Our actions do the talking:

GROWING TOGETHER

Sustainability Report
Kaufland Moldova

2022-2023

Our actions do the talking.

Kaufland

Contents

Dear friends,

At Kaufland Moldova, we believe that companies have a responsibility to do more than deliver products and services—they must actively contribute to building a sustainable future. This means creating value not only for our customers but also for the communities we serve and the people who drive our success. Guided by the motto "Our actions do the talking," we remain focused on translating our values into tangible results that inspire progress, inclusion, and innovation.

We are proud to present our second sustainability report, covering our journey and achievements from 2022 and 2023. This report reflects our dedication to transparency and accountability as we address the challenges of today's world with a vision of creating long-term value for generations to come.

2023 has been a year of meaningful progress and impact. We invested 4.72 million MDL in projects dedicated to education, culture, health, and sports, showcasing our unwavering commitment to building stronger, healthier communities. A major milestone was the expansion of our A.C.C.E.S. program to Moldova, through which 24 colleagues with disabilities joined our team, underscoring our belief in equal opportunities and the power of inclusion.

Sustainability is one of our core values, and we strive to create a balance between people, planet, and performance. Both in 2022 and 2023, we achieved a 20% reduction in energy intensity compared to 2021 and diverted 1,101 tonnes of waste from disposal through the widespread use of collection systems in all our stores. These efforts help us minimize our environmental impact and empower our customers to adopt more sustainable practices alongside us.

Supporting local suppliers is a cornerstone of our operations and a vital part of our mission to strengthen Moldova's economy. By fostering strong partnerships with local producers, we ensure high-quality products for our customers while contributing to the growth and resilience of local businesses. In 2023, 66% of our supplier expenditures were allocated to approximately 77% local suppliers, reaffirming our commitment to supporting the local economy.

At Kaufland Moldova, we understand that sustainability is a shared responsibility. Every project, every decision, and every partnership is an opportunity to lead by example and inspire others to join us in creating a better future. Together with our colleagues, communities, and partners, we are growing together as we build a business model that respects people and drives meaningful progress.

Marco Hößl

General Manager Kaufland
Romania & Moldova

ABOUT THE REPORT

The pages ahead represent Kaufland Moldova's second Sustainability Report. The report was prepared under the GRI Standards 2021 (in accordance) and it covers both 2022 and 2023 financial years (01.03.2022 – 29.02.2024) and describes the economic, social and environmental impact of our activities during the reporting period.

The report's structure and content were based on the materiality process that took place in 2023, based on the updated materiality definition of the GRI Standards 2021 and the adoption of the European Corporate Sustainability Reporting Directive (CSRD).

For communication purposes, in the following pages, the terms "Kaufland Moldova" or "the company" were used instead of the official name of the company, Kaufland S.R.L.

The Report was developed by Kaufland Moldova's internal team, coordinated by:

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Kaufland Moldova's 2022-2023 Sustainability report was prepared with the support and technical guidance of The CSR Agency, a Romanian-based consultancy.

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01 OUR VISION FOR THE FUTURE

OUR COMPANY


Kaufland
McDonald's

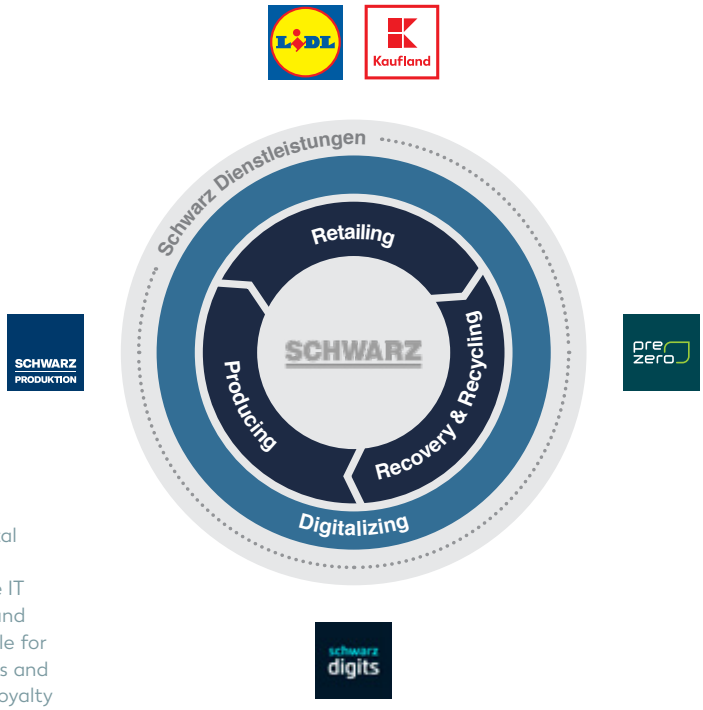
ABOUT THE COMPANIES OF SCHWARZ GROUP

The companies of Schwarz Group, with business activities in over 30 countries, together form one of the leading retail groups in the world. With their around 13,900 stores and about 575,000 employees, the companies of Schwarz Group jointly generated total sales of 167.2 billion euros by the end of the 2023 fiscal year. As one of only a few retail groups, Schwarz Group thus covers the entire value cycle, from production and retail to disposal and recycling. The retail divisions Lidl and Kaufland are the Group`s pillars in food retailing. Many private label products on Lidl's and Kaufland's shelves, ranging from ice cream to beverages, are produced by the companies of Schwarz Produktion. Special emphasis is placed on the use of sustainable raw materials as well as the manufacturing, use and recycling of environmentally friendly packaging. The environmental service provider PreZero pursues the vision of closed loop recycling in waste and recycling management and thus contributes to a cleaner tomorrow. Schwarz Digits as IT and digital division offers compelling products and services, which comply with Germany's strict data protection standards. Schwarz Dienstleistungen, the Group's corporate services division, provides administrative and operational services – for example with regard to controlling, finances or personnel – for all other companies of Schwarz Group.

The companies of Schwarz Group share a jointly elaborated sustainability strategy and the sustainability vision "Assuming Global Responsibility. Acting with Diversity". Under the umbrella of this strategy, they together pursue and implement various activities in four focus areas: People, Product quality, Circular systems and Ecosystems.

Assuming Global Responsibility.
Acting with Diversity.

Value Creation Circle of the Companies of Schwarz Group



Retail

The retail divisions Lidl and Kaufland offer their customers a wide range of products every day in over 30 countries. Both divisions are continuously committed to a wide range of measures across the entire value chain, such as climate protection, preserving biodiversity, and conserving resources.

Recovery and Recycling

In terms of waste and recycling management, the environmental service provider PreZero pursues a vision of closed-loop material cycles in eleven countries, thus investing in a clean future.

Production

The companies of Schwarz Produktion produce beverages, chocolate, ice cream, baked goods, nuts and dried fruit, coffee, pasta and paper for Lidl and Kaufland. Three plastics and recycling plants are also part of a unique PET material cycle.

IT and Digitalization

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

Administrative and Operational Services

At Schwarz Dienstleistungen, experts support the companies of Schwarz Group with administrative and operational services in fields such as accounting, finances, human resources, and procurement.

Company profile of the Kaufland Group

With more than 1,550 stores and about 155,000 employees, the companies of Kaufland Group are represented in eight European countries. Whether in Germany, Poland, Romania, the Czech Republic, Slovakia, Bulgaria, Croatia or the Republic of Moldova - everywhere the Kaufland brand stands for relevant selection, convincing quality, low prices and easy shopping. Across Europe, companies of Kaufland Group operate five meat plants and 17 logistics locations.

Following the guiding principle "Kaufland enables everyone to buy good, healthy and sustainable products", Kaufland hypermarkets, as full-range retailers, offer a wide selection of groceries and other products for all needs. The focus here is on the fresh food departments. The overall assortment includes brand-name articles, attractive private labels, regional products and a large number of articles that contribute to the protection of people, animals and nature. The companies of Kaufland Group are also jointly committed to comprehensive environmental, climate and species protection.

The companies of Kaufland Group act in accordance with jointly developed guidelines and strategies that apply to all companies of the Group.

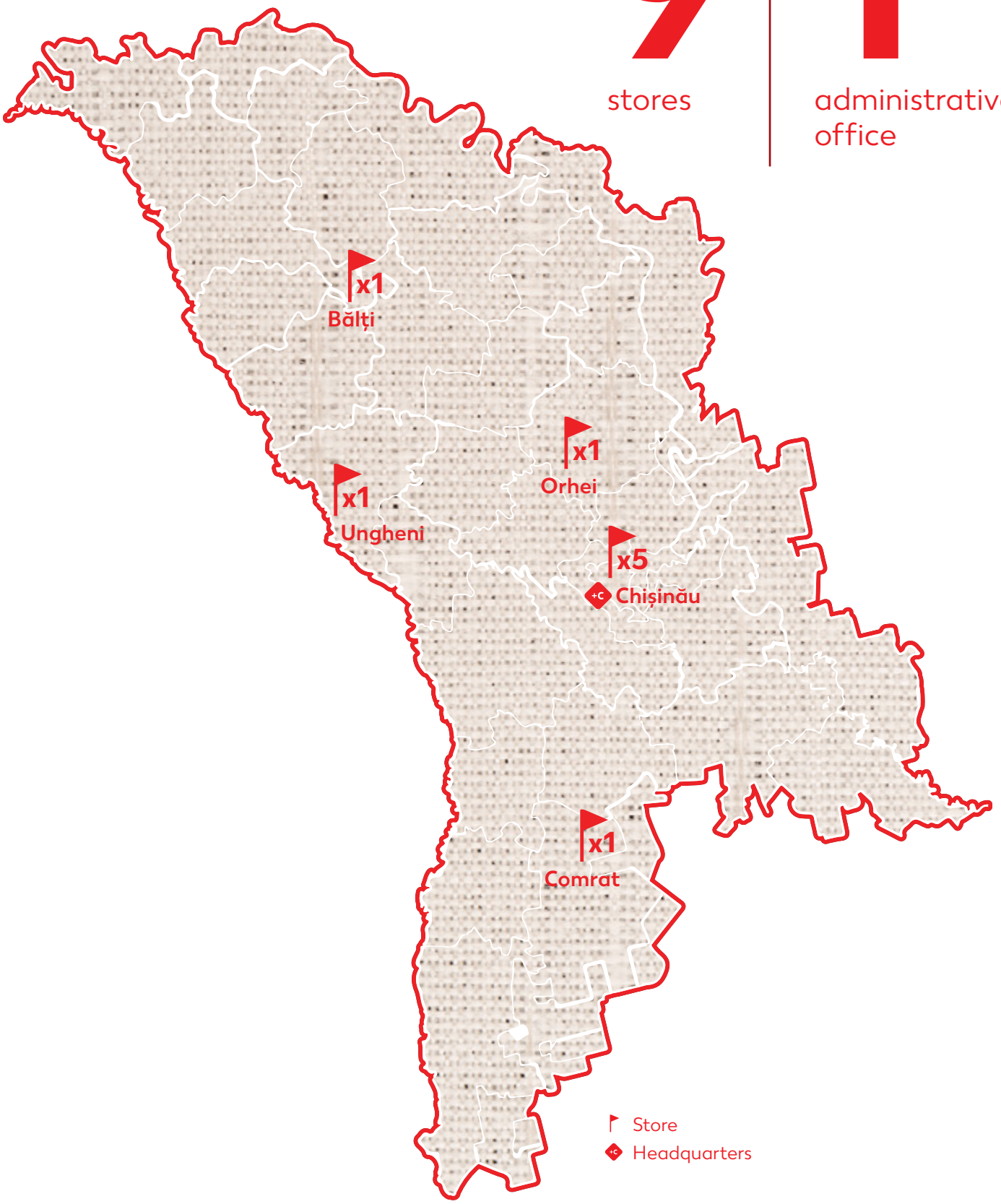
KAUFLAND IN MOLDOVA

Kaufland has been present in Moldova since 2016, the first stores being opened in 2019, with 823 employees and 9 stores in the FY2023. The headquarters of Kaufland Moldova is located in Chisinau.

in Moldova,
in 2023:

9 stores

1 administrative office



RESPONSIBLE BUSINESS MODEL

OUR VALUES AND PRINCIPLES

We are a growth company, founded in the spirit of fairness and innovation and have always recognized that our strength and success come from our values and principles.

We strive for sustainable growth, both for our business and for our people, basing our decisions on values that help us meet our goals:

Dynamism.

Dynamism is the power through which, on one hand, we improve what is good and, on the other hand, create something new. It requires openness and the ability to make changes, as well as taking firm responsibility. This is our power to implement change.

Performance.

Our performance is the foundation of our success. It requires action, perseverance, courage and passion. These aspects characterise each of us and our entire team.

Fairness.

Fairness is based on appreciation and respect. It is the foundation of our collaboration, characterised by trust. Through fairness we consistently achieve our goals.

Our everyday activities are guided by the **company's principles**, that lay at the foundation of Kaufland's business model:

- Customer satisfaction marks our daily actions.
- Our position in the market is determined by a superior quality/price ratio.
- We develop through expansion and continuous improvements in our stores.
- As a company with many stores, we operate on a system basis.
- Short decision-making paths and simple operational processes are the determinants of our success.
- We respect current legislation and internal regulations.
- We take very seriously our economic, social and environmental responsibility.
- Fairness is a mandatory condition in how we behave, especially with our colleagues.
- We respect and support each other.
- Agreements are respected in a climate of mutual trust.
- Appreciation, recognition of merits and the ability to take criticism on board characterize our working environment.

ECONOMIC PERFORMANCE

As a leading retail company in Moldova, our influence extends beyond the products we offer to consumers. Our operations generate significant indirect economic benefits through investments, employee expenditures, community projects, and contributions to the state budget. As our business grows annually, so does our positive economic impact on the local economy.

Financial year (March- February)	**2021** 01.03.2021 - 28.02.2022 Million MDL	**2022** 01.03.2022 - 28.02.2023 Million MDL	**2023** 01.03.2023 – 29.02.2024 Million MDL
DESCRIPTION			
Direct economic value generated	**1,732.05**	**2,182.53**	**2,736.51**
Revenues	1,732.05	2,182.53	2,736.51
Economic value distributed	**-2,062.34**	**2,755.33**	**-3,253.51**
Operating costs	-1,905.49	-2.294,53	-2,825.44
Employee wages and benefits	-140.85	-158.14	-181.75
Payments to government/state budget	-13.57	-298.89	-241.60
Community investments	-2.43	-3.77	-4.72
Economic value retained	**-330.29**	**-572.80**	**-517.00**
Private label sales	302.51	399.81	386.18

Community investments expenditures represent the total value of donations and sponsorships carried out in the financial years (February to March), in accordance with national legislation, including the Law on philanthropy and sponsorship no. 1420-XV of 31.10.2002 and the Fiscal Code of the Republic of Moldova, no. 1163-XIII of 24.04.1997.

Sponsoring activities are carried out voluntarily by private individuals and legal entities upon request. They involve granting financial aid or other assets to support non-profit activities. The beneficiaries of sponsorship can include institutions, public authorities, non-commercial organizations, and other individuals, as stipulated by current legislation.

AWARDS

In 2022, Kaufland Moldova was recognized for its excellence in the "Trademark of the Year" competition, securing a total of seven prestigious awards. The company received the "Golden Mercury" award in the following categories:

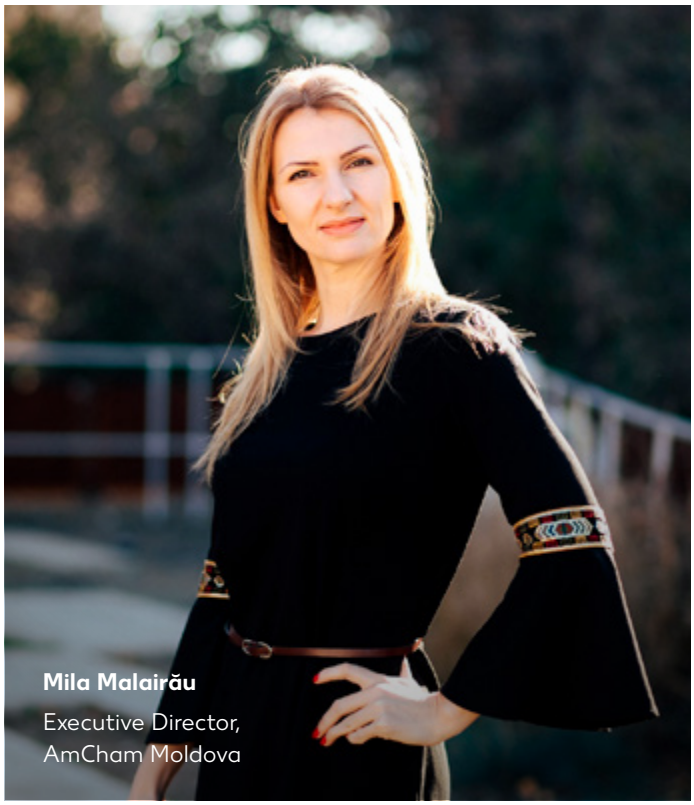
- "Leader of the Year"
- "Socially Responsible Trademark"
- "Green Economy"
- "Businesswoman"
- "INTER"

In addition to these awards, Kaufland Moldova was honored with the "Gold Medal" in the "Consumer Appreciation" category and the "Family-Friendly Company Award" in the "Family-Friendly Workplaces" nomination.

In 2023, Kaufland Moldova was awarded six top prizes in the "Trademark of the Year 2023" competition. The company was recognized with the "Golden Mercury" in the "Socially Responsible Trademark" and "INTER" categories for its significant achievements and economic contributions as an investor in the Republic of Moldova.

For upholding high standards in compliance policies, Kaufland Moldova was awarded the "Integrity Trophy" by the National Anti-Corruption Center, under the "Implementation of Integrity Standards in the Private Sector" category. Additionally, the company received the "Family-Friendly Company Award" in the "Family-Friendly Workplaces" nomination, the "Gold Medal" in the "Consumer Appreciation" category, and the "Green Economy" distinction.

FEEDBACK FROM OUR STAKEHOLDERS



Mila Malairău
Executive Director,
AmCham Moldova

When it comes to sustainability, what are the main areas of positive or negative impact (economic, social, on the environment) that you think the retail industry should address?

