage of suppliers that have set (emissions-based) climate targets according to SBTi criteria.		<div style="width: 54.00%; background-color: #6aa84f; height: 10px; display: inline-block; vertical-align: middle;"></div> 54.00% <sup>1</sup>

Achieved Increase Decrease No change Ongoing

<sup>1</sup> Last updated: June 2025.

<sup>2</sup> The target for Scope 1 and 2 also includes biogenic emissions and the removal of biogenic raw materials.

# MANAGEMENT APPROACH

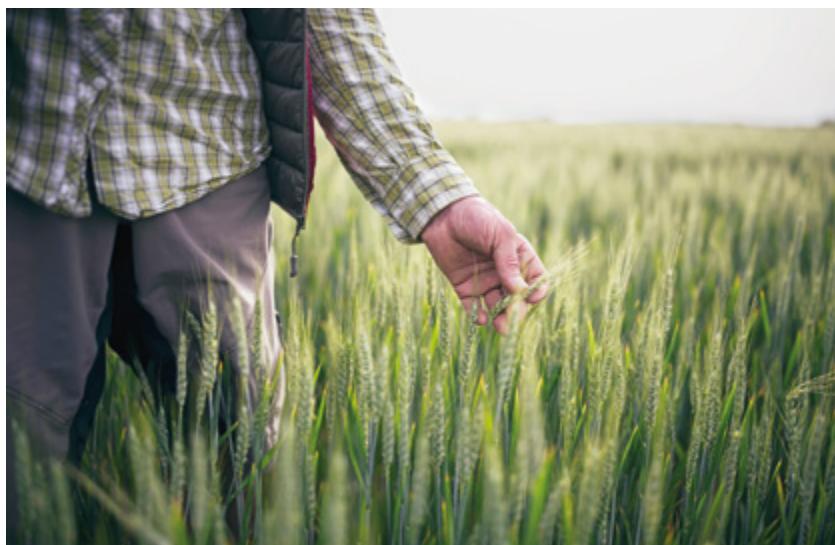
According to the [Global Risk Report published by the World Economic Forum \(WEF\)](#), environmental risks are among the greatest threats we face worldwide over the coming years. They are particularly relevant to the food and retail sector. At Kaufland we are aware of the resulting challenges and have developed a corporate responsibility (CR) strategy to address them. More information on our CR strategy can be found in the [Governance](#) chapter.

## Challenges: Tacking the climate crisis

Global climate change poses immense challenges and makes action across all areas of society essential, including at Kaufland. On the one hand, the production, processing and transportation of our products – particularly agricultural produce – causes large amounts of greenhouse gases (GHG). Not only that, we also consume energy in our day-to-day operations and therefore produce direct greenhouse gas emissions ourselves. On the other hand, we are also exposed to significant risks: in agriculture, for example, where extreme weather events can lead to crop failures and a decreased availability of goods, lower planning security as well as increasing prices for goods and raw materials.

Biological diversity, or biodiversity, is the basis of all life on earth. Species biodiversity is just one facet, alongside genetic diversity and ecosystem diversity. These three aspects are closely linked. The diversity of species on land, in the water, in the soil, and in the air is key to maintaining a functioning ecosystem, and therefore also to our diet. Pollination by a variety of insects, like wild bees

for example, ensures the preservation of 80 percent of the wild and cultivated plants on the planet. However, the populations of almost half of our insect species are in sharp decline, and scientists believe that many species could imminently become extinct. In addition to the destruction of natural habitats, the expansion of agricultural areas, monocultures, or the use of chemical and synthetic pesticides are also reasons for this development.

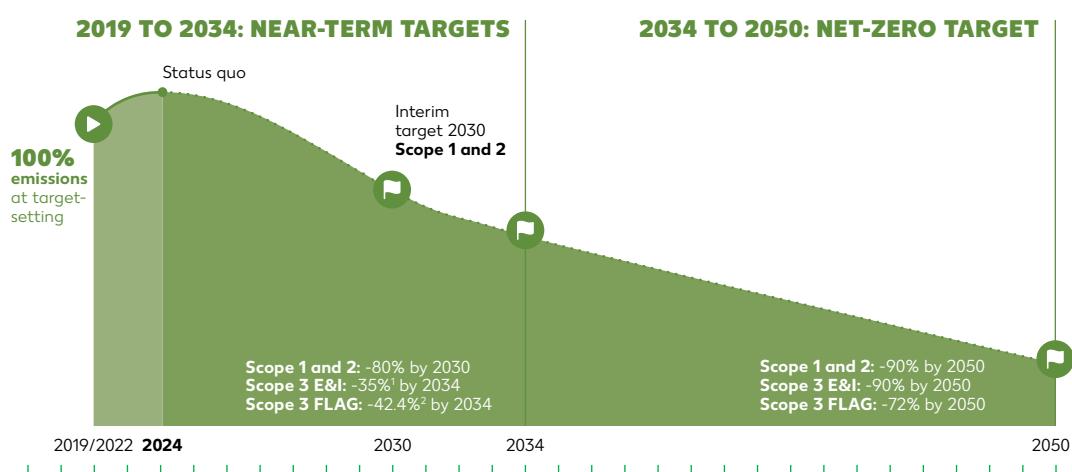


# Our strategic approach to protecting the environment

**Kaufland is aware of its own impact and the consequences of climate change on its business and has defined climate action as an area of strategic focus. Our aim is to minimize our own contribution to climate change and steadily reduce greenhouse gas emissions.**

Our commitment is guided by the Schwarz Group companies' science-based climate targets, giving it a solid foundation. The companies of Schwarz Group joined the Science Based Targets initiative (SBTi) in 2020, which is how we align our targets to those of the Paris Agreement on climate change. The SBTi has scientifically reviewed, validated, and approved the updated near-term climate targets submitted by the companies of Schwarz Group. The companies of Schwarz Group are working together to reduce their operational greenhouse gas emissions (Scope 1 and 2) by 48 percent by 2030 compared to 2019 levels.

Under this joint commitment, Kaufland aims to reduce its operational GHG emissions (Scope 1 and 2) by 80 percent by 2030 (compared with 2019). Moreover, as a company of Schwarz Group, we are supplementing our existing supplier obligations with absolute reduction targets in the upstream and downstream supply chain (Scope 3) and are supporting our suppliers in implementing them together. In terms of indirect emissions (Scope 3), we base our Kaufland targets on the jointly adopted targets of the companies of Schwarz Group. In specific terms, this means reducing indirect emissions in the agriculture and forestry sector by 42.4 percent as well as by 35 percent in the energy and industrial processes category by 2034 (base year 2022). Kaufland has also committed to reducing its absolute Scope 3 emissions resulting from the use of sold fuel by 58.8 percent by 2034 compared to 2022. Kaufland has committed to ensuring that suppliers, who are responsible for 80 percent of product-related emissions, set their own climate targets based on the SBTi criteria by 2026. In September 2024, the companies of Schwarz Group jointly submitted an official net-zero commitment to the SBTi.



<sup>1</sup> E&I: Emissions from energy consumption and industrial processes; including the target to reduce emissions from sold fuels by 58.8 percent by 2034.

<sup>2</sup> FLAG: Emissions in the agriculture and forestry sector; target includes the commitment to deforestation-free supply chains for key raw materials from 31 December 2025.

**By signing up to the commitment of the companies of Schwarz Group until 2050, Kaufland is going one step further and setting itself binding targets to reduce greenhouse gases that go far beyond the scope of existing targets:**

**Scope 1 and 2:**  
90 percent reduction compared to the base year of 2019

**Scope 3:** 72 percent (FLAG) and 90 percent (E&I) reduction compared to the base year of 2022

## WE TRANSLATE OUR AMBITIONS INTO FOUR PRIORITY TOPICS WITHIN OUR CLIMATE STRATEGY:

ENERGY	MOBILITY	MORE CLIMATE-FRIENDLY RANGE	MORE CLIMATE-FRIENDLY CONSTRUCTION
			

The use of renewable energies is an important lever in stepping up climate action. At Kaufland, almost 100 percent<sup>3</sup> of our electricity is green. The expansion of our own energy generation capacities and improving energy efficiency are also important areas of focus.

Climate-friendly mobility and logistics concepts are another priority of our joint climate strategy. One of our focuses here is the expansion of the charging infrastructure at our sites and the use of alternative drive technologies in logistics.

The core business of the companies of Schwarz Group entails designing the product range as a lever to boost climate action. That is why we are working closely together with our suppliers to cut GHG emissions. As part of this process, Kaufland continues to adapt its range, expand the number of products it offers, and, for example, add an increasing number of plant-based alternatives.

Kaufland places great importance on the energy-efficient and sustainable construction of its stores, logistics centers, and administration buildings. We aim to comply with corresponding national and international standards concerning sustainable construction, for example by using timber or recycled materials. We apply for such certification and are constantly developing our requirements, including with regard to innovative and more sustainable construction materials.

Kaufland also recognizes the importance of biodiversity as the bedrock of functioning ecosystems and of stable agricultural supply chains, which is why we advocate for its preservation – from agricultural land to more sustainable product

decisions. Kaufland is also involved in initiatives to actively drive biodiversity standards forward; see "Initiatives and memberships" in the **Governance** chapter.

<sup>1</sup> Including the target to reduce emissions from sold fuels by 58.8 percent by 2034.

<sup>2</sup> This target includes the commitment to deforestation-free supply chains for key raw materials from 31 December 2025.

<sup>3</sup> Excluding any purchase agreements over which the companies of Schwarz Group have no control, such as those for individual leased properties with a binding electricity procurement clause. More information is available at: [www.despre.kaufland.ro/responsabilitate](http://www.despre.kaufland.ro/responsabilitate)

## How we reinforce our commitment to the environment

The companies of Schwarz Group, to which Kaufland belongs, jointly developed and decided on their fundamental strategic approach to climate change mitigation. All the divisions' relevant departments, including Corporate Responsibility, Purchasing, Procurement, Sales, Real Estate, Logistics, and Human resources, have been involved in this process. At Kaufland, the CR International coordinates the global implementation of the climate strategy in the specialist departments on behalf of all countries. The departments of Kaufland Stiftung & Co. KG develop suitable climate change mitigation actions in their area of responsibility on the basis of their joint targets and communicate corresponding ambitions, targets, and requirements to the respective departments of Kaufland Romania. The respective department here at Kaufland Romania is then responsible for the specific project and topic.

The subject of biodiversity is also addressed and implemented on a topic-by-topic basis by various departments. Here, Purchasing is responsible for compliance with and implementation of ecological standards in the supply chain. The department is also responsible for managing raw materials targets and pesticide management, together with Quality Assurance. The CR department of Kaufland Stiftung & Co. KG plays a supporting role in this process, serving as a catalyst and internal consultant. Real Estate/Construction of Kaufland Stiftung & Co. KG is responsible for protecting the environment in the building and operating stores and logistics centers.

# REDUCING GHG EMISSIONS

**Greenhouse gas emissions are one of the main drivers of climate change. To combat this, we systematically aim to achieve a measurable reduction in our emissions across all relevant areas. By taking targeted action along the entire value chain, we are working toward cutting our CO<sub>2</sub>e footprint<sup>1</sup> on a long-term basis. We are always looking for ways to reduce or eliminate CO<sub>2</sub>e emissions in our operations and supply chain and therefore make progress in achieving our climate targets.**

Total greenhouse gas emissions of Kaufland Group increased by 4.1 percent in fiscal year 2024 – at Kaufland Romania, they rose by 8.16 percent.

The increase in emissions in the upstream and downstream value chain (Scope 3) in fiscal year 2024 was partly caused by the growth of Kaufland Group companies and the underlying calculation method. One key aspect in this trend was the early adoption of changes to data collection methodology in preparation for the requirements of the Corporate Sustainability Reporting Directive (CSRD). These changes resulted in the data collection periods for relevant metrics being brought forward, resulting in projections being applied to fiscal year 2024, which may affect year-on-year comparability.

<sup>1</sup> Analyzed sources for the emission factors: International organizations (e.g., IEA, IPCC), LCA databases (e.g., Ecoinvent, Optimeal), national institutions (e.g., DBEIS/DEFRA), as well as industrial associations and organizations (e.g., Plastics Europe, FEFCO). In order to ensure year on year comparability, the emission factors used for the calculation are not always the latest available.

## DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS IN T CO<sub>2</sub> EQUIVALENT (SCOPE 1, 2, AND 3)<sup>2 3 4</sup>

### Kaufland International

	2023	2024	
<b>Scope 1</b>	<b>403,920</b>	<b>354,280</b>	↓
	<b>1.17%</b>	<b>0.98%</b>	
Fugitive emissions	254,064	204,605	
Mobile combustion	32,116	32,322	
Stationary combustion	117,740	117,353	
<b>Scope 2</b>	<b>28,410</b>	<b>28,410</b>	≡
	<b>0.08%</b>	<b>0.08%</b>	
District heating	28,410	28,410	
Electricity (market-oriented)	0	0	
<b>Scope 3</b>	<b>34,164,181</b>	<b>35,631,891</b>	↑
	<b>98.75%</b>	<b>98.94%</b>	
Cat. 3.1 Purchased goods and services	29,533,050	30,852,797	
Cat. 3.2 Capital goods	261,014	290,745	
Cat. 3.3 Fuel and energy-related emissions	242,921	256,537	
Cat. 3.4 Transports (upstream)	1,213,183	1,283,163	
Cat. 3.5 Operational waste	64,329	61,258	
Cat. 3.6 Business travel	24,347	26,082	
Cat. 3.7 Employee commuting	178,014	183,234	
Cat. 3.9 Transports (downstream)	0	0	
Cat. 3.10 Processing of the products sold	0	0	
Cat. 3.11 Use of the products sold	1,288,740	1,271,085	
Cat. 3.12 Disposal/recycling of sold products	1,357,864	1,406,272	
Cat. 3.15 Investments	718	718	
<b>Total</b>	<b>34,596,510</b>	<b>36,014,580</b>	↑

### Kaufland Romania

	2023	2024	
	<b>44,964.31</b>	<b>37,908.64</b>	↓
	1.07%	0.84%	
	36,455.22	29,399.55	
	0	0	
	8,509.09	8,509.09	
<b>0</b>	<b>0</b>	<b>0</b>	
<b>0</b>	<b>0</b>	<b>0</b>	
0	0	0	
<b>4,150,186.96</b>	<b>4,499,772.239</b>	<b>↑</b>	
<b>98.93%</b>	<b>99.16%</b>		
3,539,281.62	3,837,094.428		
57677.89	53310.39142		
23,256	24,983.37		
219,616.63	235,850.63		
11,120.24	15,078.67		
8,575.31	8,973.79		
19,903.2	20,988		
0	0		
0	0		
50,246.93	80,262.22		
220,509.14	223,230.74		
0	0		
<b>4,195,151.27</b>	<b>4,537,680.88</b>	<b>↑</b>	

<sup>2</sup> Slight deviations in the totals are possible due to rounding.

<sup>3</sup> Due to non-materiality, emissions in GHG categories 3.8, 3.13 and 3.14 are not accounted for.

<sup>4</sup> Analyzed sources for the emission factors: International organizations (e.g., IEA, IPCC), LCA databases (e.g., Ecoinvent, Optimeal), national institutions (e.g., DBEIS/DEFRA), as well as industrial associations and organizations (e.g., Plastics Europe, FEFCO). In order to ensure year on year comparability, the emission factors used for the calculation are not always the latest available.

**IN ORDER TO ACHIEVE OUR CLIMATE TARGETS, WE WORK CONTINUOUSLY TO SYSTEMATICALLY REDUCE OUR GREENHOUSE GAS INTENSITY, WHICH IS THE AMOUNT OF GREENHOUSE GAS EMISSIONS PER UNIT OF ECONOMIC PERFORMANCE (m<sup>2</sup>).**

#### GHG intensity

#### Kaufland International

#### Kaufland Romania

**Total GHG emissions**  
in t CO<sub>2</sub>e

**2023 2024**

**2023 2024**

**Intensity of GHG emissions**  
in kg CO<sub>2</sub>e/m<sup>2</sup>

**3,913**  
**3,979**

**7,273**  
**7,359**

In the 2024 financial year, we recorded a slight increase in GHG intensity from 3,913 to 3,979 kg CO<sub>2</sub>e/m<sup>2</sup>. This development is primarily attributable to Scope 3 emissions - specifically categories 3.1 Purchased goods and services, 3.4 Transports (upstream), and 3.12 Disposal/ recycling of

sold products. Despite this increase, which highlights the challenge posed by external factors, we remain committed to our obligations. We are working intensively to systematically reduce GHG intensity and thus achieve our long-term climate targets.



The GHG emissions reported for 2023 differ slightly from those previously disclosed by Kaufland Romania. This variation is due to the recalculation of emissions and the update of emission factors, in line with methodological improvements and the most recent available data.

## OUR KEY ACTIONS

We take a wide range of actions to reduce greenhouse gas emissions as part of our climate strategy. Along our main action areas, we have already realized a number of initiatives that contribute significantly to the achievement of our targets. The following table contains an overview of selected, international consolidated key actions. Detailed information on them can be found in the following chapters.



### USE OF RENEWABLE ENERGY SOURCES

- 100% of the electricity purchased from the grid comes from renewable sources
- €4.5 million euro investment in photovoltaic systems. In 2024, we produced 12,727.6 MWh (+26.5% compared to previous year)

Green electricity

**100%**

New PV systems

**22**

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### HEAT RECOVERY FROM PRODUCT COOLING AND HEAT PUMPS

- 113 stores with heat recovery from product cooling
- 107 stores with heat pumps

New stores with heat recovery from product cooling

**13**

New stores with heat pumps

**13**

---



### E-MOBILITY SERVICES

- €1 million invested in the development of electric vehicle charging infrastructure
- 170 stores and two warehouses are equipped with at least one charging station for electric cars.

Sites with electric charging points

**89.5%**

# CLIMATE-FRIENDLY LOCATIONS

**We are working together across all our locations to save energy and be energy-efficient. By taking targeted actions, we are continually reducing our greenhouse gas emissions along the entire value chain.**

## Cutting consumption through energy efficiency



To boost our energy efficiency, we aim to control our energy consumption with the help of energy management systems. At Kaufland, all national companies are certified according to ISO 50001, including Kaufland Romania. All Kaufland meat processing plants also possess ISO 14001 certification and monitor their consumption using energy management software. Such management systems can be used to identify inefficiencies and potential for optimization at an early stage and introduce

corresponding actions. Kaufland regularly conducts internal and external audits to evaluate energy management.

We take a range of different approaches and actions to achieve our targets at Kaufland. One of the most important activities in the achievement of our climate targets is the procurement of almost 100 percent<sup>1</sup> of our electricity from green electricity providers, which we have done since fiscal year 2022.

We also strive to use low-emission energy sources in new buildings or existing facilities, thereby reducing CO<sub>2</sub>e emissions. We have also applied an innovative energy concept to all new sites since 2012. The concept, known as Kälte-Klima-Verbund (Cooling Climate System), makes use of the waste heat from cooling systems to provide heating in our stores. In the winter, the system covers over 80 percent of our heating requirements. A reversible air/water heat pump provides additional energy when needed, and can also offer air conditioning in the summer. The use of this technology allows Kaufland to reduce energy consumption and CO<sub>2</sub>e emissions. To cut emissions even further, chiller equipment in over 37 Kaufland stores is operated with natural refrigerants like propane or with CO<sub>2</sub>. As part of the modernization of our

<sup>1</sup> Excluding any purchase agreements over which the companies of Schwarz Group have no control, such as those for individual leased properties with a binding electricity procurement clause. More information is available at: [despre.kaufland.ro/responsabilitate/implicarea-face-diferenta/clima](http://despre.kaufland.ro/responsabilitate/implicarea-face-diferenta/clima)

stores, we are also increasingly replacing fossil fuel-powered heat generators with heat pumps.

During modernization work, we also fit LEDs in place of existing lighting systems. All Kaufland Romania sites under its ownership have been equipped with LED lighting since 2022.

We are always interested in further actions to reduce our energy consumption and like to act on employee suggestions submitted through our internal ideas management system.

The Kaufland meat processing plants have also set themselves the target of systematically optimizing energy consumption in their own operations. Optimizing production planning processes and consolidating production lines has already resulted in an increase in efficiency and had a positive impact on energy consumption. Examples include the optimization and reconditioning of our refrigeration systems as well as regular inspections of compressed air systems. Energy-efficient solutions are systematically prioritized in the procurement of new systems.

## **TOTAL ENERGY CONSUMPTION AT COMPANIES OF KAUFLAND GROUP**

Total energy consumption slightly rose by 0.86 percent in the reporting year. Direct year-on-year comparison is only possible to a limited extent. Due to changes in the data collection process, metrics have been projected on the basis of previous values. We have taken the

significant expansion into account in our projections to provide a realistic impression of our energy consumption. This way we can ensure that, despite the change in data collection methodology, we can still provide verifiable consumption figures.

