

Human rights in our Supply Chains

Progress Report | October 2025



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Our Responsibility for Human Rights in the Merchandise Supply Chain



Our responsibility for Human Rights in the Merchandise Supply Chain

As a commercial enterprise operating internationally, Lidl markets food, non-food and near-food items produced in global supply chains. This may result in significant positive and negative social footprints. We consequently have a responsibility to ensure humane working conditions and labor law standards throughout the value chain. We are committed to continually improving our supply chains, which contributes to our strategic focus area, "acting fairly".

Our strategy and targets are set out in the [Purchasing Policy for Human Rights in the Supply Chain](#). We work continuously with our 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 Purchasing and their implementation status as of fiscal year 2024.

Lidl Stiftung and the Lidl national companies cooperate closely in procuring merchandise 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 – with an effect on other companies that source goods from that supply chain. For better readability, we have refrained from specifying which companies initiated which measures. The content described relates to Lidl Stiftung.



Our Management 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 them through our business practices, purchasing policies, and programs.

In this way we take responsibility for the impacts of our business activities and lay the foundation for further reduction of our potential negative impacts and active pursuit of positive changes along the supply chains. We have incorporated our basic understanding of this and its practical structure 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

Keeping track of impacts

We constantly determine the risks and opportunities for improvement on the ground

Safeguarding standards

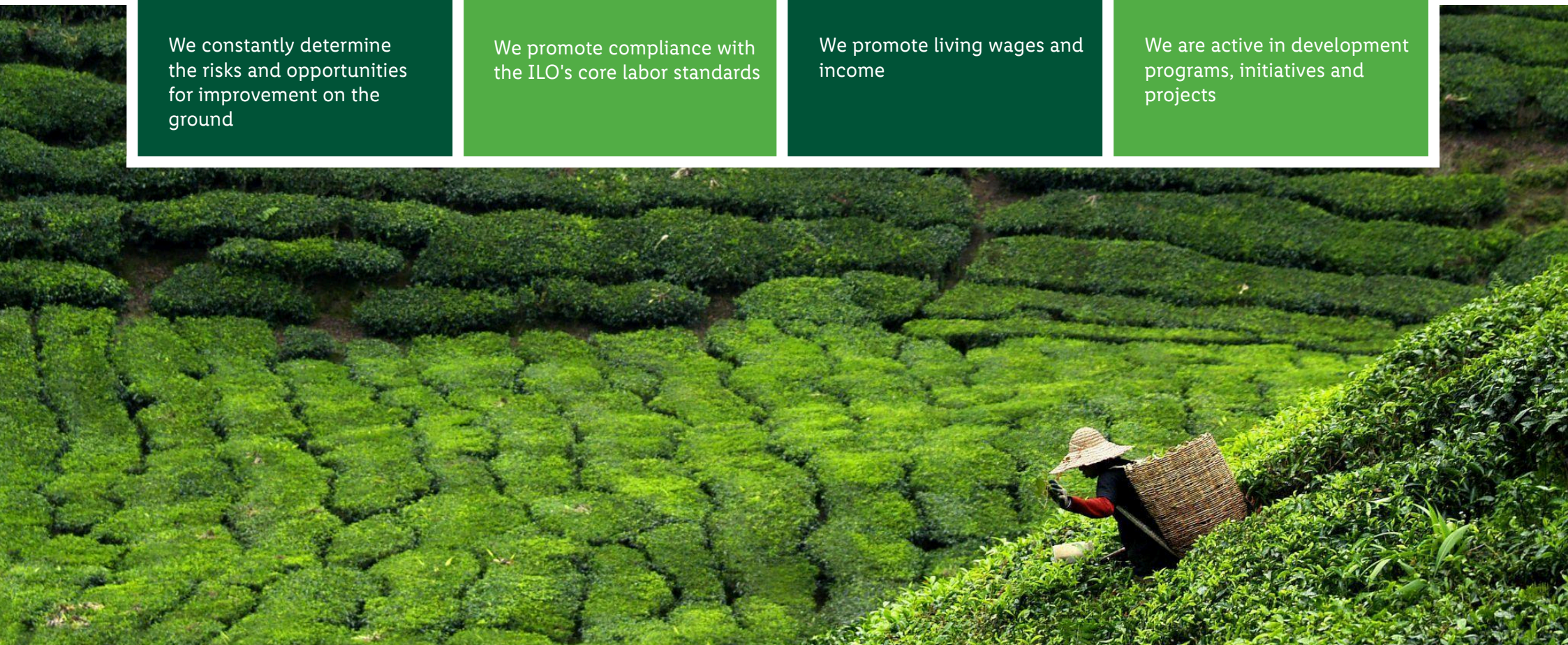
We promote compliance with the ILO's core labor standards

Expanding fair trade

We promote living wages and income

Driving change

We are active in development programs, initiatives and projects



Keeping Track of Impacts



Keeping Track of Impacts

With a view to meeting our due diligence obligations, we aim to identify at an early stage any risks that may arise in the course of our business activities and effectively reduce them.

