

Gender Pay Report 2020

“The past year has been like no other we have experienced. Despite the significant challenges we faced in 2020, Lidl GB was pleased to open an average of more than one store per week, giving more communities across the country access to quality products at affordable prices.

Our continued growth is testament to the ongoing dedication that each member of our over 26,000 strong workforce brings to the business each day. We are incredibly proud of all we have achieved together, and we remain committed to investing in and rewarding our colleagues for their efforts.

Our pay structure is designed to be simple and transparent with pay increases based only on length of service and the role an individual holds.

I am proud to report that we are continuing to close our median pay gap, the difference between the hourly pay of the median full-pay male colleague and the hourly pay of the median full-pay female colleague we employ, which is now at 0.2%, down from 0.5% in 2018. We have also made significant progress in reducing our mean pay gap, the difference between the mean (average) hourly pay of men, and the mean (average) hourly pay of women we employ, which now stands at 6.6%, down from 11% in 2018. As a comparison, the UK national average is 15.5% for all employees in 2020.

I am pleased that the initiatives we have put in place are translating into meaningful and positive changes. However, we know that further progress is still required and as we



look ahead to the future, we will continue to explore and invest in programmes that will help to close the outstanding gaps.

The remaining gender pay gap is attributable to a greater proportion of males than females in the business. Over the past year we have continued to invest in increasing the representation of female colleagues, across all levels in the business – from senior leadership to customer-facing roles. We recognise, however, that there is still more work to do to close the gap and we will continue to keep this in focus.

I confirm that the information and data provided is accurate and in line with mandatory requirements for businesses in England, Scotland and Wales.”

A handwritten signature in black ink that reads "A. G. Gibson".

Nan Gibson, Chief Human Resources Officer, Lidl GB



Lidl as an employer



Lidl GB employs over 26,000 people across England, Scotland and Wales. We pride ourselves on being a fair and responsible employer. We are committed to nurturing talent and ensuring there is a clear route to progression for all who want it.

Our pay structure is designed to be simple and transparent with pay increases based only on length of service and the role an individual holds. Our colleagues work hard for the business and we think it's only right to reward them for their loyalty.

We're proud to be one of the highest paying supermarkets in Britain. In 2015, we became the first British supermarket to voluntarily align with the Real Living Wage Foundation's recommended rates of pay and each year since then we have increased all hourly wages against the rates it annually advocates.

In November 2020, we were pleased to announce our latest increase in wages, which benefitted over 20,000 colleagues across our business, representing 80% of the workforce.

As of March 2021, hourly rates rose from £9.30 per hour to £9.50 outside of the M25 and from £10.75 per hour to £10.85 within the M25, with employees earning up to £11.80 per hour, depending on location and length of service.

Our graduate scheme is one of the best too, featuring in The Times Top 100 Graduate Employers list for 10 consecutive years. Our graduate starting salary is £37,000 and every employee enrolled on the scheme benefits from a fully supported training programme as they progress in their career at Lidl.

In addition to offering competitive salaries, we continue to invest in a wide range of employee benefits. For example, all employees receive an in-store discount, a generous holiday allowance, various enhancements to a host of statutory benefits and they are also able to select optional benefits from our Lidl Rewards employee portal.

In late April of last year, at the start of the COVID-19 pandemic, a £150 voucher was issued to all colleagues in recognition of their efforts for feeding the nation.

Wellbeing is a major focus for us too. We believe it's important to make sure every colleague feels supported both in and outside the workplace. Our 'Feel Good Five' wellbeing strategy includes mental health awareness training for all line managers, to equip them with the necessary tools to identify issues and support team members appropriately. We're also proud to have an Employee Assistance Programme in place, offering a free, confidential 24-hour service that can be accessed by all colleagues across the business.



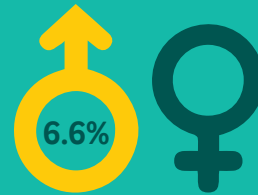
Lidl GB Gender Pay Gap

As per the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, Lidl GB has analysed the pay of all employees in England, Scotland and Wales and disclosed differences between men and women.

It's important to be clear on what the terms and definitions mean. Measuring the gender pay gap is different to measuring equal pay.

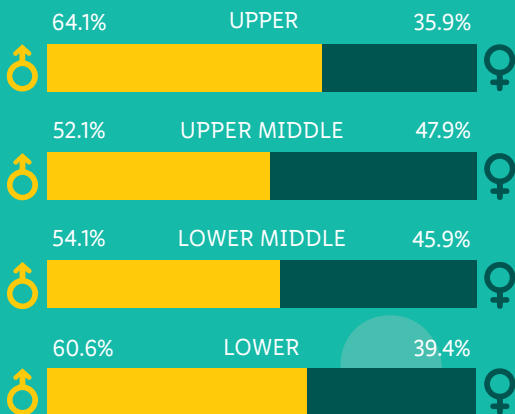
Lidl pays all males and females equally across the company. Our pay structure is designed to be simple and transparent, with clear routes to progression for those who want them. Colleagues are rewarded with pay increases based solely on length of service and the role an individual holds.