## ENERGY CONSUMPTION<sup>12</sup>

### Kaufland International

in MWh	2023	2024	
<b>Total energy consumption<sup>1,2</sup></b>	<b>3,106,403.3</b>	<b>3,133,129.4</b>	↑
from renewable sources	2,229,806.4	2,257,872.2	
	71.8%	72.1%	
from non-renewable sources	876,596.9	875,257.2	
	28.2%	27.9%	
<b>Mobile combustion</b>	<b>126,318.7</b>	<b>127,802.4</b>	↑
Mobile combustion from renewable sources	0.0	702.8	
Mobile combustion from non-renewable sources	126,318.7	127,099.5	
<b>Electricity</b>	<b>2,235,563.7</b>	<b>2,262,926.7</b>	↑
from renewable sources	2,228,906.9	2,256,269.9	
Outsourcing	2,208,259.0	2,232,060.1	
Self-consumption from self-generation	20,647.9	24,209.8	
from non-renewable sources	6,656.9	6,656.9	
Outsourcing	0.0	0.0	
Self-consumption from self-generation	6,656.9	6,656.9	
<b>District heating</b>	<b>115,978.9</b>	<b>115,978.9</b>	≡
from renewable sources	398.6	398.6	
Outsourcing	398.6	398.6	
Self-consumption from self-generation	0.0	0.0	
from non-renewable sources	115,580.3	115,580.3	
Outsourcing	115,580.3	115,580.3	
Self-consumption from self-generation	0.0	0.0	
<b>Heating oil (non-renewable)</b>	<b>40,987.0</b>	<b>40,987.0</b>	≡
<b>Natural gas (non-renewable)</b>	<b>582,630.4</b>	<b>580,509.8</b>	↓
<b>Emergency power systems and sprinkler systems</b>	<b>4,161.1</b>	<b>4,161.1</b>	≡
from renewable sources	500.9	500.9	
from non-renewable sources	3,660.3	3,660.3	

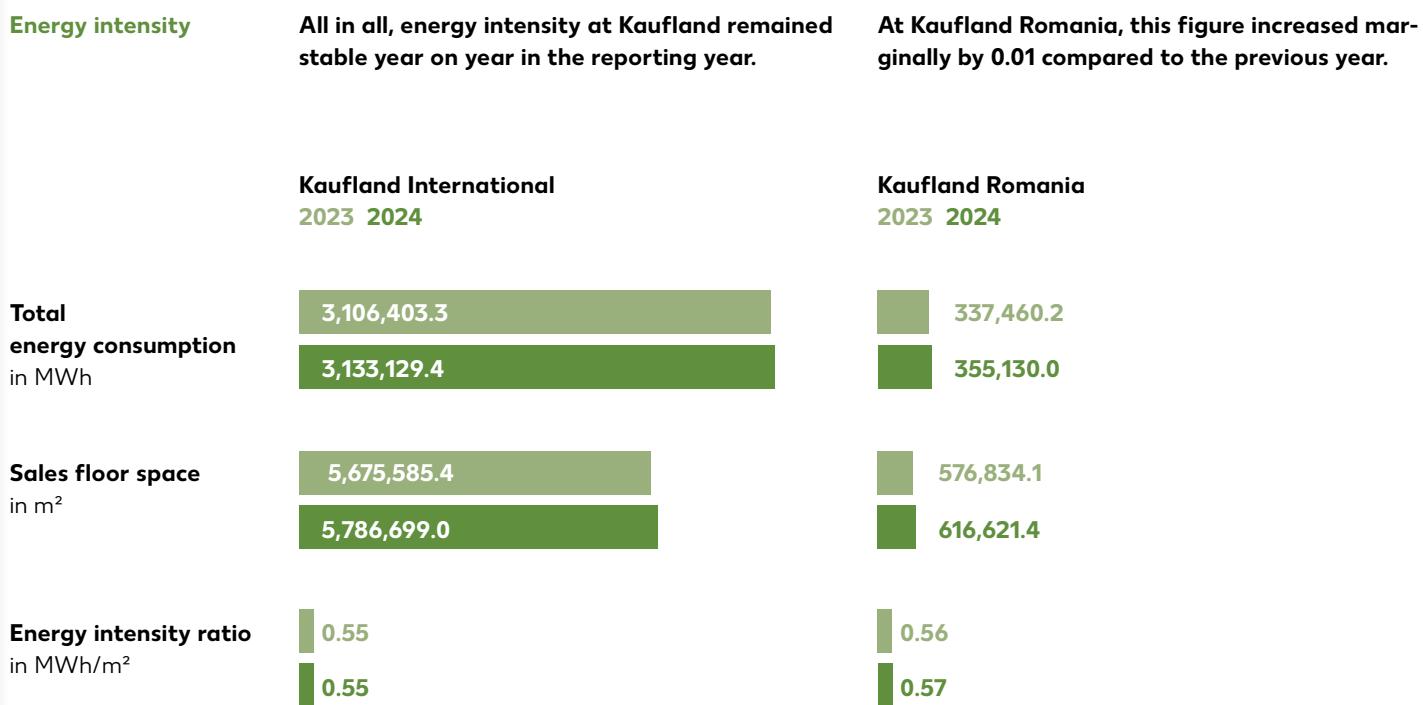
### Kaufland Romania

2023	2024	
<b>337,460.2</b>	<b>355,130.0</b>	↑
274,701.1	291,345.0	
83.9%	82.0%	
62,759.1	63,785.0	
16.1%	18.0%	
<b>16,082.8</b>	<b>17,121.2</b>	↑
0.0	12.5	
16,082.8	17,108.7	
<b>274,701.1</b>	<b>291,332.5</b>	↑
274,701.1	291,332.5	
264,639.6	278,604.9	
10,061.6	12,727.6	
0.0	0.0	
0.0	0.0	
0.0	0.0	
<b>0.0</b>	<b>0.0</b>	≡
0.0	0.0	
0.0	0.0	
0.0	0.0	
<b>0.0</b>	<b>0.0</b>	≡
0.0	0.0	
<b>46,676.3</b>	<b>46,676.3</b>	≡
0.0	0.0	
0.0	0.0	
0.0	0.0	

**AT KAUFLAND ROMANIA, ENERGY CONSUMPTION ROSE BY 5.2% YEAR ON YEAR. THIS INCREASE WAS MAINLY DUE TO THE EXPANSION OF OPERATIONS, INCLUDING THE OPENING OF 13 NEW STORES IN THE 2024 FINANCIAL YEAR.**

<sup>1</sup> If data was not available at the date of this report, the data from the previous year was assumed.

<sup>2</sup> Slight deviations in the totals are possible due to rounding.



The emissions intensity figures differ from those previously reported by Kaufland Romania. This is due to a revision of the calculation methodology, as secondary areas were excluded from the total surface area used in the intensity calculation.

## More climate-friendly construction

As we expand, we make sure that our stores, administration buildings, and logistics centers are constructed to be energy-efficient and as sustainable as possible. After all, by utilizing climate-conscious construction methods and installing eco-friendly technology in our stores, we can reduce operational emissions. Our construction standards are constantly being reviewed and, where appropriate, developed from an environmental and energy-efficiency standpoint. We continuously evaluate new actions and materials that may offer ecological benefits or enhance the energy efficiency of our buildings. Kaufland is building its own test sites at several of its national companies where innovative and sustainable solutions can be trialed under real-world conditions in collaboration with the international departments of Kaufland Stiftung & Co. KG. These include the use of alternative construction materials with a focus on the circular economy, such as wood or roof sealing tape made from 60 percent recycled

plastic sheeting. Through such practical testing, we gather valuable information to make our building methods even more sustainable and resource-friendly.

We draw on widely known national and international standards for sustainable construction, such as Excellence in Design for Greater Efficiencies (EDGE). All sites under our ownership – a total of 957 across multiple countries as of July 2025 – are already EDGE-certified.

At Kaufland, all stores under our ownership in all countries are certified accordingly. Other buildings, such as new builds that have already started and administration and logistics sites, will be certified this year. Over 40 percent of Kaufland buildings already have EDGE Advanced certification. In Kaufland Romania, 83 percent of buildings held such certification by the end of financial year 2024.

# CLIMATE-FRIENDLY SUPPLY CHAIN

**We have the greatest influence on the climate through our supply chain. That is why Kaufland strives to make its own supply chains more climate-friendly, particularly when it comes to the food product range. We are placing greater emphasis on sustainable product standards, transparent sourcing and resource-efficient production. A key aspect in range development is maintaining close, collaborative partnerships with our suppliers.**

The cooperation between Kaufland Stiftung & Co. KG and agri-tech company Klim is a prime example. Together, they support farmers making the transition to regenerative farming, as these kinds of agricultural practices reduce greenhouse gas emissions and actively store carbon in the soil. Kaufland is also funding climate change mitigation projects in its own supply chain in the form of insetting projects. Klim's modular, flexible platform allows us to measure emissions generated on farms and any reduction in these levels. The app incentivizes farmers to switch to regenerative

farming by diversifying their crop rotations, decreasing their use of pesticides and fertilizers, and minimizing soil tillage. In this way, we were able to work together with Klim and numerous farmers, including those who cultivate oats for the suppliers of K-Classic muesli, to successfully take actions to reduce GHG emissions in their fields. One of the ways this was achieved was through optimized crop rotation and fertilization. The digital agri-tech platform from Klim offers farmers various features, such as options to document regenerative measures.

Our commitment to more sustainable agriculture and preserving resources ranges from supporting greener agricultural practices and responsible water management all the way through to the socially responsible and environmentally friendly cultivation of raw materials. Specific projects at our national companies show how we are realizing sustainability in practical terms together with our local partners.

## Kaufland in Romania

In Romania, we support innovative agricultural practices through our partnership with Ultragreens, a local vertical-farming producer. Together, we operate the "Green Hub Kaufland by Ultragreens", a compact vertical greenhouse located near our logistics centre in Ploiești.

The facility uses a hydroponic system and stacked growing shelves, which create a cultivation area of around 1,250 m<sup>2</sup> within a 180 m<sup>2</sup> footprint. This controlled environment enables consistent, year-round production of greens and aromatic plants, with short growth cycles.

The system requires considerably less water than traditional field cultivation because the water used in the hydroponic installations is recirculated. By locating the greenhouse close to our distribution hub, we also reduce the distance these products travel before reaching our stores.



# Driving climate-conscious change in the product range

As products of animal origin cause particularly high GHG emissions, we are continuously working to make our product range greener by offering an increasing number of plant-based alternatives. This way, Kaufland is contributing to balanced nutrition and the reduction of GHG emissions along the supply chain. We also follow this aim when it comes to expanding our regional product range. More information on this subject can be found in the [Good nutrition](#) chapter.



# OPTIMIZE TRANSPORT AND LOGISTICS

The journey our products take from producer to store shelf also causes emissions. That is why we are optimizing both our transport routes and our logistics processes in an effort to cut GHG emissions along the entire value chain.

One of our areas of primary focus here is the increased use of appropriate means of transportation and energy-efficient storage. This includes utilizing an increasing number of electric vehicles and installing charging points.

## Expanding e-mobility charging infrastructure

Kaufland partners with established stakeholders in the expansion of charging infrastructure at our sites. We have also launched corresponding partnerships that are being rolled out in pilot markets. One example is the opening of a charging park with eight charging stations – each with its own bay for electric semi-trailer trucks – at

Kaufland Stiftung's logistics site in Möckmühl (Baden-Wuerttemberg, Germany) in 2023. To this end, Kaufland Stiftung cooperated with Einride, a leading provider of intelligent solutions for digital, electric, and autonomous goods transport, to introduce heavy e-trucks in supplying its stores. The use of e-trucks has saved some 700 metric tons of CO<sub>2</sub> since the charging park opened (as of May 2025).

We are also continuously expanding the range of electric charging stations for cars at our sites. At the end of fiscal year 2024, at Kaufland Romania a total of 170 stores and the 2 warehouses were equipped with at least one charging station for electric cars.



# Protecting the climate through efficient transport and logistics

All our warehouse sites already operate as sustainably as possible thanks to the use of energy-efficient technologies and renewable energies. At Kaufland, as a company of Schwarz Group, we have jointly set out the material aspects of sustainable logistics processes in a cross-divisional road map, which serves as the basis for a wide range of actions. The comprehensive data that is part of the carbon footprint forms the basis for all actions. Transportation at Kaufland caused approximately 1.28 (2023: 1.21) million metric tons of CO<sub>2</sub>e emissions in fiscal year 2024; at Kaufland Romania, this figure was 80,262.2 metric tons. One focal point is the deployment of low-emission trucks.

We also support our transport service providers in the transition toward logistics with a lower CO<sub>2</sub>e footprint and encourage them to calculate and reduce their emissions. At Kaufland, we recognize a great deal of potential to reduce greenhouse gas emissions, especially in our cooperation with freight forwarders. In order to assess the technical status of our vehicle fleet in terms of energy efficiency and CO<sub>2</sub>e emissions, Kaufland commissions FUMO® Solutions GmbH to audit its pool of over 100 freight forwarders in multiple countries. If they pass the auditing process, the freight forwarder is awarded the title Green Carrier. The findings from this audit can be used as specific starting points for particular actions, such as individual energy consumption, thus leading to the reduction of

CO<sub>2</sub>e emissions. In future, Kaufland will perform these audits annually for each freight forwarder.

Kaufland's commitment to innovative, sustainable logistics has also been recognized by the industry: At the reta awards, which highlight outstanding technology projects of retail companies every year, in early 2024 Kaufland received an award for the successful introduction of an automatic picking system in its distribution centers.

## Award-winning commitment

In 2024, Kaufland Romania made significant progress in sustainability, notably reducing its carbon footprint through circular logistics solutions and strategic partnerships. By recycling packaging waste via Reciclad'OR, the company cut greenhouse gas emissions by 1,292,493 kg CO<sub>2</sub>e. The use of reusable green Euro Pool System (EPS) crates reduced an additional 3,713 tons of CO<sub>2</sub>, while reusable red LPR pallets contributed a further 40-ton reduction. For these achievements, Kaufland received the EPS Sustainability Certificate for the fifth consecutive year.

Collaboration with CHEP further enhanced these results, achieving a reduction of 3,972,959 kg CO<sub>2</sub>. Kaufland Romania was awarded the CHEP Sustainability Certificate for the fourth consecutive year, demonstrating an increasingly efficient and responsible supply chain.

# Minimizing transport routes through regional purchasing

Shorter transport routes mean lower emissions. As a result, we prioritize regional suppliers in our food range, as that translates to short transport routes, freshness, quality, and supporting local businesses. Products sourced from the local region or domestic market are often also seasonal. When local fruit and vegetables are in season, the journey from regional producers to store shelves

is particularly short. Shorter routes and storage periods compared to imported produce means significantly lower energy consumption and CO<sub>2</sub>e emissions, and above all fresher products. More information is available in the [Good nutrition](#) chapter.

# BIODIVERSITY AND SOILS

**As described at the start of this chapter, biodiversity is the basis for our copious range of food products. Yet the cultivation of these products can have a negative impact on biodiversity. That is why we at Kaufland are putting a range of actions in place to enable us to play our part in protecting and preserving biodiversity and to minimize negative effects on the environment. These actions range from reducing the use of pesticides to responsible water management and also aim to achieve deforestation-free supply chains.**

At product level, we have a variety of certifications in place that also take biodiversity criteria into account. These include the organic label FSC® (Forest Stewardship Council) for wood-based products, MSC (Marine Stewardship Council) and ASC (Aquaculture Stewardship Council) for fish, Rainforest Alliance for coffee and bananas, and Fairtrade for cocoa. Our commitment is also attested to by NGOs. In the 2024 Palm Oil Scorecard of the WWF, Kaufland achieved good results, ranking eleventh out of all 285 companies contacted by the organization.

## Targeted reduction of pesticide use

An important building block in our commitment to biodiversity is Kaufland's pesticide management initiative for fruit and vegetables. Kaufland has been working on projects with suppliers to promote integrated farming as well as to reduce and avoid the use of pesticides in fruit and vegetable farming since 2006. This systematic approach allows the use of pesticides to be reduced. Kaufland standards are stricter than statutory requirements by severely limiting the active agents permitted for use so that pesticides are used as little as possible on crops. The [General Kaufland Specifications and the Kaufland Exclusion List for Particularly Dangerous or Hazardous Pesticides](#) contain detailed information and instructions in this regard. The exclusion list, for example, lists all active agents prohibited or excluded by Kaufland or international requirements (WHO Class 1a and 1b substances and the Rotterdam and Stockholm Conventions).

Kaufland consistently advocates that producers should only use pesticides when there are no viable alternatives from an agronomic perspective. We use regular independent checks to ensure that our internal standards are met. And our efforts are being rewarded: We are already a pioneering force in the reduction of pesticide use in the cultivation of fruit and vegetables as well as flowers and plants. Our standards are among the strictest in the entire industry.

In [Transparency Report on Fruit and Vegetables and our Transparency Report on Flowers and Plants](#), we offer comprehensive insight into the strictly regulated use of plant protection products at Kaufland and our commitment to maintaining biodiversity.

# Protecting forests through conscious procurement

In line with the EU Regulation 2023/1115<sup>1</sup> on Deforestation-free Products (EUDR), which was enacted by the European Parliament and the Council of the European Union, the companies of Schwarz Group have taken part in expert groups to develop a binding approach to corporate due diligence. In accordance with the regulation, this will ensure deforestation-free products from December 30, 2025. This affects the relevant raw materials wood, cocoa, coffee, rubber, palm oil, soy and beef as well as the products created with these raw materials.

The Kaufland companies are working toward the inclusion of the EUDR in its strategy for deforestation-free supply chains and has also signed the WWF's mission statement on deforestation and the destruction of the environment to underscore its commitment. In addition, at Kaufland we also advocate for the inclusion of "other wooded land"<sup>2</sup> in the context of the EUDR. This step will provide more protection for important ecosystems around the world as well as facilitating easier implementation of the regulation for companies and the relevant authorities. Furthermore, it will create a level playing field for everyone.

In concrete terms, at Kaufland we are intensively involved in the subject of deforestation-free supply chains at EU level through the EuroCommerce association as well as in the Stakeholder Forum of the German Federal Ministry of Food and Agriculture. Kaufland has also tested the EUDR information system of the EU Commission and sent back suggestions for improvements. As a result, we have made deforestation-free products a core compliance topic as part of our supply chain compliance activities.

Soy is a focus raw material when it comes to measures to prevent deforestation. At Kaufland, we are focusing more and more on European soy in order to combat deforestation effectively. To encourage the cultivation of GM-free soy in Europe, Kaufland Stiftung & Co. KG entered into a partnership with the non-profit organization Donau Soja back in 2019. In 2024, Kaufland supported soy farmers in Ukraine, Croatia, Serbia, and Bosnia and Herzegovina, who were able to certify their soy beans as GM-free and more sustainable through protein partnerships.

In this context, Kaufland has published an ambitious voluntary agreement for deforestation-free soy supply chains.

[Voluntary Commitment to Deforestation-Free Soy Supply Chains \(Kaufland\) \(German\)](#) 

<sup>1</sup> Regulation – 2023/1115 – EN – EUR-Lex (europa.eu).

<sup>2</sup> Pursuant to the definition from the Food and Agriculture Organization of the United Nations (FAO).

# Promoting more sustainable agriculture

Kaufland is also working together with other stakeholders beyond the area of deforestation to promote biodiversity-related topics: Together with the Leibniz Institute of Vegetable and Ornamental Crops e. V. and Gemüsering Stuttgart GmbH, Kaufland Stiftung & Co. KG launched a scientific project to promote sustainable agriculture in 2020. By working with almost 20 businesses from

the three culture groups "vegetables," "fruit," and "potatoes" from Germany, Poland, and the Czech Republic, the aim is for biodiversity, humus content, and soil fertility to be analyzed and improved by applying scientific findings. The findings of the analysis on the current status of the soil were published in a scientific publication. Action has been taken to improve soil on this basis since 2022.

## "Sol și Suflet"

At Kaufland Romania, we are supporting the transition to regenerative agriculture. In 2025, after three years of innovation and research, the Sol și Suflet Farm has reached a self-sustaining production model, becoming a national pioneer in regenerative agriculture. The initiative was developed by the Romanian Permaculture Research Institute, with financial support of RON 1.25 million from Kaufland Romania. The farm applies regenerative agriculture principles that prioritize soil health and biodiversity, using practices such as crop rotation, composting, and natural fertilizers to produce high-quality vegetables while minimizing environmental impact.

Located on a six-hectare area in Dâmbovița County, Sol și Suflet cultivates around 50 varieties of vegetables throughout the year, supplying fresh produce weekly to approximately 200 customers, including through home-delivery subscription models. In addition to food production, the farm operates as an educational hub, offering internship and volunteering programs for future farmers and individuals interested in regenerative agriculture. The knowledge generated through on-site research is made freely available via an online educational resource library, contributing to the wider dissemination of sustainable farming practices.

# Protecting biodiversity at our own sites

## Green facades and roofs as part of our green building strategy.

At Kaufland sites, a green building concept, which is the responsibility of the Real Estate division of Kaufland Stiftung & Co. KG, is one of the pillars of protecting biodiversity. After all, the construction of new buildings can also have an impact on biodiversity, for example by soil sealing. That is why, for Kaufland new builds, details on greenery aspects such as extensive roof greening are generally included in the jointly developed building specifications that are reviewed ahead of each new project. When planning new buildings, renovation work, or demolitions, we commission biodiversity reports to assess nesting and breeding sites of animals such as birds and bats and take these into account in the projects.

