

INTER- NATIONAL CLIMATE FOOTPRINT

Fiscal year 2018 & 2019

**Our
actions
do the
talking.**



Kaufland

Summary

The consequences of climate change are recognizable and palpable for everyone. Melting ice caps cause ocean levels to rise and this leads to erosion and flooding in coastal areas and low-elevation regions. Heavy rainfall and other extreme weather events are becoming increasingly more frequent.

Globally effective climate protection measures are needed if the targeted 1.5 degree increase in temperature, voted by the UN at the World Climate Conference (COP21) in Paris in 2015, can be met.

At Kaufland, we believe that ideas must be implemented so that they don't simply stay ideas. The attitude and identity reflected in our initiative "Our actions do the Talking" (kaufland.de/actions) is also expressed in our many different CSR activities.

We have been documenting the step-wise reduction of CO₂ emissions in our business activities since 2015 as part of our climate footprint. This is our contribution to the 1.5 degree target.

During the fiscal year¹ 2019, the **absolute greenhouse gases** (GHG) produced by the Kaufland INT corporate group was **1,997,966 tons CO₂ equivalent**. In terms of our total sales area² of 7,210 K m², this corresponds to a **specific GHG emission** of **277 kg CO₂ eq/m²**. In the balance sheet, the largest absolute GHG emission is posted for **electricity (756,440 tCO₂eq)**.

Overview of Kaufland GHG emissions 2019

GHG emissions	absolute	specific
	t CO ₂ eq	kg CO ₂ eq/m ² VKF*
Fugitive emissions	271.395	38
Mobile combustion	30.844	4
Stationary combustion	104.385	14
Scope 1	406.624	56
District heat	19.972	3
Electricity*	756.440	105
Scope 2	776.412	108
Operational waste	89.679	12
Fuel and energy-related activities	308.346	43
Procured goods	275.702	38
Transports	141.204	20
Scope 3	814.931	113
Total footprint	1.997.967	277

*market-based

¹ Fiscal year: March through February

² Sales area and secondary areas

Collection of GHG emissions:

Calculating our carbon footprint is done according to the Greenhouse Gas Protocol (GHG Protocol) which is the most common standard for gathering greenhouse gas emissions. The footprint also corresponds to the formal criteria of Standard ISO 14064-1. Thus, the present Kaufland climate footprint is also ISO compliant.

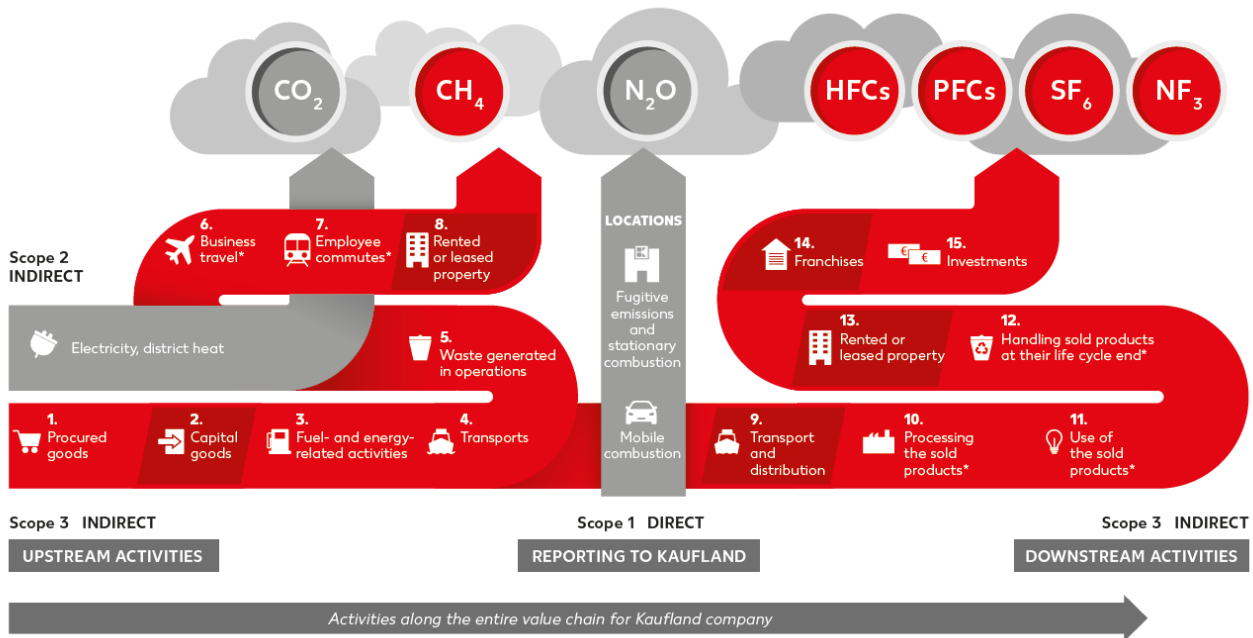
The climate footprint describes the emissions which damage the climate and which are directly or indirectly caused by the business activities of a company. In addition to carbon dioxide, other greenhouse gases such as methane and nitrous oxide influence the environment. This is why the results of the climate footprint is expressed in CO₂eq (equivalents).

