

Hamburg, 18 February 2020

**Otto Group commits to be carbon-neutral by 2030 – strong focus on the reduction of CO<sub>2</sub> emissions**

**Through specific measures to avoid and reduce CO<sub>2</sub> emissions in its core business processes, the retail and services company Otto Group wants to become carbon-neutral by 2030. The Executive Board has set this target for the Group's own sites, transportation and employee mobility as well as its external computing centres and cloud services. The Otto Group considers carbon offsetting as a necessary but last-choice measure in achieving the goal.**

With this fresh target the Otto Group is moving its decade-long, systematic commitment to climate protection to a new level. As the Group will achieve its goal of halving the 2006 CO<sub>2</sub> emissions by 2020, the Executive Board has now announced carbon neutrality by 2030 in all operations, including returns, as the next milestone in its Climate Strategy.

In contrast to many other companies that rely on carbon offsetting – i.e. purchasing CO<sub>2</sub> certificates, sometimes at very attractive rates – as their primary measure in achieving carbon neutrality, the Otto Group will continue to pursue CO<sub>2</sub> avoidance and reduction to become carbon neutral. “Our actions consistently follow the principle of ‘avoid – reduce – compensate’. From a climate protection and cost perspective we always see carbon offsetting as the last resort in achieving our sustainability goals”, emphasises Alexander Birken, CEO and Chairman of the Otto Group Executive Board.

To achieve carbon neutrality, amongst other objectives, from 2021 the Otto Group will roll out a new CR Strategy that contains specific measures for the further reduction of CO<sub>2</sub> emissions.

The Group is stepping up its CO<sub>2</sub> reduction measures at the company's own sites through the further expansion of renewable energies including photovoltaic and solar systems, and at the same time raising its energy efficiency through combined heat and power plants as well as modern lighting and building climate-control technologies. Additionally, the Group will switch to 100 per cent green energy at all its German and international sites where this is available. High-quality, certified green energy already makes up 40 per cent of Group sites' overall power consumption.

In sourcing and goods-distribution transport the Otto Group will achieve very significant CO<sub>2</sub> emissions savings by further reducing its use of air freight and pushing ahead with its systematic shift to more climate-friendly means of transport. What's more, the Group will ramp up its use of electromobility in "Last Mile" deliveries to reduce its transport-related environmental footprint. With its "Urban Blue" strategy, Hermes aims for emission-free goods delivery, including returns, in the inner-city areas of the 80 biggest cities of Germany by 2025. Intelligent transport and route-planning software are set to raise logistics and delivery-process efficiency, for instance by analysing parcel-delivery flows and optimising transport routes, as well as responding better to current traffic situations and upcoming jams.

The Group has identified further CO<sub>2</sub> saving potential in the area of employee mobility through increasing the use of rail travel versus flights for business travel, technology-driven efficiency gains in delivery fleet and car pool vehicles, and a shift towards electromobility.

As part of its new CR Strategy the Otto Group also plans to have a greater impact on the sustainability of external IT service companies, cloud providers and computing centres: The Group intends to exert a greater influence through insisting in its calls for tender on high energy efficiency and the use of green energy in external data centres, for instance.

Integrating and activating its own employees even more strongly is also a core lever in the Otto Group's climate and environmental protection effort. As part of the new CR Strategy, the Otto Group will integrate its employees more systematically and holistically in its measures, as they are key multipliers for sustainable business. One outstanding example of this is the "Good Community", initiated by Group employees, in which they contribute and

implement their own sustainability ideas. These range from self-developed apps for saving food, through car-sharing opportunities, to the joint organisation of sustainability events.

Only unavoidable CO<sub>2</sub> emissions that cannot be reduced by the above-mentioned measures will be voluntarily offset by the Group through climate protection projects that are at least Gold Standard-certified.

“We have always focused on genuine CO<sub>2</sub> avoidance and reduction to make our own operations more climate-friendly. We have pursued this systematic climate protection approach for years and will continue to do so consistently through our new CR Strategy”, affirms Dr Tobias Wollermann, designated VP Corporate Responsibility Otto Group, “even if at the end of the day the goal of carbon neutrality cannot be achieved completely without carbon offsetting.”

Doing business responsibly across all Otto Group companies and well beyond has been part of the Group's DNA since 1986 and is particularly evident in its decade-long engagement for sustainable business for the benefit of people and nature. The incentivisation of Executive Board Members to achieve sustainability goals reemphasises this commitment. Not only will the Otto Group and its companies continue to implement the climate protection approach in a credible, ambitious and economically viable way going forward; they will consistently pursue the path towards environmental and climate protection on which they set out many decades ago.

## **Otto Group**

Founded in Germany in 1949, today the Otto Group is a globally active retail and services group with around 52,560 employees in 30 major company groups and does business in over 30 countries in Europe, North and South America, and Asia. Its business activities are grouped into three segments: Multichannel Retail, Financial Services, and Service. In the 2018/19 financial year (to 28 February), the Otto Group generated revenues of 13.4 billion euros. With online revenues of approximately 7.7 billion euros, the Otto Group is one of the world's largest online retailers. The Group's particular strength is its broad market presence with differentiated product and service offers to diverse customer target groups in almost all of the world's relevant economic regions. Numerous strategic partnerships and joint ventures provide the Otto Group with excellent opportunities to transfer know-how and leverage areas of synergy potential. Group companies demonstrate a high degree of corporate responsibility and willingness to collaborate with one another; at the same time this guarantees flexibility, customer proximity and optimum target-group appeal in their respective national markets.

## **Press Contacts**

Thomas Voigt

Tel. +49 40 6461 4010 / [Thomas.Voigt@ottogroup.com](mailto:Thomas.Voigt@ottogroup.com)

Nicole Sieverding

Tel. +49 40 6461 3179 / [Nicole.Sieverding@ottogroup.com](mailto:Nicole.Sieverding@ottogroup.com)