The retail industry plays a central role in society, significantly influencing the economy, social relations and the environment.

On the economic side, retailers should focus on sustainable supply chains, ensuring that products are responsibly sourced and that producers respect fair labor standards. Investing in energy efficiency should also be a priority, as should promoting the circular economy through reuse, recycling and waste reduction.

Socially, retailers should guarantee fair working conditions and promote diversity and inclusion. Involvement in corporate social responsibility projects can have a significant impact on local communities. In addition, transparency and ethics in relation to products are essential, given the growing consumer interest in these issues.

On the environment side, retailers should reduce their carbon footprint by optimizing transport and using renewable energy sources. Reducing waste and packaging is also essential and adopting green solutions should be a priority. Offering sustainable products can attract consumers who are aware of the environmental impact of their purchases, thus helping to reduce demand for products that are not sustainable.

What do you consider to be the sustainability topics that Kaufland Moldova successfully addresses in its relationship with you? What are the areas where they should invest more in your view?

Kaufland Moldova successfully addresses several sustainability topics in its relationship with its customers, demonstrating a strong commitment to environmental protection. Firstly, waste and packaging reduction is an area where the company has made significant progress by adopting environmentally friendly packaging and encouraging recycling. At the same time, Kaufland Moldova is actively involved in the processes of improving the regulatory framework relevant to the transition to the green economy. Also, the promotion of local and sustainable products is another valued aspect, supporting the local economy and reducing environmental impact. In addition, investments in energy efficiency in stores and distribution centers contribute to reducing energy consumption and carbon footprint.

However, Kaufland could invest more in implementing more advanced circular economy programs by expanding its waste collection programs to include waste oils and other products that are difficult to recycle.

Also, optimizing transport and logistics by replacing the entire fleet with electric or hybrid vehicles could further reduce environmental impact.

Finally, a broader campaign to educate consumers about sustainable products, reducing food waste and proper waste management could amplify the positive environmental impact. Public awareness of the importance of sustainable choices can lead to significant changes in behavior.

By addressing these issues, Kaufland Moldova will continue to be a leader in retail sustainability, further contributing to environmental protection and local economic development.

External initiatives and association memberships at Kaufland

Kaufland Moldova sees itself as an active partner in the socio-political debate. Therefore, monitoring legislation, exchanging views with political stakeholders and working with associations on opinion-forming processes in the industry are an integral part of our work. The aim is to implement legal requirements quickly and smoothly in operational practice and to work together with suppliers on future issues at an early stage.

Kaufland Moldova is a member of the following associations and organizations:

European Business Association Moldova (EBA)

Member since 2016

eba.md

The Chamber of Commerce and Industry of the Republic of Moldova (CCI)

Member since 2020

chamber.md/en

Association of Romanian Investors in the Republic of Moldova (AIR)

Member since 2019

air-rm.md

American Chamber of Commerce in Moldova (Amcham)

Member since 2023

amcham.md

Foreign Investors Association (FIA)

Member since 2023

chamber.md/en

The interests of Kaufland Moldova are also represented in the following associations, initiatives and organizations through the membership of Kaufland Stiftung & Co. KG:

Action Alliance on Sustainable Bananas (ABNB)*

since 2014

AWS – Alliance for Water Stewardship

since 2023

The A.I.S.E. Charter for Sustainable Cleaning

since 2019

Donau Soja

since 2014

Food for Biodiversity

since 2021

Forum for Sustainable Palm Oil (FONAP)

since 2013

Fur Free Retailer

since 2014

GLOBALG.A.P.

since 2019

International Featured Standards (IFS)

since 2013

Juice CSR Platform

since 2015

ProTerra

since 2022

Round Table on Responsible Soy (RTRS)

since 2022

Roundtable on Sustainable Palm Oil (RSPO)

since 2012

*As of July 2022, the ABNB has dissolved. The activities of the ABNB were transferred to a working group within the World Banana Forum (WBF), in which Kaufland will also be involved in the future).

As part of the companies of Schwarz Group, Kaufland Moldova' s interests are represented in the following institutions:

Ellen MacArthur Foundation

Member since 2018

UN Global Compact**

Participation since 2020

***We acknowledge that Schwarz Unternehmenskommunikation GmbH & Co. KG (one of the companies of Schwarz Group) participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals as well as broader UN goals. We consolidate our support for this initiative fully under Schwarz Unternehmenskommunikation GmbH & Co. KG (one of the companies of Schwarz Group) commitment. Therefore, we do not participate in UN Global Compact activities nor do we participate in activities of a Global Compact Local Network.

We support the 17 Sustainable Development Goals

The key areas where we generate significant impact are mostly related to 5 of the 17 Sustainable Development Goals: zero hunger, health and well-being, education, economic growth and sustainable production and consumption.

GOAL NO. 2

ZERO HUNGER

End hunger, achieve food security and improved nutrition and promote sustainable agriculture. This is a key goal for us, to which we contribute through the initiatives we are implementing to support local farmers, by educating consumers and improving internal systems to fight hunger.

- Supporting suppliers in our supply chain
- Supporting local agriculture
- Promoting local products
- A complex system aiding us monitor and manage stock
- Reducing food waste
- Social initiatives that involve donations to purchase food

GOAL NO. 3

HEALTH & WELL-BEING

Ensure and promote healthy living for all ages. A healthy lifestyle and good nutrition contribute to maintaining good health. We strive, through various actions and investments, to ensure that all customers can make informed decisions when making purchases in our store and that they can find food suitable to their diets. Moreover, we implement health-focused projects that our employees can access.

- Certified own-brand products
- Bio, fresh products from local suppliers
- Kaufland's health-focused own-brands (e.g. K-free)
- Quality and safety audits carried out at own-brand suppliers
- Internal and external campaigns and projects encouraging healthy lifestyles

GOAL NO. 4

QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. We can truly make a difference in Romania, hence we have decided to initiate and support causes related to education and employment. At the same time, we ensure that we are offering our employees training and professional development opportunities.

- We support local communities by investing in educational projects
- We support the workforce through partnerships with academia
- We offer our employees development and continuous learning programs

GOAL NO. 8

DECENT WORK & ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all. Kaufland Moldova is an agent for economic development. As such, we support structures that value the development of human capital and work environments that bring satisfaction.

- Ethics and corporate governance
- Compliance, safety, and risk management
- Investing in our employees
- We are constantly evaluating our performance regarding the work environment and conditions provided to employees
- Expanding, opening stores in under-developed areas
- Measures to ensure social inclusion (hiring people with disabilities etc.)

GOAL NO. 12

RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns. Kaufland Moldova focuses on supporting, adhering to, developing, and implementing systems that help monitor and manage resource production in a sustainable manner.

- Reducing water consumption
- Reducing food waste
- European Supply Chain Initiative
  - Products and services
  - Efficient material use

MANAGEMENT

The Board of Directors

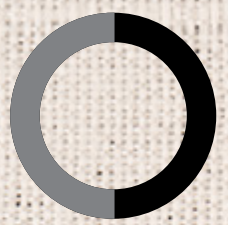
2022/2023

Dona-Gabriela Răpciugă
Administrator | Romanian

Marco Hößl
Administrator | German

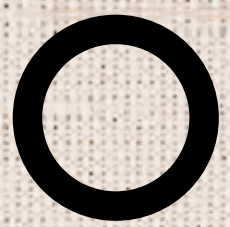
Elena Munteanu
Administrator | Moldovan

Sergiu Fală
Administrator | Moldovan

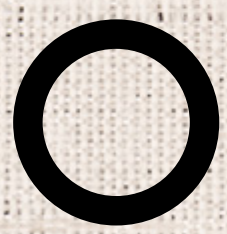


50% of Board members are male

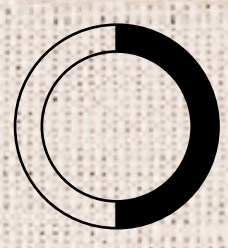
50% of Board members are female



100% of the Board members have performance indicators that are directly linked to our sustainability strategy and goals



100% of Board members are aged between 30-50 years old



50% of Board members are hired from the local community

Senior management = Board of Directors
Senior management hired from the local community = members of the Board of Directors that are of Moldavian nationality
Significant locations of operations = Republic of Moldova

COMPLIANCE

Kaufland Moldova acts following clear principles. These include avoiding and minimizing the negative effects of our business activities on the environment, the economy and society as part of our corporate diligence, and consistently complying with all applicable laws.

Violations of applicable laws can result in financial damage and loss of reputation for Kaufland Moldova Furthermore, such violations can lead to personal claims for damages and penal consequences for individual employees or board members of the company. The actions of Kaufland Moldova and its employees are therefore subject to the principle: "We comply with applicable law and internal guidelines". As a central corporate principle, it is binding for all employees. Kaufland Moldova and its management are expressly committed to adhering to and ensuring the implementation of this corporate principle.

Against this background, Kaufland Moldova has implemented a Compliance Management System (CMS) that includes binding CMS specifications. The CMS specifications define certain requirements and elements to ensure an appropriate level of compliance. A key component of the CMS is that violations of applicable law and internal policies are avoided and identified violations are consistently pursued and punished ("zero tolerance principle"). The CMS focuses on areas such as anti-corruption/anti-fraud, antitrust law and data protection.

The CMS measures include in particular issuing and communicating policies regulations (e.g. donation and privacy policies), conducting trainings and following up on all internal and external information of potential violations. If an information reveals a gap in the existing mechanisms, the findings are used to improve the compliance management systems. The guidelines and specifications are published in a central IT system.

The company departments responsible for compliance check the effectiveness of the measures described. For this purpose, the Legal & Compliance department evaluates various data extracts from IT systems and commissions separate audits on an ad hoc and risk-based basis. The Kaufland Audit department regularly monitors the compliance management system in its entirety. The compliance officer and compliance team (compliance@kaufland.ro), the lawyers of confidence, and an IT-supported online reporting system are available as contact persons and reporting channels for information on possible compliance violations. The online reporting system is available in several languages around the clock. Employees can also contact the compliance team, persons of trust and the works council - also anonymously and confidentially.The Legal & Compliance department at Kaufland Moldova prepares quarterly and annual reports to inform the management about significant events and developments. Low-threshold access to decision-makers means that information can always be passed on and exchanged. All significant critical concerns at Kaufland Moldova are communicated to the highest management body.

All contracts concluded between Kaufland Moldova, and business partners contain a compliance clause. In this clause, Kaufland Moldova points out its obligation to comply with all relevant legal provisions. In addition, the standard contracts at Kaufland Moldova contain the Code of Conduct for Business Partners.

Tax compliance

The companies of Schwarz Group comply with all applicable tax laws, rules and regulations in the countries and communities in which they operate. The shared tax policies of the companies of Schwarz Group stipulate not only full compliance with all applicable tax laws but also timely compliance with all tax obligations and the filing of correct tax returns.

The companies of Schwarz Group are aware that the taxes they pay are a significant source of revenue for the countries and communities they operate in and are therefore a prerequisite for any society to function. In the spirit of corporate citizenship, the companies of Schwarz Group conduct their tax planning legally and on the basis of economic considerations. We reject aggressive tax planning based on artificial structures for the sole purpose of minimizing taxes. The same applies to transactions that lack economic substance and have the sole purpose of obtaining illicit tax benefits.

The companies of Schwarz Group seek to foster a cooperative and open working relationship based on mutual trust with all tax authorities and seek to avoid ambiguities or even disputes. The companies of Schwarz Group engage in dialog with the tax authorities in order to safeguard their interests. They also represent their legal positions in accordance with the prevailing opinion in case law and literature, provided these positions are considered appropriate.

The companies of Schwarz Group have multiple tax departments that are responsible for ensuring compliance with tax obligations. The tax department at Schwarz Dienstleistung KG is the primary service provider and point of contact for the companies of Schwarz Group in tax matters. The foreign entities of the individual companies, among them Kaufland Moldova generally have independent tax departments, which liaise on key issues with the tax department at Schwarz Dienstleistung KG.

Where necessary, the tax departments set out policies and target processes which define the responsibilities and the early involvement of the tax departments in operating processes. The tax department at Schwarz Dienstleistung KG informs the employees concerned about any relevant tax changes and provides training as needed. In order to ensure legally-compliant tax processes, the companies of Schwarz Group have made tax compliance a focal point within our compliance management systems.

Anti-corruption and anti-competitive behavior

with our company are being informed in regard to the organization's anti-corruption and compliance policies, through the Code of Conduct that they sign at the beginning of any kind of contractual relation.

Kaufland Moldova employees have access to the company's anti-corruption policies and procedures in several ways. On the one hand, processes are mapped and described in an integrated information system; on the other hand, the Legal & Compliance department publishes information via its departmental website, a compliance wiki, individual articles on the intranet and the store portal. If required, other channels such as a department newsletter are also available.

Every year, Kaufland Moldova employees take part in risk-based and target group-oriented online training courses on corruption prevention. 15.4 percent of Kaufland Moldova employees (127 employees) successfully completed the training courses by the end of the 2023 fiscal year.

All members of governing bodies were informed and trained regarding the organization's Policy concerning anti-corruption and compliance in financial years 2022 and 2023 (March 2022 – February 2023 and March 2023 – February 2024). Likewise, all employees (regardless of their role within the company) were informed regarding the behavior they must adopt in such situations, in accordance with company provisions.

All employees must follow Kaufland Moldova internal regulations closely. The principle that governs aspects regarding conflicts of interest is: we avoid any conflict of interest between personal interests and Kaufland Moldova business interests.

Compliance training is at the core of our organization's risk management system, and we provide constant training to our employees so that all applicable regulations are fully respected. From ensuring a safe workplace to protecting consumer data and privacy or corruption and conflict of interests, we cover a wide range of training so that employees are up to date with all regulations.

Program	2022		2023	
	W	M	W	M
Principles of competition law in real estate/expansion	1	1	6	11
Principles of competition law	5	3	20	12
Principle of competition law in procurement	2	1	8	0
Principles of competition law in internal procurement	4	2	10	8
General legislation on the prevention of all forms of discrimination	543	150	54	16
Gifts, invitations, other benefits	218	59	920	279
Data protection basics	43	13	91	27
Compliance basics	21	6	29	6
Compliance for Store Managers	3	9	24	15
Phishing	35	23	85	55
Information exchange	35	23	103	55
Corruption and conflict of interests	13	12	11	24

Reporting channels

Our employees are not just encouraged but are required to speak up and to report any suspected or observed violations of the law, or if they are asked to do something that might be a violation. External stakeholders are empowered to do the same.

We are making sure that all potential irregularities are identified at an early stage, and we carefully examine all notifications regarding breaches of the compliance principles, confirmed cases being punished accordingly.

We offer all our employees, customers, competitors and partners the possibility of reporting non-compliance with legislation, the code of conduct or internal regulations and to seek advice if needed. To protect those involved, we treat every information we receive strictly confidentially. In this sense, we adapted and integrated the online reporting system BKMS®, an online communication platform that enables sending information regarding violation of compliance principles, within our operations. All information is processed by the Internal Compliance Manager.

At the same time, all complaints or inquiries regarding compliance principles or compliance principles violations can also be addressed directly to the Compliance Manager, at

Cătălina Eugenia Iancu

S.C. Kaufland Romania S.C.S.

Strada Barbu Văcărescu nr. 120-144

CP 020284 București, sector 2

E-mail: compliance@kaufland.ro

Examples of what constitutes a compliance principles violation include:

- cases of discrimination
- cases of corruption
- violations of the competition laws
- breaches of confidentiality
- economic crimes

Any complaints submitted through the BKMS® system can be sent completely anonymous. The system guarantees data protection and security and is available in multiple languages.

Likewise, our confidential lawyer can be contacted at any time regarding suspicions of breaching the compliance principles.

General feedback regarding in-store experience or other general complaints can be addressed to the Customer Relations department, through a dedicated form available on our website.

OUR COMMITMENT TO SUSTAINABILITY

STRATEGY AND TARGETS

Joint Climate Strategy of the Companies of Schwarz Group

Climate change poses enormous challenges for our society and demands action at all levels of society. As part of the companies of Schwarz Group, Kaufland Moldova aims to keep its own contribution to climate change as low as possible and to steadily minimize greenhouse gas emissions.

To achieve this, the companies of Schwarz Group jointly committed themselves to the following principles:

Science Based Targets as Basis of Joint Climate Targets

As part of their joint climate strategy, the companies of Schwarz Group already joined the Science Based Targets initiative (SBTi) in August 2020. After preparing a complete climate impact assessment and analysing the carbon footprint, climate protection targets were mutually defined according to the method of the initiative. These were filed together with jointly elaborated measures to reduce, prevent, or compensate CO_2 emissions in operation and along the supply chain. These science-based targets were validated and released by the SBTi in September 2021.

Shared Climate Targets

In total, the companies of Schwarz Group will reduce their operational greenhouse gas emissions (scope 1 and 2) by 55 percent by 2030 compared to 2019*. To achieve this mutually set goal, all companies of Schwarz Group will procure 100 percent** of their electricity from renewable energies as of the 2022 fiscal year.

To date, Kaufland had set itself the goal of becoming climate-neutral in terms of operational Scope 1 and Scope 2 emissions by 2025. With the new NetZero commitment by 2050, Kaufland is now taking the next step and is setting itself binding greenhouse gas reduction targets that go far beyond the existing goals.

The companies of Schwarz Group also commit together to reducing their absolute scope 3 emissions with regard to the use of solid fuels, by 27.5 percent by 2030 compared to 2019 levels. Kaufland commits itself, that suppliers who are responsible for 80 percent of product-related emissions will set their own climate targets by 2026, according to the criteria of the SBTi.

A variety of measures to reduce or avoid CO_2 emissions in operations and along the supply chain serve to achieve these targets.

Kaufland Moldova stores with EV charging stations:

9

all our stores have charging stations

Stores with photovoltaics systems:

7

Buildings with heat recovery from product cooling:

9

Buildings with building air-conditioning with natural refrigerants:

9***

Buildings with heat pumps:

3

Buildings with product cooling with natural refrigerants:

9

Joint plastics strategy of the companies of Schwarz Group REset Plastic

*This target for scope 1 & 2 also includes biogenic emissions and the removal of biogenic raw materials

** Excluding any purchase agreements that Kaufland Moldova cannot influence, such as those for individual leased properties with a binding electricity procurement clause; further information can be found at www.kaufland.ro.