The methodology applied in our systematic annual risk analysis of our own business operations and our direct suppliers is based on the appropriateness 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 of the risks.

We, therefore, 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 analysis
- Ad hoc risk analyses

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



Annual Risk Analysis

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

The objective of the risk analysis is to analyze, evaluate and prioritize all risk topics set out in the Supply Chain Due Diligence Act.

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

The results underpin the risk-based further development of strategies, requirements and other measures relating to human rights and the management of range development with a view to product requirements. These measures help us to meet our human rights due diligence obligations along the supply chain.

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



The most important identified high-risk raw materials derived from the 2024 LkSG risk analysis, the associated risks, and the relevant countries of origin are displayed in the chart below.

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

Flowers and plants

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

Sugar cane

- 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 Analysis for Particularly High-risk Supply Chains within the Textile Supply Chain

There is a wide range of risks in the textile supply chain, which often includes human rights violations, such as child labor, forced labor 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 also represent a major challenge as this hampers effective monitoring and traceability of production conditions.

Lidl evaluated the specific high-risk countries and topics for the textile supply chain based on the results of the annual LkSG risk analysis. The existing real data on production sites in our supply chain forms the basis for determining risk at the level of the textile production sites. The assessed risk types at the level of the production countries in the textile supply chain are in line with the defined risks in section 2 of the LkSG and primarily comprise the following:

child labor, forced labor, adequate wages, occupational health and safety, discrimination, freedom of association, land rights, environmental damage, damage caused by security services, compliance with certain environmental accords.

Prioritization of the relevant production countries in the textile supply chain was further refined within the LkSG risk analysis based on their risk scores and the purchasing volume associated with them, the number of production sites and number of employees per country, and checks were carried out to verify the existence of appropriate preventive measures.

Lidl has already incorporated comprehensive preventive measures relating to suppliers and products into the supply chain in order to suitably address the risks identified at the level of production countries and high-risk raw materials. These measures are implemented via product range-related sustainable purchasing policies, which we incorporate into negotiations along with the Code of Conduct, with the aim of obligating suppliers to comply. The results of our risk analyses are always considered in our corporate decision-making processes relating to supplier selection and management, and form the basis for defining and enhancing action.

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 at production country level:

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 labor	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 organize, 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 jeopardize human health and may hamper access to clean drinking water and food.
Forced labor	The ban on forced labor 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 analysis carried out in accordance with the Supply Chain Due Diligence Act.

A selection of the prioritized 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 labor and forced labor, 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 fibers. 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 has already implemented extensive preventive measures in the supply chain in order to suitably address the risks identified at the level of production countries and raw materials.

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 relevant critical raw materials in our private label products in the non-food area.

Detailed information on our treatment of high-risk raw materials is available in our [Raw Material Purchasing Policy](#).

Workers' Voice

Our human rights due diligence involved conducting a comprehensive workers' voice survey in 2024 in three high-risk countries in our textile supply chains: Sri Lanka, Pakistan and China. The objective was to include the perspectives of the workers with the results of our risk analysis and systematically derive measures to improve their working conditions.

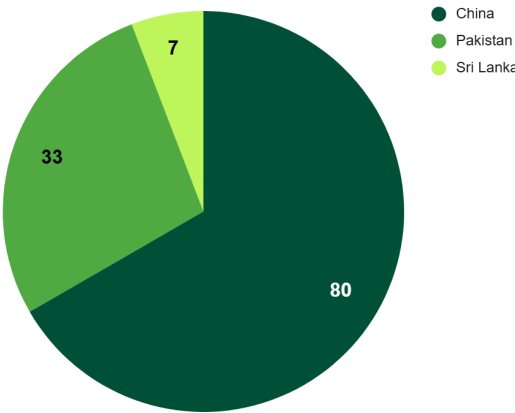
Workers' Voice Production Site Survey

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 procurements 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



Workers' voice highlighted key aspects of the daily working routine in our supply chains from the point of view of the people employed there. Their responses provided valuable impetus for our development going forward and showed where targeted action could be particularly 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 emphasized 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 improved co-determination.
- **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.

We are following a learning approach based on dialog, transparency, and cooperation as partners.

From this foundation we are deriving specific action to sustainably improve working conditions:

1. Integration into existing systems:

We use the results of the survey in our risk analyses and management systems, primarily to prioritize issues such as 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 prioritized 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 programs, awareness-raising measures and social dialog.

Our objective is to integrate workers' 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 additionally carry out human rights impact assessments (HRIAs) in accordance with internationally recognized standards for more in-depth analysis of selected risks. This enables us to systematically identify human rights risks in high-risk supply chains and deal with them in a targeted manner.