At the same time we are also currently working on concepts that will systematically strengthen the topic of biodiversity at our existing real estate sites. These include installing insect hotels and nesting boxes and creating insect-friendly wild-flowers strips and bee trails. Within the scope of the Green Building concept, the companies of the Schwarz Group are constantly developing and testing new solutions with the aim of applying them in a meaningful way in the future. Tried-and-tested actions include adding greenery to facades or the roofs of shopping cart corrals at selected stores.

# Entering partnerships for nature-based solutions

Further partnerships help us to promote and preserve biodiversity. The Bodensee-Stiftung & Co. KG in Germany has been supporting Kaufland Stiftung in the development of biodiversity projects since 2016. It evaluates biodiversity actions and nature-based solutions for climate change mitigation and classifies them in terms of their strategic relevance. Kaufland employees also have the chance to improve their skills when it comes to biodiversity by taking part in regular virtual training sessions. Kaufland benefits across all national companies from this specialist expertise and has access to the latest developments and findings.

Stiftung & Co. KG is also a founding member of Food for Biodiversity e. V., where it represents all Kaufland national companies. Through their involvement in the organization, stakeholders from companies, associations, and standard-setters from the food industry help to preserve biodiversity via a number of different projects. In this context, Kaufland is currently running a number of pilot projects to test the base set of biodiversity criteria that were developed within the scope of the organization. By doing so, Kaufland hopes to raise biodiversity standards in European food production.

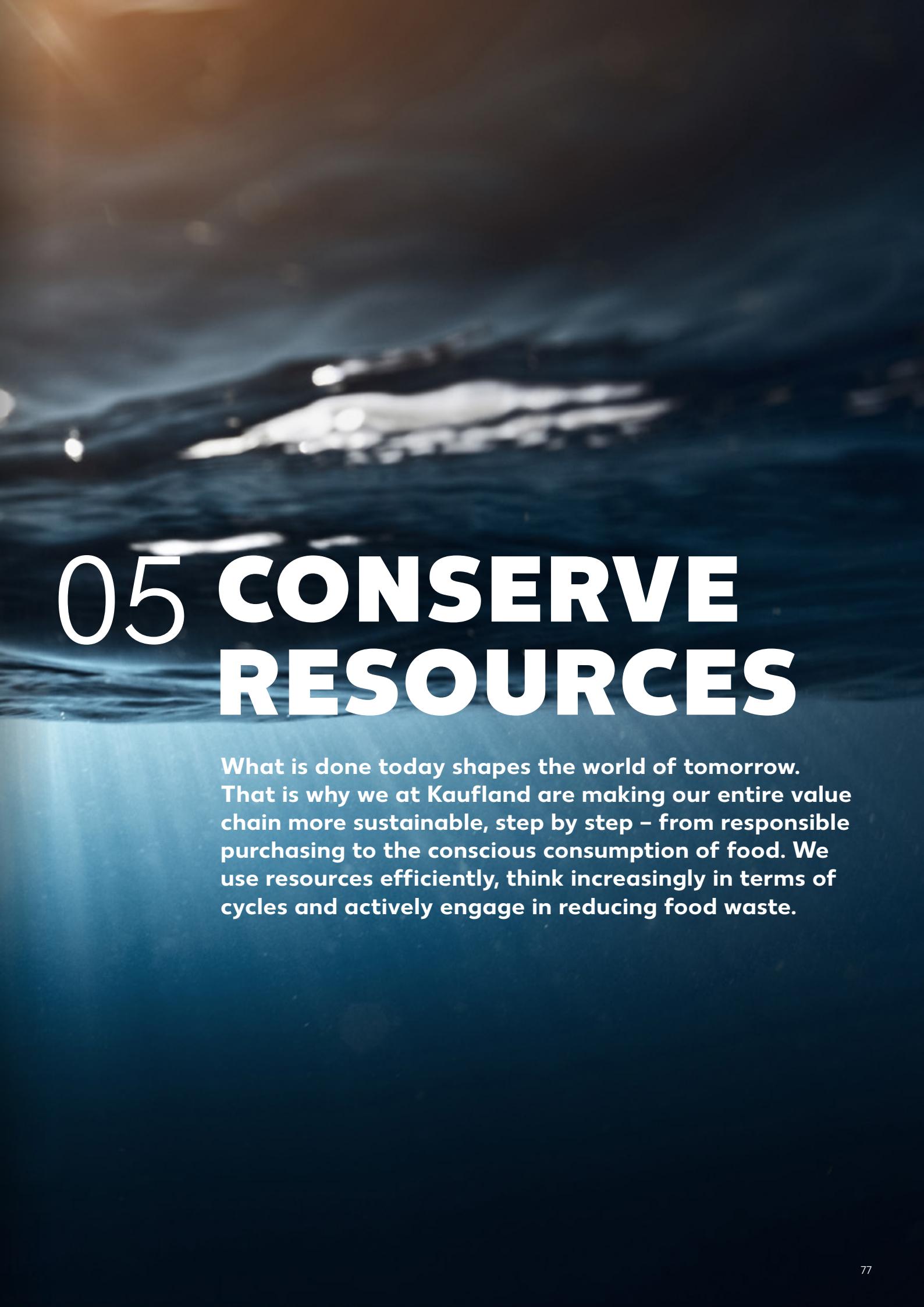
Moors and wetlands play a pivotal role in climate change mitigation, serving as valuable ecosystems that are home to unique plant and animal species. Wet moors can also be cultivated in an environmentally friendly way. The Allianz der Pioniere organization is utilizing this potential as part of the toMOORow initiative and testing solutions that not only benefit the environment but are also attractive from a financial perspective. Kaufland became the first food retailer to join the organization and is committed to making re-wetted peatland suitable for agricultural use in the future.

In what is known as paludiculture, plants with a high water tolerance such as carex, reed canary grass, cattail, reeds, and black alder can thrive in such habitats. These plants can serve as valuable, regional, and sustainable raw materials in the construction and insulation industries, in paper and packaging, and in the production of wood materials. As a partner in this initiative, we are testing the use of construction and paper materials in pilot projects to bring successful solutions to market. Ultimately, projects such as these are win-win: Rewetting can create new income streams for agriculture, unlock economic potential, and at the same time support climate change mitigation and biodiversity.

**Kaufland is the first food retailer to be part of the "Allianz der Pioniere"**







# 05 CONSERVE RESOURCES

**What is done today shapes the world of tomorrow. That is why we at Kaufland are making our entire value chain more sustainable, step by step – from responsible purchasing to the conscious consumption of food. We use resources efficiently, think increasingly in terms of cycles and actively engage in reducing food waste.**

# STRATEGIC AND OPERATIONAL TARGETS

We think holistically and consider the impacts of our products throughout their life cycle – from raw material to recycling. That is why we are making a targeted effort to reduce the use of natural resources in our value chains and fostering a mindset that is based on closed loops.

Target	Deadline	KPI measurement	Status	Target achievement FY 24
By 2025, Kaufland will use an average of 25% recycled material <sup>1</sup> in its private label plastic packaging.	2025	Target achievement in percent		International <b>26%</b>  Kaufland Romania <b>28.5%</b>
By 2025, Kaufland will maximize the recyclability of 100% of its private label plastic packaging.	2025	Target achievement in percent		International <b>60%</b>  Kaufland Romania supports the achievement of the Group-level target through aligned local actions
By 2025, Kaufland will use 30% less plastic in its private label packaging and transport aids made from plastic compared with the base year of 2017.	2025	Target achievement in percent		International <b>44%</b>  Kaufland Romania supports the achievement of the Group-level target through aligned local actions
By the end of 2030, Kaufland will reduce its food waste by 50% compared to 2018.	2030	Target and measurement methods under development		
By 2030, all Kaufland national companies will be certified according to DIN Spec 91436.	2030	New target Target achievement in percent		International <b>25%</b>  Kaufland Romania <b>100%</b>

 Achieved  Increase  Decrease  No change  Ongoing

<sup>1</sup> By recycled materials, we mean 100 percent PCR (post-consumer recycled materials, i.e., recycled plastic from household waste), coloring (color pigment), and filler for the referenced product category.

# Our raw materials targets

Specific targets and requirements regarding selected raw materials are set out in our "General Sustainability Requirements" for Kaufland's private label products.

## Certified according to

- Rainforest Alliance
- Fairtrade
- Organic (Bioland, Demeter, EU organic label, Naturland)

Status 2024



## COFFEE PRODUCTS

Kaufland offers 100% certified sustainable coffee products

Percentage of sustainable coffee (private label) in coffee product range (private label)

International

**89.9%**

Romania

**21.7%**



## ROASTED COFFEE PRODUCTS

Kaufland offers 100% certified sustainable roasted coffee products

Percentage of sustainable roasted coffee products (private label) in roasted coffee product range (private label)

International

**86.4%**

Romania

**50.0%**



## COCOA

Kaufland offers 100% certified sustainable cocoa

Percentage of sustainable cocoa (private label) in cocoa product range (private label)

International

**83.4%**

Romania

**49.1%**

Certification	2023		2024		Total certified articles in Kaufland Romania stores	
	Private label	Other	Private label	Other	2023	2024
Fairtrade	106	9	100	6	115	106
Organic	262	373	241	330	635	571
FSC	16	33	16	42	49	58
Rainforest Alliance	129	39	91	26	168	117
Sustainable fishing	13	13	12	14	26	26
Sustainable cocoa	57	0	53	0	57	53
Sustainable roasted coffee	16	15	14	10	31	24
Sustainable tea	0	14	0	19	14	19
MSC	11	9	11	9	20	20
<b>TOTAL</b>	<b>626</b>	<b>514</b>	<b>538</b>	<b>456</b>	<b>1,140</b>	<b>994</b>

# MANAGEMENT APPROACH

**The sharp increase in the consumption of resources not only has noticeable consequences for the environment, it also impacts the availability of key raw materials – and therefore has a direct effect on our business model. We are taking on these challenges by engaging in responsible procurement on the basis of our raw materials strategy while systematically following our holistic "REset Resources" circular economy strategy.**

## Challenges of global raw materials procurement

The most pressing task in preserving resources is reconciling economic growth and rising consumption with the ecological limits of our planet. Yet raw materials remain central to how many people live and earn a living – while also forming the bedrock of our product range. There are a great deal of challenges to overcome in the manufacturing and disposal of our products, including the environmental hurdles we describe in the **Protect the environment** chapter. Furthermore, in a globalized world, supply chains span the entire planet, which complicates efforts to trace raw materials back to their origin. Not only are materials required for production purposes, materials are also needed for our packaging and transport-related outer packaging too. And these materials consume resources.

Waste avoidance is also a subject that preoccupies us. A variety of influencing factors such as breakage, spoilage, or processing losses can cause food waste along the entire value chain – from processing in Kaufland meat processing plants, for instance, through to in-store sales. However, processing losses can also arise as a result of quality standards or statutory requirements.

The effects of avoidable food waste are wide-ranging: From an ecological perspective, it leads to the wastage of scarce, valuable resources such as water, soil, and energy as well as the creation of avoidable greenhouse gases. Food waste has an impact socially, too, on the global food supply for example. In the case of animal products and in view of the resources used in animal husbandry, it is also important from an ethical standpoint to utilize as much of an animal as possible.

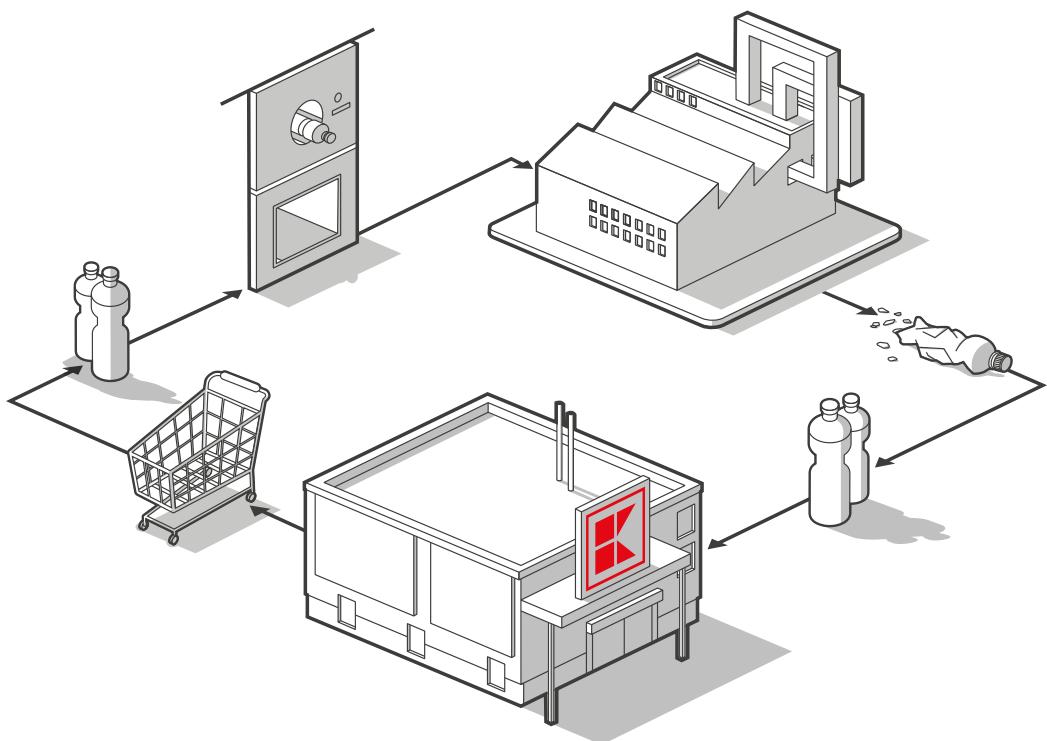
# Our strategic approach: conserve resources

We have established specific strategies containing corresponding actions to address the challenges associated with managing resources. Our aim is to use resources efficiently, avoid waste, and close recycling loops.



## Our circular economy strategy

With the jointly developed REset Resources circular economy strategy, the companies of Schwarz Group are pooling all their activities in this area across the board – from construction methods all the way through to food waste. One particular area of focus in this context is the further development of packaging targets. By 2030 we want to develop recyclable packaging, reduce the use of new materials, utilize multiple-use alternatives, and increase the amount of recycled materials in our private label packaging. In addition, the volume of recyclable materials that are collected and recycled should among other things match the volume of private label packaging in circulation.



## THE "CONSERVE RESOURCES" STRATEGIC FOCUS INCLUDES THE FOLLOWING FOUR TOPICS:

### PROMOTE CIRCULAR ECONOMY



As an essential part of the jointly developed strategy for the companies of Schwarz Group, we are establishing circular economy principles in our own processes as well as along the value chains. Kaufland continues to drive change, including together with environmental service provider PreZero as well as the Schwarz production facilities by bringing together expertise and infrastructure to make the transformation to a circular economy a success. In the jointly developed packaging strategy REset Plastic the focus has so far been on optimizing plastic packaging for the private labels. In fiscal year 2025 this is evolving into the holistic REset Resources circular economy strategy, under which the companies of Schwarz Group jointly utilize their global ecosystem leadership to keep resources in closed loops.

### REDUCE FOOD WASTE



We are committed to avoiding and reducing food waste both in store and among consumers. In our operations, we make sure that food no longer suitable for human consumption is put to best possible use. In our role as the interface between producers and consumers, we want to actively help both sides reduce their food losses. Our clear target: to cut food waste by 50 percent by 2030 compared to 2018 levels.

### USE RAW MATERIALS RESPONSIBLY



Procuring raw materials more sustainably is a key lever in protecting the environment and the climate in the long term as well as in reducing social risks. In the jointly developed raw materials strategy, we have identified focus and high-risk raw materials that are particularly important due to their impacts and relevance to our business activities – including with the help of existing risk analyses and the expertise of a variety of stakeholders. As a result of this process, we at Kaufland have identified high-risk raw materials as well as five focus raw materials that we pay particular attention to:

**High-risk raw materials:**

Coconut, fruit and vegetables, rice, mango, pineapple, cotton, (tuna) fish, herbs and spices (pepper), flowers and plants, soy, nuts, animal products, tea, cellulose, meat (beef)

**Focus raw materials:** Banana, coffee, orange juice, palm oil, cocoa

In the reporting period, we defined specific targets and took action to address these focus raw materials for the private label products procured by Kaufland Stiftung & Co. KG on behalf of and from Kaufland Romania.

### PRESERVE FRESH WATER



As a member of the Alliance for Water Stewardship, Kaufland is committed to managing water resources responsibly along the value chain. We are also striving to integrate the topic of water into the sustainability strategy to a greater degree. By the end of 2025, 100 percent of our fruit and vegetable producers in countries exposed to high water risks – Spain, Portugal, Italy, Greece, Egypt, South Africa, Morocco, Tunisia, Israel, and Chile – must be certified according to recognized standards. In addition, Kaufland meat processing plants together have also set themselves the target of continuously monitoring and reducing specific water consumption at their respective facilities: They are looking to achieve a 3 percent reduction in average water consumption across all sites by the end of fiscal year 2025. More information on our commitment to sustainable water management can be found [here](#).

### Our policies and principles:

Internal guidelines and principles define how we approach these topics. We publish the approaches and actions we take to achieve a more sustainable product range and raw materials procurement in various position papers and purchasing policies<sup>1</sup>:

- [Guideline on Fish](#) ↓
- [Guideline for Better Animal Welfare](#) ↓
- [Guideline on Soy as Animal Feed](#) ↓
- [Guideline on Sustainable Textiles](#) ↓
- [Transparency Report on Fruit and Vegetables](#) ↓
- [Transparency Report on Flowers and Plants](#) ↓
- [Guideline on Water](#) ↓
- [Guideline on Combating Food Waste](#) ↓
- [Guideline on Good Nutrition](#) ↓

Kaufland meat processing plants have also put together an environment, energy, and occupational health and safety policy defining how to manage resources efficiently, consciously, and with care.

## How we manage handling resources responsibility

Greater sustainability in the procurement of raw materials is firmly established as a focus area of the joint strategy of Kaufland companies and is coordinated by Sustainable Purchasing at Kaufland Stiftung & Co. KG. As part of our raw materials strategy, we have jointly created structures and processes to ensure continuous and full compliance with regulatory requirements, define voluntary commitments to more sustainable raw materials procurement, and realize projects with a positive impact in collaboration with stakeholders.

Reducing food waste is a cross-company and cross-department effort at Kaufland. Implementing and developing operational guidelines as well as processes and actions to reduce food losses is primarily the task of Sales, Supply Chain Management, and Kaufland meat processing plants. The respective purchasing department provides additional support with aspects that concern the product range or collaboration with suppliers. Corporate Responsibility coordinates engagement with external stakeholders such as policymakers or associations. In order to ensure that all departments work together efficiently in this regard, Kaufland has established

a cross-departmental, international working group to reduce food losses and food waste. Furthermore, through Kaufland Stiftung & Co. KG, Kaufland liaise with other companies of Schwarz Group to come up with joint, overarching strategic actions and targets.

Stakeholders and departments at Kaufland work together closely and coordinate their activities to drive forward a holistic circular economy. Packaging management, part of Purchasing at Kaufland Stiftung & Co. KG, assumes responsibility for the packaging strategy, analyzing the entire private label range and continuously optimizing the packaging that is in use. The procurement departments of Kaufland and Schwarz Group, as well as GreenCycle – as part of the PreZero group – are commissioned for the use of recycled materials in products (non-merchandise<sup>2</sup>). They work closely with Kaufland as well as with manufacturers and recycling companies. The central departments at international level and at our national company are responsible for actively pursuing the use of more sustainable building materials in our real estate.

<sup>1</sup> The scope of the guidelines and purchasing policies is clearly defined in each case.

<sup>2</sup> Non-merchandise: capital assets required internally to realize business activities.

# PROMOTE CIRCULAR ECONOMY

**At Kaufland we want to contribute to the concept of the circular economy on various different levels. On our Road to Zero Waste, we have defined binding steps to maintain the circulation of recyclable materials and systematically protect resources. These steps address both the use of materials as well as water management and food waste.**

## Taking responsibility together

Our commitment to a functioning circular economy often goes above and beyond minimum legal requirements, with our packaging and our initiatives as part of our Road to Zero Waste being the prime examples. However, statutory developments and new standards and requirements are also helping to push this topic forward. One of the most important pieces of legislation is the European Union's Packaging and Packaging Waste Regulation (PPWR), which is to supersede and supplement existing laws on the subject. The regulation also promotes the development of more sustainable packaging solutions and the use of recyclable materials.

The companies of Schwarz Group have been taking action together for many years now to pave the way toward a functioning circular economy, even beyond the statutory drivers. In this context, Kaufland as part of Schwarz Group joined the Ellen MacArthur Foundation, a non-profit organization founded in 2010 with the aim of promoting circular economic models worldwide. Together we are

striving to share and realize our vision of a functioning circular economy. By signing the Global Commitment of the Ellen MacArthur Foundation in 2018, we have made a commitment to actively work toward the more sustainable use of resources. This agreement was launched by the Ellen MacArthur Foundation in collaboration with the UN Environment Programme. Working together with the involved companies and with governments, NGOs, and initiatives, we develop new strategies and solutions to promote a circular economy, in particular for plastics.

