

Human Rights in the Supply Chain

Progress Report | October 2025



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Our Responsibility for Human Rights in the Supply Chain



Our Responsibility for Human Rights in the Supply Chain

As a discount retailer, Lidl sells food, non-food and near-food products sourced through global supply chains. We are responsible for ensuring access to safe, decent working conditions and labour standards for the people employed throughout our entire value chain, as well as our direct operations.

We aim to bring about improvements through targeted interventions and key commitments as part of our strategic focus area 'Acting Fairly'.

Our strategy and targets are set out in our [Supply Chain Human Rights Policy](#). We work with a broad range of stakeholders to enhance and strengthen our human rights approach in the supply chain. This Progress Report provides a transparent overview of our human rights targets in Buying and their implementation status as of financial year 2025.

Lidl Stiftung and the Lidl national companies cooperate closely in buying products and managing the related supply chains. Measures described in this report may therefore have been defined and implemented by one sub-company for a particular supply chain.



Our Approach to Due Diligence

In line with our structured management approach, we systematically identify, assess, and monitor potential and actual risks that may result in human rights violations and negative impacts on the environment in our supply chains. On this basis, we develop targeted measures to avoid or mitigate risks in our supply chains, and implement these actions through our business practices, purchasing policies, and programmes.

We take responsibility for the impacts of our business activities, lay the foundation to reduce potential negative impacts and proactively target positive changes. We have incorporated an overview of this process in the [Policy Statement on the Lidl Human Rights Strategy](#).



Lidl Human Rights Strategy for Supply Chains



Lidl Human Rights Strategy for Supply Chains

The Lidl Human Rights Strategy at a glance:

Understand our impact

We identify risks and opportunities in our supply chain

Safeguarding standards

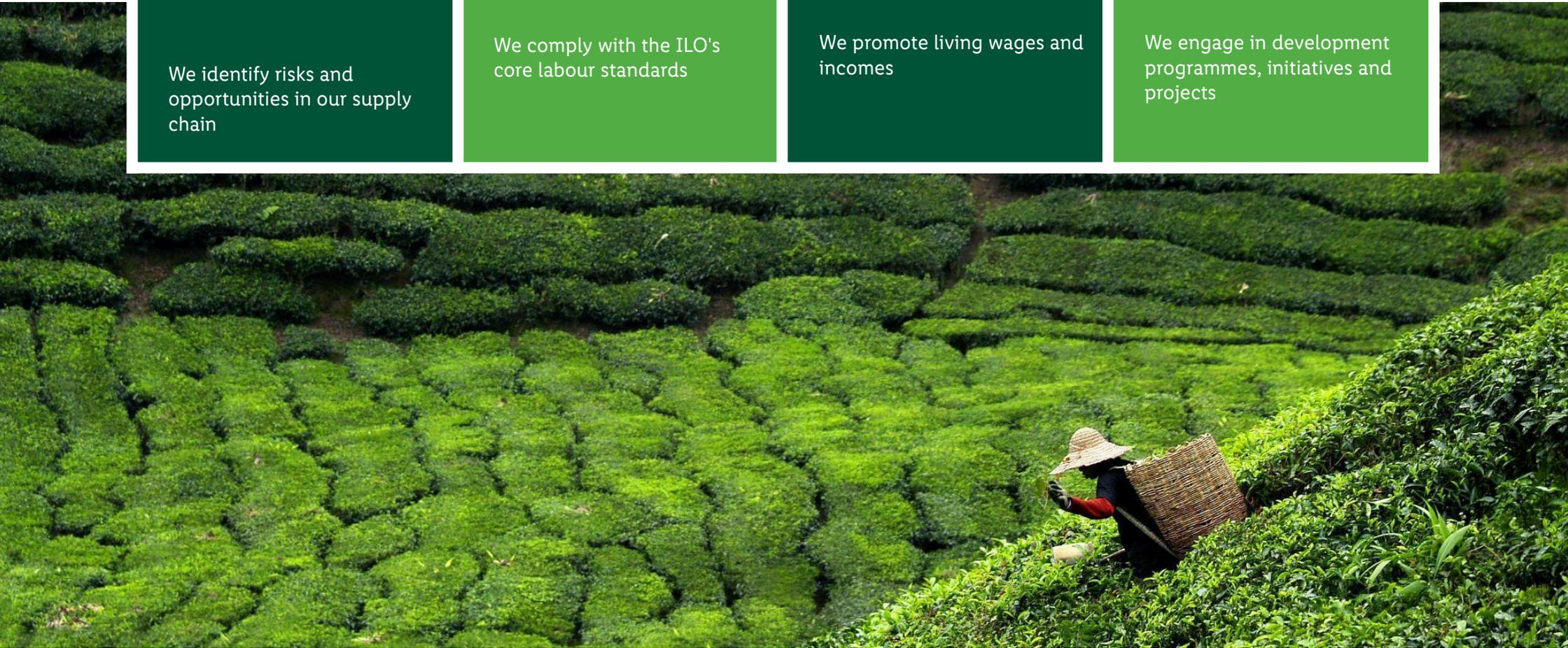
We comply with the ILO's core labour standards

Promote fair supply chains

We promote living wages and incomes

Driving change

We engage in development programmes, initiatives and projects



Understand Our Impact



Understand Our Impact

With a view to meet our due diligence obligations, we aim to identify any risks that may arise in the course of our business activities and effectively mitigate them.

The methodology applied to our annual risk assessment of our own business operations and direct suppliers, is based on criteria of type and scope of business activity, ability to influence the risk, severity of the violation, likelihood of occurrence and contribution to the cause.

We work with our suppliers on an ongoing basis to increase transparency and traceability in our supply chains, as this forms the foundation for making responsible decisions and developing effective action. We do this using a systematic and data-based approach:

- Systematic annual risk assessment
- Ad hoc risk analyses

We publicly disclose our suppliers all the way to farm level in the banana, strawberry, seafood, and tea supply chains. A list of our main production sites is disclosed for food, textiles and hardware. These lists are available to view via the following [link](#).



Annual Risk Assessment

A full risk assessment based on the requirements of the German Supply Chain Due Diligence Act (LkSG) is carried out annually for all of Lidl's direct suppliers.

The objective of this is to analyse, evaluate and prioritise all risk topics set out in the Supply Chain Due Diligence Act.

This enables structured assessment of direct suppliers and their deeper supply chains. It provides insight into countries with a higher risk rating and the product groups or services with particular relevance to human rights and environmental risk topics.

The results form the basis of strategy development, supplier/ product requirements and other measures relating to human rights. These measures help us to meet our human rights due diligence obligations throughout the supply chain.

Further information on the comprehensive annual risk assessment is provided in the [Policy Statement on the Lidl Human Rights Strategy](#).



The most salient raw materials identified through the 2024 LkSG risk assessment, the associated risks and the relevant countries of origin are displayed in the chart on the following page.

Tropical fruits

- 01 Costa Rica, Turkey, Mexico, Ecuador, Colombia
- 02 Costa Rica, Turkey, Mexico, Ecuador, Colombia
- 03 Costa Rica, Turkey, Mexico, Ecuador, Colombia
- 04 Costa Rica, Ecuador, Dominican Republic
- 05 Costa Rica, Ecuador, Colombia, Philippines
- 06 Turkey, Egypt
- 07 Turkey, Ecuador, Colombia, Philippines

Spices

- 01 China, Vietnam, Indonesia, Madagascar
- 02 China, Vietnam, Indonesia, Madagascar
- 03 China, Vietnam, Indonesia, Madagascar
- 04 Indonesia, Madagascar
- 05 China, Vietnam, Indonesia, Madagascar
- 06 Vietnam, Indonesia, Sri Lanka
- 07 China, Indonesia, Madagascar, Guatemala

Coffee

- 01 Brazil, Vietnam, Honduras
- 02 Brazil, Vietnam, Honduras
- 03 Brazil, Vietnam, Honduras
- 04 Peru
- 05 Brazil, Vietnam, Honduras
- 06 Vietnam
- 07 Brazil, Vietnam, Colombia

Cotton

- 01 India, China, Pakistan, Brazil
- 02 India, China, Pakistan, Brazil
- 03 India, China, Pakistan, Brazil
- 04 India
- 05 India, China, Pakistan, Brazil
- 06 India, Pakistan
- 07 India, China, Pakistan, Brazil

Cocoa

- 01 Ivory Coast, Ghana, Nigeria
- 02 Ivory Coast, Ghana, Nigeria
- 03 Ivory Coast, Nigeria, India
- 04 India
- 05 India
- 06 Ivory Coast, Nigeria, India
- 07 India

Tea

- 01 China, India, Sri Lanka
- 02 China, India, Sri Lanka
- 03 China, India, Sri Lanka
- 04 India, Indonesia
- 05 China, India, Sri Lanka
- 06 India, Sri Lanka, Indonesia
- 07 China, India, Indonesia

Nuts

- 01 China, Vietnam, Argentina, India, Nigeria, Ivory Coast
- 02 China, Vietnam, Argentina, India, Nigeria, Ivory Coast
- 03 China, Vietnam, Argentina, India, Nigeria, Ivory Coast
- 04 India
- 05 China, Vietnam, Argentina, India
- 06 Vietnam, Nigeria, India, Ivory Coast
- 07 China, India

Rice

- 01 China, India, Cambodia
- 02 China, India, Cambodia
- 03 China, India, Cambodia
- 04 India, Cambodia
- 05 China, India, Cambodia
- 06 India, Cambodia
- 07 China, India, Cambodia