*** Not all the cooling equipment in the store have natural refrigerant.

**** Climate neutrality through offset projects – further information can be found at Protejarea climei | Kaufland

OUR GOALS

TOPIC

Preventing Food Waste

OBJECTIVE

Communication, awareness, and education on the importance of reducing food waste.

Conducting a communication campaign to raise awareness among the public and employees about food waste, with the goal of reducing waste both internally in stores and externally among consumers and children.

- Increasing the number of recovered products from stores.
- Expanding the range of recovered products (frozen and fresh).
- Increasing the number of beneficiaries in anti-waste projects.

WE ARE WORKING TOWARDS THIS OBJECTIVE THROUGH:

- Partnership with the Food Bank on product recovery.
- Implementing a national information campaign in schools.
- Conducting three internal workshops with VT Orga.

TOPIC

Climate

OBJECTIVE

Informative and educational campaign on the plastic recycling process.

Executing a series of projects related to environmental protection, cleanup, and recycling, including an educational component for each individual area.

- Implementing a communication campaign regarding the company's actions in the direction of REset Plastic.
- Increasing the number of participants in environmental protection and cleanup projects.
- Continuous information about collection points in Kaufland stores.

MEASURES:

- Running a communication and awareness campaign regarding REset Plastic, including cleanup actions (collecting improperly disposed of plastic packaging, recycling it, and cleaning up the terrain), followed by reforestation actions to restore the terrain to its natural state.
- Developing an environmental project for schools in the Republic of Moldova.

TOPIC

Involvement in Local/National Social Issues and Environmental Responsibility

OBJECTIVE

Expanding areas of involvement for the benefit of the community: health, education, and child protection.

Collaborating with local NGOs to identify sustainable and long-term projects with an impact on the issues faced by the communities where we operate. We aim to be perceived as a leading business in terms of social commitment and support for the communities in which we operate.

- Increasing the number of beneficiaries in social and community projects.
- Identifying new NGOs with which to start long-term collaborations.
- Supporting the development and promotion of NGOs.

WE ARE WORKING TOWARDS THIS OBJECTIVE THROUGH:

- Identifying sustainable and long-term projects and increasing our presence in more regions of the country.
- Identifying new NGOs with which to start long-term collaborations in the fields of education, child protection, health, and women's empowerment.
- Collaborating with NGOs on relevant issues in each community – socially vulnerable families, lack of education, limited access to educational resources, and lack of universal medical assistance (breast cancer prevention, blood donation, promoting healthy eating).

MATERIALITY ASSESSMENT

The ongoing dialog with our internal and external stakeholder groups – such as employees, suppliers, customers, non-government organizations (NGOs), associations, or politicians – is an essential part of sustainability management by Kaufland Moldova.

MATERIALITY ANALYSIS

1. Stakeholder engagement

The continuous exchange with our internal and external stakeholders - including customers, non-governmental organizations (NGOs), political actors, business partners, employees or the media - is an essential part of Kaufland Moldova's sustainability management.

This dialogue exists in both directions: We regularly inform the entire circle of our stakeholders about our activities. For this purpose, we use various formats such as sustainability reports/press releases/ e-mails and written correspondence or customer brochures/ surveys for external stakeholders and customers, and intranet portals/direct mailing and newsletters for our employees. In addition, we enable and promote direct and mutual exchange through series of events and personal discussions.
In turn, our stakeholders provide us with valuable feedback through their expertise, observations and critical-constructive engagement with our company, which is then incorporated into our work.

Kaufland Moldova also contributes to cooperations and networks in a variety of ways and also participates in external dialog and exchange formats, as described in the "Initiatives and Memberships" section of this report.

We evaluate which stakeholders are relevant for the company at regular intervals, but at least every two years. This is based on external inquiries, for example from NGOs, and extensive monitoring of the social debate. At the same time, we take into account changes in responsibilities on the part of politicians or NGOs, for example. In addition, a comparison is made with the results of the materiality analysis and the associated topics.

GRI 2-25, GRI 2-29, GRI 3-3, Kaufland Moldova's specific disclosure: Stakeholder engagement mechanisms

FEEDBACK FROM OUR STAKEHOLDERS

Luminita Crivoi
Development Director,
Agrobiznes

When it comes to sustainability, what are the main areas of positive or negative impact (economic, social, on the environment) that you think the retail industry should address?

The retail industry has a significant impact in a number of key areas that interface with our business. In terms of economic impact, by working with local producers and supporting the national economy, retail can make a major positive contribution. On the other hand, it is important to avoid commercial practices that could negatively affect small producers or limit their access to the market. We encourage projects that support their activity.

In addition, retail has the opportunity to generate jobs and improve the quality of life for employees and communities, especially when it expands its activities in several regions of the country.

The industry must address waste management, reducing food waste, supporting local producers, energy efficiency and reducing carbon emissions. Recycling programs, packaging management, working with local projects that make it easier to avoid food waste we believe will develop a sustainable community.

What do you consider to be the sustainability topics that Kaufland Moldova successfully addresses in its relationship with you? What are the areas where they should invest more in your view?

Considering our long-standing partnership, we can say with certainty that the Kaufland Moldova network excels in several key areas:

Supporting local producers: Through its programs dedicated to local products, which currently number more than 5500, Kaufland manages to support the national economy and give consumers access to quality products, while increasing the visibility of local producers.

Reducing food waste: Through its initiatives, such as its collaboration with the Food Bank, Kaufland actively contributes to reducing food waste.

Investing in green infrastructure: Kaufland has demonstrated its commitment to increasing energy efficiency and adopting environmentally friendly solutions, such as campaigns to encourage plastic collection and charging stations for electric vehicles.

Kaufland can continue investing in:

Expanding education and awareness programs, support local producers: It could be useful to intensify consumer education programs on sustainability, recycling, reducing food waste, but also the importance of supporting local producers by organizing more tastings of products such as locally grown fruits and vegetables, different types of honey, etc.

Improving the sustainable supply chain: Although Moldova is at an early stage in this respect, further investment could be made in closer partnerships with suppliers using sustainable agricultural practices.

Reducing waste: While progress has been made in recycling, reducing the use of plastic packaging and increasing the percentage of recycled materials used in packaging could reduce environmental impacts.

STAKEHOLDER GROUP	Interests	How we engage and communicate with our stakeholders
Consumers (individuals or businesses)	products, services, events, Kaufland newspaper, product quality, product availability, pricing, rent prices, services, events	Kaufland website: www.kaufland.md Kaufland Moldova Facebook page Kaufland Moldova Careers website Instagram, YouTube, LinkedIn, TikTok Kaufland Newspaper Surveys TV and outdoor advertising Dedicated events Newsletters Telephone calls through the Customer Relations Department Direct mailing Surveys
Employees	company projects, events, leg-islation, administrative information, development opportunities, benefits, health and safety, recognition	Intranet Kaufland Moldova Careers website Instagram, YouTube, LinkedIn, TikTok Surveys Internal events Direct mailing Professional training courses Notice boards Newsletters Surveys

STAKEHOLDER GROUP	Interests	How we engage and communicate with our stakeholders
Suppliers	products, services, events, Kaufland newspaper, terms of partnership, collaboration, project communication, terms of engagement	Dedicated events Conferences Direct mailing Personal meetings Telephone calls Surveys
Authorities	taxes, reporting, legislation, transparency	E-mails and written correspondence Telephone calls Personal and online meetings Surveys Lobby and Advocacy through Business Association
Civil society/NGOs	social projects and sponsoring, local community involvement	Direct mailing Personal meetings Telephone calls Dedicated events Surveys
Academic representatives	partnerships for students, employment, research opportunities	E-mails and written correspondence Dedicated events Direct meetings Telephone calls Surveys
Mass-media	collaboration, project communication, quality of information	Press releases Press conferences Direct mailing Telephone calls Surveys Dedicated events

GRI 2-29, Kaufland Moldova's specific disclosure: Stakeholder engagement mechanisms


Was machst du mit Artikeln, bei
Kühlkette unterbrochen war?

2. Materiality Analysis

Kaufland Moldova has revised the process for determining its material topics in 2023. In this way, we take into account new and changed (regulatory) requirements at an early stage, including the updated materiality definition of the GRI Standards 2021 and the adoption of the European Corporate Sustainability Reporting Directive (CSRD). The basis for the new process is the Kaufland topic model, which comprises of total of 20 topic areas.

As part of the materiality analysis, the 20 topic areas were assessed on the basis of two dimensions:

- First, the positive and negative impacts of Kaufland on people, the environment and society are considered (so-called "inside-out perspective").
- Secondly, the influence of the topic areas on Kaufland's business success is considered (so-called "outside-in perspective").

The Kaufland materiality analysis is updated at least every two years in the course of sustainability reporting. It is carried out in a standardized manner for all national Kaufland companies and at the same time enables the integration of the national perspective.
The analysis is carried out in three steps:

1. a cross-country survey of impact relevance (consisting of exposure analysis and expert interviews),
2. a country-specific survey of business relevance (via national workshops), and
3. validation and consolidation of the results in a country-specific materiality matrix.

Assessment of the impact of Kaufland Moldova

Kaufland's impact on people, the environment and society is assessed internationally by the Kaufland Stiftung on behalf of the national Kaufland companies in a two-stage process consisting of an exposure analysis and expert interviews.

Conducting a quantitative exposure analysis

The exposure analysis is used to identify potential direct and indirect impacts of Kaufland on people, the environment and society in a data-based manner. It considers sustainability-related risks that potentially arise from Kaufland's business activities. The analysis and survey of Kaufland's environmental and social impacts was carried out quantitatively on the basis of macroeconomic as well as company- and industry-specific data across the international value chain. In order to account for Kaufland's internationality, the potential local needs for action were determined in relation to each other at country level. This allowed comparability between the topic areas. In order to identify the countries where Kaufland has a potentially high leverage effect, the next step was to model Kaufland's value chain on the basis of sales data, industry information and economic data.

This made it possible to identify country-specific direct and indirect economic activities and to apply an economic weighting in the analysis. This weighting especially takes into account countries in which Kaufland has a high level of activity based on the data and therefore has a potentially higher influence on the respective topics. In the final step, the combination of the need for action with the economic relevance resulted in the materiality scores of the individual topic areas and thus the first building block of impact relevance.

Conducting qualitative expert interviews

In parallel to the exposure analysis, the statistical results were validated by a qualitative survey. The mix of methods increases the resilience of the analysis, allows for deeper conclusions and reduces potential weaknesses of the methodologies standing on their own. For this purpose, international experts from the relevant Kaufland stakeholder groups were interviewed to gain an even deeper understanding of Kaufland's impact with regard to the 20 topic areas.

When selecting the experts, the market-specific characteristics of the countries as well as the diversity of topics in the area of sustainability were taken into account. The preparation, implementation and evaluation of the interviews were carried out by an external partner.

The combination of exposure analysis and expert interviews resulted in the international impact relevance values for the 20 topic areas, which at the same time represent the values of the x-axis in the materiality matrix.

Assessment of the business relevance of Kaufland Moldova

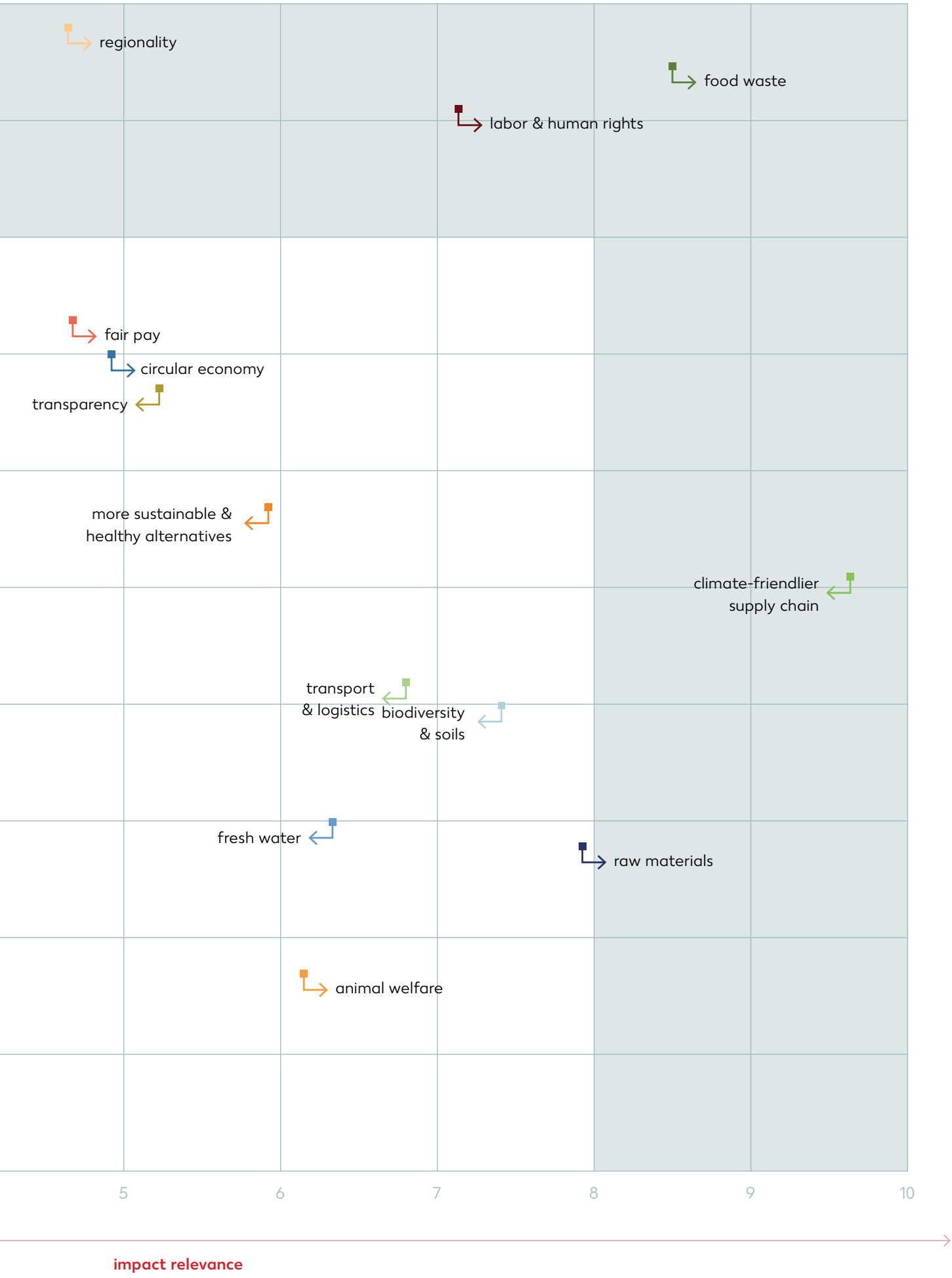
To assess the business relevance, Kaufland Moldova conducted a workshop with the CR responsible in Romania and Moldova as well as members of the sustainability team and CSR Committee. They had the task of individually assessing the 20 topic areas of the Kaufland topic model with regard to their business-related opportunities and risks. The results were then discussed and transferred to the materiality matrix in the form of the y-axis. In addition, the results were subsequently validated by the management. This resulted in the business relevance in the materiality matrix). The results were also incorporated into the adjustment of the sustainability strategy in 2023.

Merging the two dimensions of analysis

The results show that the topic areas "strategic partnerships," "food waste," and "labor and human rights" have the greatest relevance for Kaufland Moldova.

Overall, 8 topic areas are material for Kaufland Moldova: "strategic partnerships," "food waste," "labor and human rights," "regionality," "social commitment," "integrity," "attractive employer," and "climate friendlier supply chain". This means that Kaufland Moldova 's business activities have a major impact on people, the environment and society in the respective topic and/or the greatest business-related opportunities and risks for Kaufland Moldova lie there. Accordingly, they are within the company's materiality threshold and form the basis for this report.