Kaufland is also involved in **RecyClass**®, a pan-European organization dedicated to improving the recyclability of packaging founded by European associations in the plastic packaging industry in 2017. The organization's primary goal is to create a standardized, transparent, and scientifically sound system to evaluate the recyclability of plastic packaging in Europe. The requirements of the RecyClass framework are one of the bases for Kaufland's packaging development.

# Circular economy strategy: from principle to practice

Our circular economy activities have been pooled together as part of the REset Plastic Strategy since 2018. This jointly developed packaging strategy focuses on the plastic packaging used with private-label products. At Kaufland Romania, it has been already achieved significant breakthroughs in optimizing and reducing packaging in collaboration with our suppliers. So far Kaufland has been able to reduce plastic use by 44 percent internationally and use an average of 26 percent recycled materials in our private label packaging – 28.5 percent at Kaufland Romania.

With the new, comprehensive, and jointly developed circular economy strategy REset Resources, as part of Schwarz Group we leverage our unique global ecosystem to keep resources in circulation. We take all material types into consideration, from packaging and products to construction

materials and food waste and the Road to Zero Waste and recovery processes. We reduce the use of resources, promote their reuse, increase their recyclability, and ensure access to recyclable materials. Furthermore, we increase the use of recycled materials. With this, REset Resources changes the handling of resources and promotes awareness of the closed-loop principle along the entire value chain. By covering all aspects of the loop from production via retail to waste and recycling management, we differentiate ourselves from other competitors.

**7.3 pp**

increase in rPET in PET beverage bottles vs. 2023

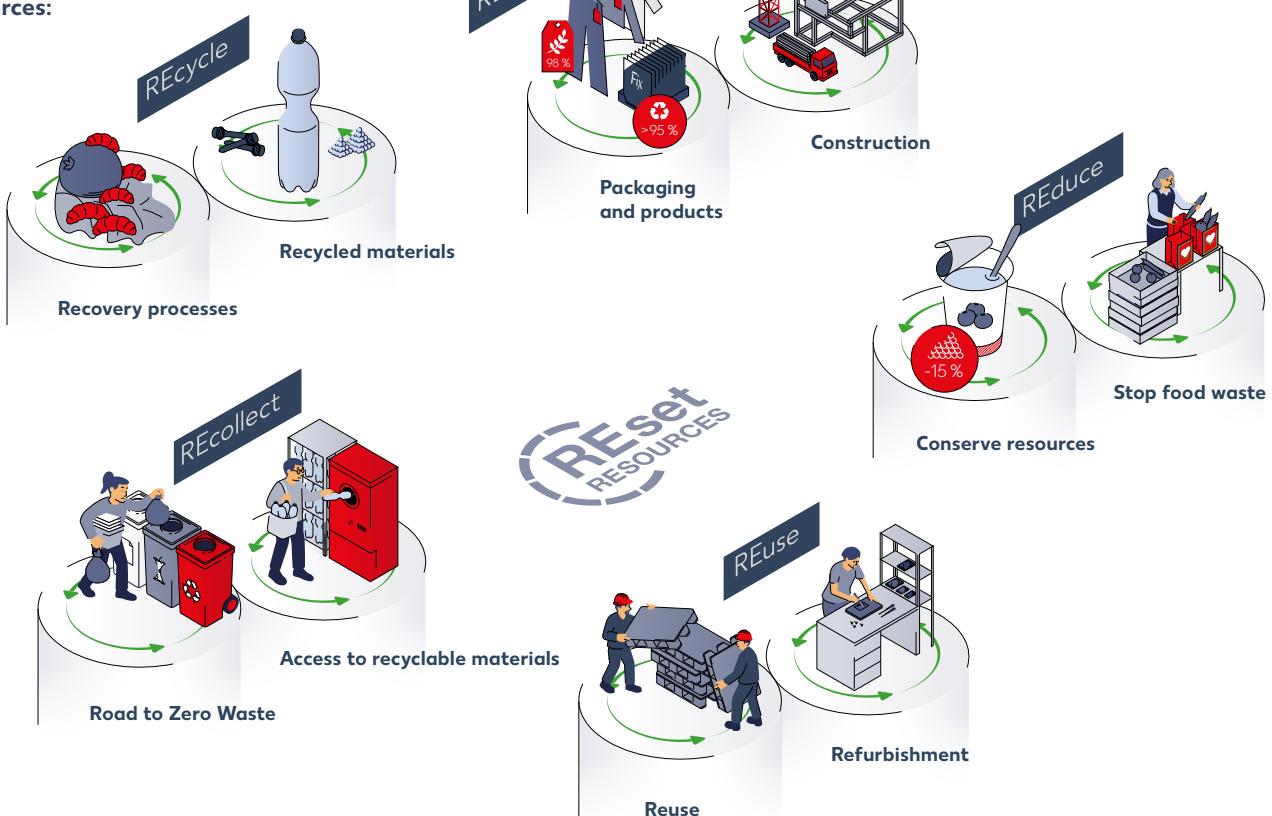
**28.5%**

use of recycled materials

**66%+**

rPET content for the 5L K-Classic water bottles

## Examples from the five action areas of REset Resources:



## THE JOINTLY DEVELOPED CIRCULAR ECONOMY STRATEGY CREATES SOLUTIONS IN THE FOLLOWING FIVE ACTION AREAS:

**Target increased by a further five percentage points due to the use of recycled plastic.**

### REDESIGN: CIRCULAR BUSINESS MODELS

Kaufland has set itself the goal of aligning all business models in the value chain to a functioning circular economy. We design products and packaging according to recycling aspects such as longevity and recyclability. We think about their use in future life cycles right from the beginning. This also includes our aim to make all private label packaging as recyclable as possible by 2030.

### REDUCE: CONSERVE RESOURCES

We will use as few resources as possible and use them efficiently. For example, by 2030, we will use 15 percent less primary raw materials (virgin materials) for our private label packaging in absolute terms compared to our base year of 2023. Instead, we increasingly use more environmentally friendly materials such as silphium fibers. Moreover, we are also taking action to reduce food waste. The companies of Schwarz Group jointly pursue the goal of reducing food waste and handling resources in a responsible manner.

### REUSE: SCALING UP REUSE

Reuse is an important part of avoiding waste, with products or components that don't constitute waste being used again for the same original purpose. This includes transitioning from single-use materials to multiple-use solutions for pallets, or reusable or refurbished models for textiles and electronic appliances. At the same time, we understand reusing to also mean the systematic expansion of multiple-use packaging.

### RECOLLECT: ACCESS TO RECYCLABLE MATERIALS

We are one of the largest producers of packaging and products, which is why we have a particular responsibility. The strategic approach behind the Road to Zero Waste vision aims at conserving resources, reducing waste, and reintroducing recyclable materials back into the loop. In this area of action, we work very closely with the internal recycling division of the Schwarz Group, PreZero.

### RECYCLE: SOPHISTICATED RECOVERY PROCESSES AND THE USE OF RECYCLED MATERIALS

We develop recovery processes that enable the utilization of recyclable materials for high-grade applications whenever possible. Our aim is to avoid downcycling and close recycling loops. By 2030, we are aiming for 65 percent of the packaging for our private label products to consist of recycled materials. In addition, we are going one step beyond our primary plastic packaging target for 2025 and aiming to utilize 30 percent recycled plastic in our primary private label packaging by 2030. This equates to an additional increase of 5 percentage points compared to our previous target.

# Fostering the circular economy through diverse solutions

**Recyclability forms the foundation of a functioning circular economy. It begins with the conception and design of products and packaging, which is why we think about the end of a product's life right from day one and develop solutions geared toward ensuring longevity, repairability, and recyclability.**

We are continuously expanding our range of products with less plastic, a greater share of recycled materials, and packaging that is optimized from a recyclability standpoint. Not only that, we are also enhancing transport aids for our customers.

Our multiple-use carrier bags and cool bags are already made of 80 percent recycled materials, with a portion of these materials originating from recycled Kaufland plastic sheeting. Our garbage bags for internal use also partly consist of recycled plastic sheeting.

## Definition

Recycling products in a narrower sense are when an equivalent product can be produced after numerous processing stages. The PET bottles for the Kaufland private label K-Classic water, which are produced by Schwarz Produktion, are a prime example.

## THE FOLLOWING TRANSPORT AIDS AND TRANSPORT PACKAGING FOR CUSTOMERS HAVE ALREADY BEEN ADAPTED:

### MULTIPLE-USE FRUIT AND VEGETABLES NETS MADE FROM 100 PERCENT RECYCLED MATERIAL

The multiple-use nets used to transport loose fruit and vegetables allows Kaufland Romania to meet two targets in equal measure: The durable, reusable nets reduce the consumption of knot bags each time they are reused. At the same time, the nets themselves are made from 100 percent recycled PET. More than 500,000 units were sold in the past fiscal year across all national companies. At Kaufland Romania, we sell approx. 26,000 units per year.

### PROMOTING RECYCLING

In 2024, we invested approximately €39,000 to expand an in-store collection system for empty hygiene and cleaning product containers. Special turtle-shaped recycling stations placed at store entrances make recycling more accessible, encouraging responsible consumer behavior and reducing our environmental footprint.



Optimized products from our range are an example of the progress we have made in terms of the circular economy. The packaging for the following products already features a high share of recycled material and is a testament to our commitment to more sustainable packaging design.

At Kaufland Romania, we offer our customers special offers in partnership with PreZero on our private label household goods, which are largely<sup>1</sup> made from recycled plastic. Plant pots and boxes with PreZero material are already listed in our permanent range.

#### Selection of optimized products from our range

**100%**

##### **KLC ECO RANGE**

Multi-purpose cleaner and bathroom cleaner:  
Bottle made entirely out of recycled plastic

**99%**

##### **SCOURING AGENT AND TOILET CLEANER**

K-Classic private label: Bottle body made of 99 percent recycled material (previously 50 percent)

**97%**

##### **BEVOLA MEN SHOWER GEL**

Bottle made of 97 percent recycled HDPE from PreZero

**80%**

##### **CS POTTING SOIL**

Use of recycled LDPE (80 percent) from PreZero

**50%**

##### **BEVOLA MEN SHAMPOO**

Bottle made of 50 percent recycled HDPE

**30%**

##### **KLC CHLORINE HYGIENIC CLEANER**

Use of recycled HDPE (30 percent) in the bottle

##### **SAUCE MIXES**

Sachets consist of recyclable mono-plastics developed and tested in partnership with PreZero to avoid loss of recyclable materials through composite materials that are difficult to separate

##### **BEVOLA FOOT BUTTER**

Pot made entirely from recycled PET

##### **KLC SCOURING AGENT**

Bottle body made from 99 percent recycled HDPE from PreZero

##### **BEVOLA SHAMPOO AND CONDITIONER**

Bottle made from 97 percent recycled HDPE from PreZero

##### **BEVOLA FOOT CREAM**

Tube partially made from recycled HDPE

We have also already taken a wide range of actions in relation to our business processes and in-store equipment. In logistics, for instance, we use PreZero-developed, custom Kaufland collapsible pallets (Kaufland-Klapp-Palette, or KKP) for transporting and distributing products between distribution centers and stores. The stable side-walls allow a reduction in plastic sheeting of at least 20 percent. Moreover, options are continually being analyzed to optimize and improve the KKP. KKPs have been in use at Kaufland Romania since 2020.

At Kaufland, we have also reimagined roller baskets and hand-held baskets: Since 2024, the percentage of recycled materials has been 75 percent for hand-held baskets, 80 percent for roller baskets, and 87 percent for XXL roller baskets. Shopping baskets already in circulation are being replaced gradually so that baskets that are still in good condition are used for as long as possible. This minimizes resource consumption.

In addition to the new shopping baskets, crash rails made from 100 percent recycled material are being used to protect the walls of Kaufland stores from strong impacts from shopping carts.

Beyond our in-store and logistics equipment, we also greatly value recyclability when it comes to our employee clothing. Used employee clothing is collected, recycled in newly established processes, and processed into new products. For this purpose, we work closely together with our waste disposal service provider PreZero, which is also part of Schwarz Group.

Kaufland meat processing plants are also driving the transition to a circular economy and are already taking countless actions as part of the jointly developed plastic strategy – from reducing the use of plastic in meat packaging to the use of collapsible boxes made entirely from recycled materials as load carriers. Between 2020 and 2024, Kaufland meat processing plants reduced the amount of material used in their trays, leading to a reduction in plastic of 500 metric tons.

## Definition

To ensure that customers of Kaufland are able to make informed decisions about more sustainable packaging, Kaufland used an appropriate label "Bewusster verpackt" (Respon-

sibly packaged) during the reporting period. To qualify for this labeling, at least one of the following criteria must be met:

**Recyclability of at least**

**80%<sup>2</sup>**

**Recycled content for plastic of**

**30%**

**Reduction in packaging materials of at least**

**20%<sup>3</sup>**

**Use of alternative materials<sup>4</sup>**

**Consciously packed**

<sup>1</sup> Plastic content (approx. 95 percent) of the product is made of 100 percent recycled plastic, with the additional use of additives and coloring (approx. 5 percent).

<sup>2</sup> Recyclability is based on the official criteria of Germany's Central Agency Packaging Register (Zentrale Stelle Verpackungsregister): [www.verpackungsregister.org](http://www.verpackungsregister.org)

<sup>3</sup> Compared with own previous packaging or relevant competitor packaging.

<sup>4</sup> For example, sulphur paper, chemical recycling.

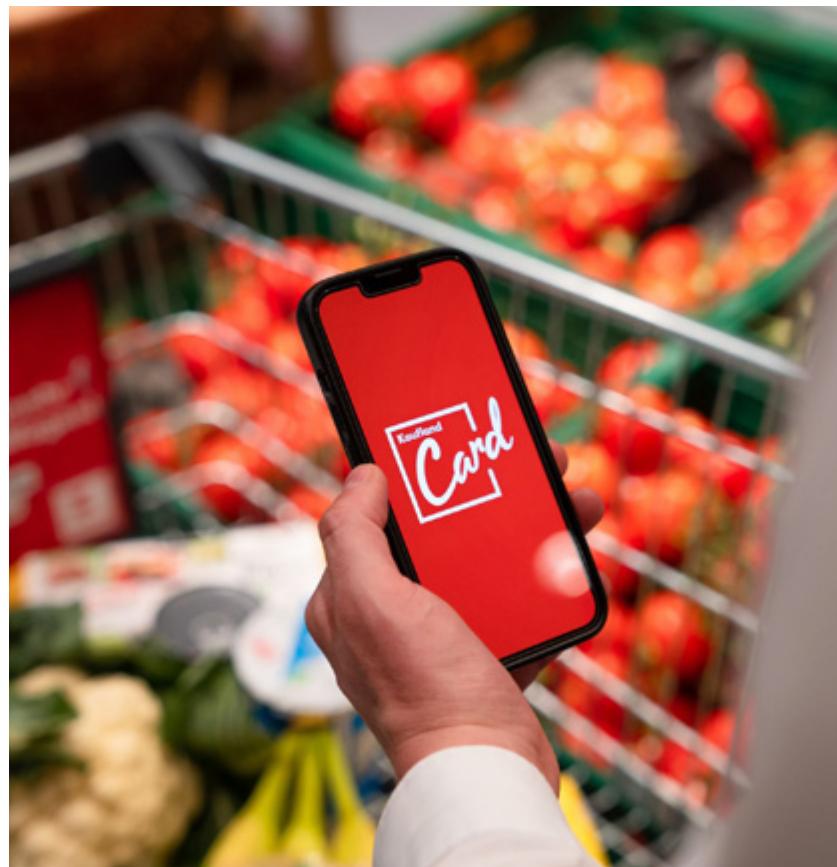
## CONSUMED MATERIALS BY WEIGHT AND VOLUME (IN METRIC TONS)<sup>1,2</sup>

### Kaufland International

	2023	2024	
<b>Total promotional materials</b>	<b>136,028</b>	<b>147,905</b> <span>↑</span>	
Fresh fibers	35,646	7,218	
Recycled materials	100,382	140,687	
<b>Total printing paper</b>	<b>673</b>	<b>1,007</b> <span>↑</span>	
Fresh fibers	121	147	
Recycled materials	552	860	

### Kaufland Romania

	2023	2024	
<b>12,270</b>	<b>13,233</b> <span>↑</span>		
6,215	0.0		
6,055	13,233		
<b>85.5</b>	<b>286.2</b> <span>↑</span>		
7.5	8.6		
78.0	277.7		



In order to reduce the use of fresh fibers, we have switched to using recycled material for the vast majority of our promotional materials. At the same time, the use of printing paper rose by 49.6 percent and promotional materials by 8.7 percent internationally in the reporting year, partly due to earlier bottlenecks in the supply of recycled paper that resulted in stockpiling and the need for re-ordering in fiscal year 2024. Adjustments to the format and materials used for promotional materials such as customer leaflets at several national companies also resulted in changes to consumption patterns.

The phasing-out of printed receipts is another way of saving paper. The latest version of the Kaufland Card offers users the option of just having a digital receipt when they pay. All digital receipts will be saved in the Kaufland app under "digital receipts".

<sup>1</sup> The calendar year was used.

<sup>2</sup> For consumables made from paper, we differentiate between fresh-fiber and recycled paper types. If the consumables are made from both fresh fibers and recycled paper, the paper type is based on which proportion is larger.

# Returning over disposing: our deposit strategy

Deposit systems are a key element in the development of a functioning circular economy. They assist in the sorting and collection of recyclable materials, which can then be processed further in high-quality recycling processes. That is why, as part of the group-wide deposit strategy of the Schwarz Group companies, Kaufland is committed to introducing retailer-friendly collection and deposit systems for single-use PET beverage bottles and beverage cans throughout Europe.

As a result, Kaufland Romania is operating in compliance with two important EU regulations. The first of these requires 70 percent of beverage bottles to be collected separately for recycling purposes by 2025, with the percentage rising to 90 percent by 2029. The second is for beverage bottles to consist of 25 percent recycled plastic by 2025, and at least 30 percent by 2029. In our view, both of these requirements can best be met by a modern deposit system, which allows plastic bottles to be collected and sorted by type, in turn making it easier to recycle them into new bottles. This is what a functioning circular economy is all about.

Although there was no national deposit system, Kaufland Romania voluntarily offered to collect and refund disposable containers in its stores and has installed reverse-vending machines in all of its stores to accept PET, glass, and aluminium since 2021. Presently, all our stores in Romania are equipped with RVMs. To increase the return rate of packaging, Kaufland Romania implemented two campaigns during the 2024 financial year that doubled the deposit value. Customers who returned containers bearing the "Packaging with guarantee" logo and scanned both the voucher and their Kaufland Card at checkout received the voucher value again as a discount in the Kaufland Card app.

The Single Use Plastics Directive (SUPD), which entered into force in 2019, specifies certain quotas for source separation, indicating that deposit systems will likely be rolled out Europe-wide. That makes it all the more important to include our suppliers in the process and communicate with our customers at an early stage, so that the deposit systems can be implemented promptly and customer acceptance for this important sustainability measure is ensured.

# Proper separation counts

Correct waste separation is the prerequisite for successful recycling, as, even nowadays, sorting facilities do not sort as effectively and correctly as people can at home. Consumers therefore play a crucial role here: The more effectively the waste is separated, the easier it can be turned into new, high-quality recycled materials.

The success of recycling processes ultimately hinges on the correct separation of recyclable materials. Only if plastic waste is properly collected and sorted can high-quality recyclates

be obtained from it. Sorting and disposal information on our private label products, developed jointly with the other companies in the Schwarz Group, helps our customers to dispose their products correctly. Packaging made up of several components causes particular difficulties when separating waste. A well-known example is yogurt cups, which consist of a sealing lid, a plastic container, and a paper sleeve. All materials can be recycled very easily if they are separated from one another, but if they are not separated, at least one recyclable material will be lost.

**Sorting and disposal information on product packaging helps improve recycling.**

# Embedding waste and recycling management in processes

## The following materials can be handed in at our recycling collection points or information desks

- Paper and cardboard packaging
- Plastic
- Lights
- Small electrical appliances
- Batteries

Despite careful handling of materials, waste cannot be completely avoided. Kaufland's business activities give rise to waste in a number of places: in stores, at warehouses, or at meat processing plants. Our approach is therefore to separate this waste and dispose of it correctly – all while ensuring the highest possible quality of recycling in line with our circular economy philosophy. Generally, our waste is reused if possible. If this is not feasible, it is recycled and the remnants are fed into other recovery methods. We also work together with PreZero, the environmental division of Schwarz Group, in this regard. PreZero takes care of our internal waste and recycling management processes, and our close collaboration manifests itself on a variety of levels.

PreZero offers a range of consulting services for our employees and managers, including workshops, training courses, information materials, and sorting instructions on the latest topics such as separation concepts, revenues and costs, and

changes in legislation. In addition, PreZero regularly evaluates relevant KPIs and discusses them with the responsible departments.

At selected sites, supplementary measures are in place to reduce the volume of waste. Examples include our single-use bottle deposit system, the take-back of small electrical appliances, or the take-back and collection infrastructure provided through second-hand clothes containers.