Plants and flowers

- 01 Kenya, Ethiopia, Ecuador
- 02 Kenya, Ethiopia, Ecuador
- 03 Kenya, Ethiopia, Ecuador
- 04 Costa Rica
- 05 Ethiopia, Ecuador
- 06 Ethiopia
- 07 Ecuador

Sugar

- 01 Brazil, India, China
- 02 Brazil, India, China
- 03 Brazil, India, China
- 04 India
- 05 Brazil, India, China
- 06 India
- 07 Brazil, India, China

Palm (kernel) oil

- 01 Indonesia, Malaysia
- 02 Indonesia, Malaysia
- 03 Indonesia, Malaysia
- 04 Indonesia
- 05 Indonesia, Malaysia
- 06 Indonesia
- 07 Indonesia, Malaysia

Fish and seafood

- 01 Ecuador, Argentina, Uganda, India
- 02 Ecuador, Argentina, Uganda, India
- 03 Ecuador, Argentina, Uganda, India
- 04
- 05 Ecuador, Argentina, Uganda, India
- 06 Uganda, India
- 07 Ecuador, India

Key:

01 Child labor | 02 Forced labor | 03 Fair wages/ income | 04 Land rights | 05 Occupational health & safety | 06 Discrimination | 07 Freedom of association

Risk assessment for high-risk supply chains within the textile sector

There are a wide range of risks in the textile supply chain including potential human rights violations such as child labour, forced labour and suppression of trade unions. Insufficient occupational health and safety standards pose a further challenge, potentially leading to unsafe working environments, inadequate pay, and excessive working hours. The lack of transparency and complex, often opaque supply chains represent a major challenge, as this hampers effective monitoring and traceability of production conditions.

We evaluate specific high-risk countries and potential impacts in the textile supply chain based on results of the annual LkSG risk assessment. The data collected on production sites in our supply chain forms the basis for determining severity of risk at the level of the textile production sites. The assessed risk types in the textile supply chain are in line with the defined risks in section 2 of the LkSG and primarily comprise the following: child labour, forced labour, adequate wages, occupational health and safety, discrimination, freedom of association, land rights, environmental damage, damage caused by security services, compliance with certain environmental accords.

Prioritisation of relevant production countries in the textile supply chain was refined within the risk assessment based on their risk scores, purchasing volumes, number of production sites and number of employees per country, and checks are carried out to verify the existence of appropriate preventive measures.

Lidl has developed comprehensive preventative and mitigation measures relating to suppliers and products in the supply chain, in order to address the risks identified within production countries. These measures are implemented via product range-related sustainable buying policies, which we incorporate into supplier negotiations, alongside the Code of Conduct. The results of our risk assessment are always considered in our corporate decision-making processes relating to supplier selection and management. They form the basis for defining and enhancing the actions we take.

The five largest high-risk countries in our textile supply chain are China, Bangladesh, Pakistan, Myanmar and Sri Lanka. The results are based on the countries' total risk score and the procurement volume.

| | Risk | Number of production sites |
|-----------------------------|-----------|----------------------------|
| China | Very high | 150 |
| Bangladesh | Very high | 119 |
| Pakistan | Very high | 35 |
| Myanmar ¹ | Very high | 22 |
| Sri Lanka | Very high | 9 |

¹ Lidl ceased all textile procurement from Myanmar in October 2024.

Largest risks identified:

| | |
|---------------------------------------|---|
| Occupational health and safety | A lack of occupational health and safety may risk the health of employees in the workplace and result in injuries or occupational diseases. There is a risk of harm to the wellbeing and productivity of the workers. |
| Remuneration | There is a risk of inadequate wages in the textile industry, which are often insufficient to cover the basic needs of workers and their families. |
| Child labour | Work that is dangerous or exploitative, that hampers development or prevents children from attending school, represents a violation of worldwide children's rights. |
| Freedom of association | A lack of freedom of association makes it difficult for employees to organise, with the risk that they will be unable to effectively advocate for their rights. |
| Environmental damage | Environmental damage, such as water and air pollution, have the potential to jeopardise human health and may hamper access to clean drinking water and food. |
| Forced labour | The ban on forced labour is a fundamental human right. Work may not be exacted from any person under the threat of a penalty; workers must offer themselves voluntarily. |

Raw material production is also a major risk for human rights and the environment, in addition to the risks in our production countries identified above.

We therefore identified high-risk raw materials for our textile supply chains based on the annual risk assessment carried out in accordance with the Supply Chain Due Diligence Act.

A selection of the prioritised high-risk raw materials are listed below:

| | |
|------------------|---|
| Cotton | The majority of risks relating to cotton arise in cultivation and harvesting, as well as in processing. These include child labour and forced labour, a lack of occupational health and safety, and risks to fresh water from chemicals and pesticides. |
| Rubber | The main risks relating to rubber arise in cultivation and harvesting. Examples include biodiversity risks through monocultures and a lack of occupational health and safety. |
| Leather | The main risks relating to leather arise in processing. These include environmental damage through chemicals and a lack of occupational health and safety. |
| Wool | The main risks relating to wool arise in processing. These include environmental damage through chemicals and a lack of occupational health and safety. |
| Aluminum | The majority of risks relating to aluminum arise in the extraction process. Aluminum is used to make zippers, among other things. Risks include discrimination, environmental damage and a lack of freedom of association. |
| Petroleum | The main risks relating to petroleum arise in the extraction and production of chemical fibres. These include biodiversity risk through deforestation and extinction of species, a lack of occupational health and safety, discrimination and a lack of freedom to associate. |

Lidl verifies compliance with human rights standards and our established minimum criteria for textiles and hardware on a regular basis. These criteria specify that in high-risk countries (according to the amfori country risk classification), Lidl can obtain goods only from production sites that conduct valid social and environmental audits.

We have also defined raw material-specific sustainability targets for each of the most critical raw materials in our non-food own-label products.

Detailed information about our requirements for high-risk raw materials is available in our Raw Materials Policy here: [Link](#).

Worker Voice

In 2024, we conducted a comprehensive worker voice survey in three high-risk countries in our textile supply chain: Sri Lanka, Pakistan and China.

The objective was to combine the perspectives of the workers with the results of our risk assessment, then develop measures based on the findings.

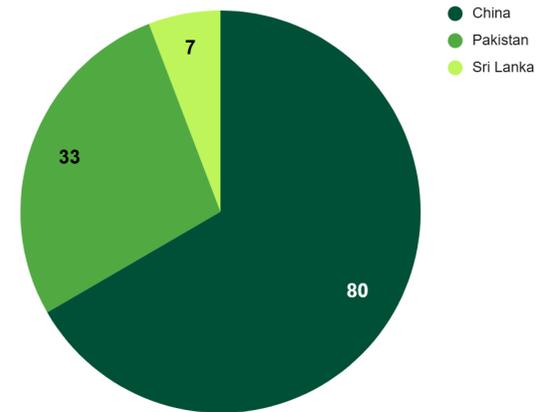
Worker Voice Production Site Survey

| | | |
|-----------|--------------------|---|
| 01 | Working conditions | Do you make suggestions or complaints at work? Are there any confidential channels for feedback? |
| 02 | Health and safety | Are you familiar with emergency protocols? Do you feel safe in your working environment? Are your working conditions satisfactory (cleanliness, lighting, noise level)? |
| 03 | Environment | Are there any environmental protection measures at your workplace? |
| 04 | Management systems | Do your supervisors provide clear quality guidelines? Does your workplace offer training to improve skills? |
| 05 | Harassment | Have you experienced harassment or abuse in the past 12 months? Is there a zero-tolerance policy regarding harassment in the workplace? |

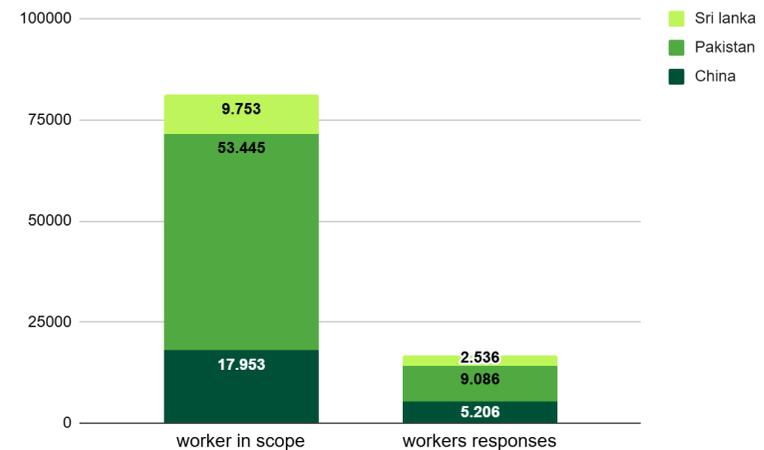
We approached more than 70,000 workers in three key markets to take part in the survey. Thousands of workers actively responded despite challenging conditions, such as limited internet access and

uncertainty regarding use of digital feedback systems, and gave us valuable insight into their living and working conditions.

Number of Production Sites



Number of Workers Surveyed and Responses



The worker voice survey highlighted the point of view of the people employed within Lidl's supply chain. Their responses showed where targeted action could be effective:

- **Improving safety awareness**
Provision of regular training on emergency protocols and occupational health and safety measures would promote workers' confidence in their working environment.
- **Improving the working environment**
Many responses emphasised a wish for better conditions, with a particular view to lighting, the noise level and air quality.
- **Making remuneration transparent**
The need for transparent wage structures and fair pay was clear in many regions.
- **Enabling confidential communication**
Access to anonymous and effective complaints channels is a key concern for many workers and an important lever for remediation of grievances.
- **Taking a clear stand against harassment**
A greater need for investigation, prevention and an active zero-tolerance policy regarding harassment and abuse was evident in Sri Lanka, in particular.