In 2020, Lidl was the first German retailer to begin conducting HRIAs in supply chains with particularly high risks. It has now published nine HRIAs and is working on an additional six. These assessments systematically identify potential and actual human rights risks in our supply chains.

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 the relevant supply chains, followed by a detailed analysis of the human rights impacts. This actively involves stakeholders, such as trade unions, non-governmental organizations (NGOs) and directly affected rights holders, in order to take a range of perspectives into consideration. The results are used in an action plan that defines specific steps for risk mitigation.

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

Lidl works with specialist external service providers, both globally and at production level, to ensure an objective approach in conducting the HRIAs.

It develops action plans based on the HRIA recommendations, with deadlines set for the actions and targets, to address material human rights risks effectively. Lidl is continually working to improve its

internal HRIA processes based on its own findings and external recommendations, such as from the [2024 Oxfam paper](#).



HRIs and Progress in Implementing Action Plans

HRIA	Year	Publication	Action plan	Progress
Tea supply chain in Kenya	2021	Report: Link Action plan: Link	Exploring cooperation opportunities to improve the positive impacts of certification schemes Progress update: Link	100%
			Continued purchasing of certified black, green and rooibos tea and increasing total proportion of certified fruit and herbal teas Progress update: Link	100%
			Continued cooperation with stakeholders, local partners and MSIs within HRIs and providing feedback on findings Progress update: Link	100%
			Engaging in initiatives and projects with local stakeholders Progress update: Link	100%
			Reinforcing purchasing practices beyond certification requirements Progress update: Link	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 Progress update: Link	100%
			Testing specific interventions to mitigate risks relating to smallholder farmers and women Progress update: HERproject carried out and concluded.	100%

Berry supply chain in Spain	2021	Report: Link 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 program offered by Stronger Together	100%
			Progress update: Forced labor 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.	

Banana supply chain in Colombia	2021	Report: Link Action plan: Link	Dialog with standard-setting bodies 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.	100%
			Participating in a gender equality project 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	100%
			Improving wages in the banana supply chain 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).	100%
Tomato supply chain in Italy	2022	Report: Link Action plan: Link	Reinforcing Lidl's human rights due diligence Progress update: Lidl has included fair recruitment in its sustainable purchasing policy and contractually agrees the requirements with its private label business partners	100%
			Striving for transparency 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 finalized.	75%
			Implementing new requirements 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 fiscal year 2026.	100%
			Participating in the ETI Working Group Progress update: Lidl participated in the ETI Working group in Italy to work on the results of the canned tomatoes HRIA.	100%

Wine supply chain in South Africa	2022	Report: Link Action plan: Link (published October 2025)	Engaging in dialog We started consultation with relevant stakeholders (e.g., suppliers, WIETA and 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%
			Implementing responsible purchasing practices We are stepping up our efforts for long-term business relationships with our South African suppliers, including wineries, and where possible at farm level.	0%
			Pay We plan to review the attempts to improve wages along the wine supply chain, particularly at farm level, in 2026.	0%
			Grievance mechanism 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 We will provide training at farm level in our South African wine supply chain from 2026 onward with a focus on occupational health and safety and labor law (accommodation, contracts, wages, freedom of association, recruitment fees, overtime) and to raise awareness of other risks (forced labor, exploitation, discrimination, including particularly vulnerable groups).	0%
			Product range We plan to introduce a requirement for social standards for our South African wine supply chain for our private label range and also to extend the requirement to other Lidl national companies and origins.	0%
			Measuring the 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%

Shrimp supply chain in India	2022	Report: Link Action plan: Link	Ensuring ongoing feedback and redress 75%
			Progress update: The processing operations involved in the HRIA in Andhra Pradesh piloted a grievance mechanism from 2023 to 2024 with the support of the LRQA. The effectiveness was assessed following the pilot projects. See link for further details.
			Sharing HRIA with the industry and establishing collaborative mitigation or remediation measures 25%
			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.
			Improving responsible recruitment management systems, policies and practices 25%
			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.
			Improving supply chain transparency and accountability 75%
			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.
Cashew supply chain in the Ivory Coast	2023	Report: Link Action plan: Link (published October 2025)	Engaging in dialog 0%
			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.

			Implementing a responsible purchasing practice	0%
			We will be reviewing options for more sustainable purchasing practices from 2026 onward (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.	
			Empowerment at farm level	0%
			We will be working with an external partner from 2026 onward to support smallholder farmers and in particular 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.	
			Living wage	0%
			We plan to review the attempts to improve income along the cashew supply chain, particularly at farm level, in 2026.	
			Measuring the impact	0%
			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.	
Meat processing in Germany	2023	Not yet published		
Cut flower supply chain in Kenya and Ethiopia	2024	Report: Link Action plan: Link (published October 2025)	Increasing supply chain transparency We will increase transparency in our flower & plant supply chains for the supply chains of Lidl International and all Lidl national companies in the coming years.	0%
			Engage in dialog 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.	0%

Addressing gender-based violence and harassment ("GBVH")	0%
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.	
Implementation of responsible purchasing practices	0%
We intensify our efforts for long-term business relationships in our supply chain.	
Further development of standards and specifications	0%
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.	
Establishment of grievance mechanisms	0%
From July 2025, together with 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.	
Empowerment at farm level	0%
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.	
Wages	0%
In 2026, we will examine approaches to improving wages along the cut flower supply chain, particularly at farm level.	
Measuring impact	0%
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.	