Lidl has identified a mean pay gap of 6.6% for this reporting period, down from 11% in 2018. The current gap is attributable to a greater proportion of males than females in the business.



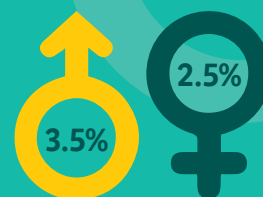
Mean pay

These figures compare to the UK national average of 15.5% for all employees in 2020.



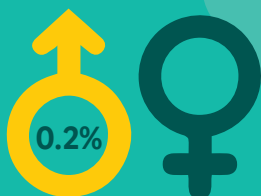
Bonus pay

Bonus figures include, but are not limited to, anniversary payments, incentive payments such as rewarding colleagues for submitting ideas to improve business processes and any relevant retention payments such as relocation payments. A slightly higher percentage of males (3.5%) received a bonus than females (2.5%) during this reporting period.

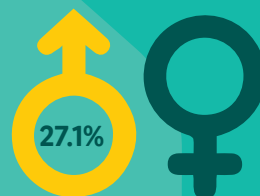


Bonus payment

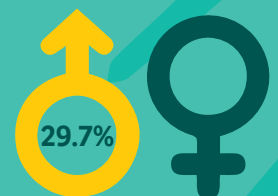
Lidl GB is continuing to successfully close the median pay gap between males and females, which now stands at 0.2% during this reporting period for 2020, down from 0.5% in 2018.



Median pay



Mean bonus gap



Median bonus gap

♂ Male % ♀ Female %

All figures stated are correct as on 05.04.2020.



Reducing the gap

We are proud to have made progress in reducing our median gender pay gap to 0.2%. It is a reflection of the hard work undertaken within the business to bring about meaningful change.

We are pleased with the progress we have made on reducing our mean gender pay gap too - down from 11% in 2018 to 6.6% this year. We remain committed to working to reduce this figure further in the years ahead. The positive change we're seeing is a result of many workstreams coming together:

• Hiring practices

All hiring managers receive diversity and inclusion training, with a focus on unconscious bias, as standard, to ensure Lidl's hiring practices remain fair and transparent.

Our commitment to advertising all non-specialist role vacancies internally before publishing them externally is also enabling internal development and allowing females to successfully progress through the business and move into more senior roles.

• Ways of working

We have ways of working in place to support our employees. An example of this is our commitment to more flexible working practices for our office-based colleagues, including a mobile working policy.

For our store and warehouse based colleagues, we have also introduced a variety of part-time contracts. This enables colleagues to retain

a management position whilst working part-time hours to better support their work-life balance.

Additionally, our enhanced maternity leave policy, which offers up to 14 weeks full pay is another attractive part of our benefits package.

• Appraisals and progression

As part of our appraisal process we conduct 'talent forums', a calibration and bench-marking process to ensure a fair and transparent performance review. Subsequent decisions related to promotions and progression are determined on completion of the talent forum process.



Glossary

• Supporting female talent

We have maintained our partnership with the Retail Week 'Be Inspired' initiative, designed to encourage women to fulfil their career aspirations and connect them with those who can help support inspire them. Through this, we have the opportunity to send female leaders on a 'Senior Leadership Academy'. This prepares them with both industry-relevant leadership seminars and workshops. Our 'Diversity and Inclusion' working group continues to explore initiatives to attract, retain and support the progression of female talent at Lidl. Following on from this reporting period, we have established a Diversity and Inclusion working group to discuss how Lidl can move forward to become a more inclusive organisation. Through this working group we have developed a Diversity and Inclusion Strategy and a vision statement that we will share internally with our colleagues.

In addition, we ensure that all new line managers undertake an internal training programme entitled the 'Leadership Academy'. This is designed to equip all our leaders with the knowledge to confidently manage their teams. Within this reporting year, 70 people received leadership training from the business.

We will continue to find new ways to promote better gender parity across all levels and we're committed to maintaining a transparent approach to this process and will continue to share our progress, as we work to close the gap, with both employees and the public.

Term: Gender pay gap report

Definition: Gender pay reporting measures the average earnings of men and women within an organisation, across all levels. The difference between men and women is then calculated.

Term: Mean figure

Definition: The difference between the average of men's and women's pay.

Term: Median figure

Definition: The difference between the mid points in the ranges of men's and women's pay.