We do not see these results as a conclusion, but rather as the starting point for targeted improvement. Our approach is centred around social dialogue, transparency, and cooperation.

Our targeted action to improve working conditions sustainably:

1. Integration into existing systems:

We use the results of the survey to inform our priority issues, e.g., wage structure, occupational health and safety and discrimination.

2. Reinforcement at local level:

We plan to conduct in-depth assessments and targeted training on human rights risks at prioritised production sites, in Sri Lanka in particular.

3. Enhancement of grievance mechanisms:

We are assessing the effectiveness and accessibility of existing channels and will make improvements as necessary.

4. Cooperation with stakeholders:

In cooperation with partners, including the Partnership for Sustainable Textiles and Accord, we aim to promote systemic solutions, such as joint programmes, awareness-raising measures and social dialogue.

Our objective is to integrate worker voices into our decision-making processes as a component of responsible and fair supply chain management.

Ad hoc Risk Analyses

Lidl frequently conducts ad hoc risk analyses when processing reports of human rights risks. We also carry out Human Rights Impact Assessments (HRIAs) in accordance with internationally recognised standards, for more in-depth analysis into specific supply chains or risks. This enables us to systematically identify potential and actual human rights risks in supply chains and address them in a targeted manner.

In 2020, Lidl was the first UK retailer to begin conducting HRIAs. We have now published nine HRIAs and are working on an additional six.

HRIAs are vital to detect negative impacts on human rights and define effective action. The process begins with a materiality and risk assessment to select potential supply chains, followed by a detailed analysis of the human rights impacts. This actively involves engaging stakeholders, such as trade unions, non-governmental organisations (NGOs) and directly affected rights holders, in order to take a range of perspectives into consideration. The results are used to develop time-bound action plans that define specific steps Lidl plans to take for risk mitigation.

HRIAs are not a one-time procedure, but are part of our continual human rights due diligence process.

Lidl works with specialist external service providers (globally and at production level), to ensure an objective approach to HRIAs.

Lidl is continually working to improve its internal HRIA processes based on its own learnings and external recommendations, such as from the [2024 Oxfam paper](#).



HRIAs and Progress in Implementing Action Plans

| HRIA | Year | Publication | Action plan | Progress |
|---------------------------|------|---------------------------------------|---|-------------|
| Tea supply chain in Kenya | 2021 | HRIA and report: Link | Exploring cooperation opportunities to improve the positive impacts of certification schemes | 100% |
| | | | Continued purchasing of certified black, green and rooibos tea and increasing total proportion of certified fruit and herbal teas | 100% |
| | | | Continued cooperation with stakeholders, local partners and MSIs within HRIA and providing feedback on findings | 100% |
| | | | Engaging in initiatives and projects with local stakeholders | 100% |
| | | | Reinforcing purchasing practices beyond certification requirements | 100% |
| | | | Supporting mitigation of impact of price volatility on rights holders through business practices Progress update: Member of ETP since 2021 in order to drive change in cooperation with other companies; entered into a cooperation agreement with IDH in 2021; monitoring existing IDH activities in the tea sector. | 100% |
| | | | Continual enhancement of supply chain transparency | 100% |
| | | | Testing specific interventions to mitigate risks relating to smallholder farmers and women Progress update: HERproject carried out and concluded. | 100% |

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| Berry supply chain in Spain | 2021 | Action plan: Link | Boosting internal capacities to carry out corporate due diligence | 75% |
| | | | Progress update: Consultation carried out with agents; suppliers obligated to comply with Lidl's sustainable purchasing policy; capacities with agents expanded; relevant supplier departments required to attend training on Code of Conduct of the companies of Schwarz Group. | |
| | | | Participating in the Spanish Ethical Trade Forum | 100% |
| | | | Progress update: Lidl is represented in the Spanish Ethical Trade Forum by Lidl GB and Lidl ES. | |
| | | | Conducting random unannounced social audits with a focus on the violations identified through HRIA | 25% |
| | | | Progress update: Unscheduled social audits were carried out in 2021; an ongoing concept has yet to be defined. | |
| Strengthening the monitoring of working conditions in cooperatives and producing companies | 75% | | | |
| Progress update: Capacities with agents increased, strengthening of monitoring at Lidl and in supply chain ongoing. | | | | |
| Participating in the training programme offered by Stronger Together | 100% | | | |
| Progress update: Forced labour prevention training carried out with Stronger Together and relevant supply chain members. Duration: April 2022–March 2023 | | | | |
| Participating in a Lidl pilot project to set up an effective, local grievance mechanism | 100% | | | |
| Progress update: Lidl laid the foundation for the appellando project by piloting a grievance mechanism in the Spanish berry supply chain in 2022. | | | | |

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| Banana supply chain in Colombia | 2021 | Report and action plan: Link | <p>Dialogue with standard-setting bodies 100%</p> <p>Progress update: Lidl held talks with Fairtrade and the Rainforest Alliance, presented HRIA results, and discussed potential improvements to the standards to address the risks identified in the HRIA.</p> |
| | | | <p>Participating in a gender equality project 100%</p> <p>Progress update: Lidl worked with the World Banana Forum in 2023 to develop national guidelines as part of the <i>Occupational Health and Safety and Gender in the Banana Supply Chain in Colombia</i> project that were piloted on three plantations. See 2024 Progress Report: Link</p> |
| | | | <p>Improving wages in the banana supply chain 100%</p> <p>Progress update: Since 2023, Lidl has eliminated its share of the wage gap on its banana plantations every year for the following destination countries: DE, AT, CH, BE, NL. Additional details and information on the partners involved see Link (NL) and Link (DE).</p> |
| Canned tomato supply chain in Italy | 2022 | Report and action plan: Link | <p>Reinforcing Lidl's human rights due diligence 100%</p> <p>Progress update: Lidl has included fair recruitment in its sustainable purchasing policy and contractually agrees the requirements with its private label business partners</p> |
| | | | <p>Striving for transparency 75%</p> <p>Progress update: Lidl has conducted several internal surveys to determine the origins of canned tomatoes. An in-depth ongoing determination process has yet to be finalised.</p> |
| | | | <p>Implementing new requirements 100%</p> <p>Progress update: Following consultation with business partners, Lidl introduced a supplier requirement in 2025 that obliges producers of canned tomatoes (regardless of origin) to introduce a GLOBALG.A.P. GRASP audit or equivalent standard by the end of financial year 2026.</p> |
| | | | <p>Participating in the ETI Working Group 100%</p> <p>Progress update: Lidl participated in the ETI Working group in Italy to work on the results of the canned tomatoes HRIA.</p> |

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| Wine supply chain in South Africa | 2022 | Report and action plan: Link | Engage in dialogue We started consultation with relevant stakeholders (e.g., suppliers, WIETA, Fairtrade, trade unions and the Sustainable Wine Roundtable), on the results of the HRIA in July 2025, with the option of cooperating for action and feedback on the action plan, and discussed with them how to address the action areas identified. | 0% |
| | | | Responsible purchasing practices We are working towards longer-term business relationships with our South African suppliers, including wineries, and where possible at farm level. | 0% |
| | | | Wages We plan to review opportunities to improve wages along the wine supply chain, particularly at farm level, in 2026. | 0% |
| | | | Establish grievance mechanisms We have been a member of the Appellando Alliance since 2023 and advocate for access to effective grievance mechanisms for all workers in our supply chains, with particular regard to groups such as migrant workers. We are actively supporting its expansion to South Africa. | 0% |
| | | | Empowerment at farm level We will provide training at farm level in our South African wine supply chain from 2026, with a focus on occupational health and safety, labour law (accommodation, contracts, wages, freedom of association, recruitment fees, overtime) and to raise awareness of other risks (forced labour, exploitation, discrimination, including particularly vulnerable groups). | 0% |
| | | | Product range We plan to introduce a requirement for social standards to our South African wine supply chain for our private label range and to extend the requirement to other Lidl national companies and origins. | 0% |
| | | | Measure impact We plan to carry out an additional assessment in the supply chain in the medium term, i.e., by 2030, to verify the effectiveness of the action taken. | 0% |

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| <p>Shrimp supply chain in India</p> | <p>2022</p> | <p>Report and action plan: Link</p> <p>More info is available in our 2025 Modern Slavery Statement: Link</p> | <p>Ensuring ongoing feedback and redress 75%</p> <p>Progress update: The processing operations involved in the HRIA in Andhra Pradesh piloted a grievance mechanism from 2023 to 2024 with the support of LRQA. See link for further details.</p> <p>Sharing HRIA with the industry and establishing collaborative mitigation or remediation measures 25%</p> <p>Progress update: HRIA results were shared with the Purchasing department at Lidl GB and relevant standard-setting bodies. Lidl joined the SEA Alliance Aquaculture Working Group to help develop an aquaculture risk assessment tool. See link for further details.</p> <p>Improving responsible recruitment management systems, policies and practices 25%</p> <p>Progress update: Lidl is working on updating the internal sustainable purchasing policy to include the HRIA results and industry recommendations. See link for further details.</p> <p>Improving supply chain transparency and accountability 75%</p> <p>Progress update: Lidl GB will continue to issue annual disclosures of wild and farmed fish and seafood through the Ocean Disclosure Project, including information on suppliers and countries of origin of fish food. Lidl GB also gathers information on the supply chain when entering into contracts and discloses data as far as the deeper shrimp supply chain. See link for further details.</p> |
| <p>Cashew supply chain in the Ivory Coast</p> | <p>2023</p> | <p>Report: Link</p> <p>Action plan: Link</p> | <p>Engage in dialogue 0%</p> <p>We started consultation with relevant stakeholders (e.g., suppliers, Rainforest Alliance and Fairtrade, the Sustainable Nut Initiative (SNI)) on the results of the HRIA in July 2025, with the option of cooperating for action and feedback on the action plan, and discussed with them how to address the action areas identified.</p> |