Orange juice supply chain in Brazil	2024	Report: Link Action plan: Link (published October 2025)	Engage in dialog 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 and consult with them to address identified fields of action. On this, 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.	0%
			Training on 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 site on the topic of harassment and abuse and push for more effective grievance mechanisms, as these were both salient topics within the HRIA and its recommendations.	0%
			Driving collaborative action by becoming a member of SIFAV (Sustainability Initiative Fruits & Vegetables) We recognize 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.	0%
			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.	0%
Charcoal supply chain in Namibia	2024	Not yet published		

Safeguarding Standards



Safeguarding Standards

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

Our Code of Conduct for Business Partners of the Companies of Schwarz Group is an important tool in this regard, as it sets out our fundamental principles for working with suppliers in terms of compliance with human rights and environmental standards. Based on this Code of Conduct, Lidl agrees a sustainable purchasing policy for the merchandise supply chains with its private label business partners, 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 now, with the aim of obligating them to respect human rights and relevant environmental requirements.
- **Compliance requirements:** The Code of Conduct contains clear provisions on issues such as child and forced labor, wages and working hours, fair treatment and anti-discrimination.

Focal area	Objective	Status
Raw materials targets for Purchasing		
Raw materials purchasing policy	Our international raw material targets define clear CSR requirements with a view to purchasing of critical raw materials, and provide a fixed time horizon for implementation.	Published: Link
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 and is available at:	Published: Link
Sustainable purchasing policies	These policies contain requirements and guidelines for our business partners on practical implementation of our Code of Conduct as regards procuring merchandise.	Continual revisions and distribution

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

Our Commitment to Effective Grievance Mechanisms

Access to effective grievance mechanisms is a key element in identifying and remedying human rights violations in our supply chains and is part of our human rights strategy.

Access to such mechanisms is part of our sustainable purchasing policies.

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

We follow the UN Guiding Principles (UNGPs) on Business and Human Rights and recognize effective grievance mechanisms as legitimate, freely accessible, legally compliant, transparent and comprehensible, in order to achieve a high level of effectiveness in the grievance mechanisms. We analyze our grievance mechanisms based on the UNGPs and legal requirements in order to improve their efficacy. We use the findings to actively increase their effectiveness, depending on the influence we have over the respective approaches.

We apply a multitrack, risk-based strategy to improve access to effective grievance mechanisms in our supply chains. One of the key principles of the strategy is to avoid duplicating mechanisms. In the case of existing overlaps, we actively encourage consolidating mechanisms. Our strategy has a step-by-step structure and is aimed at providing as convenient access to a grievance mechanism as possible to as many affected parties in our supply chains as possible.

Comprising the compliance officer, the online reporting system ([Link](#)) and an external ombudsperson, our whistleblower system offers a range of accessible internal and external channels to submit reports of potential compliance breaches, anonymously if preferred. Such reports may relate either to our own business operations or to the direct and indirect suppliers in our supply chain.

We also encourage involvement in multi-stakeholder initiatives to achieve an impact throughout the industry. If a prioritized high-risk supply chain does not yet have any industry approaches, we strive to proactively initiate our own pilot projects and encourage other market participants to get involved.