Materiality matrix


regionality
food waste
labor & human rights
fair pay
circular economy
transparency
more sustainable &
healthy alternatives
climate-friendlier
supply chain
transport
& logistics
biodiversity
& soils
fresh water
raw materials
animal welfare
5
6
7
8
9
10
impact relevance

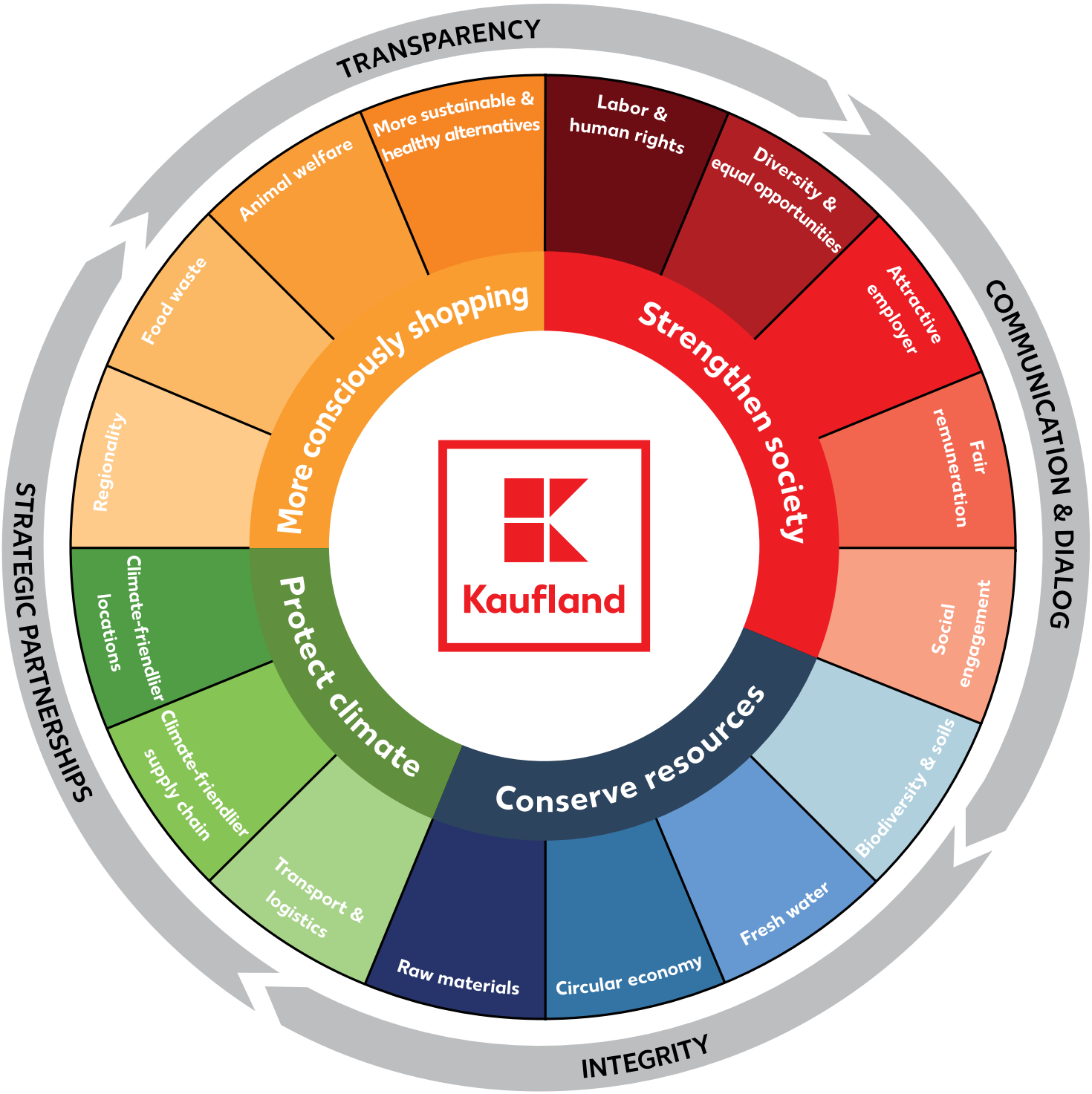
MATERIAL TOPICS

MATERIAL TOPICS

1. Strategic partnerships
2. Food waste
3. Labor and human rights
4. Climate friendlier supply chain
5. Regionality
6. Social commitment
7. Integrity
8. Attractive employer

Topics that are not material:

1. Climate-friendlier locations
2. Transport and logistics
3. Raw materials
4. Fresh water
5. Biodiversity and soils
6. Circular economy
7. Diversity and equal opportunities
8. Transparency
9. More sustainable and healthy alternatives
10. Fair pay
11. Animal welfare
12. Communication and dialogue


TRANSPARENCY
COMMUNICATION & DIALOG
INTEGRITY
STRATEGIC PARTNERSHIPS
More consciously shopping
More sustainable & healthy alternatives
Animal welfare
Food waste
Regionality
Strengthen society
Labor & human rights
Diversity & equal opportunities
Attractive employer
Fair remuneration
Social engagement
Conserve resources
Biodiversity & soils
Fresh water
Circular economy
Raw materials
Protect climate
Transport & logistics
Climate-friendlier supply chain
Climate-friendlier locations
Kaufland

KEY ACHIEVEMENTS

KEY ACHIEVEMENTS

Social

823

employees in our team, out of which

76.8%

are women (632 women and 191 men)

Kaufland Romania's A.C.C.E.S. program was extended in Moldova in 2023

24

employees with disabilities

~181.75 mil. MDL

total value of wages and benefits for our employees

In 2023,

66%

of supplier expenditures were allocated to

~77%

local suppliers

Economic

> 2,736 mil. MDL

direct economic value generated

4.72 mil. MDL

community investments

2,900

private label products, food and non-food available in our stores

>386 mil. MDL

private label products sales

Environmental

1,101 tonnes

of waste diverted from disposal

100% of our stores have in place

Tomra Machines and Broscuta (Turtle) Collection systems

Energy intensity decreased by >20% both in 2022 and 2023 compared to 2021

02 COMMITMENT TO OUR CLIENTS

OUR PORTFOLIO

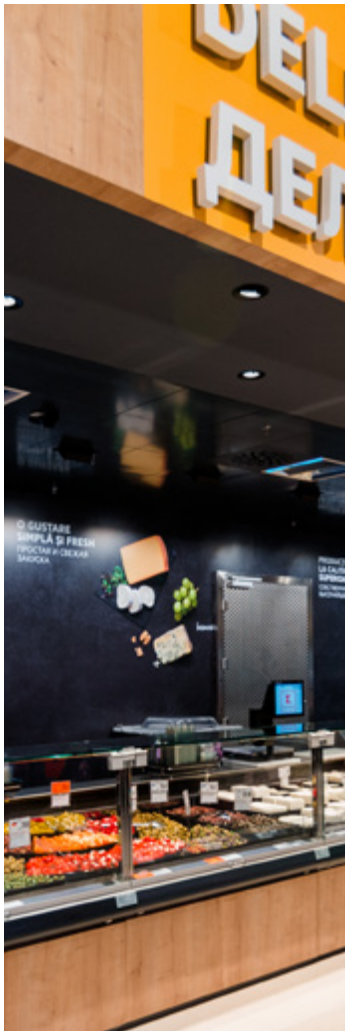
OUR PORTFOLIO

At Kaufland, we pride ourselves on offering a diverse and high-quality portfolio of products that caters to the evolving preferences and needs of our customers.

While following the highest quality standards, we focus on sourcing local products, thus boosting our indirect economic impact, creating value for our suppliers, and shortening supply chains. At the same time, sourcing local products also contributes to lower carbon emissions generated by complex logistic chains.

Type of products	2021	2022	2023
Lactose-free items (private label)	4	6	4
Lactose-free items (brand)	29	57	24
Gluten-free items (private label)	12	18	16
Gluten-free items (brand)	68	63	25
Vegan items (private label)	44	65	71
Vegan items (brand)	57	87	53

OUR PRIVATE LABEL FOOD PRODUCTS



In Kaufland Moldova stores, customers have permanent access to almost 2,900 private label products, food and non-food.

Crazy Wolf

Our Crazy Wolf energy drinks have flavours ranging from guarana and ginseng to apple and raspberry and are also available in a sugar free version.

Cultura Vini

Cultura Vini offers a variety of exclusive wines from several countries (Portugal, Italy, Spain, Australia, or Chile) that are selected by oenologists.

K-Bio

Includes a variety of fairly priced bio products produced in accordance with the Regulation (EU) 2018/848 of the European Parliament and of the Council on organic production and labelling of organic products.

K-Classic

K-Classic is our private label that is offering a wide portfolio of products, at the most convenient price point. Product quality is guaranteed through constant controls and audits, undertaken by independent audit institutions.

K-Favourites

K-Favourites offers a wide range of quality products and delicacies. The products under this label can have MSC, ASC, Fairtrade certificates and the *Rainforest Alliance seal*.

K-Free

Range of gluten- or lactose-free products for people with food intolerances or allergies. The K-free gluten-free range is comprised of high-quality, tasty products, while the K-free lactose-free range comprises lactose-free products – heavy cream, UHT milk 1.5% or 3.8% fat. The products were developed in collaboration with selected experts and suppliers, their quality being checked in independent laboratories.

We aim to offer our customers the best shopping experience, permanently informing them about options available to them in our stores.

Our assortment is an important aspect to us, and we want to offer variety as well as quality at a low price.

Our private label non-food products: Countryside®, Hip & Hopps®, Kidland®, Kuniboo®, Liv&Bo®, MyProject®, Newcential®, Oyanda®, Passenger®, Spice & Soul®, SWITCH ON®, Talentus®, Townland®, Parkside, K-Carinura, Pet Food.

They include a wide range of options so that our customers can find all the products they need, at the best quality, in our stores. Kids toys, gardening tools, organic cotton clothes, sports articles, furniture, tools, kitchen utensils and accessories or body care products are all available in our stores.

K-take it veggie

Wide range of vegan or vegetarian products, offering great variety for all clients wishing to adopt a healthier, balanced diet.

K-to go

Our own brand K-to go promises tasty and quick meals for those who don't have time for long breaks. Healthy sandwiches or light snacks, orange juices or smoothies containing vitamins. It also includes specialty coffees that are made from high quality Arabica beans from certified crops.

K-Purland

K-Purland is our private label for fresh meat of high quality, portioned and freshly packed.

Vreau din Romania

I want Romanian products – using authentic recipes and quality ingredients, Vreau din Romania offers clients a wide range of dairy products, baked goods, flour, cornmeal, semolina, deli meats and fresh juices.

Countryside

Gardening and outdoor design product range, aimed at those who love spending time outdoors. The warranty period for electrical equipment is longer than the legally imposed ma, and the wood items are FSC® (Forest Stewardship Council®) certified.

Kidland

The first toy private label focusing on verified safety and quality, offers a variety of fairly priced models. The Kidland world provides new playtime ideas and includes the most diverse toy categories, for all ages. All wooden articles in the collection are FSC® (Forest Stewardship Council®) certified.

Kuniboo

Designed for children and babies, Kuniboo is our private label comprised of carefully selected products that meet the highest quality and comfort criteria. Most natural fibres are made using GOTS (Global Organic Textile Standard) certified organic cotton, the buttons are strong enough to avoid tear, and the paper packaging is FSC® (Forest Stewardship Council®) certified.

bevola

Personal care product range, which includes lotions, shower gels, hair products, skincare products, cosmetic products for men, as well as other product types that address the daily needs of the entire family.

For more information on Kaufland's private label products, access www.kaufland.md, Assortment section.

OFFERING A REPONSIBLE ASSORTMENT

Sustainability and transparency play an increasingly important role in the buying habits of the customers.

On the shelves of our stores, we offer a wide range of products, made with regard to the environment and people, and we are constantly expanding our range of responsible products labelled accordingly.

At Kaufland, we highly value responsibility and we promote transparency along our entire supply chain. We want to offer our customers certainty regarding our private label products and they are subject to strict quality standards and labelling standards developed in cooperation with our suppliers and buying departments. Apart from a few exceptions, all our private label products include a note regarding their origin, so that the source of the products can be easily traced.

Labels and certifications play a key role for our strategic commitment both to a more sustainable raw material procurement process and to our fundamental goal of building up our assortment of sustainable products.

Our actions do the talking.

Also we want to make the world a little better. That's why we have long been committed, for example, to food from sustainable cultivation and to environmental, climate and species protection. Our commitment has the motto „Our actions do the talking."

+ More at:
www.kaufland.com/actions

Micro-plastic Free Formula

The „Microplastic Free Formula" logo indicates that the product is free of microplastic. The logo refers to the formulation of the respective products, not to the packaging or carriers like towels or pads.

+ More at:
www.kaufland.com/microplastic

Consciously packed

The „Consciously packed" logo informs about our packaging optimization measures.

+ More at:
www.kaufland.com/packaging

Fără ambalaj

The "Unpackaged" logo indicates fruit and vegetable products, which are offered without packaging, and is only used in communication.

Reuse again and again

The "Reuse again and again" logo marks non-food products that can be reused and are not single-use items. It is only used in communication.

Water-saving

The "Water saved" logo indicates products in which water has been saved compared to the original manufacturing process. In this way, we make water-saving measures transparent.

+ More at:
www.kaufland.com/water

FEEDBACK FROM OUR STAKEHOLDERS

Adrian Trofim
CEO „CASTEL MIMI",
the first 5-star zero-emission hotel
in the Republic of Moldova

When it comes to sustainability, what are the main areas of positive or negative impact (economic, social, on the environment) that you think the retail industry should address?

The retail industry has a profound impact on the economy, the environment and society. I believe the following areas deserve particular attention:

Environment: Adopting a "ZERO WASTE" strategy is crucial. Waste reduction measures and the use of recycled materials are essential to protect the environment. Kaufland's initiatives to reduce plastic pollution and promote recycling are exemplary.

Economic: Supporting local producers not only supports the regional economy but also helps reduce carbon emissions by shortening supply chains. Working with Kaufland on this front can bring significant benefits to communities.

Social: Involvement in community and educational projects is vital. Activities that promote sustainability education and support social initiatives are essential to building stronger and more environmentally conscious communities.

By addressing these issues, the retail industry can contribute to a more sustainable and responsible future.

What do you consider to be the sustainability topics that Kaufland Moldova successfully addresses in its relationship with you? What are the areas where they should invest more in your view?

Kaufland Moldova is proving to be a valuable partner in the field of sustainability, with remarkable initiatives such as:

Waste Reduction: The company has implemented effective measures to minimize waste, which reflects a serious commitment to the environment. Recycling and education strategies are central to this.

Local products: By supporting local agriculture, Kaufland not only promotes the regional economy, but also contributes to reducing the carbon footprint, which is extremely important in the context of climate change.

Social responsibility: Involvement in various social projects underlines Kaufland's commitment to communities. These initiatives help create a significant positive impact.

However, there are also opportunities for improvement:

Consumer education: Expanding awareness programs on the importance of sustainable choices and reducing food waste could bring an additional benefit.

Innovative technologies: Investing in advanced technological solutions to improve energy efficiency and reduce emissions could have an even greater impact on sustainability.

By continuing these efforts, Kaufland Moldova can contribute and strengthen a more responsible and sustainable future.

MARKETING AND LABELLING

By aligning our marketing and labelling practices with our commitment to transparency, we aim to empower our customers to make informed choices. **Our goal is to meet customer satisfaction, and for them to have the best shopping experience, whilst having easy access to information regarding the products in our stores.**

Transparency lies at the heart of our commitment to sustainability, and that's why we place significant importance on clear and accurate product labelling. We understand that our customers desire to make informed choices, and we strive to provide them with all the necessary information to do so and for them to have full visibility into the social and environmental impacts of their purchases.

Product labelling is a process regulated by specific legislation for each product category: food, cosmetics, detergents, toys, etc.

Nutrition facts: Our products offer a short presentation of the most important nutritional information, such as calories per 100 g and 100 ml. On the back and sides of the packaging, additional nutritional information is available: ingredient list, allergen indications, special instructions for people with food intolerances, fats, sugar or salt. Clients can quickly and easily evaluate the calory intake and nutrient dose..

Detailed information regarding ingredients: We see transparency and safety as very valuable. We offer clients clear information about the ingredients of all our private label products,.

At partner level, in order to ensure compliance with standards and legislation in force, Kaufland included clauses Regarding product labelling in private label supplier agreements.

Information regarding fish and meat traceability

Traceability involves identifying and documenting the relationship between batches of products and their corresponding batches of raw materials and packaging. This includes packaging that comes into direct contact with the food and any packaging that might potentially come in direct contact to the food. Each product batch is labeled accordingly, representing a set of food units produced under identical conditions.

To ensure complete transparency in our supply chain for our customers, we collaborate closely with all our suppliers. Each package of canned fish and other imported fish products features a tracking QR code. This code provides detailed traceability information about the product.

For fish products, there are two simple methods through which they can get information regarding product origin:

- Using the LOT number placed on the packaging, close to the expiration date. Accessing www.ftrace.com and introducing the LOT code, customers can access information regarding the origin of the fish.
- Scanning the QR code on K-Classic fish packaging using their phone.

The **Aquaculture Stewardship Council** (ASC) label indicates responsibly bred fish and seafood. ASC-certified producers must demonstrate that they work in an environmentally friendly way and ensure good and fair working conditions.

+ More at: www.asc-aqua.org

The **Blue Angel** indicates products and services that are particularly environmentally friendly. They meet high requirements for both health and labor protection and suitability for use.

+ More at: www.blauer-engel.de/en

Cotton made in Africa (CmiA) is an internationally recognized standard for sustainable cotton sourced from Africa. The focus is on environmental protection and better working and living conditions for small scale farmers and for the workers in the ginneries.

+ More at: www.cottonmadeinafrica.org

The **EU organic logo** indicates food that was produced and inspected according to EU legislation on organic farming. It represents organic production and appropriate livestock farming.

+ More at: www.madr.ro/agricultura-ecologica

The **EU Ecolabel** is awarded for products and services for everyday life. The label indicates products that have a lower environmental impact than comparable products.

+ More at: www.ecolabel.eu

Fairtrade stands for better prices for small scale farming families and humane working conditions for employees on plantations in developing and emerging countries

+ More at: www.fairtrade.net

Fairtrade Cocoa Mark: Cocoa producers can sell additional shares of their harvest under Fairtrade conditions. This improves their living and working conditions and ensures more environmentally-friendly production.

+ More at: www.fairtrade.net

The **FSC®** label indicates wood and paper products that are independently certified according to the strict guidelines of the Forest Stewardship Council®. This encourages responsible forestry worldwide.

+ More at: www.fsc.org

The **Global Organic Textile Standard** (GOTS) guarantees sustainable production of textiles along the supply chain. From the harvesting of organically produced, natural raw materials, through environmentally and socially responsible manufacturing to transparent labelling.

+ More at: www.global-standard.org

The **GGN** label (GLOBALG.A.P. number) identifies products that come from farms certified to an international standard for responsible agricultural practices.

+ More at: www.ggn.org

Products certified with the **Global Recycled Standard** (GRS) contain recycled material. The GRS logo may be used if products comprise at least 50% recycled material.

+ More at: www.textileexchange.org

Kaufland is a member of the **Leather Working Group** (LWG) and promotes responsible environmental practices throughout the leather supply chain.

+ More at: www.leatherworkinggroup.com

The **Marine Stewardship Council** (MSC) label indicates fish from sustainable fisheries. MSC-certified fisheries ensure that fish stocks are in a good condition, protect the sea habitat, and minimize by-catches.

+ More at: wwww.msc.org

The **Organic Content Standard** (OCS) records the precise proportion of organic material in products and tracks it through the manufacturing chain. It means that organic wool was used.

+ More at: www.textileexchange.org

The **OEKO-TEX® MADE IN GREEN** label ensures the traceability of textile products and guarantees environmentally friendly, safe and socially responsible production.

+ More at: www.madeingreen.com

The **Non GMO** label indicates food which does not contain any genetically modified ingredients, up to a limit value of 0.1 percent.

+ More at: www.og-info.org

The **Rainforest Alliance Certified** seal is awarded to cocoa, coffee, tea, citrus fruits or bananas that are grown according to ecological, social and economic requirements.

+ More at: www.rainforest-alliance.org

The **SAFE** label from the American Earth Island Institute certifies products from tuna fishing where there is no danger of dolphins getting caught in the nets.