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| | | | <p>Responsible purchasing practices 0%</p> <p>We will be reviewing options for more sustainable purchasing practices from 2026 (e.g., increasing local value creation, durations of business relationships) with relevant stakeholders. We are also assessing possible approaches to a more sustainable configuration of our product range (e.g., increasing the level of certification), including for cashews.</p> <p>Empowerment at farm level 0%</p> <p>We will be working with an external partner from 2026 onward to support smallholder farmers and women in the supply chain, in applying good agricultural and human rights practices. We are also assessing approaches to provide farming families with access to healthcare services, in order to reduce financial risks in the event of illness.</p> <p>Secure livelihoods 0%</p> <p>We plan to review the attempts to improve income along the cashew supply chain, particularly at farm level, in 2026.</p> <p>Measuring impact 0%</p> <p>We plan to carry out an additional assessment in the supply chain in the medium term, i.e. by 2030, to verify the effectiveness of the action taken.</p> |
| Meat processing in Germany | 2023 | Not yet published | |
| Cut flower supply chain in Kenya and Ethiopia | 2024 | Report: Link Action plan: Link | <p>Increase supply chain transparency 0%</p> <p>We will increase transparency in our plants and flowers supply chain in the coming years.</p> <p>Engage in dialogue 0%</p> <p>From July 2025, we will consult relevant stakeholders on the results of the HRIA with the opportunity to cooperate on measures and feedback on the action plan and consult with them (e.g. suppliers, Fairtrade, trade unions) to address the identified fields of action.</p> |

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| <p>Address gender-based violence and harassment ("GBVH") We will implement a measure from 2026 with the aim of reducing risks of GBVH and promoting educational and professional opportunities with special consideration for girls and women.</p> | <p>0%</p> |
| <p>Responsible purchasing practices We intensify our efforts for long-term business relationships in our supply chain.</p> | <p>0%</p> |
| <p>Further development of standards and specifications From 2025, we will work with Fairtrade to further develop the standards for cut flowers and address risks in our supply chains. By the end of 2027, we will revise our requirements for suppliers with a particular focus on gender-based violence in the supply chain.</p> | <p>0%</p> |
| <p>Establish grievance mechanisms From July 2025, alongside Fairtrade, we will review the requirements for grievance mechanisms on farms with regard to the UN Guiding Principles effectiveness criteria for grievance mechanisms (accessibility, transparency, independence, protection against retaliation, effectiveness) and initiate measures on the farms from 2026 to strengthen and improve existing grievance mechanisms.</p> | <p>0%</p> |
| <p>Empowerment at farm level From 2026, we will conduct training at farm level with a focus on the greatest risks from the HRIA, taking into account particularly vulnerable groups, and empower them to understand their rights and obligations and to use the grievance mechanisms.</p> | <p>0%</p> |
| <p>Wages In 2026, we will examine approaches to improving wages along the cut flower supply chain, particularly at farm level.</p> | <p>0%</p> |
| <p>Measuring impact In the medium term, by 2030, we will carry out a further assessment in the supply chain to check the effectiveness of the measures taken.</p> | <p>0%</p> |

| | | | | |
|--|-------------|---|---|---|
| Orange juice supply chain in Brazil | 2024 | Report: Link Action plan: Link | <p>Engage in dialogue From July 2025, we will consult relevant stakeholders (i.e. supply chain members, certification bodies) on the results of the HRIA with the opportunity to cooperate on measures and feedback on the action plan. Lidl will consult with both Rainforest Alliance and Fairtrade on the identified risks from the HRIA with the aim of identifying potential avenues for addressing these collaboratively and putting sustainable solutions into practice.</p> <p>Training at farm level Starting in 2026, we will work with an external partner to conduct training on the risks identified. Specifically, we will look into the option of providing extra training on the topic of harassment and abuse and push for more effective grievance mechanisms, as these were both salient topics identified through the HRIA.</p> <p>Driving collaborative action by becoming a member of SIFAV (Sustainability Initiative Fruits & Vegetables) We recognise that many of the identified risks within the HRIA cannot be addressed by Lidl alone and that collaboration within the sector is crucial to address systemic issues within the orange sector and beyond. Therefore, we will commit to constructive cooperation with other stakeholders, including other retailers, to drive collaborative action. Concretely, Lidl will join a sector-wide initiative, namely SIFAV (Sustainability Initiative Fruits & Vegetables), via which we can address both social and environmental challenges in the orange juice supply chain and beyond more holistically.</p> <p>Measuring impact In the medium-term, until 2030, we will conduct a follow-up assessment in the supply chain to observe the impact of measures taken.</p> | <p>0%</p> <p>0%</p> <p>0%</p> <p>0%</p> |
| Charcoal supply chain in Namibia | 2024 | Not yet published | | |

Safeguarding Standards



Safeguarding Standards

Lidl actively advocates for compliance with the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The declaration forms the basis for decent working conditions worldwide and is a key component of our corporate identity.

Our Code of Conduct is an important tool which sets out our fundamental principles for working with suppliers, with a focus on compliance with human rights and environmental standards.

Suppliers of our own-label products must also adhere to our sustainable buying policies, the requirements of which are aligned with the ETI Base Code, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work including the relevant ILO Conventions.

Our core obligations at a glance:

- **Respecting human rights and environmental standards:** We have included our Code of Conduct in negotiations with our suppliers for many years, with the aim of requiring them to respect human rights and environmental standards.
- **Compliance requirements:** The Code of Conduct contains clear provisions on issues such as child and forced labour, wages and working hours, fair treatment and anti-discrimination.

| Focal area | Objective | Status |
|--|---|--------------------------------------|
| Raw materials targets for Buying | | |
| Raw materials purchasing policy | Our international raw material targets define clear CSR requirements for critical raw materials, and provide a fixed time for implementation. | Published |
| CSR requirements of our suppliers | | |
| Business Partner Code of Conduct of the Companies of Schwarz Group | Our Code of Conduct sets out the basic principles governing cooperation with business partners. | Published |
| Sustainable Buying Policy | These policies contain requirements and guidelines for our business partners on practical implementation of our Code of Conduct. | Continual revisions and distribution |

By setting ambitious benchmarks for ourselves and our partners, we lay the foundation for compliance with, and continued improvement of social standards in all our supply chains.

Our Commitment to Effective Grievance Mechanisms

Access to effective grievance mechanisms is a key element of human rights strategy.

We work closely with our suppliers and other external stakeholders to continually expand access to effective grievance mechanisms in our global supply chains. Within indirect supply chains, this can be challenging, for example, at farm level for smallholder farmers, due to a lack of transparency.

We follow the UN Guiding Principles (UNGPs) on Business and Human Rights and recognise effective grievance mechanisms as legitimate, freely accessible, legally compliant, transparent and comprehensible. We analyse our grievance mechanisms based on the UNGPs and legal requirements in order to improve their efficacy.

We apply a multi-track, risk-based strategy to improve access to effective grievance mechanisms in our supply chains.

A key principle of our strategy is avoiding duplication. Where there are overlapping processes, we actively encourage the consolidation of grievance mechanisms.

We participate in multi-stakeholder initiatives to achieve broader impact throughout the industry. However, if a prioritised, high-risk supply chain does not yet have an industry approach, we strive to proactively initiate our own pilot projects and encourage other market participants to get involved.

Our raw material certifiers are also important stakeholders when it comes to providing grievance mechanisms at producer level.