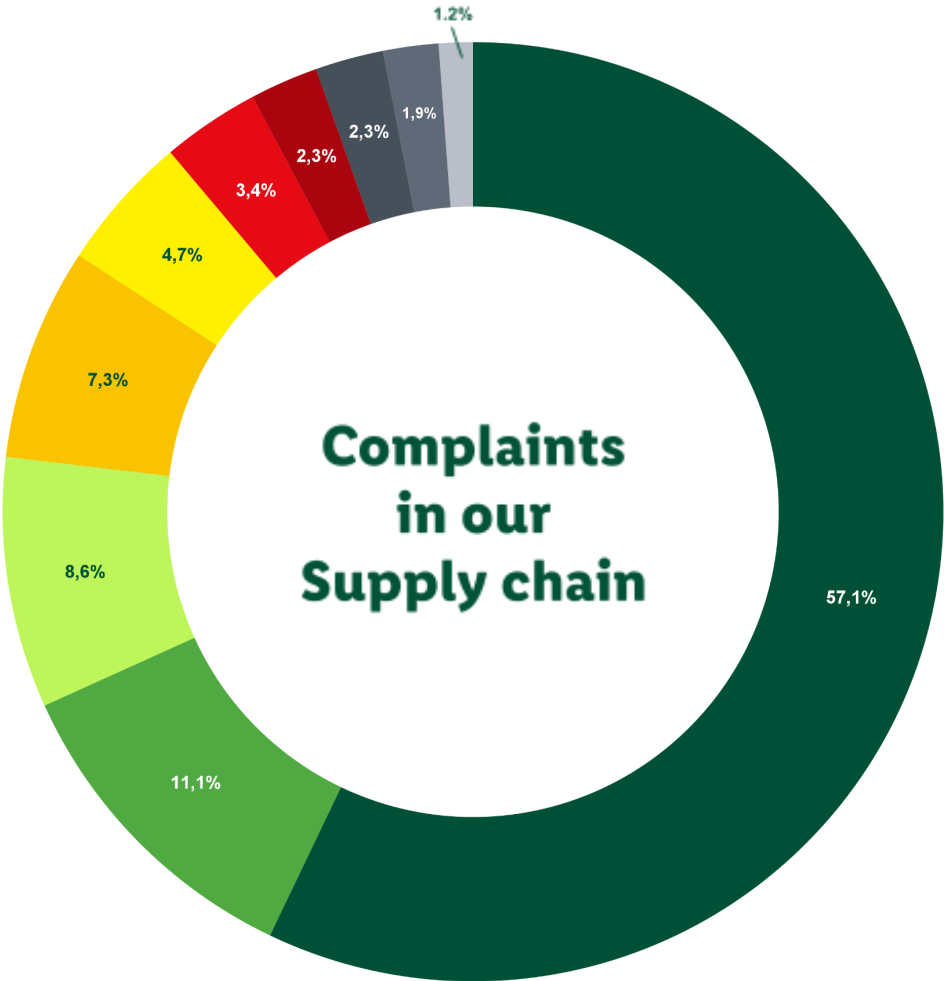
Last but not least, our raw material certifiers are also important stakeholders as regards providing mechanisms at producer level. We therefore also aim to refine the mechanisms provided by the certifiers in close dialog with them.

Grievance Mechanisms

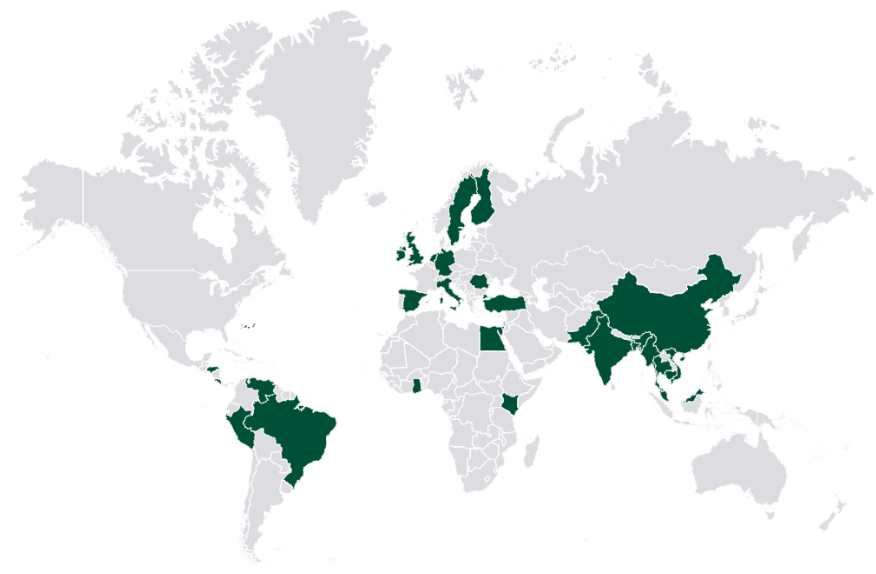
Lidl online reporting system	Access to grievance mechanisms for all players in our supply chains	Lidl's own mechanism
International Accord	Access to a grievance mechanism for workers in T1 factories for textile producers in Bangladesh and Pakistan	Industry initiative
ACT Dispute resolution mechanism	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

We pass on the findings from the processing of these reports to the relevant internal departments as part of our management approach. These departments bundle the identified risks for preventive work in order to derive overarching and systematic solution approaches.

The complaints are investigated immediately and carefully as soon as they are received. Where compliance breaches are identified, we assess whether we can avoid such complaints through appropriate additional action and amended requirements. A standardized procedure is in place for this purpose in accordance with the [procedural guidelines](#).



- 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 Fiscal 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

Lidl was the first German retailer to publish a human rights impact assessment, highlighting the impact on human rights in the berry supply chain in Huelva, Spain, in 2020. It piloted an effective grievance mechanism in the region in 2022 in response to the findings.

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

The appellando ([Link](#)) complaints system developed in conjunction with all major German retailers and the European Retail Institute (EHI) aims to develop effective new grievance mechanisms and harmonize 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.

appellando is also planned to be introduced in other countries, with the aim not only to be active there, but also to motivate additional retailers and players in the supply chain to get involved, as we are certain that the only way to long-term success is through an industry-wide solution.