Kaufland Romania implemented the "One garment = One hope" campaign, another Kaufland initiative to support waste reduction, started in 2018.

The clothing items were made by people with disabilities, by reconditioning Kaufland Romania uniforms that were no longer in use. These are transformed into winter clothes for homeless people, beneficiaries of the Brașov Night Shelter.

## Our Road to Zero Waste

As part of our Road to Zero Waste, we are striving to reduce residual waste at our stores and logistics sites to a minimum. This is achieved by avoiding and reducing residual waste while also ensuring that recyclable materials are properly sorted and sent for high-quality recycling.

In 2022, Kaufland Slovakia and Kaufland Romania successfully obtained certification for their comprehensive operational waste and recyclables management systems (DIN Spec 91436) at their stores and logistics sites. At Kaufland Romania, the residual waste ratio

(i.e., the ratio of residual waste to total waste) was able to be reduced from 28 percent in 2020 to 12 percent. Kaufland Slovakia also made similar progress in this regard, cutting its residual waste ratio from 18 percent to 11 percent. Both national companies are to be recertified in 2025, and we also expect a further substantial reduction in the residual waste ratio moving forward.

Certification is also planned in other countries by 2030, with Kaufland in Germany and Kaufland Czech Republic starting in 2025.

## IN OPERATION:

**We include all levels of our business processes in our analysis within the scope of our waste and recycling management system and take a wide range of actions, from implementing packaging solutions to raising awareness.**

### MULTIPLE-USE SOLUTIONS

We use multiple-use containers for fruit and vegetables as well as multiple-use boxes to transport products from meat processing plants to stores. The decision to use multiple-use boxes or cardboard trays, which are made largely of recycled materials, depends on the product in question. In logistics, Kaufland offers a resource-efficient, long-lasting, and multiple-use solution in the form of the Kaufland collapsible pallet.



### EMPLOYEE AWARENESS

As part of the "Wertstoffe wertschätzen" (Appreciating recyclable materials) project, employees are familiarized with the value of resources and their awareness is raised on topics such as resource scarcity, waste reduction, and recycling. Since 2017, specific requirements have been followed in distribution centers to ensure the best possible waste separation. In 2019, the "Recycling macht den Unterschied – Wertstoffe wertschätzen" (Recycling makes the difference – appreciating recyclable materials) project was expanded and employees are trained on how to handle resources responsibly.

### MAKING RECYCLING VISIBLE

At Kaufland, we are making the topic of recycling omnipresent in the workplace, including by creating displays of typical recycling loops and utilizing other recycling information materials. Standardized signage and icons help employees to separate waste quickly and easily, enabling us to ensure that we can collect properly sorted recyclable materials.

With the help of the actions taken to improve waste sorting, Kaufland has already been able to increase the share of recyclable materials, reduce residual waste volumes, and therefore eliminate a significant amount of CO<sub>2</sub> internationally.

Beyond our internal processes, we also focus on downstream areas that we would like to positively influence, with our customers remaining the center of our attention.

#### **Customer-centric:**

- Range of recycled products
- Information on waste separation on private label product packaging
- Recyclable material collection points at our stores

## Less disposal, more reuse

The amount of waste produced by the various companies in the Kaufland Group differs due to the different business activities. At Kaufland stores and warehouses, packaging and transport aids made from plastic, paper, and cardboard make up the majority of waste, along with residual and organic waste. Conversely, at the administrative

locations, waste is predominantly made up of municipal waste from the social areas and paper waste from the offices. By contrast, animal products not suitable for human consumption and waste for recovery are the two most frequent types of waste at Kaufland meat processing plants.

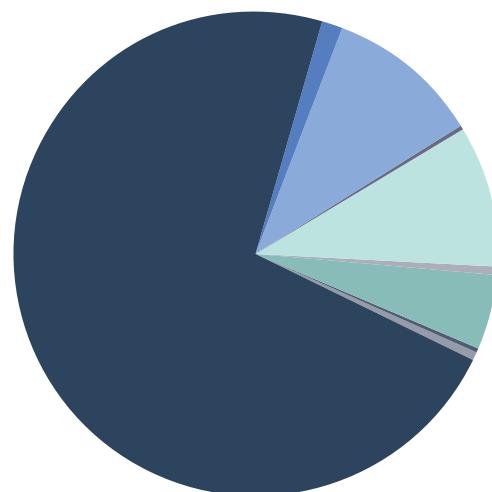
### Share of disposal methods

A total of 72.2 percent of all non-hazardous recyclable materials were recycled internationally in the reporting year. Fermentation and thermal

utilization with energy recovery accounted for the second-largest share, with each method accounting for roughly 10 percent.

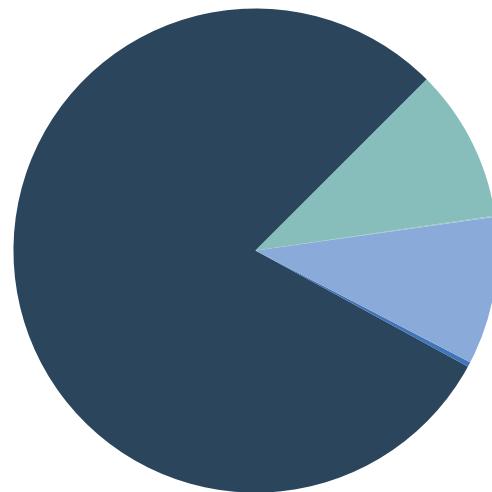
### WASTE BY RECOVERY METHOD (IN METRIC TONS)<sup>12</sup>

Kaufland International  
2024



- 412,768 Recycling
- 8,316 Reuse
- 58,778 Fermentation
- 865 Composting
- 54,256 Thermal utilization with energy recovery
- 2,810 Incineration
- 28,529 Landfilling
- 1,557 Animal feed
- 3,739 Other<sup>2</sup>

Kaufland Romania  
2024



- 80,257.0 Recycling
- 295.6 Reuse
- 9,975.4 Fermentation
- 0.0 Composting
- 10.3 Thermal utilization with energy recovery
- 58.9 Incineration
- 10,266.4 Landfilling
- 0.0 Animal feed
- 0.0 Other<sup>2</sup>

## RECYCLABLE MATERIALS AND WASTE BY TYPE AND RECOVERY METHOD (IN METRIC TONS)<sup>12</sup>

### Kaufland International

	2023	2024
<b>Total weight of recyclable materials</b>	<b>518,745</b>	<b>571,617</b> <span style="color: #336633;">↑</span>
<b>Non-hazardous recyclables</b>	<b>516,687</b>	<b>570,079</b> <span style="color: #336633;">↑</span>
<b>Paper/cardboard/carton</b>	<b>270,212</b>	<b>272,290</b> <span style="color: #336633;">↑</span>
Recycling	270,183	272,253
Reuse	25	21
Fermentation	-	-
Composting	-	-
Thermal utilization	4	16
Incineration	0	0
Landfilling	-	-
Other <sup>2</sup>	1	1
<b>Organic recyclable materials</b>	<b>66,422</b>	<b>66,867</b> <span style="color: #336633;">↑</span>
Recycling	2,422	2,805
Reuse	742	1,750
Fermentation	61,841	58,778
Composting	858	865
Thermal utilization	151	208
Incineration	358	888
Landfilling	5	6
Animal feed	n/a	1,557
Other <sup>2</sup>	44	11
<b>Plastics</b>	<b>68,965</b>	<b>82,869</b> <span style="color: #336633;">↑</span>
Recycling	68,596	82,474
Reuse	-	-
Fermentation	-	-
Composting	-	-
Thermal utilization	324	343
Incineration	18	25
Landfilling	7	10
Other <sup>2</sup>	19	18

### Kaufland Romania

	2023	2024
<b>57,929.1</b>	<b>100,863.6</b> <span style="color: #336633;">↑</span>	
<b>57,548.1</b>	<b>100,490.2</b> <span style="color: #336633;">↑</span>	
<b>31,534.2</b>	<b>32,644.7</b> <span style="color: #336633;">↑</span>	
31,534.2	32,644.7	
0	0	
0	0	
0	0	
0	0	
0	0	
0	0	
<b>10,313.4</b>	<b>10,338.8</b> <span style="color: #336633;">↑</span>	
101.1	141.6	
37.2	165.9	
10,115.8	9,975.4	
0.0	0.0	
0.0	0.0	
59.3	55.9	
0	0	
0	0	
<b>2,332.6</b>	<b>2,311.6</b> <span style="color: #993333;">↓</span>	
2,330.5	2,309.6	
-	-	
-	-	
-	-	
2.1	2.1	
0	0	
0	0	
0	0	

<sup>1</sup> Figures have been rounded for ease of presentation.

<sup>2</sup> The category "Other" is a collective item that also contains quantities that cannot be clearly assigned to the above categories.

## RECYCLABLE MATERIALS AND WASTE BY TYPE AND RECOVERY METHOD (IN METRIC TONS)<sup>1,2</sup>

### Kaufland International

	2023	2024	
<b>Wood</b>	<b>9,666</b>	<b>11,490</b>	↑
Recycling	4,602	5,460	
Reuse	5,022	5,907	
Fermentation	-	-	
Composting	0	0	
Thermal utilization	2	74	
Incineration	0	32	
Landfilling	0	6	
Other <sup>2</sup>	39	12	
<b>Textiles</b>	<b>455</b>	<b>494</b>	↑
Recycling	178	244	
Reuse	271	234	
Fermentation	-	-	
Composting	-	-	
Thermal utilization	3	12	
Incineration	4	3	
Landfilling	0	0	
Other <sup>2</sup>	0	0	
<b>Residual waste</b>	<b>84,961</b>	<b>87,762</b>	↑
Recycling	0	3,241	
Reuse	-	-	
Fermentation	-	-	
Composting	-	-	
Thermal utilization	51,312	53,591	
Incineration	1,227	1,811	
Landfilling	26,638	28,490	
Other <sup>2</sup>	5,783	629	

### Kaufland Romania

	2023	2024	
<b>997.5</b>	<b>880.8</b>	↓	
997.5	880.8		
0	0		
-	-		
0	0		
0	0		
0	0		
0	0		
0	0		
<b>174.1</b>	<b>248.4</b>	↑	
170.1	237.5		
0.0	0.0		
-	-		
-	-		
0	8.1		
4	2.8		
0	0		
0	0		
<b>8,400.0</b>	<b>10,266.4</b>	↑	
0	0		
-	-		
-	-		
-	-		
-	-		
-	-		
8,400.0	10,266.4		
-	-		

### Kaufland International

### Kaufland Romania

	2023	2024		2023	2024	
<b>Glass</b>	<b>6,478</b>	<b>36,430</b>	↑	<b>1,950.6</b>	<b>31,788.2</b>	↑
Recycling	6,462	36,400		1,950.6	31,788.2	
Reuse	-	-		-	-	
Fermentation	-	-		-	-	
Composting	-	-		-	-	
Thermal utilization	-	-		-	-	
Incineration	-	-		-	-	
Landfilling	1	3		0	0	
Other <sup>2</sup>	15	27		-	-	
<b>Scrap metal</b>	<b>4,794</b>	<b>7,574</b>	↑	<b>1,120.1</b>	<b>2,325.8</b>	↑
Recycling	4,786	7,572		1,120.1	2,325.8	
Reuse	-	-		-	-	
Fermentation	-	-		-	-	
Composting	-	-		-	-	
Thermal utilization	-	-		-	-	
Incineration	-	-		-	-	
Landfilling	0	0		0	0	
Other <sup>2</sup>	8	2		0	0	
<b>Other non-hazardous recyclables</b>	<b>4,736</b>	<b>4,304</b>	↓	<b>0</b>	<b>0</b>	≡
Recycling	1,268	1,179		0	0	
Reuse	0	275		0	0	
Fermentation	-	-		-	-	
Composting	-	-		-	-	
Thermal utilization	10	8		0	0	
Incineration	2	1		0	0	
Landfilling	23	14		0	0	
Other <sup>2</sup>	3,434	2,827		0	0	
<b>Hazardous recyclables<sup>3</sup></b>	<b>2,058</b>	<b>1,537</b>	↓	<b>381.0</b>	<b>373.4</b>	↓

<sup>1</sup> Figures have been rounded for ease of presentation.

<sup>2</sup> The category "Other" is a collective item that also contains quantities that cannot be clearly assigned to the above categories.

<sup>3</sup> This includes old paints/varnishes, household/industrial batteries, energy-saving bulbs, electrical waste, fluorescent tubes, (neon) toner, cleaning products, acids and lye, solvents, spray bottles.

# REDUCE FOOD WASTE

**Kaufland is committed to avoiding and reducing food waste in retail and among consumers. In our own operations, we strive to ensure that food that is no longer suitable for human consumption is utilized to the highest possible**

**quality. At the same time, in our role as interface between producers and consumers, we want to help both sides reduce the amount of food waste that is produced.**

## Four steps to combat food waste

**Our common aim:**

**50%**

**less food waste by**

**2030.**



Following the jointly adopted target of the companies of Schwarz Group, we are aiming to halve the amount of food waste by 2030 compared to 2018 levels<sup>1</sup>. This target is based on the Sustainable Development Goals of the United Nations (SDG 12.3 – Reduce food waste) as well as other factors. Our efforts to fight the causes of food losses are based on four key areas of action: prevention, avoidance, utilization, and communication.

### PREVENT

We prevent food waste in our supply chains through close collaboration with our suppliers. One example of this is our forecasting tool that allows us to order products in accordance with demand and distribute excess stock.

### AVOID

We avoid food waste in our own operations with the help of policies and cooperation. For example, we reduce the prices of goods with short expiration dates, sell fruit and vegetables with blemishes, and offer packaging-free products allowing customers to just purchase what they need.

### UTILIZE

We reuse waste that cannot be avoided through reasonable forms of recovery or through recycling. For instance, we donate food to food banks and charitable organizations and offer products made from rescued food in our stores.

### COMMUNICATE

We would like to raise awareness for these challenges among our customers and provide knowledge and guidance, such as by offering information in our leaflets, on our website, on social media, through information campaigns, and through freshness and quality training for in-store employees and our logistics team.

## How we define food waste

We base our definition of food waste on the definition used by the European Union, which describes the amount of food that is lost or discarded along the value chain and is therefore no longer available for human consumption. Food waste is therefore the sum of food losses and waste. Food losses particularly occur in the early phases of the supply chain, such as in production or processing. By contrast, food waste is typically generated in retail, catering, and in private households.

In our own operations, we strive to ensure that food that is no longer suitable or intended for human consumption is utilized to the highest possible quality. At the same time, in our role as interface between producers and consumers, we want to help both sides to reduce food waste through information and cooperation.

## Kaufland meat processing plants

Kaufland meat processing plants also play a role in achieving targets by avoiding waste as much as possible and utilizing as much of the animal as possible. Some of the animal products no longer suitable for human consumption, which are produced at the meat processing plants due to necessary processes or regulatory quality requirements, are used to produce pet food.

# Initiatives to save food

With its initiatives to save food, Kaufland Romania offers products of flawless quality in all relevant product groups – including baked goods, fruit and vegetables, dairy products, and sausage products from the self-service section – at significantly reduced prices if they are close to their best-before or use-by date or there is minor soilage or damage to the packaging. This also applies to the range of dry food and frozen goods. These products can be found in specially marked areas of our stores, with a notice displayed on the shelf.

In total, in 2024, we sold through accelerated sale, totaling 32,120.3 tons of goods.

In 2024, we donated to NGOs and food banks products that can no longer be sold but are safe to eat with a combined weight of over 191,444 kg and a total value of approximately €448,000.



Kaufland Romania also supports a Social Canteen program, which combines the fight against food waste with the social aspect. The program is aimed at low-income families, vulnerable and homeless people. In total, last year we used 253 tons of food to cook 277,200 servings of food at the Social Canteen.



# 06 STRENGTHEN SOCIETY

**From our stores through manufacturing right down to the source of the raw materials, people are at the heart of everything we do. We take responsibility for them, with fair working conditions and safe, healthy workplaces. Going beyond our core business, we are also committed to social and environmental projects in the regions where we operate. We see ourselves as part of society – and make our contribution.**

# STRATEGIC AND OPERATIONAL TARGETS

As part of society, we set high standards both for employees as well as for the people in supply chains. We go beyond our core business, and are committed to the well-being of people and nature everywhere we operate.

Target	Deadline	KPI measurement	Status	Target achievement FY 24
We regularly update all our respective employees on our sustainability commitment and implement target-group-specific empowerment measures to build on this.	2030	1. Development in results of employee sustainability survey	 	
We will empower our respective management to consistently implement sustainability in their area of responsibility.	2030	2. Semiannual, standardized tracking of measures, incl. level of implementation	 	
Target Romania	Deadline	KPI measurement	Status	Target achievement FY 24
All new employees to be informed about the company's sustainability strategy.	2030	Employee participation rate (%)	 	
Company employees receive training on how to separate packaging.	2030	Employee participation rate (%)	 	
To conduct an internal communication campaign regarding the wellbeing of the employees, connected with the benefits package of the company.	2025	Employee participation rate (%)	 	

# MANAGEMENT APPROACH

Our jointly developed corporate philosophy puts people center stage. We have defined this aspect of our identity as a strategic focus area. We set out what this means in the context of presenting our jointly developed CR strategy in the Governance  chapter.

## Skills shortages, demographic change and global supply chains: Key challenges

Employees are a crucial factor for Kaufland's long-term success. Given the shortage of skilled workers and demographic change, a future-proof human resources policy is essential to attract talented people and to nurture and retain them in the long term. A strong corporate culture is also gaining in significance as a means of strengthening employee motivation and staying a step ahead of the competition.

Working at stores, logistics centers and meat processing plants can be physically and mentally demanding. There is a risk of injury when operating work equipment like material handling equipment and systems like waste compactors and sorters. Physical exertion such as lifting heavy objects can also pose risks. Mental stress also plays a role in the retail sector, for instance due to the sometimes stressful staffing situation.



We also face many challenges beyond our own workforce. For example, efforts to protect people and the environment are often hindered by the complex global supply chains through which we as a food retailer with a broad product range source our products. This does not just affect our product-related supply chains, but also our business partners and service providers who work with us across our diverse range of business activities such as procurement, real estate and construction.

# Our strategic approach: Strengthen society

**At Kaufland, we interact with each other based on the values of performance, respect, trust, grounded and belonging. These values guide our actions and are the foundation upon which we create a culture together every day that puts people at the center, promotes innovation and brings sustainable success. This requires managers who lead by example, who not only support and encourage our employees as they develop but also nurture and empower them as best they can. Our jointly developed values, the leadership philosophy and leadership principles are the bedrock of this process. The "Strengthen society" focus area comprises four aspects:**

## ATTRACTIVE EMPLOYER:

At Kaufland, we offer our respective employees a modern and ergonomic working environment. To respond to our employees' individual needs, we are working together to further develop key elements such as working time models, the working environment and occupational health management. As well as offering the best-possible working conditions, our remuneration systems ensure that we offer fair pay across all organizational units. We also offer our respective employees benefits and perks tailored to their respective stage of life. We make our decisions based on data and promote internal transparency by using a defined set of key performance indicators. The available data and external benchmarks help us to identify where action is required and ensure that we reach our organizational targets. An all-embracing approach to diversity and equal opportunities also helps to strengthen employee loyalty and supports the performance of the teams. The aspect of diversity is also firmly embedded in the jointly developed principles and values. As Kaufland Romania, we have signed the Diversity Charter.



## **STRENGTHENING LABOR AND HUMAN RIGHTS:**

The supply chains for our products span many different countries around the world. We are aware of our responsibility for the workers in our supply chains and for our business partners and service providers, and we take this responsibility seriously. As such, we are committed to anchoring environmental and human rights due diligence in our supply chains in an appropriate way that goes beyond the focus raw materials and focus areas. We ensure this through our strategy for fair supply chains. We are committed to fair business practices, transparency, good working and living conditions, human rights and environmentally friendly conduct in our value chain.

## **DRIVING FORWARD EDUCATION AND EMPOWERMENT:**

Our intention is to leverage a clear, transparent assessment system to ensure fairness in how we reward performance throughout the Kaufland Group. As part of the annual talent management process, talented individuals within the respective workforce are identified, development opportunities highlighted and transparent career paths created. A central element is the employee meeting, in which employees receive feedback from their manager and define a development plan together. We offer an extensive training program for employees in order to accommodate individual requirements and support the workforce.

## **SOCIAL COMMITMENT:**

A key element of our corporate responsibility is our desire to take an active role in shaping social challenges and promoting stable, fair conditions for the economy and the community in the long term. We enter into partnerships based on trust and only ever work with reputable and reliable partners.

## **WE PURSUE OUR APPROACH CONSISTENTLY BY DEFINING CLEAR RESPONSIBILITIES AND APPOINTING RESPONSIBLE INDIVIDUALS. THESE ARE LISTED BELOW.**

### **Raising awareness of sustainability**

We sensitize, train, and involve our respective employees in sustainability topics and communicate about them regularly through internal channels such as the intranet. A sustainability training program, developed by Kaufland Stiftung & Co. KG in 2023 and rolled out internationally by 2024, is mandatory for all employees of the Kaufland Group companies. The training is largely implemented as e-learning and includes information on the sustainability commitment of the companies as well as suggestions for sustainable action. The training is regularly updated and will be supplemented with additional formats for targeted skill enhancement. Furthermore, Kaufland Romania implemented an internal communication campaign in phases during 2023 and 2024 to raise all employees' practical awareness of CR topics. In this context, Kaufland employees act as sustainability ambassadors, providing information about their sustainable actions in the workplace and serving as multipliers. In addition, we implement a wide variety of campaigns or events, in which employees are often involved.