Grievance Mechanisms

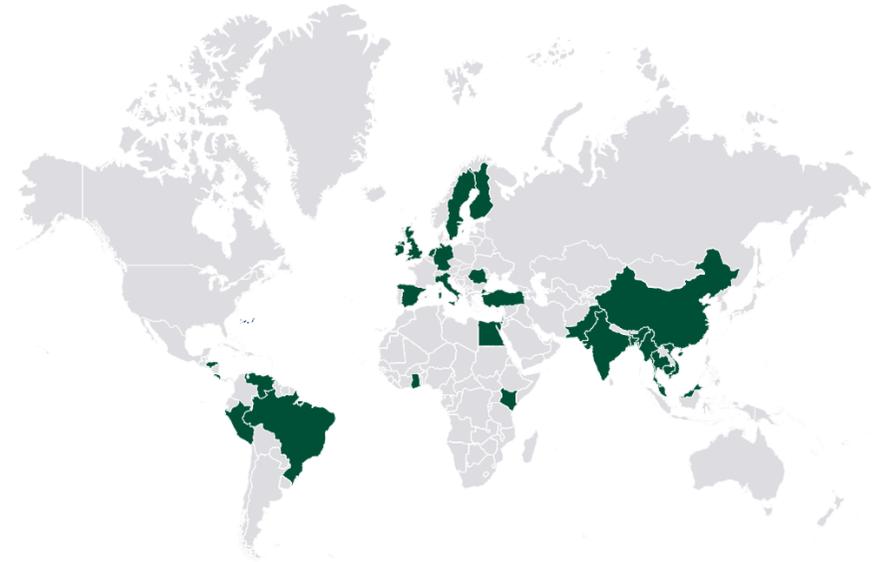
| | | |
|------------------------------------|---|---|
| Lidl online reporting system | Access to grievance mechanisms for all actors in the supply chain | Lidl's own mechanism (Link) |
| International Accord | Access to a grievance mechanism for workers in T1 factories for textile producers in Bangladesh and Pakistan | Industry initiative |
| ACT Dispute resolution mechanism | Access to a grievance mechanism for workers in T1 factories for textile producers in Bangladesh | Industry initiative |
| Appellando | Access to grievance mechanisms for workers in fruit, vegetable and plant supply chains in Spain | Industry initiative |
| Nossa Voz | Access to grievance mechanisms for workers on coffee plantations in Brazil | Pilot |
| amfori BSCI Speak for Change (S4C) | Access to grievance mechanisms for workers in BSCI-certified factories in Bangladesh, Vietnam, India and Turkey | Certifier mechanism |

| | | |
|---------------------------------|---|--------------------|
| Unseen/ Modern Slavery Helpline | Access to support on potential or actual modern slavery or labour exploitation. | Lidl GB membership |
|---------------------------------|---|--------------------|

Any cases reported through these channels are investigated immediately.



- fair wages ● occupational health and safety ● forced labor and all forms of slavery ● unequal treatment
- freedom of association ● unlawful impairment of protected legal positions ● child labour
- destruction of livelihoods through environmental pollution ● violation of land rights ● interference by security forces



503 complaints from 28 Countries in financial year 2024

- | | | |
|----------------|----------|-------------|
| Egypt | Honduras | Netherlands |
| Bangladesh | India | Pakistan |
| Brazil | Ireland | Peru |
| China | Israel | Romania |
| Costa Rica | Italy | Sweden |
| Germany | Cambodia | Spain |
| Finland | Kenya | Thailand |
| Ghana | Malaysia | Turkey |
| United Kingdom | Myanmar | Venezuela |
| | | Vietnam |

Industry Initiative in the Fruit and Vegetable Sector – Appellando

In 2020, we conducted a HRIA highlighting the impact on human rights in the berry supply chain in Huelva, Spain. We piloted an effective grievance mechanism in the region in 2022 in response to the findings.

Based on the findings and in the knowledge that sustainable solutions can only be achieved through collaborative action, Lidl played a decisive role in developing the first grievance mechanism for multiple retailers in the Spanish fruit and vegetable sector.

The Appellando ([Link](#)) complaints system was developed in conjunction with all major German retailers and the European Retail Institute (EHI), with the hope of developing effective new grievance mechanisms and harmonising existing mechanisms. The objective is to give workers at producer level the opportunity to report social and environmental grievances without fear of reprisal. The system is currently being rolled out in Spain.

We hope to encourage more retailers and supply chain actors to continue to get involved.

Pilot Project in Brazilian Coffee Supply Chain – Nossa Voz

Lidl was the first retailer to sign a memorandum of understanding (MOU) to participate in the Nossa Voz pilot project, in December 2024.

The aim of the project is to introduce a local grievance mechanism in the Brazilian coffee supply chain. JDE Peet's and Starbucks are among other companies participating.

The project was originally supported by the International Labour Organization (ILO), but following the US government's withdrawal of USAID funding, it is now financed by the participating companies. Other official partners include the Global Coffee Platform, Rainforest Alliance and Solidaridad.

Two Lidl coffee suppliers are taking part with their selected farms, and are undergoing onboarding and training in 2025. The project is being developed in collaboration with the service provider LRQA, the Brazilian trade union CONTAR, and the responsible authorities to combat forced labour. Lidl maintains an overview of complaints received from the pilot farms via a central dashboard.

We aim to formally establish an effective grievance mechanism for this high-risk supply chain in the long term.

Our Pilot Projects to Refine Social Standards

Refining social standards in our supply chains is crucial to working towards fair and safe working conditions. Continual improvement of social standards is key to realising our understanding of fairer supply chains.

Pilot projects play an important role, as they enable us to test new approaches and improved social practices on a smaller scale before successfully expanding them to the entire supply chain.

Empowerment for responsible recruiting and train the trainer

Empowering internal employees to conduct training on responsible recruiting at production sites in Asia to prevent and eliminate child and forced labour

ILO Better Work rollout

Empowering textile factories in Cambodia and Bangladesh to comply with ILO core labour standards

SHARE

Increasing resilience of smallholder farmers in the cocoa supply chain in Ghana through access to social security systems (health insurance)

Increasing Capacity for Children's Rights

A key objective of Lidl's human rights due diligence is to implement structured training to prevent and remediate child labour in high-risk supply chains. This objective is a component of the overarching children's rights strategy and helps compliance with international standards and statutory requirements, such as the German Supply Chain Due Diligence Act.

Our children's rights strategy was revised in 2024 in collaboration with Save the Children and the Center for Child Rights and Business. Across our supply chain, we aim to raise supplier awareness and implement targeted prevention and remediation measures.

In February 2025, we conducted a train-the-trainer programme for instructors in Asia. The objective was to empower participants to independently carry out training on preventing and remedying child and forced labour.

The content included identifying and preventing child labour, age verification, responsible recruitment, and remediation of confirmed cases.



The participants from Bangladesh, Pakistan, Vietnam and Hong Kong demonstrated significant learning progress, with 80% stating that they would not require external support for training in future. The programme now forms part of our comprehensive supplier training.

Healthcare in Agricultural Supply Chains – SHARE

Lidl, along with Elucid and Fairtrade Africa, is committed to enabling access to healthcare in agricultural supply chains through the SHARE project. Between July 2024 and April 2025, 252 cocoa farming families in the Kukom cooperative - comprising a total of 1,074 people - were integrated into the national health insurance scheme. The objective is to reduce illness-related absences from work, debt and limited access to medical treatment.

Health is not only a human right, it is a key requirement for stable supply chains. Lack of protection in the event of illness can lead to a loss of productivity, school dropouts, child labour and early sales of harvests.

The SHARE project addresses these risks in a targeted manner, and has seen a high level of acceptance and demand. We are assessing how the project can be made long-term, and integrate into holistic approaches to risk management and supply chain resilience.

| Risk area | Project contribution |
|--------------------------------|--|
| Child labour | Early action enables children to continue school attendance |
| Forced labour and debt | Assumption of medical costs reduces financial emergencies |
| Occupational health and safety | Reduction of illness-related absences increases productivity |
| Inadequate wages | Relief through health funds increases income stability |
| Freedom of association | Working with cooperative reinforces collective structures and member retention |

Exit Strategy in Myanmar

Deciding to end a business relationship is a sensitive step, particularly in high-risk contexts.

Lidl ceased all textile procurement from Myanmar in October 2024. This was not an abrupt withdrawal, but part of a structured and responsible process aimed at minimising the negative impact on workers, suppliers and local communities.

The human rights situation in Myanmar has continued to deteriorate since the military coup in 2021. Despite intensive monitoring and due diligence, Lidl was no longer able to reliably ensure compliance with fundamental labour and safety standards from the end of 2023. The decision to withdraw from the country was based on a range of factors: ongoing high risks of human rights violations associated with limited transparency and accessibility, increasing risk for workers, and internal requirements for ethically responsible procurement practice.

Lidl observed the internationally recognised responsible exit principles when ending its business relationships in Myanmar. Regular risk analyses were conducted from 2021 onward to evaluate the situation in the country, with a view to factors including possible connections to the military, compliance with labour law standards, and documented complaints.

In addition, continuous dialogue was held with relevant stakeholders, including NGOs, trade union federations, suppliers and local actors. The involvement of these stakeholders ensured that different perspectives were taken into account and potential impacts were identified early.

It was important to ensure that communication within the exit process was as transparent and straight-forward as possible. Lidl endeavoured to explain the reasons for the decision and the stages of the process openly and in a timely manner. A range of support measures were considered and implemented where possible, to alleviate potential social impacts. Production was relocated gradually, with the aim of minimising negative effects for the affected partners and workers.

Learning points for future exit processes:

1. An exit takes time. Sufficient advance preparation is necessary to absorb social impacts and implement remedial action.
2. A variety of information sources is vital. Audits alone are not sufficient; worker surveys and external assessments are essential.
3. Communication not abandonment; a structured withdrawal involving all affected parties is more effective than an abrupt departure.

Promote Fair Supply Chains



Promote Fair Supply Chains

Through this strategic pillar, we are working towards equitable conditions for the people at the start of our supply chains.

We acknowledge that a statutory minimum wage is often not enough to cover the cost of living for workers and their families or to deal with unforeseen expenses. We therefore actively advocate for living wages and incomes and for fair distribution of value in our global supply chains.