Pilot Project in Brazilian Coffee Supply Chain – Nossa Voz

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

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 the 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 coffee merchants are taking part for the Lidl supply chain, whose selected farms are undergoing onboarding and training in 2025. The project is being realized in collaboration with the service provider LRQA, the Brazilian trade union CONTAR, and the responsible authorities to combat forced labor.

Lidl maintains an overview of complaints received from the pilot farms via a central dashboard.

The aim is to 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 in working towards fair and safe working conditions. Continual improvement of social standards is key to realizing our understanding of fair trade. Our experience of the past few years has shown that there is potential for further development in social standards in particular.

Pilot projects play an important role in this regard, 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. This allows us to develop innovative solutions that are efficiently and sustainably scalable.

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 labor

ILO Better Work rollout

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

Lidl has defined an objective as part of its human rights due diligence, to implement a structured training concept on avoiding and remedying child labor in high-risk supply chains. The aim is to consistently avoid child labor, to effectively eliminate it where necessary, and to implement appropriate remedial action. 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.

The children's rights strategy was revised in fiscal year 2024 in conjunction with Save the Children and the Center for Child Rights and Business and more firmly integrated into our strategic process. One of the central action areas is scaling training and practical guidance on children's rights and child labor. We aim to increase capacities in the supply chain in order to provide training independently, raise supplier awareness and implement targeted prevention and remediation measures. The train-the-trainer program carried out in the reporting year was an important step in strategic refinement.

In February 2025, Lidl conducted a train-the-trainer program for internal instructors in Asia. The objective was to empower participants to independently carry out training on preventing and remedying child and forced labor. The content included identifying and preventing child labor, 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.

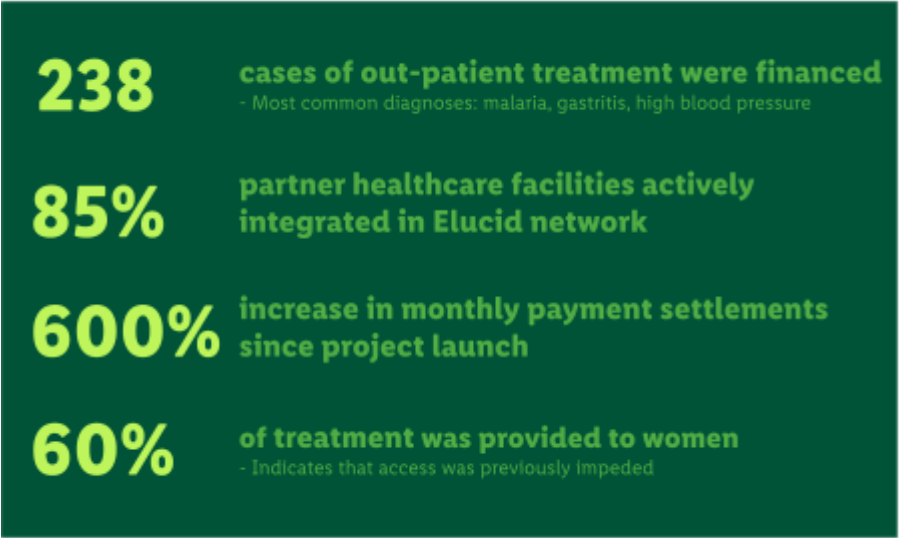
The program thus forms the basis for comprehensive supplier training from 2025 onward and makes a major contribution to the realization of the children's rights strategy.

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 structural risks, such as illness-related absences from work, debt and limited access to medical treatment, and thereby to strengthen the resilience of households.

Health is not only a human right, it is a key requirement for stable supply chains. A lack of protection in the event of illness can lead to a loss of productivity, school dropouts, child labor and early sales of harvests. The SHARE project addresses these risks in a targeted manner, thereby making a measurable contribution to compliance with due diligence obligations.

The high level of acceptance and demand confirms the potential of the model. We are assessing how the project can be integrated into holistic approaches to risk management and resilience strengthening, and pursued for the long term.



Risk area	Project contribution
Child labor	Early action enables children to continue school attendance and relieves families
Forced labor 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 minimizing 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 labor 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, an increasing risk for workers, and the internal requirements for ethically responsible procurement practice.

Lidl observed the internationally recognized 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 labor law standards, and documented complaints.

In addition, continual dialog was held with relevant stakeholders, including NGOs, trade union federations, suppliers and local players. 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 comprehensible as possible. Lidl endeavored to explain the reasons for the decision and the stages of the process openly and to involve the relevant parties in good time. A range of support measures were considered, and implemented where possible, to alleviate potential social impacts. Production was relocated gradually, with the aim of minimizing the 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.

Expanding Fair Trade



Expanding Fair Trade

Fair trade begins with 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 income** and thus also for fair distribution of value added in our global supply chains.