+ More at: www.savedolphins.eii.org/campaigns/dsf

The **Sustainable Cleaning** mark labels cleaning products that meet high standards for environmental safety, minimize waste and provide clear and transparent information on how to use those products in a more sustainable way.

+ More at: www.cleanright.eu

The **Vegan Flower of the British Vegan Society** identifies products that are free from animal ingredients and therefore suitable for a vegan lifestyle.

+ More at: www.vegansociety.com

The **V-Label** is applied to products that are either vegetarian or vegan. Vegan products contain no animal ingredients or processing aids like meat, fish, egg and dairy products.

+ More at: www.v-label.com

We have created a dedicated section on our website so that all consumers can access information about the logos that are illustrated on many of the product packages in our stores.

Palm oil

At the international level, we are committed to using certified palm oil in our private label products. Where palm oil is part of a product recipe, we ensure its sourcing complies with sustainable standards, gradually increasing the share of certified palm oil. This approach reflects our participation in global initiatives, such as the *Sustainable Palm Oil Forum*, which promotes sustainable palm oil production in developing countries.

Fur Free Retailer

We adhered to the "Fur Free Retailer" program, therefore we are refraining from selling fur or fur products made out of natural fur or containing natural fur. Amongst these, for example, there are textile products, accessories, and animal toys.

Eggs

Regarding egg products and own-brand processed products, such as baked goods or pastry products, we have committed to using only free-range eggs or barn-laid eggs for products where egg content constitutes at least 1% of the final product. Items such as waffles made using fresh eggs are marked accordingly, the packaging including a notification regarding the use of free-range or barn-laid eggs. Kaufland has committed to stop using eggs coming from hens confined in cages and enclosed spaces in own-brand products by 2025.

Microplastics

Already in 2013, we committed ourselves to completely eliminate microbeads in the formulas of our own-brand cosmetic, body care, laundry and household cleaning products. Among other things, we have replaced them with natural and renewable raw materials. In the meantime, we have expanded our definition of microplastics to include other non-biodegradable synthetic polymers in addition to the microbeads mentioned above.

By the end of 2021, we aimed to adapt the formulas of all own-brand products in cosmetic and body care, detergents and cleaning products, including car care, and to renounce the use of microplastics and non-biodegradable purely synthetic polymers, provided that this does not significantly affect the performance or the safety of the product*.

Quality and safety assurance are the highest priority for our products. Due to the challenges related to some of the product recipes, the associated properties, and the availability of appropriate raw materials, we were unable to launch all of our planned novelties by the end of 2021. We work closely with our suppliers on further developments, some of which must first be developed on the market. We label our packaging with the "Microplastic Free Formula" logo to transparently communicate to our customers that we do not use microplastics in our product formulations.

For more information please see: Kaufland.com/microplastic.

*Does not refer to packaging or carrier materials such as cloths, pads, etc.

Certification	2022		2023	
	Total	Out of which private-label items	Total	Out of which private-label items
Number of organic articles in the assortment	177	94	123	67
Number of FSC certified articles in the assortment	16	14	15	9
Number of MSC certified articles in the assortment	11	10	8	7

CONSUMER HEALTH AND SAFETY

Consumer health and safety is very important to us. That is why, in all our actions and activities, we prioritize the quality of the products that customers and consumers find in our stores.

Beyond customer satisfaction, we care about their health and safety, therefore we take measures to ensure that they have access to fresh products that follow the highest quality standards every day.

We require our private label suppliers to strictly follow legislative norms and regulations applicable in the country of origin regarding product quality. Likewise, in order to become a supplier for Kaufland's private labels, suppliers of food and nearfood/cosmetics must must first be certified in compliance with International Featured Standards (a Global Food Safety Initiative recognized standard for auditing food manufacturers) or Global Supply Chain Assurance (BRCGS), a leading global brand and consumer protection scheme, - BRC-Food Safety or BRC-Consumer Products standards. The IFS standards focus on the safety and quality of production processes and audits aspects related to senior management responsibility, resource management, product safety and quality management systems, production processes planning and action plans for responding to unforeseeable situations.

In addition, for certain product categories, the company can request additional audits carried out by an internal team or a third party, based on previously established criteria.

More than that, our private-label food suppliers receive and acknowledge the Kaufland Quality Requirements, that list all the requirements we expect from them when it comes to packaging, ingredients, or animal welfare, with a minimum expectation of full compliance with the national and European laws and regulations.

Product recalls

In 2022, one Romanian national private label food product was recalled. Following regular checks, it was found an exceeded value of patulin in the product "Vreau din Romania Apple and cherry juice 3L". As a health risk cannot be excluded and for reasons of consumer safety, Kaufland reacted without delay and withdrew the product from the market. There were other two international private label food products (avocado and roasted pistachio) and two non-food products (multifunctional grater and an insect-killing product) that were recalled.

In 2023, one private label non-food product was recalled. The "Kidland" brand "3-in-1 Cradle" with identification number 373598_2204 has been voluntarily and preventively recalled. Due to a manufacturing fault, it cannot be excluded that the seat of the cradle may tilt uncontrollably forward or backward during use. Also, one private label food product was recalled: "K-classic Tart with Rhubarb and Strawberries 1250g," batch no. 3185, best before: 10.2024, from supplier B+F Bakery & Food GmbH. The product was voluntarily and preventively recalled due to the possible presence of small pieces of blue plastic on the surface.

OUR VALUE CHAIN

OUR VALUE CHAIN

Our value chain is essential to our goal of providing top-quality product to our consumers.

We focus on efficiency, transparency, and accountability, ensuring that our processes — from production to sale — are aligned with ethical standards and environmental responsibility.

When listing, all company suppliers confirm that they have read the provisions of our Code of Business Conduct and commit to respecting it. The Code also applies for commercial sub-units authorized by our business partners, that are involved in making products or supplying services for Kaufland. The Code of Business Conduct was reviewed and updated in august 2023.

The following basic principles describe the criteria that all our partners must respect:

- Complying with legislation in force, minimum industrial standards, International Labor Organization (ILO) and the United Nations (UN) convention;
- Forbidding any kind of discrimination when an employee is hired and in all employee relationships, equal opportunity and equity;
- Forbidding forced labor and all employee relations where work is forced through coercion or threat, such as slavery;
- Zero tolerance for child labor – strictly following national legislation in force regarding child and young employee protection;
- Freedom of association and collective bargaining – disciplinary actions against employees who use their right to associate in a peaceful, legal way are not allowed;
- Respecting national provisions and industrial standards regarding working hours and employment agreements;
- The business partner must ensure that the workplace does not endanger employee health and safety, by establishing and implementing clear rules and procedures concerning labor safety and by periodically informing and training employees;
- Strictly following national legislation regarding environmental protection, especially that concerning waste, hazardous chemical substances, greenhouse gas emissions and water pollution;
- Any kind of corruption, bribery or embezzlement is strictly forbidden, the business partner being responsible for ensuring that such incidents do not happen, through appropriate control systems.

Our business partners must ensure that the basic principles defined by the Code of Business Conduct are implemented and respected within their company through appropriate and justifiable measures. Compliance with the principles and the implemented measures for improvement must be verified and documented regularly by the management of the partner. Employees must be informed about the necessary standards in a clear manner, so that they know their rights. Moreover, the business partner must inform its suppliers regarding the Code of Business Conduct and request that they follow the criteria and standards mentioned.

Likewise, all our partners are informed accordingly and agree with Kaufland's request, with undertaking social audits within their own company or relevant production units. These social audits are carried out by Kaufland or by third parties authorized by Kaufland. When the audit takes place, compliance and implementation of the basic principles mentioned in the Code of Conduct must be documented, in order to establish potential improvement measures together. In the event of non-compliance with the Code of Conduct, the business partner must implement appropriate remedial measures. In this sense, the company allocates enough time, as well as support, should the partner request it.

Assessing compliance risks

In order to avoid company and reputational damage caused by our partners, compliance risks (e.g. corruption risks) are assessed even before contracts are concluded with the help of the GPC (compliance check commercial partners) platform.

The platform calculates in just a few seconds the initial risk of compliance of the potential trading partner, based on five indicators. For this goal, the platform automatically compares various databases (e.g., sanction lists) and performs a first risk classification (e.g., country, industry, activity). In the event of a high risk, a detailed verification is carried out by the compliance department. The verification is conducted for potential trading partners with an estimated annual turnover above €50.000 or in case of suspicion - voluntary verification.

LOCAL SUPPLIERS

LOCAL SUPPLIERS

We offer our customers products that are not only fresh and of the highest quality but also produced by our local communities.

By collaborating closely with local producers, we ensure that our supply chain remains efficient, environmentally responsible, and rooted in fair trade principles.

These relationships benefit the environment and support local farmers, fostering a mutually beneficial partnership.

In 2022,

83%

of expenditures on suppliers were directed towards the

72%

local suppliers.

In 2023,

66%

of expenditures on suppliers were directed towards the

~77%

local suppliers.

Number of suppliers	2022			2023		
	Local	International	**Total**	Local	International	**Total**
	271	104	**375**	257	78	**335**

Supplier expenditures (MDL)	2022			2023		
	Local	International	**Total**	Local	International	**Total**
	1,170,212,271	238,155,053	**1,408,367,324**	345,247,957	177,649,357	**522,897,314**

	2021	2022	2023
Nationally sourced food items	5,517	5,702	6.689
Percentage of nationally sourced food items	34.2%	39.2%	47.9%

	2021	2022	2023
Suppliers (food)	149	160	174
National suppliers (food)	148	159	173
Percentage of national suppliers (food)	99.3%	99.4%	99.4%

At Kaufland, collaboration with local producers is a core business approach and an integral part of our procurement strategy, regardless of the market in which we operate. The trend of "buying local" continues to grow among consumers. In recent years, Kaufland Moldova's product assortment has expanded with new items, which have been highlighted through promotional campaigns that communicate the value of our local offerings to customers.

One of the most visible campaigns in Kaufland Moldova stores has been "**Produced in Moldova. Fresh from Home**," which was prominently featured in stores. Launched in 2020, this campaign aims to promote and support local producers.

We actively support local producers and suppliers through a variety of dedicated events and projects that enhance the visibility and recognition of their products. Additionally, collaborating with Kaufland Moldova has created new export opportunities for them.

Kaufland Moldova proves to be an active supporter of women's empowerment and economic resilience, demonstrating a strong commitment to social initiatives that promote gender equality and support female entrepreneurship. Through strategic partnerships and dedicated projects, the company aims to create an enabling environment for women seeking to develop their professional skills and build their own businesses.

A clear example of this involvement is Kaufland Moldova's support for fairs organized in its store parking lots by UN Women Moldova, the Association for Entrepreneurial Training and Development (AFAD), and the "Spring That Unites Us" Association. These events provide women entrepreneurs with a platform to showcase their products and services, facilitating market access while encouraging networking among businesswomen. This promotes collaboration and the exchange of experiences.

Additionally, Kaufland Moldova has supported the Gala of Women in Agriculture for three consecutive editions—a dedicated event that celebrates and highlights the achievements of women in the agricultural sector. This platform underscores the significant contributions women make to the industry and inspires others to get involved in agriculture, emphasizing the importance of diversity and inclusion in this vital field.

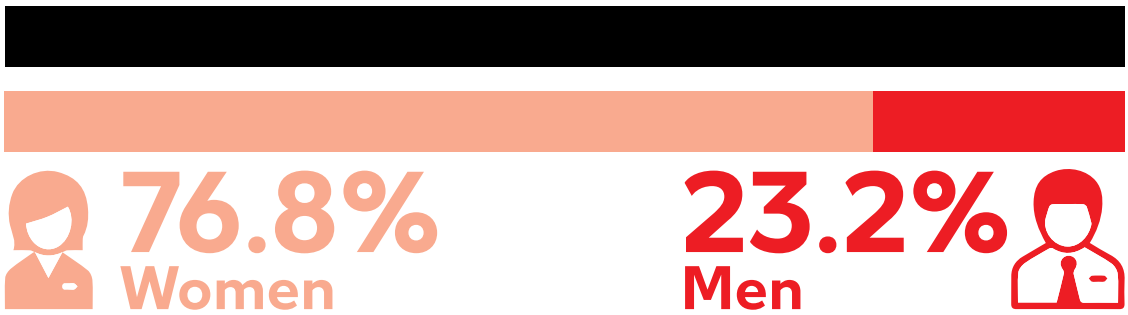
03 EMPOWERING OUR PEOPLE

At Kaufland Moldova, we believe that our success is rooted in the strength and dedication of our people. Empowering our workforce is not just a strategic objective but a core value that drives our operations and growth. Our commitment to creating a thriving workplace is reflected in our focus on diversity, professional development, and well-being.

We prioritize their safety and well-being by providing optimal working conditions and fostering an environment where feedback is encouraged and valued. This commitment not only enhances employee satisfaction but also continually improves our business practices.

823

employees



Number of employees by gender

CATEGORY	2021	2022	2023
Women	550	614	632
Men	192	201	191
Total	**742**	**815**	**823**

Number of employees by employment contract and working hours*

EMPLOYMENT CONTRACT	2021		2022		2023	
	Women	Men	Women	Men	Women	Men
Permanent contract	530	186	609	196	624	191
Temporary contract	20	6	5	5	8	0
Total	**742**		**815**		**823**	

*types of contract at the end of the financial year (end of February)

Number of employees by employment type

EMPLOY-MENT TYPE	2021	2022	2023
Full time	623	724	710
Part time <8h	119	91	113

Average age of our employees:

37.7 years in 2022

37.6 years in 2023

New employee hires

CATEGORY	2022		2023	
	No.	Rate (%)	No.	Rate (%)
GENDER				
Women	307		241	
Men	146	64,5	116	46,7
Total	**453**		**357**	
AGE				
<30	163		155	
30-50	216	64,5	166	46,7
>50	74		36	
Total	**453**		**357**	
LOCATION				
Stores	445		336	
Sfatul Țării	8	64,5	21	46,7
Total	**453**		**357**	

Employees that left the company, by gender, age & location

CATEGORY	2022		2023	
	No.	Rate (%)	No.	Rate (%)
GENDER				
Women	248		233	
Men	152	57,0	121	46,3
Total	**400**		**354**	
AGE				
<30	136		146	
30-50	208	57,0	160	46,3
>50	56		48	
Total	**400**		**354**	
LOCATION				
Stores	386		343	
Sfatul Țării	14	57,0	11	46,3
Total	**400**		**354**	

New employees hires rate = $\frac{\text{No. of new employees hired in each category in the financial year}}{\text{Total number of new employees hired in the financial year}} \times 100$

Employees that left the company rate = $\frac{\text{No. of employees who left during the financial year}}{\text{Average number of employees during the financial year}} \times 100$

The number of employees that left the company does not include employees that left the same month they were hired (not active during the last day of the month).

Average number of employees during the financial year = ∑[people inventory turnover] of the last 12 months (03.2022-02.2023, respectively 03.2023-02.2024)

Average number of employees during the financial year 2022 = **702,01**

Average number of employees during the financial year 2022 = **763,8**

DIVERSITY AND EQUAL OPPORTUNITY

DIVERSITY AND EQUAL OPPORTUNITY

As a leading retail company, we embrace the diversity of our workforce. We are committed to providing a respectful working environment for all employees, regardless of gender, age, skin color, ethnic background, abilities, sexual orientation, or religious beliefs.

We strive to ensure fairness from the outset by applying objective selection criteria during the hiring process. At Kaufland Moldova, every employee has equal opportunities for both personal and professional development.

Direct or indirect discrimination against an employee or a candidate for vacant posts, based on the criteria of sex, age, race, skin color, ethnicity, religion, political option, social origin, residence, disability, HIV/AIDS infection, membership or trade union activity and on other criteria not related to professional competences, are forbidden.

We make sure that all forms of discrimination are eliminated through concrete actions, guided by our principles and our values:

- prevention of any discrimination by introducing special measures for the protection of disadvantaged persons not benefiting from equal opportunities.
- mediation by amicable settlement of employees' grievances as mandatory procedure prior to the lawsuit.
- sanction of discriminatory behavior as a not tolerated behavior.

All employees take an online course (through the training platform) on general legislation on prevention of all forms of discrimination and then take it again every 2 years from the previous completion date.

In 2022 and 2023, the company did not register any confirmed incidents of discrimination.

We provide online trainings so that we raise awareness of discrimination at work and help employees understand their rights. We also seek to help them implement the best practices and create a positive and inclusive work environment, while meeting all the legal requirements.

Our training "General legislation on the prevention of all forms of discrimination" provides useful information and advice on how to deal with discrimination in the workplace including how to prevent it.

PROGRAM	2022		2023	
	Women	Men	Women	Men
General legislation on the prevention of all forms of discrimination	32	21	54	16
Communicating with people with disabilities	205	64	525	175

A.C.C.E.S. program

We promote a culture that respects and celebrates differences, and we aim to build a more resilient and dynamic organization that drives positive change within our industry and the communities we are part of.

In 2019, at Kaufland Romania, was launched the A.C.C.E.S. program, a Kaufland employment and integration initiative for people with disabilities, and in 2023 the program was extended in the Republic of Moldova.

We have conducted training sessions for fellow managers to prepare them to welcome new colleagues with disabilities.

