

Gender Pay Report 2022/23

Today (3rd April) we are sharing our Gender Pay Gap report, an annual review into the difference between the earnings of male and female colleagues across Lidl GB.

Message from our Chief HR Officer, Stephanie Rogers

"As we report our gender pay data, I want to firstly express gratitude to all my Lidl colleagues, working in our stores across GB, in our RDCs and at our Head Office in Tolworth. It's because of them that, despite the exceptional challenges of the past few years, we've been able to deliver an expansion programme like no other retailer. Fundamentally, it's because of their hard work that our unwavering commitment to providing the best value to our customers has remained unshakeable. Shoppers have been switching to Lidl in their droves, and as a collective team we are here for them all.

To show appreciation for our colleagues' dedication and hard work, and to demonstrate our commitment to retaining talent at Lidl GB, we have invested more than £60m in pay across all roles since our last update. This includes both salaried and hourly paid colleagues up and down the country.

As I take on the role of Chief Human Resources Officer from Nan Gibson in April 2023, one of my first responsibilities is to look at and assess our gender pay data. It has given me an opportunity to consider how we will narrow it going forward: a goal which is of course shared by many businesses across the sector.

At Lidl, we aim to represent the communities we serve, and building an inclusive workforce has always been a key priority. Our fixed salary structure means our colleagues are paid equally, based on their role rather than their gender. This enables us to maintain equal pay across our business.

The latest Office for National Statistics figures show the UK mean gender pay gap among all retail employees as 13.9%. We're pleased to confirm that our figures come in much lower than this at 10.9% and I'm proud that Lidl is leading the industry on fair pay with a median pay gap of 0.0%. However, we must do much more to tackle any imbalance and we are committed to making further improvements – particularly within the higher pay quartiles. That's why women in leadership are a key focus within our inclusion strategy for 2023.

As part of our ongoing efforts to remove obstacles to leadership, we are running focus groups with women



at Lidl to better understand any barriers to progression. These discussions will highlight what actions we can take to support more women into leadership positions, including initiatives to encourage women into store and warehouse management. We're also reviewing our family leave approach to ensure that we are best supporting those colleagues balancing work and family life. Despite these steps, we recognise that there are many other ways we can be supporting women, and I'm pleased to say that we are also taking steps towards gaining accreditation as a menopause friendly employer.

Furthermore, a number of positive steps have already been taken during this reporting period. This includes nationwide Diversity and Inclusion training for all colleagues, increasingly flexible working arrangements for store and warehouse colleagues and mobile working opportunities for our office-based colleagues. That being said, this is a marathon rather than a sprint and, as a growing organisation, we know that attracting and retaining female talent does not happen by chance, nor does it happen overnight. This is a journey along which we will continue to double down on our efforts to close the gender pay gap whilst providing a clear pathway for talented individuals to succeed and fulfil their potential, regardless of gender.

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

Stephanie Rogers
Chief Human Resources Officer, Lidl GB

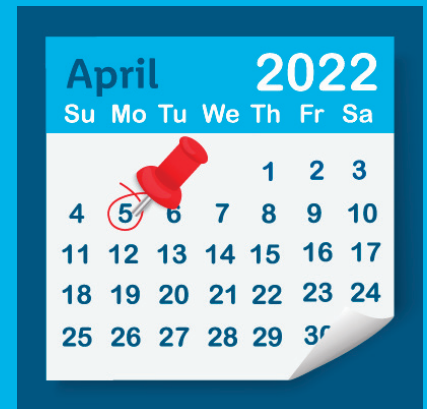


Generating the report

To generate the Gender Pay Gap report, we firstly look at all jobs and all rates of pay across our entire business.

For this, our fifth report, the reporting period is from 6th April 2021 to 5th April 2022. We are required to take a snapshot of the pay data for all colleagues employed on the 5th April 2022.

Our reporting deadline is within one year of the snapshot date, which means we will be sharing our report on 4th April 2023 with the public, via our website and with the Government, via the Gender Pay Gap Service online.