We are constantly refining our projects and partnerships to reduce structural wage and income differences. We take a holistic approach aimed at delivering long-term impact:

- **Promoting living wages and income** in selected supply chains through targeted pilot projects and industry initiatives
- **Supporting producers and workers** through training, social dialogue and responsible purchasing practices
- **Cooperating with stakeholders**, such as NGOs, certification bodies and other companies to promote systemic change

Our objective is to contribute to increased social justice and economic participation by acting responsibly throughout the value chain.



| Raw material/product | programme | Link | Objective | Start |
|---|----------------------------|----------------------|--|---|
| Textiles | ACT | Link | As a member of ACT, we support the implementation of collective bargaining agreements for the textile industry in producing countries. The wages negotiated in this context are backed up by responsible purchasing practices. | 2019 |
| Bananas | Living Wage Banana Project | Link | We close Lidl's share of the wage gap for workers on banana plantations that supply Lidl in Germany, Austria, Belgium, the Netherlands and Switzerland. | 2022 |
| Coffee | SASI | Link | We drive sustainable change in the global coffee sector and make a long-term contribution to securing a living income for coffee farmers. | 2023 |
| Cocoa Coffee Cashews Oranges | Way To Go | Link | The Way To Go concept was developed by Lidl and Fairtrade to secure the incomes of smallholder farmers in Lidl's food supply chains and work towards a living income. | Cocoa (2020) Coffee (2022) Cashews (2022) Oranges (2023) |

Sustainable Agriculture Supply Chains Initiative (SASI)

Lidl is committed to improving living and working conditions in its global supply chains - promoting a living income is a key aspect of this commitment.

Since 2023, we have been working with dm-drogerie markt, Kaufland and REWE Group in a Sustainable Agriculture Supply Chains Initiative (SASI) working group to pursue this goal.

We jointly launched a project in Honduras and Peru in early 2025. Our aim is to improve the income of coffee farmers in our supply chains over the long term.

Lidl believes that:

Sustainable change in the coffee sector is only possible if we work together.

We have consciously chosen a pre-competitive approach, which enables us to work with other stakeholders to develop effective measures while also lightening the load for our partners in the countries of origin.

Our work with SASI is based on a holistic approach addressing multiple areas of the supply chain.

We pursue three strategic targets:

- 1. Establish responsible purchasing practices**
We are working to create more transparency in our supply chains, promote long-term trading relationships, and develop pricing models that help to close income gaps.
- 2. Strengthen production systems and diversify income**
Together with our partners, we support the professionalisation of production organisations and encourage steps towards increasing yields and diversifying income. We also place particular importance on promoting gender equality.
- 3. Expand cooperation and leverage synergies**
We value active exchange with local, regional and international stakeholders to drive change throughout the coffee sector together.

This commitment represents Lidl's targeted contribution to upholding human rights and promoting fair working conditions along our supply chain.

Living Wage Banana Project

In 2021, we conducted a HRIA in our Colombian banana supply chain, which revealed risks of gender discrimination and underpayment of wages on banana plantations.

By focusing on achieving living wages in the banana supply chain, we are seizing the opportunity to reduce several risks and develop a viable long-term strategy. In 2022, we launched our living wage project in the banana sector. In close collaboration with IDH (The Sustainable Trade Initiative) and FLOCERT, as well as local producers, we developed a process to close our share of the wage gap in the banana supply chain by 2023.

This included a four-step cycle, from producer training, data collection, verification and validation of wage gaps, to payments via individual action plans with each business where a wage gap was identified.

As of 2023, we have eliminated our wage gap through voluntary contributions for all bananas sold in Germany, Austria, Belgium, and the Netherlands. This applies to all bananas regardless of their certification. Lidl Switzerland also joined the Banana Living Wage project in 2024.

In 2024, our bananas were sourced from over 206 plantations in Colombia, Ecuador, the Dominican Republic, and Guatemala. Through our initiative, we have expanded our commitment to living wages and income beyond the Way To Go programme.

Project Results

**206
plantations**

+ 21,000 workers

4 countries:

**Ecuador
Colombia
Dominican Republic
Guatemala**



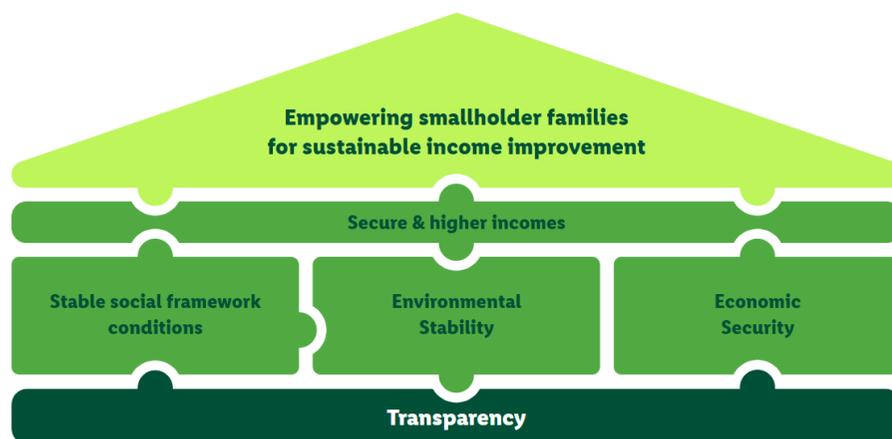
Further information on the 2023 project cycle is provided in the previous progress report: [Link](#).

Way To Go – Working Towards Living Incomes

Through our Fairtrade-certified own-label range, we are taking long-term, income-enhancing steps towards establishing a living income for smallholder farmers in the countries producing our high-risk raw materials. These measures go above and beyond Fairtrade certification standards.

The Way To Go concept was developed with Fairtrade, with the aim of empowering smallholder farming families to achieve sustainable income improvement.

This builds on the following core components:



We are contributing to living incomes in producer countries for selected high-risk raw materials, by adding a separate Lidl ‘income improvement premium’ (IIP) on top of the Fairtrade Minimum Price and Fairtrade Premium.

The IIP is made up of both a direct payment to workers and financing of project activities in the cooperatives. The latter underscores our objective of empowering small-scale farmer households to develop and implement measures to diversify and increase income, particularly women, young people and low-income cooperative members.

Sustainable income improvement requires stable social, economic and environmental conditions. For instance, income diversification, preventive measures for adaptation to climate change and sustainable farming methods help to secure the environmental and economic basis for farming and sales of raw materials. Key topic areas include gender equity, protection of women and children, and occupational health and safety.

Our Way to Go products can be traced all the way back to their respective cooperatives. Regular reporting, analyses and assessments increase the transparency of our Way To Go products and allow us to evaluate where we need to focus in future.

Cocoa

The first Way To Go project was initiated in September 2019 in collaboration with the cocoa cooperative Kuapa Kokoo Farmers Union (KKFU), Fairtrade and Rikolto.

The aim of the project was to improve the socioeconomic conditions of cocoa farmers in the Konongo area of the Ashanti region of Ghana by increasing their income from cocoa production and boosting other income opportunities.

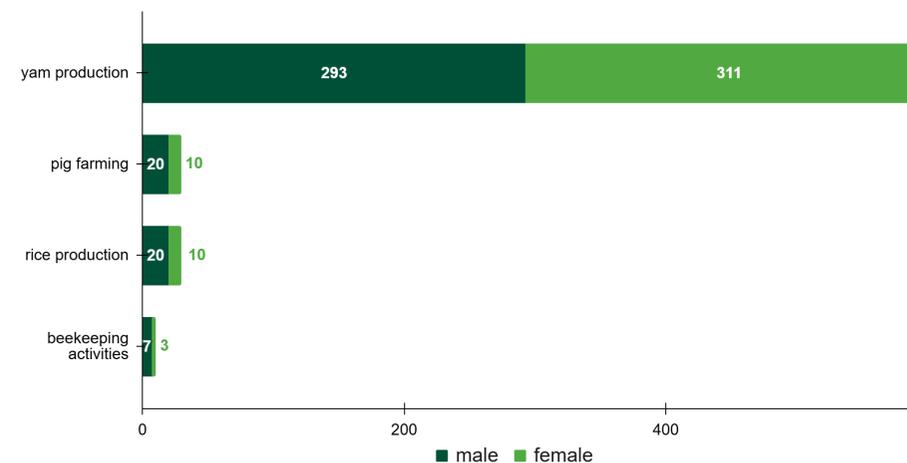
Lidl added a second cooperative for cocoa in 2023 – the Kukuom Cooperative Cocoa Farmers and Marketing Union in the Asunafo South District of the Ahafo region.



- 100% physically traceable cocoa from the Kuapa Kokoo and Kukuom cooperatives
- Income improvement premium (IIP) paid on top of Fairtrade Minimum Price and Fairtrade Premium for every tonne of raw cocoa
- Increased resilience (e.g., against price shocks and the effects of climate change) by diversifying income sources and thereby reducing dependency on cocoa as a key component of income improvement
- Rolling out gender inclusive project activities, such as record keeping and micro loans (village savings and loan associations (VSLAs)), that involve male and female farmers equally
- Gender-sensitive needs and risk assessments in advance of project activities with the support of male and female cooperative representatives, as well as a "gender specialist" to include gender perspectives and the needs of female farmers

| | |
|--|-------------------------|
| Spraying and pruning services | 2,497 farmers |
| Participation in village saving and loan associations | 969 farmers |
| GPS mapping | 21 communities |
| Distribution of 10,994 tree seedlings | 934 farmers |
| Distribution of 400,000 cocoa seedlings | 1,708 farmers |
| Support for local initiatives to prevent and remedy child labour | 759 participants |

Number of Farmers Involved in ...



Based on the insights from the Way To Go cocoa project, Lidl and Fairtrade extended the concept to coffee, cashew nuts and oranges.

Coffee

The Way To Go coffee project was implemented in Honduras in August 2022 in collaboration with the COMSA coffee producer organisation.

The aim of this project is to improve the income of female coffee farmers in the Marcala region of Honduras. In 2023, the cooperative was renamed APROCOMSA.