The program involves three key lines of action:

- developing recruitment channels dedicated to people with disabilities and promoting these channels to interested persons, potential beneficiaries or institutions dedicated to people with disabilities
- making Kaufland an inclusive employer by meeting the physical and mental needs of people with disabilities
- communication and internal training programs to support the integration of new colleagues into the Kaufland team

Employees with disabilities

POSITION	2022		2023	
	Men	Women	Men	Women
Non-Management	-	4	9	15
Management	-	-	-	-
Total	**4**		**24**	

Employees, by age, gender, and position within the company

CATEGORY			Non-management	Management	Executive management	Top management	Total
2022	Men	<30	70	5	-	-	**75**
		30-50	86	20	-	-	**106**
		>50	20	-	-	-	**20**
		Total	**176**	**25**	**-**	**-**	**201**
	Women	<30	134	2	-	-	**136**
		30-50	356	20	-	1	**377**
		>50	100	1	-	-	**101**
		Total	**590**	**23**	**-**	**1**	**614**
2023	Men	<30	67	3	-	-	**70**
		30-50	77	21	-	1	**99**
		>50	22	-	-	-	**22**
		Total	**166**	**24**	**-**	**1**	**191**
	Women	<30	128	1	-	-	**129**
		30-50	382	24	-	1	**407**
		>50	96	-	-	-	**96**
		Total	**606**	**25**	**-**	**1**	**632**

Employees by category and age

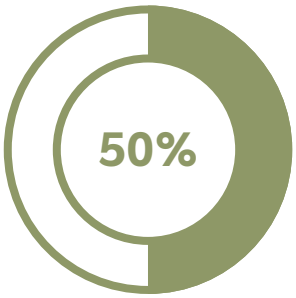
CATEGORY			Non-management	Management	Executive management	Top management
2022	Number	<30	204	7	-	-
		30-50	442	40	-	1
		>50	120	1	-	-
		Total	**766**	**48**	**-**	**1**
	Percentage*	<30	26.63%	14.58%	-	-
		30-50	57.7%	83.33%	-	100%
		>50	15.66%	2.08%	-	-
		Total	**100%**	**100%**	**-**	**100%**
	Men number and percentage		176 (22.97%)	25 (52.08%)	-	-
	Women number and percentage		590 (77.02%)	23 (47.91%)	-	1 (100%)
2023	Number	<30	195	4	-	-
		30-50	459	45	-	2
		>50	118	-	-	-
		Total	**772**	**49**	**-**	**2**
	Percentage*	<30	25.25%	8.16%	-	-
		30-50	59.45%	91.84%	-	100%
		>50	15.28%	-	-	-
		Total	**100%**	**100%**	**-**	**100%**
	Men number and percentage		166 (21.5%)	24 (48.98%)	-	1 (50%)
	Women number and percentage		606 (78.49%)	25 (51.02%)	-	1 (50%)

*Small differences may appear due to rounding the percentages

Out of all management roles
|(Top and Executive management),
women occupied:

of all positions

in 2022



of all positions

in 2023

The data reflects the situation of active employees in February of each year and does not include employees on parental leave, medical leave, or long-term leave of absence (>90 days), distribution inspectors.

The Team Kaufland Makes the Difference – Internal Sustainability Campaign

In 2023, Kaufland Moldova launched the "**The Team Makes the Difference**" internal campaign, highlighting the crucial role of employees as ambassadors of sustainability. The initiative encouraged employees to share their personal experiences and views on sustainability, focusing on key topics such as climate protection, reducing food waste, and minimizing plastic use.

Four employees were chosen to represent the sustainability themes they resonated with the most, as they had meaningful insights to share and were true ambassadors of the topics among their peers. No prizes or rewards were offered for their participation in the campaign, emphasizing genuine engagement. Their stories were shared through video interviews, showcasing Kaufland Moldova's commitment to environmental and social responsibility.

The campaign leveraged internal communication channels, including the Kaufland Connect app, and extended its reach via the company's website and LinkedIn page.

Additionally, the campaign featured a significant offline component, with personalized visuals for each theme displayed in all stores, logistics centers, and central offices.


Irina

PROFESSIONAL DEVELOPMENT AND BENEFITS

PROFESSIONAL DEVELOPMENT AND BENEFITS

Investing in our employees is an investment in our company's future.

We recognize that our team is the driving force behind our operations, and we strive to create a balanced work environment that fosters a culture of dialogue and transparency.

It is important to us that our team understands and shares our values, as this is essential for fostering healthy work relationships and ensuring the success of our company.

Our leadership model – the promise to our employees

- Clear communication and guidance
- Developing and identifying potential in our employees
- Performance and dynamism
- Fairness and trust
- Daily accountability and role modeling

Remuneration policy

Our employees are remunerated in a differentiated manner, based on a salary matrix with multiple, predefined steps, depending on certain periods of time and the position the employee is covering. All aspects related to remuneration are listed in the individual employment contract.

One of our basic and central principles: every minute worked is recorded and remunerated as such. All the working hours registered by the employee are processed, and based on that, the monthly income for each employee is calculated.

We strive to ensure that employees holding the same position receive equal pay for equivalent work.

Package of benefits:

- Leave and additional days off for special family events
- Family and free time (free language courses for our employees' children, online financial education courses)
- Access to quality medical services and medical insurance
- Meal vouchers
- Anniversary bonuses (to recognize continuous activity within the company at the following milestones: 10 years, 25 years, and 40 years)

The total value of benefits offered to our employees

~18,7 mil. MDL

in 2022

~24,7 mil. MDL

in 2023

Other types of allowance (other than the ones provisioned by the law):

- Employee referral bonus
- Allowance for giving birth/adopting a child for one of the parents if both are Kaufland employees.
- Allowance for the first marriage for one of the spouses if both are Kaufland employees.
- Funeral allowance – granted to the family in the event of the employee's death or death caused by a work accident, a work-related accident or occupational illness.
- Allowance granted to the employee in the event of their spouse's death or the death of a first degree relative.
- Additional days off (granted for people with disabilities, for marriage, death, birth, for parents who have children in first and second grade, for changing residence, for blood donors).

Other benefits that we offer to our employees included: kindergarten/first class school bags, discounts and preferential prices for car wash services, medical services, baby products

All our employees receive our benefits package, regardless of their contract type or working hours, with differentiation only based on seniority or employee category.

Employees well-being

Within the company, we offer employees a calendar with tips for a healthy lifestyle: useful nutrition tips, physical exercises, recommendations for a balanced lifestyle and breathing techniques.

During the pandemic period, we also offered moral and emotional support to employees who went through the disease through the employee advisor.

The Employee Advisor is the neutral discussion partner on topics related to teamwork, company values, personnel issues or other topics important to the employee.

Employees well-being

Making sure that our employees are equipped with all the necessary skills and knowledge to conduct their day-to-day activities effectively is essential to our business. This helps us to improve productivity, increase efficiency and empower our employees to be accountable and responsible in their workplace.

We invest in offering new development programs for our colleagues giving them access to various trainings and education options, depending on the area of expertise and responsibilities of the function.

Average hours of training/ employee category/ gender

AVERAGE HOURS OF TRAINING/ EMPLOYEE CATEGORY/ GENDER	2022		2023	
	Women	Men	Women	Men
Non-management	11	7.9	24.5	33.3
Management	16	10.8	82.4	101
Executive management	0	0	0	0
Top management	2	0	36	2

(includes in-class, online, and on-the-job training conducted during the onboarding period)

Talent Management

The Talent Management process represents the feedback process that takes place annually and addresses all our employees. The manager evaluates a set of employee behaviors and performance. In the actual feedback discussion, the employee and the manager discuss their points of view and establish a development plan for the employee. The employee also can provide feedback to the manager regarding his management style. Within this annual process, the employees with development and promotion potential are identified.

The Talent Management process was conducted both electronically and through face-to-face discussions. The electronic process took place from October 2023 to March 2024, involving 83 participants. The paper-based process was carried out from January 2024 to April 2024, with 527 participants.

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY

Fostering a safe work environment is crucial to us, as we want our employees to be protected from any possible accidents, injuries or exposure to harmful situations.

Kaufland Moldova operates an external prevention and protection service in accordance with national legal requirements for occupational health and safety.

The external service:

- takes part in the identification and assessment of risks and their review;
- drafts and reviews own instructions to amend and/or apply occupational safety and health regulations;
- elaborates training topics for workers in the field of occupational health and safety;
- investigates events in accordance with legal competences;
- conducts and documents controls.

The occupational health and safety management system was implemented in accordance with the legislative requirements of the Occupational Health and Safety Law LP186/2008.

GRI 3-3, GRI 403-3, GRI 403-8

Identifying and assessing occupational health and safety risks

Identifying and assessing occupational health and safety risks is mandatory under the Occupational Health and Safety Law and is done for each component of the work system, i.e. worker, task, equipment and working environment. Risk assessment is done using an internally developed tool, with risks being classified into three categories (minor, medium and major) according to probability and possible consequences. Depending on the risk classification, prevention and protection measures are prioritised.

Risks are reviewed, as a rule, when new work equipment is introduced, after an event, when new risks are identified or when risks are not identified and assessed, and in other cases provided for by law. Prevention and protection measures are documented in the prevention and protection plan.

To control the effectiveness of the protective measures and to eliminate risks, preventive controls are carried out at the workplaces and the unit managers are informed of any deficiencies found.

Reporting hazards

Any worker can report any hazard/situation dangerous to their health and safety to their direct supervisor.

The contact details of the occupational health and safety specialists appointed for the store in question are also posted on the notice board.

Workers can also privately report any concerns to dedicated employees who act as "Employee Advisors".

At Kaufland level, an internal instruction is in place for situations that may put the life and health of workers at risk in the event of serious and imminent danger.

According to the legal provisions, serious and imminent danger can be detected, including by any worker in the company. The main measures to be taken in such circumstances are to stop the equipment, evacuate the personnel, notify the specialized services, notify the hierarchical managers and eliminate the event.

Also, for such events, workplace managers are provided with a guide for exceptional events describing the main measures for personnel rescue, contact details for specialized emergency services, operational procedures for reporting serious and imminent danger.

Potential hazards identified:

- Incorrect use of lifting equipment
- Failure to use protective equipment
- Failure to comply with safety measures for handling chemicals
- Negligence/carelessness while travelling

Measures:

- Engage store manager/deputy/department head when observing employees operating work equipment improperly or performing inappropriate activities in terms of occupational safety and health
- Emphasis on practical on-the-job training, both periodically and especially on hiring
- Debriefing after a work-related accident

Investigating work accidents

Employees are instructed to inform their direct supervisor of any accident they sustain. The first step in investigating work-related accidents is to report the event to the State Labour Inspectorate. In such situations, an investigation committee is set up, which includes the occupational health and safety specialist. The stages of investigation of work accidents are provided for in the methodological rules for the application of the law on occupational health and safety and include the collection and analysis of relevant information about the injured person, the equipment involved, the work process and others, the conclusions being recorded in the event investigation report.

Following the description of the place where the event occurred, the equipment involved, the circumstances and the manner in which the event occurred, the causes leading to its occurrence, the persons responsible and the measures to prevent similar events are established.

After completion of the case file, the investigation report is sent to the State Labour Inspectorate. The investigation file is sent to the Human Resources Department, which will archive it.

The external prevention and protection service will review the risk assessment and the prevention and protection plan if the risk has not been identified.

In 2022, we recorded 2 work accidents, while in 2023, there were 7 work accidents.

$$\textbf{Rate of work-related injuries} = \frac{\text{total number of accidents}}{\text{total number of hours targeted to be worked}} \times 1{,}000{,}000$$

Target hours to be worked

1,363,054	1,476,445
in 2022	in 2023

Rate of work-related injuries

1.46	4.74
in 2022	in 2023

Engaging with employees on OH&S topics

At each work site workers' representatives with specific occupational health and safety responsibilities are elected among workers. They attend an occupational health and safety specialized course and can actively contribute to the improvement of occupational health and safety conditions. Part of the members of the occupational health and safety committee are elected from among the workers' occupational health and safety representatives.

Occupational Health and Safety Committee

Within Kaufland there is an occupational health and safety committee, consisting of workers' representatives and employer representatives. The main duties of the occupational health and safety committee include, among others, analysing and making proposals for the occupational health and safety policy, making proposals for the layout of workplaces, reporting on work-related accidents, the main equipment involved and their causes, and making recommendations on work equipment and personal protective equipment.

The prevention and protection plans are discussed annually in the Occupational health and safety committee.

OH&S Trainings

Occupational health and safety training comprises three stages:

- general introductory training
- on-the-job training
- periodic training

Training of workers is done during working hours provided by the employer.

Kaufland has developed computer-assisted training programs for occupational health and safety as well as for other training purposes.

Within the computer-assisted programs, situations, equipment, workplace risks and preventive and protective measures are presented. The effectiveness of the training and the workers' understanding of the materials are assessed by tests, both during the program and at the end of the training session.

The language used is simple, concise and situations are exemplified with suggestive visuals.

All employees in stores and administrative offices attend computer-assisted training.

Access to other medical services

Each employee benefits from medical examination at the time of employment, as well as periodically (depending on working conditions and risk factors).

All Kaufland employees travelling abroad are covered by a medical insurance plan. The insurance is valid for business trips abroad for up to 180 days. Abroad means any country in which the employee is not employed. The insurer covers the necessary outpatient or in-patient medical care provided to an insured person abroad in the event of illness or accident.

Kaufland also offers voluntary health insurance for the employee and family members. Each employee can choose their health insurance according to two insurance groups. The company covers a monthly co-payment, which varies according to seniority in the company.

In addition, employees and their family members can benefit from special discounts on medical investigations and consultations at the Novamed Multipurpose Hospital.

Encouraging a healthy lifestyle

We encourage active living, sports, and movement. Kaufland employees can benefit from discounted workouts at one of the partner gyms. Within the company we provide employees with a calendar of healthy lifestyle tips: useful nutrition tips, exercise, balanced lifestyle recommendations and breathing techniques.

Services and programs access communication is carried out via the internal connect platform for employees who have a nominal user, as well as at information boards for colleagues in the store who do not have a nominal user. Also, on our Youtube channel, our colleagues can find unique recipes for healthy dishes.

04 STRENGTHENING OUR COMMUNITIES

STRENGTHENING OUR COMMUNITIES

At Kaufland Moldova, we are dedicated to making a positive difference in the communities we serve and supporting their growth. True to our motto, "Our actions do the talking," we focus on creating a lasting impact.

We believe in the power of unity and responsible business practices, taking our responsibilities seriously as a retailer, employer, business partner, and neighbor. We support a wide range of projects and initiatives, guided by our conviction that actions speak louder than words.

In 2022, the community investments budget reached 3.8 million MDL, while in 2023 our community investments budget was 4.7 million MDL.

Kaufland Moldova's specific disclosure: Total financial value of sponsorships directed to community investments

FEEDBACK FROM OUR STAKEHOLDERS

Kaufland Moldova's involvement in awareness and social responsibility campaigns is to be appreciated. By tailoring the effort to environmental and public health issues, the company is making an impact in educating consumers about waste, health and recycling.

Through Kaufland Moldova's contribution to the Model Schools Network, students will benefit from having warm meals in school. At the same time, the company's actions will contribute to raising the awareness of children and teenagers about the sustainability of the environment.

Dan Perciun
Minister of Education and Research of the Republic of Moldova

The pillars that lay the foundation of our community investment strategy are:

EDUCATION

- preventing early school leaving
- supporting children from disadvantaged backgrounds to facilitate access to education
- developing competences, skills that enrich the school curriculum
- complementary, extra-curricular programmes for young people
- food waste prevention programs in schools
- environmental protection programs in schools

ECOLOGY

- improving infrastructure for the use of alternative means of transport
- prevention of natural disasters (floods, landslides)
- restoration of damaged green areas
- environmental actions to raise awareness of responsible behaviour
- promoting alternatives to single-use plastic

SOCIAL

- community development
- supporting and helping vulnerable groups

SPORTS & HEALTH

- promoting a healthy lifestyle
- supporting sports activities
- improving conditions in the healthcare system
- raising public awareness

CULTURE

- promotion of local art and culture
- supporting artists without financial power
- supporting cultural events for social/charitable purposes

The "Involvement through Recycling" Project

NGO Partner: AVI Moldova

As a responsible company, we recognize the importance and influence our actions have on the environment. That is why we focus in particular on the responsible management of natural resources and supporting green projects.

Among these projects we can mention the "Involvement through Recycling" campaign, initiated by the International Volunteer Association of Moldova (AVI), which aims to raise awareness and bring to public attention the importance of environmental protection, collection and recycling of paper. More than 600 children from the Republic of Moldova entered the "3R: Reduce. Reuse. Recycle" where they presented their vision on the importance of recycling and sorting waste to protect the environment. Subsequently, over 6,000 notebooks made from recycled paper were donated to the attended schools of the winners of the competition.

read more

The "Less Waste, More Good" Project

NGO Partner: The Food Bank

For the past three years, Kaufland Moldova and the Food Bank have been working together to reduce food waste in Moldova.

The partnership between Kaufland Moldova and the Food Bank is based on international best practices and follows the principles of other countries. The Food Bank collects products from Kaufland stores that can no longer be sold and distributes them to non-governmental organizations, canteens and social centers, which prepare hot meals for different categories of people in need. During this period, of the total amount of food recovered, about 72% is fresh fruit and vegetables, followed by bakery products, dairy products and other categories. Kaufland is the first and only retail partner of the Food Bank in Moldova.

In 2023, 64 tonnes of products were recovered from Kaufland stores, worth 1,050,000 MDL, which allowed 128,000 servings of hot meals to be prepared in 56 social centers across the country. More than 8,500 beneficiaries, including elderly people, children, young mothers, people with disabilities and other vulnerable groups, had access to quality food.

At the same time, within the framework of these collaborations, a series of educational projects on mindful consumption and prevention of food waste have been carried out. In 2023, the fourth edition of the "Less Waste, More Good" campaign was also held, involving a program dedicated to students. Thus, every year more than 1,000 students from the Republic of Moldova become ambassadors of the national campaign to prevent food waste. The caravan of waste prevention workshops for primary school students is reaching several cities in Moldova. The first Food Waste Prevention Guide was also published.

This Guide contains:

- topics related to the phenomenon of food waste, ways to prevent it, explained in a language accessible to children: waste, hunger, portioning, freezing, defrosting, reading labels, etc.
- practical recipes from renowned Chef Alexandru Comerzan;
- sample templates for weekly meal plans that can be easily taken up by every family, as well as a space for writing down your own zero waste experiences. Both the cover and the inside of the guide have original illustrations that complement the topics, by illustrator Ivanka Costru.

The guide can be accessed online here to be used by every family that wants to join the zero waste approach.

The "Planting Oxygen" Project

NGO Partner: HAI (Let's Go) Moldova

Environmental protection is one of the key directions for the company, which translates this concern into concrete actions to support environmental projects.

Through the "Planting Oxygen" project, realized by HAI Moldova with the support of Kaufland Moldova, two illegal landfills were identified in Cruzești and Băcioi communes.

Thus, according to the best environmental practices and technologies, the technical works of greening, terracing and compacting the landfill were carried out, and then the land was returned to the natural circuit through afforestation. Over 7,000 saplings were planted in both areas.