How it is calculated

Our Gender Pay Gap is calculated using two figures, the median and the mean value. We also look at the difference between both pay and bonus payments.

Glossary

Mean gender pay gap: the percentage difference between the mean (average) pay for male colleagues compared to female colleagues. To calculate it, we convert all salaries to an hourly rate, add these up and divide the total by the number of colleagues in that group.

Median gender pay gap: the percentage difference between the midpoint of pay for all male colleagues compared to female colleagues (when converted to hourly rate and listing from lowest to highest pay).



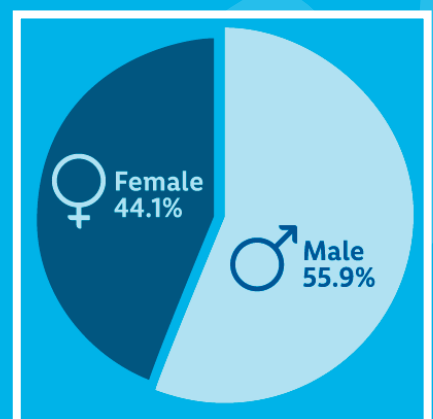
Mean and median bonus gender pay gap: calculated the same way as the above but looking at bonus payments rather than salaries.

It is important to note that the gender pay gap is different to equal pay. It is a legal requirement for men and women to be paid equally for performing the same work, or work of equal value.

At Lidl GB, we pay all our colleagues, regardless of gender, equally across the business. Our pay structure is designed to be simple, fair and transparent, with pay being based on the role an individual holds and their length of service within the business. This shows that we value loyalty and reward colleagues for their hard work.

Explaining the data

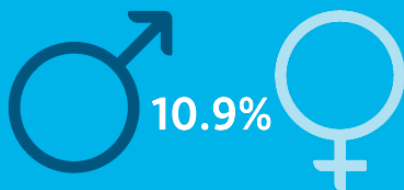
On the snapshot date of the 5th April 2022, we employed 27,523 colleagues across England, Scotland and Wales. This was made up of 55.9% male colleagues and 44.1% female colleagues.



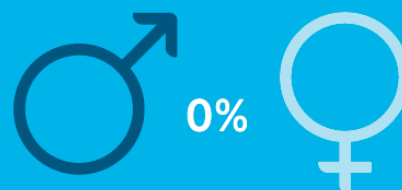
Pay

As highlighted above, Lidl pays the exact same rates of pay to both male and female colleagues in the same roles. We are therefore pleased to report that the median gender pay gap was again 0% as in the previous year. This means that there continues to be no difference in the midpoint of pay between male and female colleagues. This has reduced by 0.2% from reporting period 2020/21 and 0.5% from the reporting period of 2018/19, which is an exceptional position to be in, making Lidl a leader in equal pay, not just in the supermarket sector but the wider retail industry.

Mean Pay



Median Pay



Our mean gender pay gap was 10.9% for 2021/2022, with a marginal increase of 0.4% on the previous year. This is still significantly lower than the national average of 13.9% for all retail employees within the UK, as recorded by the Office for National Statistics.

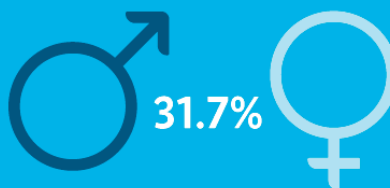
Bonus focus

For the purposes of the reporting, bonuses include, but are not limited to, anniversary payments, retention payments and incentive payments, such as rewarding colleagues for submitting ideas to improve business processes or referring a friend to apply for a vacancy.