We are constantly refining our projects and partnerships to reduce structural wage and income differences. We follow a holistic approach aimed at ensuring a 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, dialog opportunities and fair purchasing practices
- **Cooperating with stakeholders**, such as NGOs, certification organizations 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	Program	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	Banana Living Wage	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	Way To Go is Lidl's fair private label range. The Way To Go concept was jointly developed by Lidl and Fairtrade to secure the incomes of smallholder farmers in Lidl's food supply chains and work towards a better living income.	Cocoa (2020) Coffee (2022) Cashews (2022) Oranges (2023)

Sustainable Agriculture Supply Chains Initiative (SASI)

Lidl is actively committed to improving living and working conditions in its global supply chains – particularly for the people who make our products.

Promoting a living income is a key aspect of this commitment.

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

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

Lidl believes that:

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

This is why 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 commitment with SASI is based on a holistic approach applied at multiple points 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 professionalization of production organizations 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 chains.

Banana Living Wage Project

In 2021, Lidl conducted an HRIA in its Colombian banana supply chain. This assessment revealed risks of gender discrimination and underpayment of workers on banana plantations. By focusing on achieving living wages in the banana supply chain, Lidl is seizing the opportunity to reduce several risks and develop a viable long-term strategy.

In 2022, Lidl launched its living wage project in the banana sector. In close collaboration with IDH (The Sustainable Trade Initiative) and FLOCERT, as well as local producers, Lidl developed a process to close its 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 through randomized on-site audits, to payments via individual action plans developed with each business where a wage gap was identified.

Lidl has eliminated its wage gap since 2023 through voluntary contributions for all bananas sold in Germany, Austria, Belgium, and the Netherlands. Switzerland joined the Banana Living Wage project in 2024 as an additional destination country. This applies to all bananas regardless of their certification.

In 2024, these were sourced from over 206 plantations in Colombia, Ecuador, the Dominican Republic, and Guatemala. Through this measure, Lidl has expanded its commitment to living wages and income beyond the Way To Go program.

Project Results		
206 plantations	+ 21,000 workers	4 countries: Ecuador Columbia Dominican Republic Guatemala

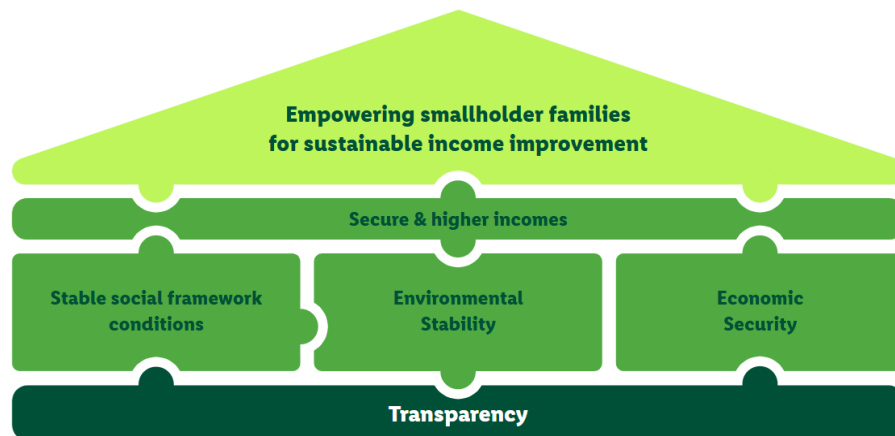


Further information on the 2023 project cycle is provided in the previous progress report: [Link](#).

Way To Go – Working Toward a Living Income

Lidl's Way To Go range takes fair trade to the next level. Through our Fairtrade-certified private 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 beyond the Fairtrade standards.

The Way To Go concept was jointly developed with Fairtrade, with the aim of empowering smallholder farming families to achieve sustainable income improvement. This builds on the following core components.



Lidl is contributing to establishing living incomes in producer countries for the quantities of the high-risk raw materials it purchases by adding a separate Lidl income improvement premium (IIP) on top of the Fairtrade Minimum Price and the Fairtrade Premium. The IIP comprises a direct payment 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 for 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.

Social focal points 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.