The "Eco School" Project

NGO Partner: HAI (Let's Go) Moldova

Alongside HAI Moldova, we went further than that. We realized an education and civic involvement project for students and young people, developed in close collaboration with educational institutions. The aim of the "ECO School" program is an innovative one, namely, to give young people and students the opportunity to gain practical experiences, contributing to the development of active communities of learners promoting environmental protection, active citizenship and civic spirit. The ultimate goal of the ECO School project is to build a generation of responsible and involved citizens at local and national level.

The project took the form of a competition between 5 educational institutions from Chisinau and Balti during one school year. The program culminated in the ECO School Trophy being awarded to the winning school. The students took part in several distinct practical activities, including the formation of the ECO Patrol initiative group, waste management, selective waste collection and circular economy, tree planting and care, climate change, water protection and energy efficiency.

FEEDBACK FROM OUR STAKEHOLDERS

Nadejda Cebotari
Executive Director,
"HAI Moldova"

When it comes to sustainability, what are the main areas of positive or negative impact (economic, social, on the environment) that you think the retail industry should address?

The retail industry is not only one of the most visible industries, but also one with a significant socio-economic and environmental impact. For this reason, a company that adopts best practices becomes a role model. Kaufland Moldova is a shining example of this, approaching sustainability in an integrated way - from responsible waste management and supporting local producers, to educational programs and carbon footprint reduction projects such as afforestation and the closure of non-compliant landfills. These actions generate a lasting positive impact with clear long-term benefits.

Our collaboration, the Hai Moldova team, with Kaufland Moldova is a reliable and productive one. Projects such as Sădim Oxigen, through which we have greened two landfills and afforested the land, or the educational program ECO School and River Clean-up, which trains young people in ecological responsibility, underline Kaufland's real commitment to the environment and communities. These initiatives not only promote responsible behavior, but also prepare future generations to be more aware of the importance of sustainability. The impact on society is profound, as environmentally educated young people will become future leaders and responsible citizens.

What do you consider to be the sustainability topics that Kaufland Moldova successfully addresses in its relationship with you? What are the areas where they should invest more in your view?

For environmental protection to be sustainable in the long term, it must be integrated with economic fundamentals. Although Kaufland Moldova is already an example of good practice, I believe that it would be useful to place even greater emphasis on educating consumers about their responsibility towards sustainable consumption. Greater awareness in this regard could positively influence behavior in the medium and long term, further strengthening efforts to make a significant difference in Moldova.

The "Play Green" Project

NGO Partner: The Innovation and Entrepreneurship Accelerator "Dreamups" under the aegis of the Ministry of Education and Research

Another large-scale national project is "Play Green", an innovative initiative that aims to raise awareness and educate students on climate change. An extra-curricular subject of environmental education and innovation was implemented in 30 schools across the country, developing a proactive attitude towards the environment and promoting innovative solutions.

The "Spring Project"

Realized by: The Moldova Project

We have many projects with real impact and results that make us proud every day of how we are building a better future. Together with The Moldova Project, we have supported dozens of socially vulnerable families in the Spring Project. They received gifts consisting of farm animals, materials to build vegetable greenhouses, beech trees and free enrolment in professional courses for hairdressers, manicurists and cooks. These families have also been supported with the necessities for a plentiful Christmas.

We ran with the Kaufland Moldova team together with CCF Moldova in the "Run For Children Marathon" and supported a social cause.

These are just a few of the sustainable projects that have been carried out under the "Our actions do the talking" umbrella.

In FY 2022, the budget allocated for social responsibility projects exceeded 3.8 million MDL, and in FY 2023 we allocated 4.7 million MDL.

In addition to our strategic priority projects, the war in our neighboring country has deeply impacted us. Kaufland has actively participated in community efforts to support Ukrainian refugees. Through partnerships with non-governmental organizations and in collaboration with national and local authorities, we have provided over 10 million MDL worth of essential goods, including non-perishable food and hygiene items. This commitment reflects our understanding of the critical role we play not only in the business world but also in society

FEEDBACK FROM OUR STAKEHOLDERS

Liliana Rotaru
Chairman, CCF Moldova

When it comes to sustainability, what are the main areas of positive or negative impact (economic, social, on the environment) that you think the retail industry should address?

The retail industry can have both positive and negative impacts. Of the positive effects, the most obvious are the economic and social impacts. Here we can mention the diversity of products on offer, ensuring product quality, creating a large number of jobs, workforce diversity, compliance with positive international standards and practices, contribution to the economic development of the country.

Retail companies should also analyze potential areas of negative impact and balance them with effective interventions. Among the most common negative externalities: the impact on small and medium-sized businesses, both in production and trade, possible harmful effects on the environment, loss of food, promotion of over-consumption.

What do you consider to be the sustainability topics that Kaufland Moldova successfully addresses in its relationship with you? What are the areas where they should invest more in your view?

In the context of the collaboration between Kaufland and CCF Moldova over the last 7-8 years, the main areas of positive impact relate to social rights for the community in which the company operates. From this perspective, the social and educational projects promote Kaufland's position in terms of respect for human rights (specifically children's rights), inclusion and diversity. Perhaps, together, we could move towards actions to support sustainable, long-lasting change by influencing the child protection system, as short-term projects have no real chance of radically changing people's lives. Through this kind of project both partners will have the privilege of making a significant impact on the future of society and achieving the Sustainable Development Goals.

CCF Moldova expresses its gratitude for Kaufland's social involvement and believes that this example of social development is an example worthy to be followed by other companies.

05 ENVIRONMENT

REDUCING OUR CONSUMPTION

REDUCING OUR CONSUMPTION

Recognizing that better efficiency requires extending our best practices across the value chain, we work closely with our partners to implement measures that decrease the amount of materials used and increase the quantity of waste recovered.

This approach ensures that responsibly using materials and recovering waste remains a top priority within our sustainability strategy.

By integrating these principles into our daily operations, we aim to minimize our environmental footprint while maximizing the value extracted from resources.

In our stores, we have introduced several initiatives to optimize material usage and waste management. These include reducing single-use packaging, promoting reusable alternatives, and enhancing our recycling processes. Our commitment to sustainability is reflected in our efforts to educate both our employees and customers about the importance of reducing waste and adopting more sustainable consumption habits. Through continuous monitoring and improvement of our waste management practices, we strive to lead by example in the retail sector.

Total amount of waste generated (own operations)

WASTE CATEGORY	2022	2023
	tonnes	tonnes
Glass	37.0	26.1
Plastic	58.2	83.4
PET	8.9	6.8
Cardboard and paper	708.5	843.6
Organic recyclable materials	154.5	224.5
Scrap metal, cans	11.1	6.1
Wood	48.3	78.5
Textile recyclable materials	0	0
Residual waste	3,223.0	1,545.7
Hazardous waste	4.0	3.2
Other non-hazardous waste	0	0
Total	**4,253.4**	**2,817.9**

How the waste waas handled

HOW THE WASTE WAS HANDLED	2022			2023		
	Hazardous waste	Non-hazardous waste	**Total**	Hazardous waste	Non-hazardous waste	**Total**
	tonnes	tonnes	tonnes	tonnes	tonnes	tonnes
Reuse	-	-	**-**	-	-	**-**
Recycling	4.00	924.63	**928.63**	3.20	1,098.40	**1,101.60**
Thermal utilization	-	-	**-**	-	-	**-**
Biogas		87.95	**87.95**		166.90	**166.90**
Incineration	-	13.80	**13.80**	-	3.70	**3.70**
Landfilling	-	3,223.00	**3,223.00**	-	1,545.70	**1,545.70**
Total	**4.00**	**4,249.40**	**4,253.38**	**3.20**	**2,814.70**	**2,817.90**

Small differences may appear for the total amounts due to rounding

Reuse: This involves using recyclable materials again for the same purpose they were originally intended for.

Recycling: This process involves converting recyclable materials into secondary raw materials, which can then be used to create new products.

Thermal Utilization: This process involves thermally recycling materials to recover energy. The energy released from burning the material is harnessed in the form of electricity, process steam, or district heating.

Incineration: In this process, the energy released from burning the material is not utilized.

Landfilling: This involves identifying all recyclable materials that cannot be repurposed in any other way and depositing them in a landfill as the final method of disposal.

Investment in local infrastructure: making recycling easier for our customers

Tomra Machines

As a major retailer we are aware that what we do has an impact on the environment and we know the importance of being an example of best practices and positive influence in terms of reducing plastic use and collecting, sorting, and recycling. Therefore, we make efforts to support consumer awareness and their recycling efforts by constantly investing in recycling facilities.

We also promote recycling programs and increase participation by offering discount vouchers to customers that deposit plastic bottles, glass containers and aluminum cans in the Tomra recycling machines.

In 2022, 351,875 recipients were collected through the Tomra machines, while in 2023, we collected 327,621 containers.

Broscuta (Turtle) Collection systems

Protecting the environment is important for us and to our customers so we are taking active measures to help them in their efforts of being more eco-friendly. Since 2020 we have successfully installed in all our stores a system for collecting empty containers of hygiene or cleaning products, which are then recycled to protect the environment.

Customers can deposit containers of personal care products (shampoo, conditioner, shower gel, body, face or hand cream, mouthwash or liquid soap), cleaning products (laundry or dishwashing detergents, kitchen, bathroom, floor or window cleaning solutions) in a turtle-shaped container.

Our company's goal is to become the most accessible and convenient destination for recycling and to reward responsible behaviour. Thus, for every three containers of personal care and household products brought to the turtle-shaped facility in stores, customers receive a coupon with discounts of up to 35% on products in that month's campaign.

Subsequently, the packaging is sorted and recycled with the help of two specialised partner companies - Green PC Packaging and FEPRA. The comprehensive process consists of three stages: sorting of materials at the automatic station; preparation for recycling; actual recycling, through thermoforming.

In 2022, 15,321 recipients were collected through the Broscuta system, while in 2023, we collected 8,730 recipients.

100% of our stores had in place Tomra Machines and Broscuta (Turtle) Collection systems.

TRANSPORT AND LOGISTICS

We are dedicated to continuously updating and streamlining our supply chain logistics operations to identify and implement sustainable practices.

A significant part of our commitment involves reusing and recycling materials and replacing single-use packaging with more sustainable alternatives.

For instance, all plastic wrap used during the transportation of products from our logistics centers to the stores is collected and sent back to the logistics center. This plastic wrap, meeting stringent requirements, is recycled with a low impurity level of less than 2%, ensuring a high efficiency in the valorisation process. Additionally, we employ the Dixi systems to press cardboard from packaging, and our logistics centers feature sorting and pallet repair stations to further optimize resource use.

As part of the jointly elaborated REset Plastic strategy of the companies of Schwarz Group, we have implemented several measures to reduce plastic use and promote the circular economy. These initiatives aim not only to decrease the consumption of single-use produce bags but also to minimize packaging waste.

To maintain high sustainability standards, we deliver goods in reusable crates, significantly reducing the need for outer packaging. In our employee restaurants, a reusable system for food has been in place since 2018, and since 2016, we have used reusable cups for drinks.

Through these efforts, we are committed to ensuring our supply chain logistics are not only efficient but also aligned with our sustainability goals, contributing positively to environmental preservation and resource efficiency.

WATER USAGE

Monitoring water consumption and conserving water is important, and we make efforts to be as efficient as possible inside our stores, as well as in the logistical centres and administrative offices.

All water used in our operations comes from the public supply system. We do not use water from other sources, and we do not have an inventory of the way in which water is withdrawn by our supplier.

Likewise, after usage, the water is discharged into the public sewer system. Effluents are discharged in accordance with the Environmental Permit of each working unit, that at the same time sets the requirements for the effluent quality parameters.

The frequency of the analyses performed to determine the quality parameters is regulated by the specific provisions of each Environmental Permit.

WATER WITHDRAWAL	2022	2023
	m^3	m^3
Water withdrawal	**47,813.9**	**46,601.3**
From third parties	47,813.9	46,601.3
From groundwater	-	-
Water return	47,813.9	46,601.3

AGAINST THE WASTE OF FOOD

Food waste is a pressing global issue that impacts the environment, economy, and society. At Kaufland Moldova, reducing food waste is a critical component of our sustainability agenda. With the increasing strain on natural resources and the growing need for sustainable practices, addressing food waste has become essential. By implementing innovative solutions and responsible practices, we aim to optimize our food supply chain and enhance resource efficiency. Our commitment to reducing food waste reflects our broader goal of fostering a more sustainable and resilient food system for future generations.

Every year, Moldova generates around 180,000 tonnes of food waste*. From an environmental perspective, it leads to the waste of scarce and valuable resources such as water, soil and energy, as well as the production of avoidable greenhouse gases. From a social perspective, wasted food can affect the global food situation. It also contributes to unnecessary animal suffering when animals die without their meat being consumed. Through direct contact with consumers, as well as activities within the company and along the value chain, food retailers have many levers at their disposal to counteract food waste.

How we define food waste

The companies of Schwarz Group mutually define food waste as the amount of food that is lost or discarded along the value chain. It is therefore the sum of food losses and food waste.

Food losses occur particularly in the first stages of the value chain during the production or processing of food.

Food waste occurs in retail, catering and private households. This always involves food that was intended for human consumption.

*Source: rocesp.ro/wp-content/uploads/2022/02/V4-final-Food-Waste-Report.pdf

FEEDBACK FROM OUR STAKEHOLDERS

Alina Gîrneț
Executive Director,
Diez.md

When it comes to sustainability, what are the main areas of positive or negative impact (economic, social, on the environment) that you think the retail industry should address?

In the current context of our country's development, I believe that the impact of economic activities on the environment is an area that requires greater attention and involvement from the retail industry.

We must understand that environmental protection is not something sophisticated that we learn about at school. It is about today's actions that will shape our living conditions tomorrow - whether we are talking about the comfort in which we live, our health, our life expectancy or our overall quality of life.

In this equation, issues such as food waste and waste management are key. It is paradoxical that environmental protection is often treated as a separate area, even though its effects have a profound long-term influence on us, both economically and socially, so it is a component that needs to be integrated into any activity.

What do you consider to be the sustainability topics that Kaufland Moldova successfully addresses in its relationship with you? What are the areas where they should invest more in your view?

At #diez, we aim to always tackle topics that are relevant to young people, with the aim of motivating them to become more aware of the issues around them. We want to provide them with useful information and open doors to opportunities for them to get involved, while introducing them to inspiring people or projects.

Although the environment is a constant preoccupation for us, it is not easy to initiate a series of environmental materials without partners to support us in this mission. It is a very tough, complex and hard to explain topic. Promoting environmental awareness requires a long-term effort, starting with theoretical education and continuing with practical actions.

In the project developed with the support of Kaufland - the video podcast "Asta nu ți-i foaie verde" ("This is not the green way") we are trying to fill the information and theoretical education gaps that exist both in the Moldovan media and in the formal education system. I believe that this is an area where it is essential to persevere and continue current efforts.

Kaufland Moldova is committed to avoiding and reducing food waste in retail and among consumers. In line with the overarching objective of the Schwarz Group companies, we aim to reduce food waste by 50 percent by 2030 compared to 2018. The target is based on the United Nations Sustainable Development Goals (SDG 12.3 - Waste less food), among other things. In our own operations, we want to utilize food that is no longer suitable for human consumption for the highest possible quality. At the same time, in our role as an interface, we want to support both producers and consumers in minimizing food waste.

The reduction of food waste is a cross-divisional task at Kaufland Moldova.

We focus on constantly improving our internal systems, so that we reduce the food waste within Kaufland warehouses and stores, and at the same time invest in campaigns and activities dedicated to our clients and consumers.

We, as a retailer, play an important part in educating consumers, for them to be able to stay informed and make the right choices, choosing quality products or products that are suitable for their health budget.

Internally, our attention focuses on:

- **Improving internal systems**
- **Monitoring and managing stock**
- **Developing and implementing systems that monitor and manage resource production in a sustainable manner**
- **Promoting responsible consumption**

Furthermore, Kaufland Moldova is in close dialogue with Kaufland International and with companies of the other divisions of Schwarz Group on the topic of food waste in order to jointly develop overarching strategic measures and goals. For example, a cross-divisional and cross-departmental working group was jointly set up by companies of Schwarz Group to reduce food losses and waste.

Our Approaches to Tackling Food Waste

Kaufland has defined four focus areas to reduce Food Waste and losses. These four focus areas, prevent, avoid, reuse, and communicate, form the basis of our actions.

Prevent:

We prevent Food Waste in the supply chain through close collaboration with our suppliers.

Within Kaufland Moldova, the Supply Chain Management team plays a pivotal role in minimizing food waste. They ensure that each store orders the optimal quantity of products needed for a specific period. This involves strategic allocation of warehouse stock to maintain a balance between ensuring product availability and avoiding overstocking. The system we employ generates daily order proposals for each store-item combination based on historical sales data. To refine these orders and achieve optimal results, our team incorporates adjustments for various unforeseen factors such as seasonal changes, weather conditions, and holidays, providing the system with necessary insights to adapt and respond effectively.

Avoid:

We avoid Food Waste in our own operations through concepts and cooperation.

We have implemented an accelerated sales process for our entire range of food products across all Kaufland stores in Moldova. This initiative is part of our broader strategy to reduce food waste by up to 50% by 2030. To achieve this, we monitor key indicators, including the number of products entering accelerated sales and their percentage of total sales.

To manage products with shorter shelf lives effectively, we have developed two distinct strategies:

- **Automated System:** This system generates a daily list of products nearing their best-before dates across all categories. These items are then included in the accelerated sales program, ensuring continuous stock rotation and minimizing waste.
- **Flexible Discounting:** We empower our staff and stores with the flexibility to set discounts for fruit and vegetable products. These discounts are based on product type, stock levels, and customer buying behavior, applied daily at various intervals to optimize sales and reduce waste.

Reuse:

We reuse waste that we cannot avoid through recycling or other use.

We donate to the Diaconia Food Bank food products that can no longer be sold but can still be consumed. These are then distributed to socially vulnerable individuals and families, NGOs, canteens and social centres.

Communicate:

We want to make our customers aware of the challenges and communicate our knowledge.

We educate the public through helpful information available on our website. These resources offer practical tips, detailed guides, and up-to-date information on sustainable practices, helping our customers and communities to make informed choices that contribute to minimizing food waste.