We ran campaigns and initiatives on circular economy, climate action, and community engagement. The "Recycle and win a free day" contest was expanded nationwide, and we promoted actions that strengthen the national SGR system. We also highlighted new recycling solutions, such as shopping carts made from recycled plastic and the One Stop Recycling Corner pilot in the Barbu Văcărescu store.

Employee feedback continued to be valued through dedicated sustainability surveys and internal programs like the K2025 on Tour podcast series, which raised awareness about reducing food waste and designing more sustainable products.

# How we bring our values to life

Responsibility for the coordination, implementation, and application of the corporate principles and values lies with the Executive Board for Human Resources of Kaufland Stiftung & Co. KG, which is also responsible for remuneration. Together with other departments, the Human Resources division also handles the development of working time models. In addition, the respective Human Resources department manages the development and implementation of training and further education concepts in a decentralized manner.

The responsibility for the further development of the individual employee lies primarily with the manager and the employee themselves. With a view to current and future tasks, they coordinate the individual training needs and suitable measures. The corresponding responsibilities of managers are clearly regulated.

At Kaufland, the Human Resources departments of the respective companies support managers and departments through targeted processes, programs, and seminars. Kaufland Romania is additionally supported in employee development by the Talent Management department of Kaufland Stiftung & Co. KG. In line with long-term talent management, individual development plans are created with employees as part of this process.

The respective CR departments work together with HR and Corporate Communications to manage empowerment and awareness of sustainability issues, and there is a topic-specific dialog with the respective departments responsible.

There are also comprehensive rules and regulations governing responsibility for occupational health and safety and health promotion. From employees to managers, every individual is responsible for compliance with and implementation of the relevant requirements. Appropriate occupational health and safety committees have been set up at the Kaufland companies, as required by law. In addition to the employee relations consultants, the key contacts for health-related matters are managers, the representative body for disabled employees (*Schwerbehindertenvertretung*) and the contact person on the works council.

The overall responsibility for human rights-related and environment-related due diligence lies with our respective Management Board and is implemented on a task-specific basis. The purchasing and procurement departments, compliance and the CR/CSR departments work closely together to meet the corresponding due diligence obligations.

The International Purchasing division of Kaufland Stiftung & Co. KG is, as per its mandate, partially responsible for procuring merchandise that is sold in multiple countries. This is always done in close coordination with the purchasing departments at Kaufland Romania. Sustainability Purchasing INT acts as a strategic and specialist contact for purchasing-related sustainability issues. It works with the purchasing departments to develop strategies and define targets for fair and environmentally friendly products to ensure the security of the supply chain. Its tasks include identifying risks,

initiating and overseeing action to promote more sustainable supply chains and product ranges, and providing support implementing regulatory requirements in purchasing. This close cooperation between our department responsible for sustainability in Purchasing INT, those responsible for sustainability in purchasing at the national companies, the respective purchasing departments and Purchasing Organization means we can take targeted action to ensure we fulfill our responsibilities as a food retailer. To exploit synergies, some of the private label non-food products are purchased in cooperation with Lidl. In this context, the sustainability requirements and targets for non-food private label products have largely been harmonized.

At the national level, partnerships and projects with a social dimension are bundled within the CR department. The various departments initiate and implement projects or partnerships, and always involve CR in the process. The same applies to handling donations and sponsorships. This is governed by a policy jointly adopted by the companies of Schwarz Group, which is supplemented by Kaufland-specific guidelines from the CR and Marketing departments at Kaufland Stiftung & Co. KG such as the jointly developed corporate citizenship principles and a joint international sponsorship policy. The international



guidelines provide for certain exclusion criteria, rules for processing and approval and guidance on how to objectively evaluate donations and sponsorships. Large donations and sponsorships related to sustainability are reviewed by CR at Kaufland Stiftung & Co. KG in line with its remit or, in the case of national sponsorships and national donations, the CR department at the national company. In special cases, such as joint large donations by the companies of Schwarz Group, these are reviewed and coordinated by Schwarz Corporate Affairs GmbH & Co. KG.

#### Our policies and principles:

- [\*\*Business Partner Code of Conduct of the Companies of Schwarz Group\*\*](#) 
- [\*\*Commitment by the Companies of Schwarz Group on Respecting Human Rights and Environmental Standards\*\*](#) 
- [\*\*GSR – General Sustainability Requirements \(Kaufland Private Label: Food, Near Food, Pet Food\)\*\*](#) 
- Kaufland Living Wage and Income Policy
- Corporate principles and values
- Corporate citizenship principles
- Policy on handling donations and sponsorship

# ATTRACTIVE EMPLOYER

As a responsible employer, we see it as our duty not only to offer employees a safe and healthy working environment, but also to leverage dedicated HR efforts to provide them with the best possible support and create fair working conditions. Our efforts have proven successful: 2024

saw the independent Top Employers Institute recognize Kaufland as one of the best employers across all of its national companies for the sixth time in a row. The distinction underscores our ongoing commitment to focus on our employees and their personal and professional development.



## Corporate principles of the Kaufland Group

Customer satisfaction is our primary goal.

Our market position is based on outstanding value for money.

We continue to grow through expansion and continuous improvement in our markets.

As a store-based company, we use systematic work processes.

We assume economic, social and environmental responsibility in our day-to-day business.

Everyone in the Company has a right to be treated fairly.

We comply with applicable law and internal guidelines.

Short decision-making processes and simple workflows ensure our success.

We respect and support each other. Agreements are complied with as part of a climate of trust.

Praise, recognition and the ability to criticize determine our working atmosphere in our daily work.

We surround ourselves with "strong" employees – cover is available in each unit.

# Our workforce

At the end of fiscal year 2024, the companies of Kaufland employed a total of 151,764 people, with 17,533 at Kaufland Romania. The number of employees thus increased by 2.3 percent year on year (international) and by 5.7 percent at Kaufland Romania. Despite the tense global economic situation, some 3,419 new jobs were created at Kaufland (international), with 947 created at Kaufland Romania.

Overall, we welcomed 44,859 new employees across all national companies in the reporting period, while 31,293 left the companies of Kaufland Group in the same period. At Kaufland Romania, 6,129 new employees were hired and 5,590 employees left.

This corresponds to a turnover rate of around 21.7 percent, a slight increase on the previous year. The turnover rate at Kaufland Romania amounted to approximately 33.2 percent in the reporting period.

We use a limited number of temporary staff where necessary to cover peak periods, for example as pickers in the logistics distribution centers or as stockers in the stores. At Kaufland Romania, temporary employees are hired to cover short-term increases in activity, such as seasonal peaks during Easter, Christmas, as well as for specific seasonal activities (e.g. inventories).

Employees hired on fixed-term contracts have the same rights and benefits as employees with open-ended contracts, in accordance with national labor legislation.

## WORKFORCE IN NUMBERS<sup>1,2</sup>

### Kaufland International

	Unit	2023	2024	
<b>Total number of employees</b>	No.	<b>148,345</b>	<b>151,764</b>	↑
<b>Fixed-term</b>	No.	<b>8,446</b>	<b>9,215</b>	↑
Female	%	55.4	55.1	
Male	%	44.6	44.9	
Diverse	%	0.0	0.0 <sup>4</sup>	
Gender not specified	%	0.0	0.0	
<b>Permanent</b>	No.	<b>139,899</b>	<b>142,549</b>	↑
Female	%	72.9	72.3	
Male	%	27.1	27.7	
Diverse	%	0.0	0.0 <sup>4</sup>	
Gender not specified	%	0.0	0.0	
<b>Full-time</b>	No.	<b>70,576</b>	<b>72,144</b>	↑
Female	%	62.9	63.0	
Male	%	37.1	37.0	
Diverse	%	0.0	0.0	
Gender not specified	%	0.0	0.0	
<b>Part-time<sup>3</sup></b>	No.	<b>77,769</b>	<b>79,620</b>	↑
Female	%	80.1	78.8	
Male	%	19.9	21.2	
Diverse	%	0.0 <sup>4</sup>	0.0 <sup>4</sup>	
Gender not specified	%	0.0	0.0	

### Kaufland Romania

	2023	2024	
<b>16,586</b>	<b>17,533</b>	↑	
<b>27</b>	<b>57</b>		
70.4	57.9		
29.6	42.1		
0.0	0.0		
0.0	0.0		
<b>16,559</b>	<b>17,476</b>	↑	
73.5	73.3		
26.5	26.7		
0.0	0.0		
0.0	0.0		
<b>12,032</b>	<b>12,959</b>	↑	
70.9	71.0		
29.1	29.0		
0.0	0.0		
0.0	0.0		
<b>4,554</b>	<b>4,574</b>	↑	
80.5	79.7		
19.5	20.3		
0.0	0.0		
0.0	0.0		

<sup>1</sup> The figure for employees given here is the internal management reporting figure, which uses a different definition of employees to that used in the annual financial statements. While the annual financial statements report the number of employees including those on long-term sick leave and maternity leave as end-of-quarter averages for the fiscal year, the internal reporting date is the end of the fiscal year. Employees on maternity leave and long-term leave are excluded internally.

<sup>2</sup> The employee figures throughout the table are based on a headcount.

<sup>3</sup> Employees with working hours of less than 100 percent are classed as part-time. Unless there is national regulation on the issue, part-time employment is considered to be fewer than 163 hours/month.

<sup>4</sup> The actual value is above 0%, but below the rounding threshold of 0.05% and is therefore reported as 0.0% according to the selected presentation method.

# Employee diversity<sup>1, 2, 3</sup>

Kaufland Romania	Total workforce		By age			By gender			
			Age group < 30 years old	Age group 30–50 years old	Age group > 50 years old	Female	Male	Diverse	Gender not specified
<b>Total</b>	Number	17,533	3,153	10,155	4,225	12,844	4,689	0	0
	%	100%	18.0%	58.0%	24.0%	73.3%	26.8%	0.0%	0.0%
<b>Employees without management role</b>	Number	16,447	3,094	9,238	4,115	12,227	4,220	0	0
	%	93.8%	18.8%	56.2%	25.0%	74.3%	25.7%	0.0%	0.0%
<b>Management</b>	Number	1,064	59	898	107	609	455	0	0
	%	6.06%	5.5%	84.4%	10.1%	57.2%	42.8%	0.0%	0.0%
<b>Senior Management</b>	Number	16	0	15	1	7	9	0	0
	%	0.09%	0.0%	93.8%	6.3%	43.8%	56.3%	0.0%	0.0%
<b>Top Management</b>	Number	6	0	4	2	1	5	0	0
	%	0.03%	0.0%	66.7%	33.3%	16.7%	83.3%	0.0%	0.0%



Working hours at Kaufland are always contractually agreed, making it easier to achieve a work-life balance. This aspect is not only crucial for an attractive working environment but is also a prerequisite for ensuring equal opportunities. This also includes the option of taking parental

leave. A total of 4,891 employees at the companies of Kaufland Group took parental leave in the reporting period (691 employees at Kaufland Romania). That constitutes 3.1 percent of the total workforce and 4 percent of the workforce at Kaufland Romania.

## Parental leave

### Kaufland international 2023 2024

### Kaufland Romania 2023 2024

#### Employees who have taken parental leave<sup>1</sup>

4,891

4,753

727

691

<sup>1</sup> For reasons of control relevance, the employee definition used in internal management reporting is used as the basis for the collection and reporting of all specified values, not the definition contained in the annual financial statements. These include full-time/part-time employees, marginal employees, trainees, dual students, seconded employees from abroad, employees on sabbaticals and partial retirement in the active phase, temporary employees such as working students, interns, graduate students and temporary staff (if working hours were provided in the reporting period).

<sup>2</sup> According to the common understanding, employee categories are broken down as follows: top management = management level I – II, senior management = management level III, management = managers from management level IV – VI without deputy/no specialist level, employees without management function = other employees.

<sup>3</sup> The employee figures throughout the table are based on a headcount.

# Ensuring fair pay

A fair and market-based remuneration for our respective employees is a central point of the jointly developed corporate strategy. The regulations for salary classifications are non-discriminatory and determined, among other things, independently of the applicant's or employee's gender, religion, age, sexual identity, disability, or ethnic origin. At Kaufland Romania, uniform salary structures are based on objective criteria such as professional experience, expertise, skills, and area of responsibility.

In addition, we offer our employees numerous supplementary benefits at Kaufland Romania. These include various options for company and private pension plans, capital-forming benefits, and a wide range of health insurance options. The benefits generally apply equally to both full-time and part-time employees.

The same principles apply to how we compensate managers at the Kaufland Group, which is governed by clear framework conditions and minimum standards. The level of remuneration is calculated based, in particular, on the tasks linked to the role and the associated responsibility. As a general rule, we use an approach of reliable and secure remuneration with a focus on attractive fixed salaries.

The gross minimum salary offered by Kaufland Romania is higher than the gross minimum wage set at the national level.

Individual salaries of employees are subject to non-disclosure as confidential information and their forwarding, even for purposes of statistical evaluation, remains limited. At the same time, we comply with the requirements of the German Pay Transparency Act (EntgTranspG). For example, every employee has the right to demand information on issues related to remuneration.



At the Kaufland Group, we also support collective bargaining and adhere to the agreements. In fiscal year 2024, 77.9 percent of employees at Kaufland were covered by collective bargaining agreements. The figure for Kaufland Romania was 100 percent.

All employees of the Kaufland Group companies generally have the right to form representative bodies and engage in employee organizations (e.g., trade unions). Representative bodies can be formed in accordance with statutory regulations and participation is also subject to statutory requirements. It is important to us that we maintain a trusting, fair and ongoing relationship with the selected employee representative bodies. All employees at Kaufland Romania are covered by collective bargaining agreements. We use market studies and internal remuneration analyses to determine pay.

The salary levels do not feature gender-specific pay, regardless of whether or not they are covered by a collective agreement. In addition, issues such as vacation and paid leave for special reasons are handled in the same way for all employees of the Kaufland Group companies.

# Occupational health and safety: Work safely, stay healthy

**Physical, mental and social health is of paramount importance to us. In the reporting period, we expanded and strengthened our occupational health and safety and our occupational health management at national and international level. All relevant occupational health and safety processes are defined in our occupational health and safety management system and documented in the IT-based business process management system. The process owners responsible for the individual steps are clearly assigned. The occupational health and safety management system applies to all Kaufland employees and is modified to reflect new insights such as findings from risk assessments.**

The international target processes are transferred to Kaufland Romania to create suitable process regulations, taking into account national legislation. This allows us to achieve a high degree of process standardization. The occupational health and safety processes are closely aligned with the requirements of ISO 45001 for occupational health and safety management systems. Regular internal and external audits are carried out to verify compliance with the applicable guidelines and processes. At Kaufland Romania, these are performed by the revision of Schwarz Corporate Solutions KG.

At Kaufland in Romania, we carry out regular site-based occupational health and safety inspections to identify optimization potential at an early stage and take appropriate action. We rely on close cooperation between occupational health and safety experts and those in positions of responsibility in the operational departments. We encourage individual initiative among local occupational health and safety experts in order to create a safe work environment for employees and increase the effectiveness of our processes.

To avoid workplace accidents, we at the Kaufland Group focus on prevention and the expansion of safety precautions that affect all areas of occupational health and safety. If there is an accident or near miss at work, where necessary the cause of the accident is analyzed in detail and appropriate preventive action is identified. In the reporting period, we expanded the accident process to include detailed accident investigation, and internationalized accident reporting. Accident trends and hotspots are now monitored via an occupational health and safety dashboard to take targeted action at national and international level. Furthermore, occupational health and safety analysis was conducted at five Kaufland distribution centers in order to identify room for improvement in handling and communicating occupational health and safety.

At the Kaufland Group, we perform activity-related risk assessments that are modified to reflect changes to the relevant activities or the procurement of new equipment and are regularly updated. The responsible occupational health and safety specialist supports and advises managers on creating and continually updating the assessments. Requisite technical, structural and organizational action and action specific to the individual is defined and implemented based on the results of the risk assessments.

Action to improve ergonomics in the workplace also plays a key role in our occupational health and safety efforts. One example are the semi-automated order picking systems, which are designed to help minimize the high physical strain on the employees concerned and make



order picking more ergonomic and efficient. The specially developed metal Kaufland folding pallets, which are used in day-to-day order picking, transport and storage, also offer ergonomic advantages – particularly when packing and unpacking. The Kaufland meat processing plants regularly invest in intelligent occupational health and safety systems, in particular at specific high-risk individual workstations. This provides targeted relief in noisy areas and work areas subject to high ergonomic stress. The use of robotics, conveyor belts and turret forklifts has also helped reduce the ergonomic burden and further optimize workstations. In addition, various health promotion initiatives help raise employees' awareness of ergonomics and health and safety-related issues.

## INVOLVING OF EMPLOYEES

Kaufland employees and their representatives are involved in occupational health and safety. Based on the legal requirements, Kaufland Romania has established occupational health and safety committees that meet on a regular basis. Kaufland Romania has established Health and Safety Committees at multiple levels: a committee at the Sales Department level covering all stores, a central (headquarters) committee, a committee in each warehouse. The committees meet quarterly and include internal employees, external companies with H&S responsibilities, employee representatives, and employer representatives. Jointly developed occupational health and safety guidelines are communicated to the workforce via various channels such as the occupational health and safety system, e-learning, newsletters, posters, intranet content, Connect Infocenter and on-site team meetings. The various channels are also used for regular and timely communication of health promotion initiatives.

We also prepare an annual internal report on corporate safety and provide detailed information on responsibilities and accident statistics in the publicly accessible sustainability report.

To ensure that there is a functioning occupational health and safety organization in place and to actively involve our workforce, selected employees are trained and deployed in various roles such as fire safety officers and first-aiders. In addition, all employees are given regular training on potential risks in their work environment. At Kaufland Romania, all employees are required to participate in training once a year. All new employees receive introductory online courses, and all active employees undergo periodic refresher training when it is scheduled. Instruction is mainly provided in the form of online training, with in-person events held where necessary or required by law. Online training for general and specific occupational health and safety instruction has been introduced across the board and was further expanded in the 2024 reporting period. It is available as standard to all employees at stores and the administrative locations.

## HEALTH INITIATIVES

Kaufland offers an occupational health service at all businesses in line with the legal requirements. This serves to promote the health of all employees and prevent work-related health problems. In this context, measures such as risk assessments, and the range of optional and compulsory preventive medical examinations are conducted. Many locations also have health promotion measures as part of occupational health management that are coordinated by the HR departments.

Through our occupational health service and occupational health promotion, we offer needs-based health measures on ergonomics, exercise, balance, nutrition and preventive medical examinations with the aim of keeping our employees healthy, both physically and mentally, as best we can. Occupational preventive health care is based on the work and associated hazards in each work area, such as work with computer displays, skin diseases or UV radiation.

At Kaufland Romania, occupational preventive health care is ensured by inter-company occupational health services. In the case of mental health problems, employees are supported by employee relations consultants who act as the first point of contact and refer them to the appropriate experts.

We notify employees annually about the opportunity to take part in voluntary prevention if they work in the affected areas. Office-based employees are provided with ergonomic office

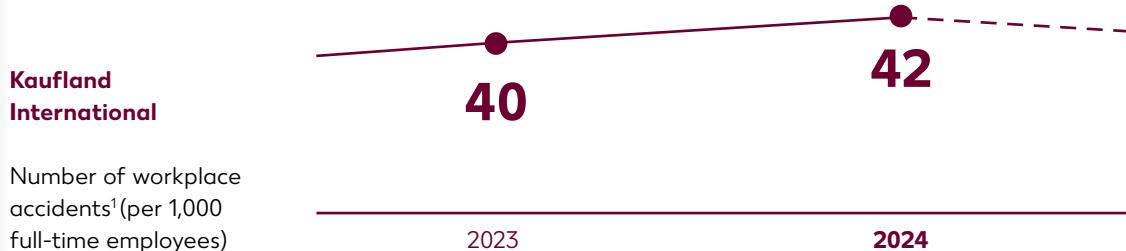
equipment. We reduce physical strain at the stores and logistics distribution centers, for example by optimizing shelf heights, adjusting conveyor belts and using technology that reduces strain such as load carriers that are easy on the back.

The companies of Kaufland also offer sports and leisure activities such as discounted gym memberships and online sports courses. The range of initiatives are rounded out by health talks and various sports events.

#### Statistics: Workplace accidents and work-related ill health

A total of 42 workplace accidents per 1,000 full-time employees were recorded in the reporting period, a slight increase of 3 percent in the accident rate compared with the previous fiscal year. We are observing various developments. While the accident rate in logistics and at the meat processing plants fell by 16 percent, the largest area – sales and distribution – saw a rise of 7 percent. The accident blackspots are in the following areas:

- Slip, trip and fall accidents caused by wet floors or by objects
- Cut injuries when handling knives and slicing machines
- Injuries when handling material handling equipment (forklifts and electric pallet stacks)



The sickness rate, in other words the ratio of sickness-related absences to annual target hours, amounted to approximately 6 percent in 2024.