The following diagram shows how Kaufland's carbon footprint is calculated and illustrates its limitations.



Scope of the Kaufland climate footprint

Direct and indirect emissions: Scope 1, 2, 3 according to GHG Protocol



*to be included in future

Scope 1 and 2 were completely gathered.

Scope 3 looks at the categories which the company can influence:

- Cat.1: Procured goods
- Cat.3: Fuel- and energy-related activities
- Cat.4: Transport (store logistics, procurement logistics)
- Cat.5: Operational waste

Climate footprint 2018

The Schwarz Group, to which Kaufland and Lidl belong, collected the first group-wide climate footprint statistics in FY 2018. The goal of this decision was to create a standardized procedure for inventory limits, methodology and data basis for the group. That resulted in changes in the Kaufland climate footprint for 2018 compared to the previous year or the base year:

- Category names according to the GHG Protocol
- Adjustment of secondary areas

Additional figures as of 2018

- Mobile combustion (Scope 1)
- Fuel- and energy-related activities (Scope 3)
- Expanded procured goods (Scope 3) (baking parchment, plastic fabric bags, trash bags, price labels, plastic wrap)
- Waste generated in operations (Scope 3)

The first Kaufland store in the Republic of Moldavia opened in 2019 was also included.

Overview of Kaufland GHG emissions 2018

GHG emissions	absolute	specific
	t CO ₂ eq	kg CO ₂ eq/m ² VKF*
Fugitive emissions	262.111	37
Mobile combustion	29.619	4
Stationary combustion	96.184	14
Scope 1	387.913	55
District heat	19.525	3
Electricity*	774.704	109
Scope 2	794.229	112
Operational waste	90.079	13
Fuel and energy-related activities	317.139	45
Procured goods	283.533	40
Transports	143.767	20
Scope 3	834.519	118
Total footprint	2.016.661	284

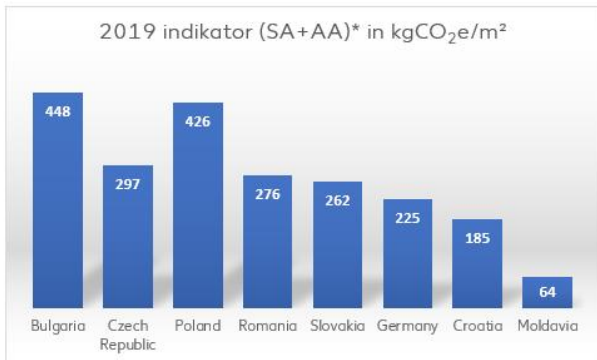
*market-based

GHG emissions 2019 compared to previous year

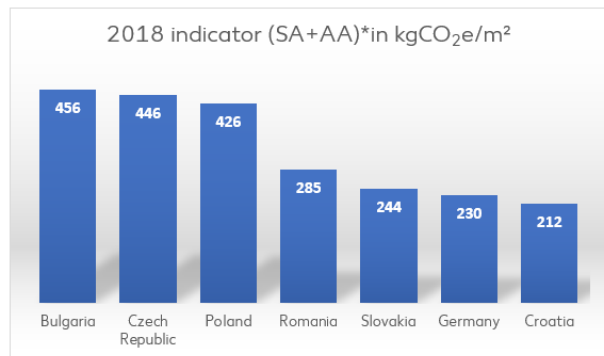
The inventory limits were redefined in 2018. For this reason, a comparison of the 2019 climate footprint can only be compared to the previous year and not the years before that.

During the fiscal year¹ 2019, the absolute greenhouse gases produced by the Kaufland International corporate group was **18,695 tons CO₂ equivalent** compared to the previous year. The specific GHG emissions were reduced by **7 kg CO₂eq/m²VKF²**. This reduction was made in the balance sheet item electricity and thus also in the fuel- and energy-related activities item.

Specific GHG emissions by country



**SA=sales area; AA=secondary area



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¹ Fiscal year: March through February

²Sales area and secondary areas