ENERGY CONSUMPTION AND EFFICIENCY


TE INVITĂM SĂ ÎȚI ÎNCARCI
MAȘINA ELECTRICĂ!
ПРИГЛАШАЕМ
ТЕБЯ ЗАРЯДИТЬ
СВОЙ ЭЛЕКТРОМОБИЛЬ!
Kaufland
MD GIG 793

REDUCING OUR CONSUMPTION

Reducing energy consumption and carbon dioxide emissions related to buildings is essential for protecting the environment and reducing our impact.

That is why we focus on implementing measures and projects that contribute to making energy consumption more efficient and adopting new technologies on the market.

Shared Climate Targets

In total, the companies of Schwarz Group will reduce their operational greenhouse gas emissions (scope 1 and 2) by 55 percent by 2030 compared to 2019*. To achieve this mutually set goal, all companies of Schwarz Group will procure 100 percent** of their electricity from renewable energies as of the 2022 fiscal year.

The companies of Schwarz Group also commit together to reducing their absolute scope 3 emissions with regard to the use of solid fuels, by 27.5 percent by 2030 compared to 2019 levels. Kaufland commits itself, that suppliers who are responsible for 80 percent of product-related emissions will set their own climate targets by 2026, according to the criteria of the SBTi.

*This target for scope 1 & 2 also includes biogenic emissions and the removal of biogenic raw materials

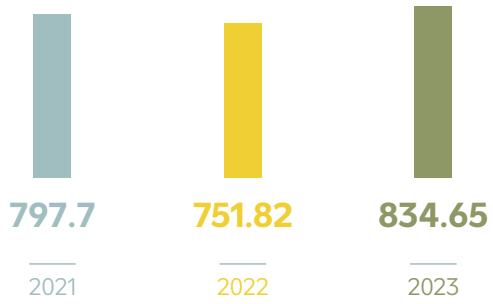
** Excluding any purchase agreements that Kaufland cannot influence, such as those for individual leased properties with a binding electricity procurement clause; further information can be found at www.kaufland.ro

Fuel consumption

FUEL TYPE	2021		2022		2023	
	L	MWh	L	MWh	L	MWh
Gasoline	13,780.00	132.10	15,896.00	152.36	19,603.20	187.89
Diesel	61,322.20	647.60	56,762.00	599.46	61,240.00	646.76
Total	**75,102.20**	**797.70**	**72,658.00**	**751.82**	**80,843.20**	**834.65**

Total fuel consumption

(MWh)



FUEL TYPE	2021	2022	2023
	MWh	MWh	MWh
Natural gas	221	0	0

Conversion factors:

1 liter of diesel = 10.561 kWh

1 liter of gasoline = 9.585 kWh

Electricity consumption

	2021	2022	2023
	MWh	MWh	MWh
Electric energy consumption*	10,788,122	11,506,506.9	13,652,440
Out of which renewable electricity – purchased from supplier**	-	11,454,676	13,602,083.2
Total natural gas consumption	176,370		
	m^3	m^3	m^3
Water withdrawal	33,190.5	47,813.9	46,601.3

*Electric energy consumption =

Electricity purchased from supplier +

FTV electricity production (own production)

*Electric energy consumption =

13,602,083.2 kWh +

50,356.7 kWh =

13,652,440 kWh

*Renewable electricity purchased from the supplier =

Renewable electricity for stores +

Renewable electricity for headquarters

*Renewable electricity purchased from the supplier =

13,550,486.2 kWh +

51,597 kWh =

13,602,083.2 kWh

Total energy consumption

Total energy consumption =

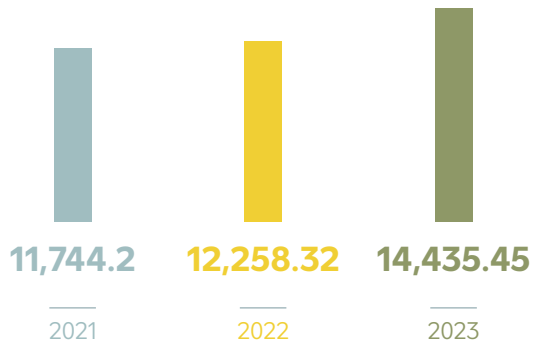
Fuel consumption +

Natural gas consumption +

Electricity consumption

Total energy consumption

(MWh)



Energy intensity

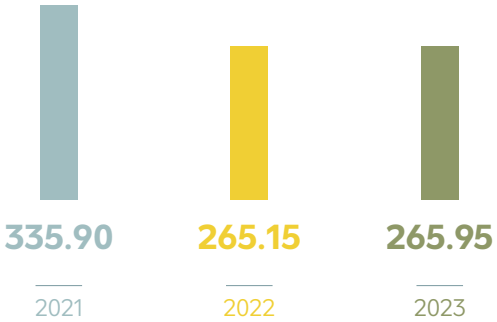
AREA	2021	2022	2023
	m^2	m^2	m^2
Ø Sales area/ additional area	34.959,5	46,230.8	54,278.0
Ø Sales area	20.163,2	27,625.8	32,499.7
Ø Additional area	14.796,3	18,605.0	21,778.2

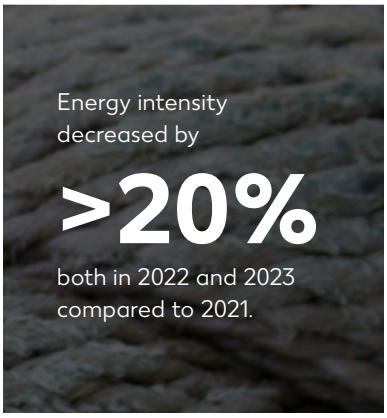
Energy intensity based on store and additional areas surface

$$\textbf{Energy intensity} = \frac{\text{Total Energy Consumption}}{\text{Total area (sales + additional areas)}}$$

Energy intensity

(kWh/m^2)





Carbon Footprint

The methodology used for the inventory was reviewed and confirmed by the Heidelberg Institute for Energy and Environmental Research, in accordance with the GHG Protocol and ISO 14064-1.

The carbon footprint includes GHG emissions generated directly and indirectly through the activities undertaken in Romania during a financial year. In order to be able to compare different greenhouse gasses, we used CO_2 as reference, transforming all emissions into CO_2 equivalent (CO_2eq), using their global warming potential (for example, 1 kg of methane has the same harmful greenhouse effect as 28 kg of CO_2 and would be presented as 28 kg CO_2eq in the inventory).

The conversion of data regarding CO_2eq consumption is based on emission factors. The methodology uses two types of emission factors:

- **Market factors** (emission factors describing CO_2 emissions from producing and supplying a material or a process; for example, electricity producers in the EU must take into account the CO_2 emissions generated by producing electricity);
- **Location-based** (for the majority of emission sources, determining CO_2 emissions can be done only by using secondary data from scientific database, such as, for example, IPCC - Intergovernmental Panel on Climate Change, IEA 2021).

GHG Emissions

GHG EMISSIONS		2021	2022	2023	Decrease/ Increase compared to 2022
		tonnes CO_2eq	tonnes CO_2eq	tonnes CO_2eq	%
Scope 1		236.96	195.36	214.56	+9.83
Scope 2	Market-based	5,276.47	0	0	0
	Location-based	5,276.47	5,693.42	6,665.02	+17.07
Scope 3		126,606.99	136,192.36	158,446.28	+16.34
Total		**132,120.42**	**136,387.73**	**158,660.85**	**+16.33**

Emissions Intensity

EMISSIONS INTENSITY		2021	2022	2023	Decrease/ Increase compared to 2022
		tonnes CO_2eq/m^2	tonnes CO_2eq/m^2	tonnes CO_2eq/m^2	%
Scope 1		0,00678	0.004226	0.003953	-6.45
Scope 2	Market-based	0,15093	0.000000	0.000000	0.00
	Location-based		0.123152	0.122794	-0.29
Scope 3		3,57939	2.945923	2.919162	-0.91
Total		**3,73710**	**2.950149**	**2.923115**	**-0.92**

EMISSION FACTORS – SCOPE 2	2021	2022	2023
	g/ kWh	g/ kWh	g/ kWh
Emission factor electricity - location based	489.1	494.8	490.0

Scope 1 includes: emissions from the air conditioning system, refrigeration system, diesel fuel for generators, diesel and gasoline for cars, natural gas for boilers.

Scope 2 includes: emissions from producing electricity from the supplier.

Scope 3, for which we extended the boundary in 2019, includes other emissions (procured goods and services, fuel and energy-related emissions, transport, waste generated in operations, business trips, use of the products sold, end-of-life treatment of sold products, and employee commuting).

INDEPENDENT LIMITED ASSURANCE REPORT REGARDING THE SELECTED INFORMATION IN THE SUSTAINABILITY REPORT

Independent Limited Assurance Report Regarding the Selected Information in the Sustainability Report

To the management of Kaufland Moldova SRL

Introduction

We have been engaged by management of Kaufland Moldova SRL (hereinafter – the "Company") to provide limited assurance on the selected information defined in the section "Description of the subject matter and applicable criteria" and included in the Sustainability Report of the Company for the year ended 29 February 2024 (hereinafter – the "Sustainability Report").

Description of the subject matter and applicable criteria

We assessed the qualitative and quantitative information as set out in the table below, that is disclosed in the Sustainability Report (hereinafter – the "Selected Information"), to obtain limited assurance that the Selected Information has been prepared, in all material respects, in accordance with the applicable criteria.

GRI Standard/Kaufland specific disclosure and related description		Referred to in the GRI content index of the Sustainability Report
202-2	Proportion of senior management hired from the local community	Yes
302-1	Energy consumption within the organization	Yes
305-2	Energy indirect (Scope 2) GHG emissions	Yes
401-1	New employee hires and employee turnover	Yes
405-1	Diversity of governance bodies and employees	Yes
Kaufland specific	Employees with disabilities	No. Disclosed on page 95 of the Sustainability Report
Kaufland specific	Total financial value of sponsorships directed to community investments	No. Disclosed on page 116 of the Sustainability Report

The scope of our limited assurance procedures was limited to the Selected Information for the year ended 29 February 2024 only. We have not performed any procedures with respect to earlier periods or any other items included in the Sustainability Report and, therefore, do not express any conclusion thereon.

PricewaterhouseCoopers Audit S.R.L.
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We assessed the Selected Information using applicable criteria consisting of reporting requirements, in the respective GRI Sustainability Reporting Standards 202, 302, 305, 401 and 405 (hereinafter – the "GRI Standards") published by the Global Reporting Initiative (GRI) and in the Kaufland Moldova Corporate and Social Responsibility methodology approved by the Company's Management (hereinafter – the "KAUFLAND Methodology", and together with the GRI Standards – the "Reporting Criteria"). We believe that the Reporting Criteria constitute appropriate criteria to form the limited assurance conclusion.

Responsibilities of management of the Company

Management of the Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Sustainability Report including the Selected Information that is free from material misstatement, whether due to fraud or error;
- preparing, measuring, and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness, and presentation of the Selected Information.

Our responsibilities

Our responsibility was to express a limited assurance conclusion whether the Selected Information has been prepared, in all material respects, in accordance with the Reporting Criteria. Our assurance does not extend to any other information included in the Sustainability Report.

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to management of the Company.

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (Revised) ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements, and for limited assurance engagements to plan and perform procedures to obtain limited assurance that the Selected Information for the year ended 29 February 2024 has been prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Quality management requirements and professional ethics

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining limited assurance that the Selected Information has been prepared, in all material respects, in accordance with the Reporting Criteria. In doing so, we:

- made enquiries of the Company's management, including the sustainability reporting team and those with responsibility for sustainability reporting management and Company reporting;
- conducted interviews of personnel responsible for the preparation of the Sustainability Report and collection of underlying data;
- performed an analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information;
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Selected Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Reporting and measurement methodologies

Under the GRI Standards there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management as described in the Sustainability Report and for which the Company is solely responsible.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe, that the Selected Information for the year ended 29 February 2024 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restrictions of use and distribution

This report, including our limited assurance conclusion, has been prepared solely for management of the Company in accordance with the agreement between us, to assist management in reporting on the Company's sustainability performance and activities. We permit this report to be disclosed in the Sustainability Report of Kaufland Moldova SRL, which will be published on the Company's website, to

assist management in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected Information.

The maintenance and integrity of the Company's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Company's website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than management of the Company for our work or this report, except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained. The above does not relieve us of liability where such release is excluded by law.

PricewaterhouseCoopers Audit SRL

Bucharest, 19 December 2024

GRI CONTENT INDEX

GRI CONTENT INDEX

Statement of use	Kaufland Moldova has reported in accordance with the GRI Standards for the period 01.03.2022 – 29.02.2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Currently not available

GRI Standard	Disclosure	Page(s) number(s), URL and/or direct answers	Omission		
			Requirement(s) omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	14-15, 17			
	2-2 Entities included in the organization's sustainability reporting	9			
	2-3 Reporting period, frequency and contact point	9			
	2-4 Restatements of information	-			There were no restatements of information in the sustainability report.
	2-5 External assurance	150-153			
	2-6 Activities, value chain and other business relationships	16-17			
	2-7 Employees	90			
	2-8 Workers who are not employees	-			The company does not have external workers.
	2-9 Governance structure and composition	29			
	2-10 Nomination and selection of the highest governance body	29			
	2-11 Chair of the highest governance body	29			

2-12 Role of the highest governance body in overseeing the management of impacts	29			
2-13 Delegation of responsibility for managing impacts	47			
2-14 Role of the highest governance body in sustainability reporting	47			
2-15 Conflicts of interest	31			
2-16 Communication of critical concerns	33			
2-17 Collective knowledge of the highest governance body	During the reporting period, no measures were taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.			
2-18 Evaluation of the performance of the highest governance body	29			
2-19 Remuneration policies	102-104			
2-20 Process to determine remuneration	Not reported.		Confidentiality constraints	The organization considers the information confidential and cannot report it publicly.
2-21 Annual total compensation ratio	Not reported.	Disclosure 2-21 a), b), c)	Confidentiality constraints	The organization considers the information confidential and cannot report it publicly.
2-22 Statement on sustainable development strategy	7			
2-23 Policy commitments	26-28, 36-39			
2-24 Embedding policy commitments	36-39			
2-25 Processes to remediate negative impacts	33, 38-39, 42, 47, 94			
2-26 Mechanisms for seeking advice and raising concerns	33			
2-27 Compliance with laws and regulations	30-33			
2-28 Membership associations	25-26			
2-29 Approach to stakeholder engagement	42, 44			
2-30 Collective bargaining agreements	All our employees are covered by collective bargaining agreements.			

Material Topics		
GRI 3: Material Topics 2021	**3-1** Process to determine material topics	46-49
	3-2 List of material topics	52
Strategic partnerships		
GRI 3: Material Topics 2021	**3-3** Management of material topics	78-79, 83
GRI 204: Procurement Practices 2016	**204-1** Proportion of spending on local suppliers	84
Food waste		
GRI 3: Material Topics 2021	**3-3** Management of material topics	135, 137
Kaufland Moldova's specific disclosure	Projects implemented to reduce food waste	137-139
Labor and human rights		
GRI 3: Material Topics 2021	**3-3** Management of material topics	89, 94-95, 108-110
GRI 202: Market Presence 2016	**202-2** Proportion of senior management hired from the local community	29
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	
GRI 403: Occupational Health and Safety 2018	**403-1** Occupational health and safety management system	90-91
	403-2 Hazard identification, risk assessment, and incident investigation	110-111
	403-3 Occupational health services	109
	403-4 Worker participation, consultation, and communication on occupational health and safety	108
	403-5 Worker training on occupational health and safety	110, 112
	403-6 Promotion of worker health	110, 112
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	104, 113
	403-8 Workers covered by an occupational health and safety management system	78-79
	403-9 Work-related injuries	108
GRI 406: Non-discrimination 2016	**406-1** Incidents of discrimination and corrective actions taken	111

Climate friendlier supply chain					
GRI 3: Material Topics 2021	**3-3** Management of material topics	129			
GRI 302: Energy 2016	**302-1** Energy consumption within the organization	144			
	302-3 Energy intensity	145			
	302-4 Reduction of energy consumption	145			
GRI 305: Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	146			
	305-2 Energy indirect (Scope 2) GHG emissions	146			
	305-3 Other indirect (Scope 3) GHG emissions	146			
	305-4 GHG emissions intensity	147			
Regionality					
GRI 3: Material Topics 2021	**3-3** Management of material topics	78-79, 83			
GRI 308: Supplier Environmental Assessment 2016	**308-1** New suppliers that were screened using environmental criteria	78-79	Requirement 308-1 a).	Information incomplete.	Only the criteria and principles of evaluation for the suppliers was reported, without the percentage of new suppliers screened.
Social commitment					
GRI 3: Material Topics 2021	**3-3** Management of material topics	22			
GRI 203: Indirect Economic Impacts 2016	**203-1** Infrastructure investments and services supported	117-123			
Kaufland Moldova's specific disclosure	Total financial value of sponsorships directed to community investments	116			

Integrity					
GRI 3: Material Topics 2021	**3-3** Management of material topics	30-31			
GRI 205: Anti-corruption 2016	**205-2** Communication and training about anti-corruption policies and procedures	32	Requirement 205-2 e).	Information incomplete.	Only total number of employees that have received training on anti-corruption was reported, without percentage of employees, and without being broken down on employee category.
	205-3 Confirmed incidents of corruption and actions taken	During the reporting period, no public legal actions were taken against the company for corruption.			
GRI 206: Anti-competitive Behavior 2016	**206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the reporting period, no public legal actions were taken against the company for anti-competitive behavior, anti-trust, and monopoly practices.			
GRI 415: Public Policy 2016	**415-1** Political contributions	The company did not support political causes or parties, financially or in-kind.			
Attractive employer					
GRI 3: Material Topics 2021	**3-3** Management of material topics	102-105			
GRI 404: Training and Education 2016	**404-1** Average hours of training per year per employee	104			
	404-3 Percentage of employees receiving regular performance and career development reviews	105			
GRI 405: Diversity and Equal Opportunity 2016	**405-1** Diversity of governance bodies and employees	96-97			

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Our actions do the talking.

Kaufland