The sickness rate in Kaufland Romania remained constant year-on-year, with no notable increase or decrease.

Sickness rate <sup>2</sup> (in percent)	Kaufland international 2023 2024	Kaufland Romania 2023 2024
	5.9	2.6
	6.1	2.6

<sup>1</sup> Includes workplace accidents  $\geq$  1 day of Kaufland employee time lost, excluding accidents while traveling to and from work

<sup>2</sup> Does not include long-term sickness and absence due to the illness of a child.

# STRENGTHEN LABOR AND HUMAN RIGHTS

**It is our responsibility to actively safeguard and uphold labor and human rights along the entire supply chain. For this reason, we take measures to ensure fair pay, respectful working conditions, and the protection of fundamental labor rights, both in our own operations and in our supply chains. We have also established clear mechanisms to identify and control risks at an early stage and to handle grievances efficiently.**

**We welcome the political decision of the European Union to create binding and uniform regulations to ensure the respect for human rights and the protection of the environment on the one hand, and to guarantee legal certainty and fair competitive conditions for companies in the value chains on the other. Specific requirements are anchored in a jointly developed Code of Conduct, which is a contractual component of our supplier relationships.**

## Spotlight on codes of conduct

The jointly developed and adopted Code of Conduct of the Companies of Schwarz Group sets out the basic, risk-oriented principles governing cooperation and describes what is expected of business partners in terms of human rights and environmental issues. The Code of Conduct is based on the following international guidelines and principles for reducing negative environmental and social impacts throughout the value chain:

- International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination against Women
- OECD Guidelines for Multinational Enterprises
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Paris Climate Agreement
- Minamata Convention
- Stockholm Convention
- Basel Convention
- Principles of the UN Global Compact (UNGC)

The fundamental principles defined by the ILO are also covered, and the relevant environmental standards are taken into account. In addition to the topics defined in the Business Partner Code of Conduct of the Companies of Schwarz Group, the following apply among others:

- Ban on discrimination
- Fair treatment
- Forced labor and modern slavery
- Child labor and the protection of minors
- Wages and working hours
- Freedom of association and collective bargaining
- Safety and health
- Disciplinary action
- Land rights
- Environmental protection laws
- Resources and pollution of the environment

We also observe obligations under international conventions, for example in relation to the production, use and disposal of products described in the Minamata Convention (mercury), Stockholm Convention (POPs), and Basel Convention (hazardous waste).

# Due diligence in the supply chain

## PROCESS STEP 1: IDENTIFYING RISKS

Given the large number of business partners and goods from all corners of the world, we intend to precisely understand our risks. Since 2022, Kaufland Stiftung & Co. KG has systematically carried out annual and ad hoc risk analyses of all direct business partners in accordance with the requirements of the German Supply Chain Due Diligence Act (LkSG).

The individual risk classification of the direct business partners is based on the products purchased or the services rendered. The risk assessment is based on recognized indices and studies, and country and raw material information is also taken into account. In this way, we use various sources of information – including the ILO, the Global Slavery Index, the UNICEF Global Data Base Child Protection, and the UN Gender Inequality Index – to evaluate which of our supply chains have the highest risk of human rights violations. We strive to continuously improve our processes for identifying opportunities and risks.

Based on these findings, we prioritize business partners according to their risk exposure in order to counteract the adverse impacts of our business activities on human rights and environmental standards.

## PROCESS STEP 2: DEFINING SPECIFICATIONS AND PROCESSES

Clear sustainability-related criteria, standards and legal obligations apply at both a global and regional level to ensure compliance with human rights and environmental standards in the supply chain.

Our contractual partners are made aware of their obligations as part of their contractual agreements, for instance in the Code of Conduct and the General Sustainability Requirements (GSR) for suppliers.

For raw materials associated with high human rights risks and environmental risks in particular, we set ourselves specific goals and continuously work towards achieving them. We define clear requirements for the business partners to ensure that these targets are achieved. These requirements include certification for products and raw materials, participation in the further development of standards, and funding projects. The corresponding guidelines can be found in the [Conserve resources](#) chapter.

**Kaufland's actions are based on the corporate due diligence process**

## PROCESS STEP 3: IMPLEMENTING AND MONITORING

Based on the defined specifications and processes (see process step 2), we take appropriate action and regularly review its effectiveness. One example of our common approach to upholding human rights in the supply chain is to add certified raw materials to our portfolio. We are aware that preventive measures such as seals or certificates cannot completely rule out human rights violations. However, they are still an important step toward greater transparency, go beyond legal minimum standards and are a fundamental part of our due diligence. Internationally recognized certification bodies such as Fairtrade, the Rainforest Alliance and FSC®, which we work with in various ways, effectively act as an extended link through to the producers. These organizations carry out regular checks on compliance with defined standards, which are also performed by independent third parties. All of the product-related seals and certifications that we use are listed in the [Good nutrition](#) chapter.

Since 2021, Kaufland has gradually mandated Lidl to take over the purchasing of its non-food private label products. As part of these business management services provided by Lidl, the requirements Lidl places on suppliers also apply to the products procured for Kaufland. Since 2020, Kaufland has required producers to undergo a social audit for selected product groups.

## PROCESS STEP 4: IMPROVING

Negative effects should be systematically eliminated, avoided or minimized. In this context, it is crucial to ensure that all parties involved have access to effective grievance mechanisms. We have established grievance mechanisms in more than 30 languages to receive notifications about human rights violations and provide relief to those affected. The grievance mechanisms allow affected parties or witnesses to report potential violations of human rights and environmental standards in confidence, including via the "BKMS" online reporting system. Further information on our grievance mechanisms can be found in the **Governance** chapter.

If any adverse impacts caused or influenced by companies of Kaufland Group are identified, we will always do our best to remedy the situation. We use our influence and work closely with our suppliers and independent third parties to ensure that those affected receive adequate compensation. If no progress is evident despite the

corrective action taken and the supplier continues to violate fundamental social and environmental standards or applicable laws, as a last resort we reserve the right to terminate the business relationship. Even before the German Supply Chain Due Diligence Act came into force, our risk analyses already involved examining the procurement of products containing raw materials from high-risk sectors where there are suspicions of child labor.

Besides our clear commitment to protecting children's rights and opposing forced labor, ensuring adequate wages and a secure income for employees in the supply chains are also core objectives for us at the Kaufland Group. We see our commitment in this area as a fixed component of our corporate due diligence. In this context, we consider not only the fair compensation of our respective employees, but also that of our partners along our global supply chains. A particular focus is on suppliers in international procurement markets and producers in the agricultural sector, where we work to ensure the payment of adequate wages or incomes.

### Involvement in initiatives and multi-stakeholder partnerships

Kaufland is a member of the German Retailers Working Group on Living Income and Living Wages, which aims to support producers in their home countries to earn living incomes and wages. A voluntary commitment was signed in 2020. The Sustainable Agricultural Supply Chains Initiative (SASI) organizes and manages the working group and supports it in achieving this goal, including in the form of joint projects. A first pilot project is dealing with the issue of living wages in the banana sector. In this context, a pay gap report was published on Ecuador. Another project to ensure living wages for smallholder coffee farming families in Peru and Honduras was launched in 2023. Potential pilot farms were reviewed in the supply chains.

The companies of the Kaufland Group are committed to various multi-stakeholder initiatives with the aim of improving the effectiveness of reporting systems and expanding the reach of their own grievance mechanisms. We are also actively involved in "appellando" and are working with multiple suppliers on the industry-wide grievance mechanism for the fruit and vegetable sector.

## PROCESS STEP 5: COMMUNICATING

Press releases and publications such as our sustainability reports, our purchasing policy documents, position papers and websites serve as key communication channels. Policy statements and the respective grievance mechanisms also fall under this umbrella.

# A strategic approach to human rights

In 2025, Kaufland launched a new project on the topic of human rights in our supply chains. It includes our continuing mission to drive forward improvements in working and living conditions in our supply chains in cooperation with our partners and stakeholders.

As part of our strategic approach, we center our efforts on three focus areas: Preventing forced labor, protecting children's rights and ensuring a living income/wage. The focus raw materials are bananas, coffee, cocoa, orange juice and palm oil. Our project comprises three pillars:

## UNDERSTANDING

To live up to our responsibility for human rights, we have to have a deep understanding of the respective own supply chains and the challenges they harbor. We seek not just to identify risks but to assess them in the given context and derive effective measures.

## LAYING THE GROUNDWORK

A sustainable commitment to human rights requires robust structures and established processes that are firmly anchored in the respective corporate practice. Only then can we take effective action to reduce risks and ensure continuous improvement. We communicate our progress transparently.

## MAKING PROGRESS

To achieve positive change in the long term, we rely on effective human rights levers in sensitive areas of the supply chain. We work together with industry players and NGOs on targeted projects related to defined focus areas and raw materials, with the aim of progressing beyond the pilot stage and beginning to scale them systematically for broad implementation within the industry.

**Environment analysis**

**Purchasing policy**

**Projects related to focus raw materials**

**Risk analyses**

**Certification and standards**

**Projects related to focus areas**

**Supply chain transparency**

**Prevention and corrective action**

**Grievance mechanism**

**Reporting and policies**

## FOCUS AREAS

**Preventing forced labor**

**Protecting children's rights**

**Ensuring a living income/wage**

## FOCUS RAW MATERIALS

**Bananas**

**Coffee**

**Cocoa**

**Orange juice**

**Palm oil**

# SOCIAL COMMITMENT

**Our social commitment lies at the heart of the corporate philosophy of the Kaufland Group. We are committed to furthering the interests of the community by providing financial support through donations as well as practical help in a range of social projects.**

**2024 marks the fifth consecutive year in which we exceeded the €8 million budget allocated to social impact initiatives. Community investments amounted to over €9.5 million, including financial donations and in-kind support.**

## Donations and sponsorship: How we support social projects

In line with our jointly adopted CR strategy, our funding activities focus on the subject area of "nutrition". Here at Kaufland Romania, we have also placed a focus on five areas of interest: education, sports and healthy lifestyle, culture, environmental protection and social protection/engagement. At a fundamental level, we leverage our commitment to pursue a wide range of objectives and address a wide range of sustainability-related topics, provided that they make a tangible contribution to achieving the targets within the respective subject area.

For us, it is important for our actions and projects to be medium to long-term in nature – with the exception of acute crisis and disaster relief. We also attach particular value to projects that achieve effective and, where possible, measurable results and are of relevance to our stakeholders. We favor projects that facilitate the active involvement of customers and employees and encourage participation. Another key criterion is to work with reputable project and cooperation partners who guarantee a professional and reliable approach to their work.

Our donations support socially disadvantaged groups in particular, as well as groups that need support with a healthy lifestyle.

We regularly donate food to charitable organizations such as food banks and organize nutrition projects for children. For more information on the commitment of Kaufland Romania in terms of food donations, please see [page 99](#) .

Our respective employees can also get involved, for example in blood donation campaigns in Germany, Poland, Romania, Slovakia, the Czech Republic and Croatia.

# ANNEX

# About this report

## CONTENT AND SCOPE OF THE REPORT

This report discloses the progress of the sustainability efforts of Kaufland Romania. The quantitative and qualitative data refer in part to Kaufland Romania and in part to the consolidated figures of all companies of the Kaufland Group. Therefore, unless otherwise specified, they refer to the following companies:

- Kaufland Stiftung & Co. KG, with its registered office in Neckarsulm, Germany, which performs cross-border functions from Germany for the entire Kaufland Group.
- Kaufland Dienstleistung GmbH & Co. KG, with its registered office in Neckarsulm, Germany, approximately 780 Kaufland stores in Germany, six regional companies and seven logistics distribution centers, four Kaufland meat processing plants in Germany (also referred to as Kaufland in Germany; expansion through the acquisition and integration of Real stores in Germany is taken into consideration in the figures in the year-on-year comparison).
- Kaufland Polska Markety Sp. z o.o. Sp. k. (also referred to as Kaufland Poland), principal registered office: Al. Armii Krajowej 47, 50-541 Wrocław, Poland; number of stores: 252, number of logistics distribution centers: 3
- Kaufland Česká republika, v.o.s. (also referred to as Kaufland Czech Republic), with its registered office in Prague, Czech Republic; number of stores: 145, number of logistics distribution centers: 2, number of meat processing plants: 1
- Kaufland Hrvatska k.d. (also referred to as Kaufland Croatia), with its registered office in Zagreb, Croatia; number of stores: 50, number of logistics distribution centers: 1
- Kaufland Slovenská republika v.o.s. (also referred to as Kaufland Slovakia), with its registered office in Bratislava, Slovakia; number of stores: 84, number of logistics distribution centers: 1
- Kaufland Bulgaria EOOD & Co KD (BG) (also referred to as Kaufland Bulgaria), with its registered office in Sofia, Bulgaria; number of stores: 67, number of logistics distribution centers: 1

- Kaufland Romania S.C.S. (also referred to as Kaufland Romania), with its registered office in Bucharest, Romania; number of stores: 190, number of logistics distribution centers: 2
- Kaufland Republic of Moldova (also referred to as Kaufland Moldova), with its registered office in Chișinău, Moldova; number of stores: 9

The Kaufland companies in Poland, the Czech Republic, Croatia, Slovakia, Bulgaria, Romania, and Moldova are indirect subsidiaries of Kaufland Stiftung & Co. KG. Kaufland has had a presence in Romania since 2005. With over 17,530 staff and 190 stores, Kaufland is one of the leading food retailers in Romania.

The scope of this report, however, does not include Kaufland e-commerce, as it is also part of the companies of the Schwarz Group but is organizationally assigned to Schwarz Digits, the IT and digital division of the Schwarz Group.

Wherever they are used in this document, the words "we", "us", "our", etc. and the term "Kaufland" denote all of these companies together. If information refers solely to our national company Kaufland Romania.

## REPORTING STANDARD AND REPORT STRUCTURE

We have prepared our sustainability report in accordance with the internationally recognized GRI Sustainability Reporting Standards. Corresponding content is presented in the [GRI content index](#). The report can be navigated using page references in the table of contents and the placement of GRI disclosures on the relevant pages of the report.

Based on the joint materiality assessment and the four strategic focus fields of the CR strategy – "Protect the environment", "Conserve resources",

"Strengthen society" and "Good nutrition", this report provides information on the material environmental, social and economic impacts and the activities of the companies of Kaufland Group.

Other topics are included in our reporting in addition to those identified in the joint materiality assessment. On the one hand, this approach ensures consistency with previous reporting: For reasons of consistency, we report on selected topics that were not classified as material but were part of voluntary reporting in previous years. By continuing to report on these additional topics, we ensure direct comparability with previous years and maximum transparency for readers. The additional topics are marked accordingly in the GRI content index.

## CHANGES COMPARED WITH THE MOST RECENT REPORT

This report is the first structured to reflect our new CR strategy. The substantive structure is based on the four strategic focus fields in order to present progress and actions in an even more transparent and consistent manner. In addition, we are reporting for the first time not only on our national key figures but also on the consolidated international key figures for Kaufland. As described previously, these include all companies of the Kaufland Group.

As reporting requirements under the CSRD Directive meant that key figures for the 2024 fiscal year had to be collected before the end of the fiscal year, appropriate extrapolation methods were used for the values for the remainder of the period.

In the case of deviations from the figures published in the most recent sustainability report Kaufland Romania for FY2023, we have explained any material deviations (> 5 percent) in the relevant section of this report. Minor deviations are attributable to improved data availability/quality.

Limited restatements were made to 2023 GHG emissions emissions and emissions intensity data due to methodological updates.

## REPORTING PERIOD AND INTERVAL

The reporting period for this sustainability report is from March 1, 2024 to February 28, 2025. In some cases, we also include information from outside that period if it contributes to the completeness or comprehensibility of the report. Where this is the case, the relevant passages and facts are clearly marked in the text. Unless otherwise stated, the cut-off date in terms of data collection for the report was February 28, 2025, and the editorial deadline was December 17, 2025. This report is published annually.

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## EXTERNAL ASSURANCE

EY GmbH & Co. KG Wirtschaftsprüfungs-gesellschaft performed a limited assurance engagement on selected performance indicators in the KPI Fact Sheet of Kaufland Stiftung & Co. KG, Neckarsulm, Germany, for the period from March 1, 2024 to February 28, 2025.

To the [KPI Fact Sheet](#); to the [Independent Practitioner's Report](#).

# GRI content index

GRI Standard	Page	Omission/comment
<b>GRI 1: Foundation</b>		
Statement of use		Kaufland Stiftung & Co. KG and Kaufland Romania has reported in accordance with the GRI Standards for fiscal year 2024 and thus in the period from March 1, 2024 to February 28, 2025.
GRI used:		GRI 1: Foundation 2021
Applicable GRI sector standard(s):		We reviewed the application of GRI sector standard "GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022" in the reporting period and concluded that this is not applicable due to Kaufland's business model.
<b>GRI 2: General Disclosures (2021)</b>		
<b>Responsible corporate governance</b>		
<b>The organization and its reporting practices</b>		
GRI 2-1	Organizational details	18-20; 122
GRI 2-2	Entities included in the organization's sustainability reporting	122
GRI 2-3	Reporting period, frequency and contact point	122-123
GRI 2-4	Restatement of information	123
GRI 2-5	External assurance	123
<b>Activities and workers</b>		
GRI 2-6	Activities, value chain, and other business relationships	20-22, 24
GRI 2-7	Employees	109
GRI 2-8	Workers who are not employees	109
		Information not available/incomplete: The data basis for the information is only partly available to companies of Kaufland Group. A consolidated collection and quality assurance for future reporting is being looked into.
<b>Governance</b>		
GRI 2-9	Governance structure and composition	23
GRI 2-10	Nomination and selection of the highest governance body	-
		Restriction due to a duty of confidentiality: The required disclosures on the nomination and selection of the highest governance body are a business secret of Kaufland Stiftung & Co. KG and Kaufland Romania.
GRI 2-11	Chair of the highest governance body	23
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	24-27; 36
GRI 2-13	Delegation of responsibility for managing impacts	26-27

Bases for reporting, general disclosures and material topics are **highlighted in color**. Additionally reported disclosures are presented on a transparent background and are not marked.

GRI Standard	Page	Omission/comment
GRI 2-14 Role of the highest governance body in sustainability reporting	24-25	
GRI 2-15 Conflicts of interest	-	Information not available/incomplete: There is currently no information available on potential conflicts of interest involving the highest governance body. Employment at the Company and decisions made in that context may only serve the interests of the Company. Any actual or potential influence by private interests must be avoided.
GRI 2-16 Communication of critical concerns	24-25	
GRI 2-17 Collective knowledge of the highest governance body	24-25	
GRI 2-18 Evaluation of the performance of the highest governance body	-	Restrictions due to a duty of confidentiality: The required disclosures on evaluating the performance of the highest governance body are a business secret of Kaufland Stiftung & Co. KG and Kaufland Romania.
GRI 2-19 Remuneration policies	-	Restrictions due to a duty of confidentiality: The required disclosures on the remuneration policies are a business secret of Kaufland Stiftung & Co. KG and Kaufland Romania.
GRI 2-20 Process to determine remuneration	111	
GRI 2-21 Annual total compensation ratio	-	Restrictions due to a duty of confidentiality: The required disclosures on the annual total compensation ratio are a business secret of Kaufland Stiftung & Co. KG and Kaufland Romania.

<b>Strategy, policies and practices</b>		
GRI 2-22 Statement of use on sustainable development strategy	5	
GRI 2-23 Policy commitments	24-28; 84; 116	
GRI 2-24 Embedding policy commitments	24; 24-28; 116	
GRI 2-25 Processes to remediate negative impacts	36-37; 53	
GRI 2-26 Mechanisms for seeking advice and raising concerns	36-37	
GRI 2-27 Compliance with laws and regulations	-	Restrictions due to a duty of confidentiality: The required disclosures on fines and violations are a business secret of Kaufland Stiftung & Co. KG and Kaufland Romania.
GRI 2-28 Membership associations	34-35	
GRI 205-2 Communication and training courses on anti-corruption policies and procedures	36	

<b>Stakeholder engagement</b>		
GRI 2-29 Approach to stakeholder engagement	29; 31-33; 37; 49; 118	
GRI 2-30 Collective bargaining agreements	111	

# GRI content index

GRI Standard	Page	Omission/comment	
<b>GRI 3: Material topics (2021)</b>			
GRI 3-1	Process to determine material topics	28-29	
GRI 3-2	List of material topics	28-30	
<b>Good nutrition</b>			
<b>GRI 3 Material topics (2021)</b>			
GRI 3-3	Management of material topics	30; 41-44	
<b>Personal safety of consumers and/or end users</b>			
<b>FP: Food processing</b>			
FP5	Share of production volume manufactured at sites certified by an independent third party in accordance with internationally recognized standards for food safety management systems	48-49	Information not available/incomplete: The percentage of product volume manufactured at certified sites is not currently available. The collection of this information for future reporting is being looked into.
FP6	Share of sales volume attributable to products with reduced fat, trans fats, salt and sugar	47	Information not available/incomplete: The percentage of products with reduced fat, trans fats, salt and sugar is not currently available. The collection of this information for future reporting is being looked into.
FP7	Share of total sales volume attributable to consumer goods, broken down by product categories that have a higher content of health-enhancing ingredients such as fiber, vitamins, minerals, secondary plant substances and functional food additives	48-49	Information not available/incomplete: The percentage of products by product categories that have a higher content of health-enhancing ingredients is not currently available. The collection of this information for future reporting is being looked into.
<b>Information-related impacts for consumers and/or end users</b>			
<b>GRI 416: Customer health and safety (2016)</b>			
GRI 416-1	Assessment of the health and safety impacts of different product and service categories	48-50	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	50	Information not available/incomplete: For reasons of internal control relevance, the number of recalled sales items of public product/merchandise recalls for private label products is reported and not violations of regulations and/or voluntary codes related to the health and safety impacts of products and services.
<b>GRI 417: Marketing and labeling (2016)</b>			
GRI 417-1	Requirements for product and service information and labeling	48-49; 51; 79	
<b>Protect the environment</b>			
<b>GRI 3 Material topics (2021)</b>			
GRI 3-3	Management of material topics	30; 57-60	

Bases for reporting, general disclosures and material topics are **highlighted in color**. Additionally reported disclosures are presented on a transparent background and are not marked.