- 100% physically traceable coffee from the APROCOMSA cooperative in Honduras
- Income improvement premium (IIP) paid on top of Fairtrade Minimum Price and Fairtrade Premium for every tonne of raw coffee
- Increased resilience (e.g., against price shocks and the effects of climate change) by fostering income diversification, increasing productivity through improved coffee varieties, improved production methods and training to address gender-specific problems
- Gender-sensitive needs and risk assessments in advance of project activities with the support of the APROCOMSA women's committee. The aim of the project is to promote the role of female coffee producers by concentrating all project activities on a female-only target group.

| | |
|---|------------------|
| Income improvement premium | 203 women |
| Support from female farmers in record keeping | 148 women |
| Expansion of knowledge in coffee processing and marketing | 45 women |
| Scholarships | 17 women |
| Training on healthcare | 99 women |

Cashew nuts

The Way To Go cashew project was launched by Lidl Netherlands in 2022 in cooperation with Johnny Cashew.

It was initially implemented with the UWAMI cooperative in the Kilwa district of the Lindi region in Tanzania. Since then, additional cooperatives – Mtungi, Namakorongo, Nguva Moja and Msisma – have been added. The aim of the project is to improve the income of cashew farmers.



- 100% physically traceable cashew nuts from cooperatives in Tanzania
- Calculation of the Living Income Reference Price (LIRP) for cashew production in Tanzania is complete
- Income improvement premium (IIP) paid for cashews on top of Fairtrade Minimum Price and Fairtrade Premium
- Empowerment and training of farmers (including training on safe use and storage of pesticides, tree maintenance, crop protection, and construction of an office and a warehouse)
- Reduction of food waste through the whole harvest principle, which means 95% of the processing output is used, including broken nuts, which are processed into cashew parmesan

Investment of the premium in infrastructure and member participation in line with the strategic priorities of the cooperative:

Property Purchase for Infrastructure Development

The cooperative purchased land to construct important facilities, including a warehouse and sanitary facilities.

Encouraging Member Attendance at 2024 Annual General Meeting

Some of the premium funds were used to enable members to attend the 2024 annual general meeting.

These strategic investments are aimed at:

- improving post-harvest treatment and storage capacity for the harvest
- improving hygiene and health conditions for members and workers
- providing a central location for logistical and operational processes

The **property purchase** forms the basis for long-term investments in infrastructure that will increase productivity, ensure quality assurance in harvest processing, and promote health and safety standards.

The **investment** boosted member commitment and democratic co-determination. It enabled broad representation in the decision-making processes and promoted transparency and accountability within the organisation.

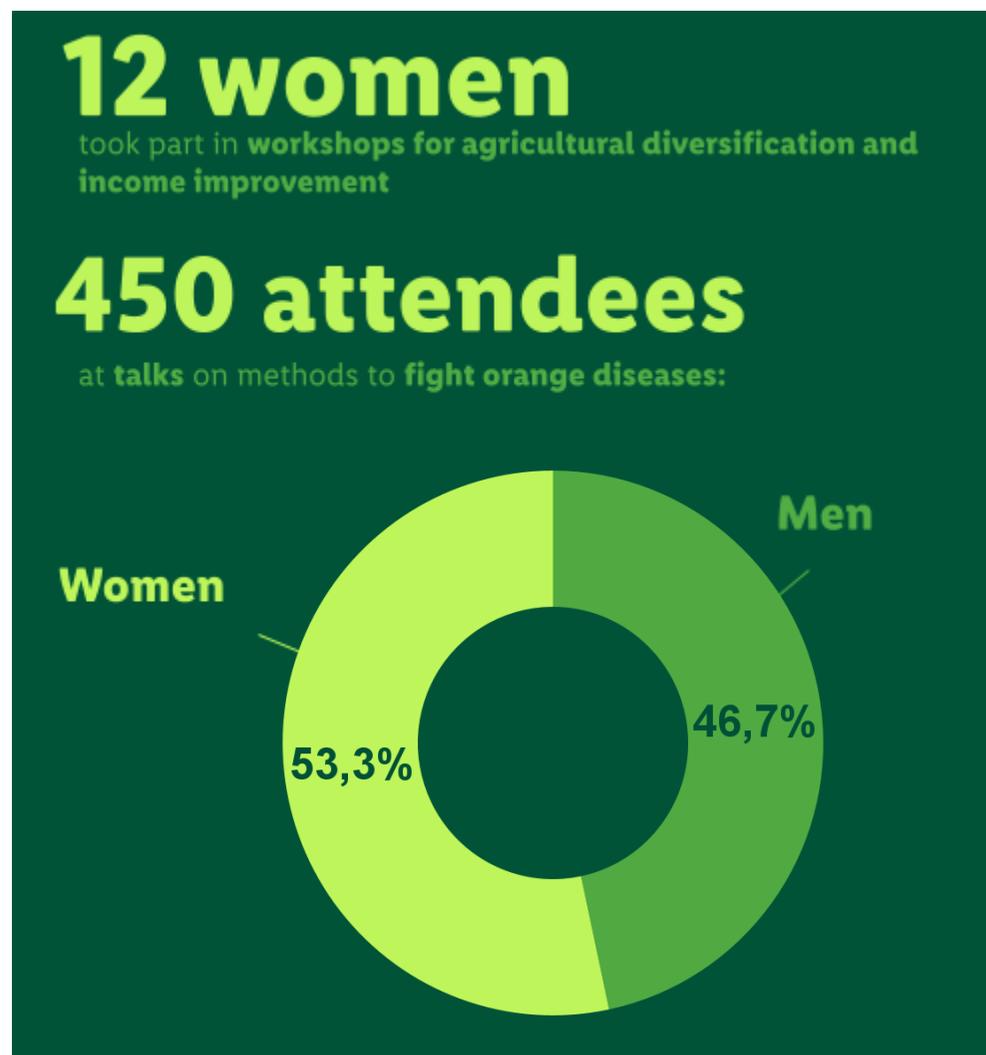
Oranges

A new project was introduced into the Way To Go programme in 2023, integrating orange juice and orange-mango juice into the range.

Lidl is helping to establish living incomes, improve social conditions and enable more farmers to produce oranges in a more environmentally friendly way. The Way To Go oranges are grown by the Coopsoli cooperative (Cooperativa de Produtores de Comércio Solidário) in the Paraná region of Brazil.



- 100% physically traceable oranges from the Coopsoli cooperative (Cooperativa de Produtores de Comércio Solidário)
- Income improvement premium (IIP) paid for oranges on top of Fairtrade Minimum Price and Fairtrade Premium
- Increased resilience (e.g., against price shocks and the effects of climate change) by fostering income diversification
- Development of gender inclusive project activities taking into account additional barriers for female farmers



Driving Change



Driving Change

We proactively engage in development programmes, initiatives, and projects within our supply chains to drive change beyond our own organisation.

We aim to tackle the structural causes of human rights violations and enable long-term, sustainable improvements.

Risks of human rights violations in global supply chains often arise in the context of structural poverty, power imbalances, and inadequate rule of law in producer countries. Many of these challenges are systemic in nature and faced by many actors within the industry.

Collaborative, cross-sectoral solutions are necessary to effectively address these complex risks relating to issues such as occupational health and safety, freedom of association, non-discrimination, wages, and child and forced labour.

We are therefore actively involved in multi-stakeholder initiatives (MSIs), partnerships and specialist working groups, where we share our experiences from pilot projects, encourage dialogue with other supply chain actors, and contribute to systemic changes in producing countries.

| Cooperations | Content |
|--|--|
| Worker wellbeing technical working group (part of GRASP Technical Committee) | Working group on the issue of improving the situation for workers at producer level for fruit, vegetables, flowers and plants as part of the GRASP add-on. |
| Ethical Trading Initiative (ETI) | Improving the lives of workers worldwide |
| Ethical Tea Partnership (ETP) | Creating a fairer, better, more sustainable tea industry for workers, farmers, and the environment |
| World Banana Forum (WBF) | MSI promoting open dialogue on the challenges in the banana sector |
| Partnership for Sustainable Textiles | MSI for improvement of working conditions in the textile sector |
| ILO Better Work | programme to empower textile factories to comply with the ILO's core labour standards |
| International Accord for Health and Safety in the Textile and Garment Industry | MSI for compliance with occupational health and safety standards and building safety in Bangladesh and Pakistan, and access to a grievance mechanism for textile workers |
| Action, collaboration , Transformation (ACT) | Creating better working conditions for textile workers and implementing collective bargaining agreements at industry level |

Action, Collaboration, Transformation (ACT)

Lidl was the first German food retailer to join the Action, Collaboration, Transformation (ACT) initiative. ACT is the first global agreement to strive for the implementation of collective bargaining agreements at industry level in the countries of production.

The initiative comprises 19 global companies and the IndustriALL trade union federation. The idea is that wages negotiated by social partners in the production countries will be backed by responsible purchasing practices from the participating businesses.

ACT developed a list of criteria, which responsible buying practices are measured against. ACT's initial focus countries are Cambodia, Bangladesh and Turkey.

In 2024, Lidl signed a binding agreement with the global trade union federation IndustriALL on the ACT country programme in Cambodia. This represented a legally binding commitment to support:

- A standardised collective bargaining agreement (CBA) for Cambodian production facilities developed by the Cambodian employers' association TAFTAC and the member trade unions of IndustriALL in Cambodia.
- Transparency in wage costs in its negotiations with suppliers.
- Payment of increased wage costs as soon as the standardised CBA is signed at a Lidl production site.