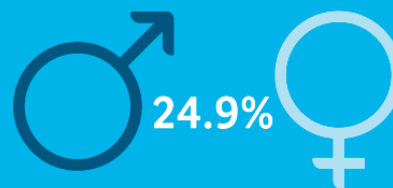
In the reporting year our mean bonus pay gap has seen a slight increase to 31.7%, up from 28.2% in the previous year. This increase has been influenced by the need to make unprecedented, localised and time limited retention payments to warehouse colleagues. This was at a time, during the reporting period, when well documented, post covid supply chain and workforce challenges were at their peak.

Despite this increase, our median bonus pay gap of 24.9% in this reporting year is still lower than that reported in 2020 which was 29.7%.

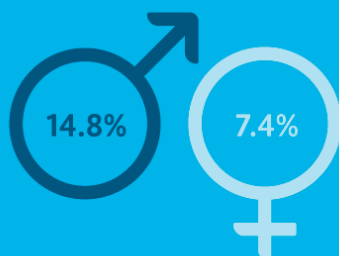
Mean bonus gap



Median bonus gap



Bonus Payment



The overall proportion of colleagues who received a bonus payment, like those stated above, was 14.8% of male colleagues and 7.4% of female colleagues.

Compared with the previous year's results there is a clear decrease in the overall proportion of bonus payments made from a high of 94.6% of male colleagues and 93.9% of female colleagues. The unusually high number of bonus payments made in 2021, were due to special 'Thank You' payments, made to the majority of our colleagues in that unique year, to recognise their collective support and commitment during the pandemic

Quartiles

The quartiles show the distribution of colleagues' pay, broken down by the hourly rate. If we lined up all Lidl colleagues in order of their hourly pay rates and we split them into four equal-sized groups, we would see what is known as the four pay quartiles.

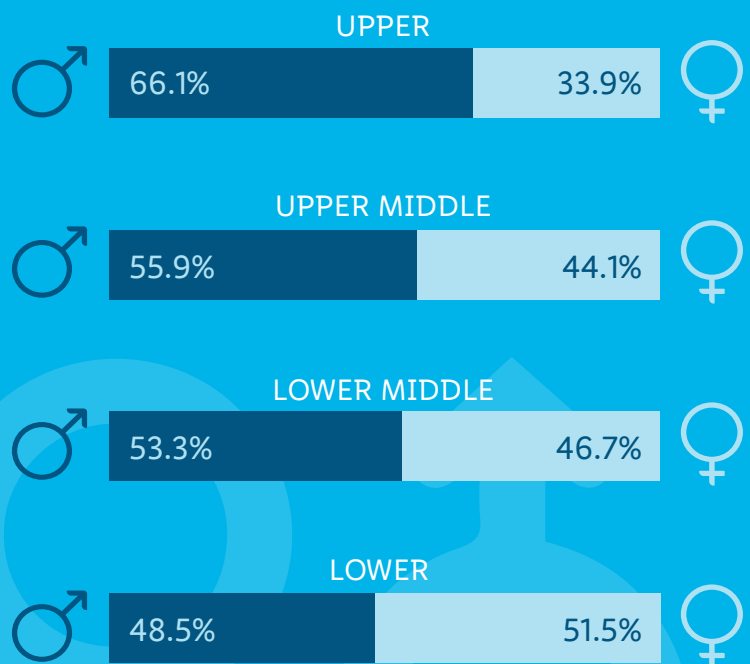
The hourly salaries represented in each of the quartiles are as follows:

- **Upper** – roles with hourly salaries above £12.40 per hour
- **Upper Middle** – roles with hourly salaries of between £11.40 per hour to £12.40 per hour
- **Lower Middle** – roles with hourly salaries of between £10.90 per hour to £11.40 per hour
- **Lower** – roles with hourly salaries of up to £10.90 per hour

The chart on the right shows the percentage of male and female colleagues represented in each quartile over the 2021/2022 reporting period.

For the first time, in the lower quartile, we are reporting a higher percentage of females than males and while this provides a strong future potential for upwards promotion, we acknowledge that more needs to be done to increase the number of women within the middle and upper quartiles.