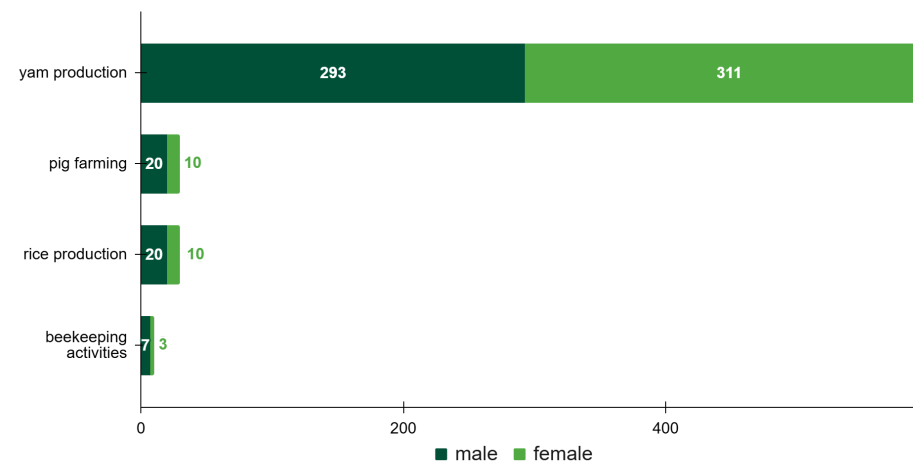
Lidl added a second cooperative for cocoa in 2023 – the Kukuom Cooperative Cocoa Farmers and Marketing Union in the Asunafo South District of the Ahafo region.



- 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 ton 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 labor	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, cashews and oranges.

Coffee

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

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 ton 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

Cashews

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	Encouraging Member Attendance at 2024 Annual General Meeting
The cooperative purchased land to construct important facilities, including a warehouse and sanitary facilities. 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	Some of the premium funds were used to enable members to attend the 2024 annual general meeting.
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 organization.

Oranges

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

In this way, 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 actively engage in development programs, initiatives, and projects within our supply chains to drive change beyond our own organization.

We aim to tackle the structural causes of human rights violations and enable long-term 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 players within the sector.

Joint, 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 labor.

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

Our objective is to help shape a sustainable and fairer future.

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 dialog on the challenges in the banana sector
Partnership for Sustainable Textiles	MSI for improvement of working conditions in the textile sector
ILO Better Work	Program to empower textile factories to comply with the ILO's core labor 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 the wages negotiated by social partners in the production countries will be backed up by responsible purchasing practices from the participating businesses. ACT developed a list of criteria based on which the progress of the implementation of responsible purchasing practices is measured. ACT's initial focus countries are Cambodia, Bangladesh and Turkey.

As part of our ACT membership, we remain committed to the working situation of employees on the ground in the textile industry.

In 2024, Lidl signed a binding agreement with the global trade union federation IndustriALL on the ACT country program in Cambodia. This represented a legally binding commitment to support a standardized collective bargaining agreement (CBA) for Cambodian production facilities developed by the Cambodian employers' association TAFTAC and the member trade unions of IndustriALL in Cambodia, to transparency in wage costs in its negotiations with suppliers, and to payment of increased wage costs as soon as the standardized CBA is signed at a Lidl production site.

Further information on the ACT program 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, based on their needs. For instance, our textile business partners 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 fiscal year 2021	Keeping track of impacts	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 fiscal 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 labor 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 minimize the gender pay gap	2022	4/4
	Safeguarding standards	Living wages and income	Integrate the topic of fair pay into our annual risk analysis and take into account the differing income situations of men and women	2022	4/4
	Expanding Fair Trade	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
	Expanding Fair Trade	Living wages and income	Regularly engage with stakeholders to promote smallholder farmers	2022	4/4
	Expanding Fair Trade	Living wages and income	Integrate the topic of fair pay into our annual risk analysis and take into account the differing income situations of men and women	2022	4/4

	Strategic pillar	Action area	Commitment	Timeline	Status
End of fiscal year 2023	Keeping track of impacts	Non-discrimination/gender equity	Publish a plan on prevention of gender-based violence (in accordance with ILO Convention 190)	2023	4/4
	Keeping track of impacts	Non-discrimination/gender equity	Include the topic of non-discrimination and gender equity in our annual risk analysis	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 program	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 Purchasing 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
	Expanding Fair Trade	Freedom of association	Support smallholder farmers in forming collectives	2023	2/4
	Expanding Fair Trade	Non-discrimination/gender equity	Publish the gender pay gap of a high-risk supply chain	2023	4/4
	Expanding Fair Trade	Living wages and income	Raise buyer awareness of the living wage	2023	4/4
	Expanding Fair Trade	Living wages and income	Participate in multi-stakeholder initiatives to support collective bargaining	2023	4/4
	Expanding Fair Trade	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
	Keeping track of impacts	Non-discrimination/gender equity	Work with specialist organizations 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
End of fiscal year 2024	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 program 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
End of fiscal year 2025	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 programs 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
	Keeping track of impacts	General	Carry out and publish three human rights impact assessments per year	2025	3/4
	Keeping track of impacts	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 labor	Implement a training concept in high-risk supply chains to prevent and eliminate child labor	2025	3/4
	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 organizations	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
	Expanding Fair Trade	Non-discrimination/gender equity	Promote business with companies managed by women	Ongoing	4/4

	Strategic pillar	Action area	Commitment	Timeline	Status
	Expanding Fair Trade	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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Please note that any gendered terminology used in this document should be understood to refer to people of all genders. Any gendered terminology is used for reasons of brevity and without any intended prejudice.

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