Further information on the ACT programme in Cambodia is available via [ACT for Cambodia](#).

In addition to cooperating on the development of requirements, we also train our business partners on the content necessary for implementing CSR requirements. For instance, our textile business partners have received training in collaboration with an external service provider on applying the ACT guidelines in price calculations.

Our Human Rights Commitments and Progress



Our Human Rights Commitments and Progress

| | Strategic pillar | Action area | Commitment | Timeline | Status |
|-----------------------------------|----------------------------|----------------------------------|---|----------|--------|
| End of financial year 2021 | Understand our impact | Living wages and income | Identify the main risk products for living wage/income in our supply chains and report progress annually | 2021 | 4/4 |
| | Safeguarding standards | General | Access to effective grievance mechanisms in three supply chains | 2021 | 3/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Include women's empowerment in the Way To Go project | 2021 | 4/4 |
| | Driving change | Non-discrimination/gender equity | Encourage strategic suppliers to sign UN WEPs | 2021 | 4/4 |
| End of financial year 2022 | Safeguarding standards | General | Establish a risk-based approach to social auditing | 2022 | 3/4 |
| | Safeguarding standards | General | Develop an overarching solution to improving labour standards beyond auditing | 2022 | 2/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Promote equality between men and women and ensure the participation of both genders in order to minimise the gender pay gap | 2022 | 4/4 |
| | Safeguarding standards | Living wages and income | Integrate the topic of fair pay into our annual risk assessment and take into account the differing income situations of men and women | 2022 | 4/4 |
| | Promote fair supply chains | Living wages and income | Support smallholder farmers in accessing and using agricultural inputs to increase the efficiency of their yields and diversify their products to strengthen their resilience | 2022 | 4/4 |
| | Promote fair supply chains | Living wages and income | Regularly engage with stakeholders to promote smallholder farmers | 2022 | 4/4 |
| | Promote fair supply chains | Living wages and income | Integrate the topic of fair pay into our annual risk assessment and take into account the differing income situations of men and women | 2022 | 4/4 |

| | Strategic pillar | Action area | Commitment | Timeline | Status |
|-----------------------------------|-------------------------|----------------------------------|--|-----------------|---------------|
| End of financial year 2023 | Understand our impact | Non-discrimination/gender equity | Publish a plan on prevention of gender-based violence (in accordance with ILO Convention 190) | 2023 | 4/4 |
| | Understand our impact | Non-discrimination/gender equity | Include the topic of non-discrimination and gender equity in our annual risk assessment | 2023 | 4/4 |
| | Safeguarding standards | Communication | Provide information and training to business partners on Lidl human rights strategy | 2023 | 4/4 |
| | Safeguarding standards | General | Ensure that all tier 1 supplier facilities in Bangladesh and Cambodia are members of the ILO Better Work programme | 2023 | 2/4 |
| | Safeguarding standards | General | Ensure that all farmers/producers of fruit, vegetables, plants and flowers are certified under GLOBALG.A.P GRASP | 2023 | 4/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Publish gender-specific data for three selected high-risk supply chains | 2023 | 4/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Support business partners in implementing occupational health and safety guidelines during pregnancy and maternity leave | 2023 | 4/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Publish an action plan on decreasing the gender pay gaps in three high-risk supply chains and annual report | 2023 | 4/4 |
| | Safeguarding standards | Living wages and income | Empower Buying to identify and address high risk products for wage/income gaps | 2023 | 3/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Revise requirements for suppliers with a particular focus on fairness and equal opportunities in the supply chain | 2023 | 4/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Raise buyer awareness of responsible purchasing practices, including the topic of gender sensitivity | 2023 | 4/4 |
| | Safeguarding standards | Living wages and income | Publish a position paper on fair pay | 2023 | 2/4 |
| | Safeguarding standards | Freedom of association | Include the issue of freedom of association as a requirement for suppliers in Code of Conduct and SPP | 2023 | 4/4 |

| | Strategic pillar | Action area | Commitment | Timeline | Status |
|-----------------------------------|----------------------------|----------------------------------|--|-----------------|---------------|
| | Promote fair supply chains | Freedom of association | Support smallholder farmers in forming collectives | 2023 | 2/4 |
| | Promote fair supply chains | Non-discrimination/gender equity | Publish the gender pay gap of a high-risk supply chain | 2023 | 4/4 |
| | Promote fair supply chains | Living wages and income | Raise buyer awareness of the living wage | 2023 | 4/4 |
| | Promote fair supply chains | Living wages and income | Participate in multi-stakeholder initiatives to support collective bargaining | 2023 | 4/4 |
| | Promote fair supply chains | Living wages and income | Carry out three pilot projects to reduce the wage/income gap in high-risk supply chains; consider women's wage situation | 2023 | 3/4 |
| | Driving change | Communication | Engage with trade unions on the challenges of freedom of association, a particular focus on barriers specific to women, in order to better understand the opportunities and limitations | 2023 | 2/4 |
| End of financial year 2024 | Understand our impact | Non-discrimination/gender equity | Work with specialist organisations to identify suitable measures via data collection to reduce the gender pay gap in high-risk supply chains | 2024 | 1/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Raise buyer awareness of responsible purchasing practices, including the topic of the gender pay gap | 2024 | 1/4 |
| | Safeguarding standards | Occupational health and safety | Support workers in selected high-risk supply chains with access to a social security system | 2024 | 2/4 |
| | Safeguarding standards | Freedom of association | Train our suppliers in high-risk supply chains on promoting freedom of association | 2024 | 1/4 |
| | Safeguarding standards | Freedom of association | Train workers in three high-risk supply chains on the topic of freedom of association, with a particular focus on barriers specific to women, in consultation with trade unions and local stakeholders | 2024 | 1/4 |
| | Safeguarding standards | Living wages and income | Develop a scholarship programme and provide support by providing information on training and career opportunities in selected high-risk supply chains | 2024 | 2/4 |
| | Safeguarding standards | Occupational health and safety | Support workers in selected high-risk supply chains in protecting their health | 2024 | 3/4 |

| | Strategic pillar | Action area | Commitment | Timeline | Status |
|-----------------------------------|----------------------------|----------------------------------|---|----------|--------|
| | Driving change | Non-discrimination/gender equity | Revise the guidelines for suppliers with a particular focus on gender-based violence in the supply chain | 2024 | 2/4 |
| | Driving change | Non-discrimination/gender equity | Support programmes promoting educational and career opportunities in selected high-risk supply chains, with a particular focus on girls and women | 2024 | 2/4 |
| | Driving change | Non-discrimination/gender equity | Support increasing the proportion of women in trade unions and raising awareness of issues of gender-based violence and forms of oppression | 2024 | 1/4 |
| | Driving change | Non-discrimination/gender equity | Identify three high-risk supply chains and calculate the baseline for gender pay gaps | 2024 | 2/4 |
| | Understand our impact | General | Carry out and publish three human rights impact assessments per year | 2025 | 3/4 |
| | Understand our impact | Communication | Disclose all high-risk supply chains, starting with three supply chains | 2025 | 2/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Ensure access to gender-sensitive health and safety systems | 2025 | 2/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Ensure access to gender-sensitive grievance mechanisms in high-risk supply chains | 2025 | 2/4 |
| | Safeguarding standards | Child labour | Implement a training concept in high-risk supply chains to prevent and eliminate child labour | 2025 | 3/4 |
| End of financial year 2025 | Safeguarding standards | General | Ensure that purchasing practices are followed beyond tier 1 | Ongoing | 4/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Collaborate with women's rights organisations | Ongoing | 4/4 |
| | Safeguarding standards | Non-discrimination/gender equity | Raise buyer awareness of responsible purchasing practices, including the topic of gender-based violence | Ongoing | 1/4 |
| | Safeguarding standards | Living wages and income | Improve workers' wages (fair pay) and project reports | Ongoing | 4/4 |
| | Safeguarding standards | Living wages and income | Publish progress report on our human rights commitments and experience gained (including grievance mechanisms) | Annually | 4/4 |
| | Promote fair supply chains | Non-discrimination/gender equity | Promote business with companies owned by women | Ongoing | 4/4 |

| Strategic pillar | Action area | Commitment | Timeline | Status |
|----------------------------|----------------------------------|---|-----------------|---------------|
| Promote fair supply chains | Living wages and income | Implement ACT requirements, including increasing awareness of freedom of association and collective bargaining in our supply chains | Ongoing | 3/4 |
| Driving change | Freedom of association | Engage with trade unions to identify challenges | Ongoing | 4/4 |
| Driving change | Non-discrimination/gender equity | Revise our requirements for suppliers with a particular focus on fair pay and equal opportunities in the supply chain | Ongoing | 4/4 |
| Driving change | General | Actively participate in three multi-stakeholder initiatives | Ongoing | 4/4 |
| Driving change | Communication | Publish plans for grievance mechanisms | Ongoing | 4/4 |
| Driving change | Communication | Advertise 'fair' products | Ongoing | 4/4 |
| Driving change | Communication | Publish progress report on our human rights commitments and experience gained (including grievance mechanisms) | Annually | 4/4 |
| Driving change | Communication | Report on responsibilities for CSR at Lidl | Annually | 4/4 |
| Driving change | Communication | Include the issue of the gender pay gap in our annual risk analysis | Annually | 4/4 |
| Driving change | Communication | Report on our progress and share our experiences in multi-stakeholder initiatives | Annually | 4/4 |

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Further information about CSR

<https://info.lidl/en/responsibility>

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