GRI Standard	Page	Omission/comment
<b>Climate change mitigation</b>		
<b>GRI 201: Economic performance (2016)</b>		
GRI 201-2 Financial implications and other risks and opportunities due to climate change	58-59	
<b>GRI 203: Indirect economic impacts (2016)</b>		
GRI 203-1 Infrastructure investments and services supported	70	
<b>GRI 308: Supplier environmental assessment (2016)</b>		
GRI 308-2 Negative environmental impacts in the supply chain and actions taken	68; 79	Information not available/incomplete: The quantitative disclosures on the number and percentage of suppliers screened for environmental impacts are not currently available. The collection of this information for future reporting is being looked into.
<b>Energy</b>		
<b>GRI 302: Energy (2016)</b>		
GRI 302-1 Energy consumption within the organization	64	
GRI 302-3 Energy intensity	64-67	
GRI 302-4 Reduction of energy consumption	64	
GRI 302-5 Reductions in energy requirements of products and services	68	
<b>Climate change adaptation</b>		
<b>GRI 305: Emissions (2016)</b>		
GRI 305-1 Direct (Scope 1) GHG emissions	61; 71	
GRI 305-2 Energy indirect (Scope 2) GHG emissions	61; 71	
GRI 305-3 Other indirect (Scope 3) GHG emissions	61; 71	
GRI 305-4 GHG emissions intensity	61; 71	
GRI 305-5 Reduction of GHG emissions	61; 71	Information not available/incomplete: The scope of GHG reduction (in metric tons of CO <sub>2</sub> equivalent) directly attributable to specific reduction measures cannot currently be reported in its entirety. The collection of this information for future reporting is being looked into. Omission applies to all Kaufland national companies outside of Germany.
<b>Biodiversity and ecosystems (not a material topic – additionally reported)</b>		
<b>GRI 304: Biodiversity (2016)</b>		
GRI 304-2 Significant impacts of activities, products and services on biodiversity	58-59; 72	
GRI 304-3 Habitats protected or restored	74-75	Information incomplete: Specific disclosures on the size, location and status of habitats protected or restored are not currently available. The collection of this information for future reporting is being looked into.

# GRI content index

GRI Standard	Page	Omission/comment
<b>Conserve resources</b>		
<b>GRI 3 Material topics (2021)</b>		
GRI 3-3 Management of material topics	30; 80-83; 85-86	
<b>Resource inflows and use</b>		
<b>GRI 301: Materials (2016)</b>		
GRI 301-1 Materials used by weight or volume	90	
GRI 301-2 Recycled input materials used	87-88; 90	
GRI 301-3 Reclaimed products and their packaging materials	87	
<b>Waste</b>		
<b>GRI 306: Waste (2020)</b>		
GRI 306-1 Waste generation and significant waste-related impacts	92; 94; 98-99	
GRI 306-2 Management of significant waste-related impacts	95; 98; 98-99	
GRI 306-3 Waste generated	94-97	
GRI 306-4 Waste diverted from disposal	94-97	
GRI 306-5 Waste directed to disposal	94-97	
<b>Strengthen society</b>		
<b>GRI 3 Material topics (2021)</b>		
GRI 3-3 Management of material topics	30; 103-107	
<b>Equal treatment and opportunities for all (suppliers)</b>		
<b>GRI 407: Freedom of association and collective bargaining (2016)</b>		
GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	117-118	
<b>GRI 408: Child labor (2016)</b>		
GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	117-118	
<b>GRI 409: Forced or compulsory labor (2016)</b>		
GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	117-118	
<b>GRI 414: Supplier social assessment (2016)</b>		
GRI 414-2 Negative social impacts in the supply chain and actions taken	116-119	

Bases for reporting, general disclosures and material topics are **highlighted in color**. Additionally reported disclosures are presented on a transparent background and are not marked.

GRI Standard	Page	Omission/comment
<b>Working conditions (own workforce)</b>		
<b>GRI 202: Market presence (2016)</b>		
GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	111	
<b>GRI 205: Anti-corruption (2016)</b>		
GRI 205-2 Communication and training courses on anti-corruption policies and procedures	36	
<b>GRI 401: Employment (2016)</b>		
GRI 401-3 Parental leave	110	
<b>GRI 403: Occupational health and safety (2018)</b>		
GRI 403-1 Occupational health and safety management system	112-113	
GRI 403-2 Hazard identification, risk assessment, and incident investigation	112-113	
GRI 403-3 Occupational health services	113-114	
GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	113	
GRI 403-5 Worker training on occupational health and safety	113	
GRI 403-6 Promotion of worker health	113-114	
GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	112-113	
GRI 403-8 Workers covered by an occupational health and safety management system	112-113	
GRI 403-9 Work-related injuries	114-115	Information not available/incomplete: Detailed information on work-related injuries, including frequency, severity, type of injury and hours worked, is not currently available. The collection of this information for future reporting is being looked into.
GRI 403-10 Work-related ill health	115	
<b>GRI 405: Diversity and equal opportunity (2016)</b>		
GRI 405-1 Diversity of governance bodies and employees	110	
GRI 405-2 Ratio of basic salary and remuneration of women to men	111	Information not available/incomplete: The ratio of basic salary and remuneration of women to men is not currently captured. The collection of this information for future reporting is being looked into.

# KPI Fact Sheet

Topic field	GRI	Unit	KPI
<b>Good nutrition</b>			
<b>Number of product analysis</b>			
Product analysis private label Food <sup>1</sup>	416-1	NR	19,714
Product analysis private label Non Food	416-1	NR	29
Product analysis fruit & vegetables	-	NR	31,431
<b>Number of product recalls<sup>2</sup></b>			
Private label product recalls	416-2	NR	9
of which product recalls private label Food <sup>1</sup>		NR	9
of which product recalls private label Non Food		NR	0
<b>Protect the environment</b>			
<b>GHG emissions - Scope 1, 2 and 3<sup>3,4,5</sup></b>			
Scope-1	305-1	tCO <sub>2</sub> e	354,280
		%	0.98
Fugitive emissions		tCO <sub>2</sub> e	204,605
Mobile combustion		tCO <sub>2</sub> e	32,322
Stationary combustion		tCO <sub>2</sub> e	117,353
Scope-2	305-2	tCO <sub>2</sub> e	28,410
		%	0.08
District heating		tCO <sub>2</sub> e	28,410
Electricity (market-oriented)		tCO <sub>2</sub> e	0
Scope-3	305-3	tCO <sub>2</sub> e	35,631,891
		%	98.94
Cat. 3.1 Purchased goods and services		tCO <sub>2</sub> e	30,852,797
Cat. 3.2 Capital goods		tCO <sub>2</sub> e	290,745
Cat. 3.3 Fuel and energy-related emissions		tCO <sub>2</sub> e	256,537
Cat. 3.4 Transports (upstream)		tCO <sub>2</sub> e	1,283,163
Cat. 3.5 Operational waste		tCO <sub>2</sub> e	61,258
Cat. 3.6 Business travel		tCO <sub>2</sub> e	26,082
Cat. 3.7 Employee commuting		tCO <sub>2</sub> e	183,234
Cat. 3.9 Transports (downstream)		tCO <sub>2</sub> e	0
Cat. 3.10 Processing of the products sold		tCO <sub>2</sub> e	0
Cat. 3.11 Use of the products sold		tCO <sub>2</sub> e	1,271,085
Cat. 3.12 Disposal / recycling of sold products		tCO <sub>2</sub> e	1,406,272
Cat. 3.15 Investments		tCO <sub>2</sub> e	718
Total		tCO <sub>2</sub> e	36,014,580

Topic field	GRI	Unit	KPI
<b>Total energy consumption<sup>5,6</sup></b>			
Total energy consumption	302-1	MWh	3,133,129.4
from renewable sources		MWh	2,257,872.2
		%	72.1
from non-renewable sources		MWh	875,257.2
		%	27.9
Mobile combustion	302-1	MWh	127,802.4
from renewable sources		MWh	702.8
from non-renewable sources		MWh	127,099.5
Electricity	302-1	MWh	2,262,926.7
from renewable sources		MWh	2,256,269.9
Outsourcing		MWh	2,232,060.1
Self-consumption from self-generation		MWh	24,209.8
from non-renewable sources		MWh	6,656.9
Outsourcing		MWh	0.0
Self-consumption from self-generation		MWh	6,656.9
District heating	302-1	MWh	115,978.9
from renewable sources		MWh	398.6
Outsourcing		MWh	398.6
Self-consumption from self-generation		MWh	0.0
from non-renewable sources		MWh	115,580.3
Outsourcing		MWh	115,580.3
Self-consumption from self-generation		MWh	0.0
Heating oil (non-renewable)	302-1	MWh	40,987.0
Natural gas (non-renewable)	302-1	MWh	580,509.8
Emergency power systems and sprinkler systems	302-1	MWh	4,161.1
from renewable sources		MWh	500.9
from non-renewable sources		MWh	3,660.3

<sup>1</sup> The Food category includes all groceries as well as articles from the near-food sector, e.g. cosmetics, detergents / cleaning agents, flowers and plants.

<sup>2</sup> This shows the number of unique sales items recalled in public product recalls for private labels. Product withdrawals are not taken into account. All actively listed articles (with listing in at least one market) are included at the end of the FY key date. Excluded are: difference markets, dummy buyer groups, ancillary business (and irrelevant product groups), special items / lot / seasonal articles, displays, sales sets.

<sup>3</sup> Analyzed sources for the emission factors: international organizations (e.g. IEA, IPCC), LCA databases (e.g. Ecoinvent, Optimeal), national institutions (e.g. DBEIS / DEFRA) as well as industrial associations and organizations (e.g. Plastics Europe, FEFCO). In order to enable comparability with previous years, the most current available emission factors are sometimes not used for the calculation.

<sup>4</sup> Due to insignificance, emissions in GHG categories 3.8, 3.13 and 3.14 are not accounted for.

<sup>5</sup> Slight deviations in the totals are possible due to rounded values.

<sup>6</sup> If data was not available at the time the report was created, the data from the previous year was assumed.

# KPI Fact Sheet

Topic field	GRI	Unit	KPI
<b>Conserve resources</b>			
<b>Recyclable materials and waste by type and recycling method</b>			
Non-hazardous recyclables		t	571,617
Non-hazardous recyclables	306-3	t	570,079
Paper/cardboard/carton	306-3, 306-4, 306-5	t	272,290
Recycling		t	272,253
Reuse		t	21
Thermal utilization		t	16
Incineration		t	0
Other <sup>1</sup>		t	1
Organic recyclable materials	306-3, 306-4, 306-5	t	66,867
Recycling		t	2,805
Reuse		t	1,750
Fermentation		t	58,778
Composting		t	865
Thermal utilization		t	208
Incineration		t	888
Landfilling		t	6
Animal feed		t	1,557
Other <sup>1</sup>		t	11
Plastics	306-3, 306-4, 306-5	t	82,869
Recycling		t	82,474
Thermal utilization		t	343
Incineration		t	25
Landfilling		t	10
Other <sup>1</sup>		t	18
Wood	306-3, 306-4, 306-5	t	11,490
Recycling		t	5,460
Reuse		t	5,907
Composting		t	0
Thermal utilization		t	74
Incineration		t	32
Landfilling		t	6
Other <sup>1</sup>		t	12

Topic field	GRI	Unit	KPI
Textiles	306-3, 306-4, 306-5	t	494
Recycling		t	244
Reuse		t	234
Thermal utilization		t	12
Incineration		t	3
Landfilling		t	0
Other <sup>1</sup>		t	0
Residual waste	306-3, 306-4, 306-5	t	87,762
Recycling		t	3,241
Thermal utilization		t	53,591
Incineration		t	1,811
Landfilling		t	28,490
Other <sup>1</sup>		t	629
Glass	306-2, 306-3, 306-4	t	36,430
Recycling		t	36,400
Landfilling		t	3
Other <sup>1</sup>		t	27
Scrap Metal	306-3, 306-4, 306-5	t	7,574
Recycling		t	7,572
Landfilling		t	0
Other <sup>1</sup>		t	2
Other non-hazardous recyclables	306-3, 306-4, 306-5	t	4,304
Recycling		t	1,179
Reuse		t	275
Thermal utilization		t	8
Incineration		t	1
Landfilling		t	14
Other <sup>1</sup>		t	2,827
Hazardous recyclables <sup>2</sup>	306-3	t	1,537

<sup>1</sup> The category "Other" is a collective item that also contains quantities that cannot be clearly assigned to the above categories.

<sup>2</sup> Hazardous recyclables include, for example, old paints / varnishes, household / industrial batteries, energy-saving lamps, electronic waste, fluorescent tubes, (neon) toners, cleaning agents, acids and alkalis, solvents, spray cans and old fire extinguishers.

# KPI Fact Sheet

Topic field	GRI	Unit	KPI
<b>Strengthen society</b>			
<b>Our workforce in numbers<sup>1,2</sup></b>			
Total number of employees	2-7	NR	151,764
Temporary		NR	9,215
		%	6.1
Female		%	55.1
Male		%	44.9
Non-binary		%	0.0
Gender not specified		%	0.0
Permanent	2-7	NR	142,549
		%	93.9
Female		%	72.3
Male		%	27.7
Non-binary		%	0.0
Gender not specified		%	0.0
Full-time	2-7	NR	72,144
		%	47.5
Female		NR	45,446
		%	63.0
Male		NR	26,698
		%	37.0
Non-binary		NR	0
		%	0.0
Gender not specified		NR	0
		%	0.0
Part-time <sup>3</sup>	2-7	NR	79,620
		%	52.5
Female		NR	62,756
		%	78.8
Male		NR	16,860
		%	21.2
Non-binary <sup>4</sup>		NR	4
		%	0.0
Gender not specified		NR	0
		%	0.00

Topic field	GRI	Unit	KPI
<b>Employee Diversity<sup>2, 5, 6</sup></b>			
Total workforce	405-1	NR	151,764
		%	100.0
Age group <30 years old		NR	32,452
		%	21.4
Age group 30-50 years old		NR	75,072
		%	49.5
Age group >50 years old		NR	44,240
		%	29.2
Female		NR	108,202
		%	71.3
Male		NR	43,558
		%	28.7
Non-binary <sup>4</sup>		NR	4
		%	0.0
Gender not specified		NR	0
		%	0.0
Employees without management role	405-1	NR	143,218
		%	94.4
Age group <30 years old		NR	31,851
		%	22.2
Age group 30-50 years old		NR	68,880
		%	48.1
Age group >50 years old		NR	42,487
		%	29.7
Female		NR	103,701
		%	72.4
Male		NR	39,513
		%	27.6
Non-binary <sup>4</sup>		NR	4
		%	0.0
Gender not specified		NR	0
		%	0.0

# KPI Fact Sheet

Topic field	GRI	Unit	KPI
Management	405-1	NR	8,370
		%	5.5
Age group <30 years old		NR	601
		%	7.2
Age group 30-50 years old		NR	6,060
		%	72.4
Age group >50 years old		NR	1,709
		%	20.4
Female		NR	4,464
		%	53.3
Male		NR	3,906
		%	46.7
Non-binary		NR	0
		%	0.0
Gender not specified		NR	0
		%	0.0
Senior Management	405-1	NR	120
		%	0.1
Age group <30 years old		NR	0
		%	0.0
Age group 30-50 years old		NR	93
		%	77.5
Age group >50 years old		NR	27
		%	22.5
Female		NR	30
		%	25.0
Male		NR	90
		%	75.0
Non-binary		NR	0
		%	0.0
Gender not specified		NR	0
		%	0.0

Topic field	GRI	Unit	KPI
Top Management <sup>4</sup>	405-1	NR	56
		%	0.0
Age group <30 years old		NR	0
		%	0.0
Age group 30-50 years old		NR	39
		%	69.6
Age group >50 years old		NR	17
		%	30.4
Female		NR	7
		%	12.5
Male		NR	49
		%	87.5
Non-binary		NR	0
		%	0.0
Gender not specified		NR	0
		%	0.0

<sup>1</sup> The number of employees stated here represents the figure used for internal management, which is based on a different employee definition than that used in the annual financial statements. While the annual financial statements report the number of employees (including those on long-term sick leave and maternity leave) as an average of the figures at the end of each quarter of the fiscal year, the internal figure is reported as of the reporting date at the end of the fiscal year. Employees on maternity leave and long-term absentees are excluded from the internal figure.

<sup>2</sup> The employee figures throughout the table are based on a headcount.

<sup>3</sup> Employees working less than 100% of full-time hours are considered part-time employees. If there are no national regulations, part-time work applies to contract hours of less than 163 hours / month.

<sup>4</sup> The actual value is above 0.0%, but below the rounding threshold of 0.05% and is therefore displayed as 0.0% according to the selected display method.

<sup>5</sup> For reasons of control relevance, the employee definition used in internal management reporting is used as the basis for the collection and reporting of all specified values, not the definition contained in the annual financial statements. These include full-time / part-time employees, marginal employees, trainees, dual students, seconded employees from abroad, employees on sabbaticals and partial retirement in the active phase, temporary employees such as working students, interns, graduate students and temporary staff (if working hours were provided in the reporting period).

<sup>6</sup> According to the common understanding, employee categories are broken down as follows: top management = management level I – II, senior management = management level III, management = managers from management level IV – VI without deputy / no specialist level, employees without management function = other employees.

# Independent auditor's report on a limited assurance engagement

**The assurance engagement performed by EY relates exclusively to the German version of the KPI Fact Sheet of Kaufland Stiftung & Co. KG. The following text is a translation of the original German independent assurance report.**

To Kaufland Stiftung & Co. KG, Neckarsulm

We have performed a limited assurance engagement on selected performance indicators in the KPI Fact Sheet of Kaufland Stiftung & Co. KG, Neckarsulm, (hereinafter the "Company"), for the period from 1st of March 2024 to 28th of February 2025 (hereinafter the "non-financial Reporting").

Our engagement exclusively refers to the German pdf version of the KPI Fact Sheet. Not subject to our assurance engagement are other disclosures made in the sustainability report.

## CHANGES COMPARED WITH THE MOST RECENT REPORT

The executive directors of the Company are responsible for the preparation of the KPI Fact Sheet, which includes the selected disclosures, with reference to the "GRI Sustainability Reporting Standards" (hereinafter "applicable criteria").

These responsibilities of the Company's executive directors include the selection and application of appropriate methods for the preparation of the non-financial Reporting and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a non-financial Reporting that is free from material misstatement, whether due to fraud (manipulation of the non-financial Reporting) or error.

## INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDITOR'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in

particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/ German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

## RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion with limited assurance on the non-financial Reporting based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's non-financial Reporting is not prepared, in all material respects, in accordance with the applicable criteria.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the sustainability organization,

- Inquiries of the executive directors and relevant employees involved in the preparation of the non-financial Reporting about the preparation process, about the internal controls related to this process as well as disclosures in the non-financial Reporting,
- Inspection of the relevant documentation of the systems and processes for collecting, aggregating and validating relevant data in the reporting period,
- Identification and assessment of risks of material misstatement in the non-financial Reporting,
- Analytical procedures on selected disclosures in the non-financial Reporting,
- Inquiries, inspection of sample documents and obtaining evidence relating to the collection and reporting of selected disclosures in the non-financial Reporting,
- Evaluation of the presentation of disclosures in the non-financial Reporting.

## GENERAL ENGAGEMENT TERMS AND LIABILITY

The enclosed "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] on 01 January 2024 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (ey-idw-aab-en-2024.pdf). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Stuttgart, 28th August 2025

EY GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

Hinderer  
Wirtschaftsprüfer  
[German Public Auditor]

Rodriguez  
Wirtschaftsprüferin  
[German Public Auditor]

## ASSURANCE CONCLUSION

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial Reporting of the Company for the period from 1st of March 2024 to 28th of February 2025 is not prepared, in all material respects, in accordance with the applicable criteria.

## RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the

aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

# Legal notice

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Hier bin ich richtig