To address this, we are focused on attracting and retaining skilled and talented women, and encouraging women to apply for roles within traditionally male-dominated sectors such as warehousing, property and IT. Our family-support policies also help to give colleagues a better work-life blend and flexibility for those with caring responsibilities. We are continuing to expand on these.



How we are closing the gap

This report is a good indicator of the steps we are taking as a business to strive for gender equality. We remain committed to reducing these figures further in the years ahead in the following ways:

Hiring practices

All hiring managers have now completed diversity and inclusion training, with a focus on unconscious bias, to ensure Lidl's hiring practices remain fair and transparent. Refresher training is also provided on an annual basis to continue to support this.

Our commitment to advertising all non-specialist role vacancies internally before publishing them externally is also facilitating internal development and providing female colleagues with a fair opportunity to progress through the business.

Ways of working

We have ways of working in place to support our colleagues to achieve more flexible working practices.



For our desk-based colleagues, we introduced a new mobile working policy, combining both remote and collaborative working.

For our store and warehouse-based teams, we have a variety of part-time contracts available. Management colleagues are included and can retain their management position whilst working part-time hours in order to better support their work-life balance.

We have an enhanced maternity leave policy, which offers up to 14 weeks full pay, and we continue to review our family leave policies to ensure that we strengthen the enhanced support that we provide.

Appraisals and progression

As part of our appraisal process, we conduct a transparent panel-based 'talent forum', which is designed to reduce any unconscious bias and ensure a rounded, transparent approach to talent identification and development. The format of a panel discussion ensures that this is conducted in the fairest way possible.



We ensure that all new line managers undertake an internal training programme called the 'Leadership Academy'. This is designed to equip all our leaders with the knowledge to confidently manage their teams.

Supporting female talent

'Women in Leadership' is a key focus of our inclusion strategy for 2023. We will be holding focus groups with women to better understand barriers to progression and how we can better support women as they move into leadership roles. We also have an increased focus on family leave and are working towards gaining menopause accreditation as a business. Looking ahead, we will be launching specific initiatives to support more women into management within our stores.

We continue our partnership with the Retail Week 'Be Inspired' initiative, designed to promote diversity and inclusion at all levels across retail. Several women from Lidl GB benefitted from attending their 'Senior Leadership Academy', and our aim is to enable even more of our colleagues to attend. Via industry-relevant leadership seminars and workshops, attendees are supported with skills to help them become our future leaders.

Our 'Diversity and Inclusion' working group continues to explore initiatives to attract, keep and support the progression of female talent at Lidl GB.

Diversity and Inclusion

Building on our new strategy, we launched our Diversity and Inclusion resource hub for colleagues to highlight what is being done to promote Diversity and Inclusion across the business. Through this, colleagues can access resources specially selected or recommended by other colleagues, read stories from Lidl GB team members and more.

For instance, for International Women's Day in 2023, we held a Women in Leadership panel event during which 4 of our female senior leaders shared stories of how they've worked to create inclusive work cultures within which careers can thrive and achievements can be celebrated, regardless of gender. This event was accompanied by a narrative from one of our senior female Operations Directors within which she shared her career story and inspired others throughout the business.



In October last year, we conducted our second Diversity and Inclusion Survey. The key findings from the survey have shown us that the majority of those who responded feel that Lidl is an inclusive organisation. However, we know we have more work to do to ensure that all colleagues feel fully able to thrive within the business.

As part of our continuing drive towards full inclusion, we want to ensure that all women within the business are given the resources, tools, and opportunities that they need in order to reach an equal outcome. We are also working to understand and remove the barriers that exist so that we can achieve greater gender parity across our leadership roles.



To ensure that we're accountable every step of the way, the business has appointed a dedicated Board Diversity and Inclusion Sponsor – Matt Heslop (Chief Operating Officer). We will also continue to nurture partnerships with multiple stakeholders including Making the Leap whilst becoming one of the signatories on the British Retail Consortium's Diversity and Inclusion Charter.

