

more  
VALUE  
appreciate

## ABOUT THIS REPORT REPORT CONTENT AND TIME PERIOD

This sustainability report provides information on GRI 102-1, GRI 102-45 Unless otherwise stated, all information relates to

102-3,  
the strategic anchoring and management of 102-5

headquarters

Sustainability in the retail company Lidl Dienstleis in Neckarsulm and its 39 regional companies and  
tung GmbH & Co. KG (hereinafter referred to as "Lidl Germany" the more than 3,200 stores throughout  
Germany.  
or "Lidl") with its registered office in Neckarsulm.

ben, to Lidl Dienstleistung GmbH & Co. KG with

and the  
It provides information on the main activities and impact Corporate Social Responsibility (CSR) and  
Sustainability  
effects along the value chain stages resources, have the sustainability data collected by Lidl Germany.  
Supply chain, operations, and customer. The sustainability data collected by Lidl Germany was  
consolidated and reviewed as part of a comprehensive sustainability program.  
goals and measures were formulated as part of a comprehensive  
measures were formulated. They are presented in the report in a transparent  
and comprehensible in the report.

The company's internal controlling department

## CHANGES COMPARED TO THE PREVIOUS YEAR'S REPORT

The sustainability report covers the period GRI 102-50.  
March 1, 2018 to February 29, 2020. It therefore covers two GRI 102-49 In the 2019 reporting year, Lidl  
has a new materiality  
full financial years. For the sake of completeness and in order to be able to perform analysis and  
accordingly better understand the material  
to better understand the material interrelationships, topics that are depicted in this report were also  
adjusted  
information included that did not lie in this period (see pages 34 - 37). The report also includes the  
sibility. The passages relating to circumstances and facts prior to this management and underlying this  
report are clearly marked in the text.  
and this report are clearly marked in the text.  
revised. The  
cut-off date for data collection is February 29, 2020. The changes relate in particular to conceptual  
changes.

Lidl Responsibility Model (LRM) has been

The editorial deadline for this report was July 30, 2020. sharpenings (see page 15).  
For better readability, gender-specific wording has been omitted.  
specific wording for better readability. The texts are addressed GRI 102-48 Through the introduction of  
carbon footprinting at the state level

equally to all readers. in fiscal year 2018, Lidl can for the first time include in this report  
publish a portion of its Scope 3 emissions for

the first time in this report (see page 107).

(see page 107). Also, the information on waste

generated at

Lidl can also be reported in more detail this

year than in previous

than in previous years (see page 110). For the

information

For the data on accidents, lost work days and

fatalities, the data

data collection was adjusted: The survey period

and the  
employees to the  
figures (see page 120).

The survey period and the allocation of  
were harmonized with the other employee  
(see page 120).

2 ABOUT THIS REPORT

REPORTING STANDARD

The Lidl Germany sustainability report for GRI 102-54  
the financial years 2018 - 2019 follows the internationally  
recognized standards of the Global Reporting Initiative  
(GRI). This report has been prepared in accordance with the  
GRI Standards: Core Option. The GRI Content  
index on pages 154 - 159 refers to the other contents of the sustainability report.  
contents in the Sustainability Report. All GRI-relevant  
GRI-relevant content is identified by means of GRI labels. These  
which information in the text fulfills which GRI requirements.  
requirements of the GRI.

EXTERNAL AUDIT

In spring 2020, the auditing firm GRI 102-56  
KPMG reviewed selected disclosures in the Sustainability Report  
for the fiscal year 2019 to obtain the limited  
assurance on sustainability information in accordance with the  
International Standard for Assurance Engagements (ISAE  
3000). The focus was on the materiality  
selected management approaches and part of the key figures  
of the key figures presented. Audited contents and key  
are marked with " " at the beginning of a section and with  
and " " at the end of the section.  
The independent auditor's report can be found on pages 160-162.  
pages 160 - 162.

REPORTING CYCLE

Lidl Germany's sustainability report appears GRI 102-51,  
102-52  
completely revised every two years. An  
key figures are updated after one year.  
one year. The last full report was published on  
June 11, 2018, and a progress report on the key performance  
Key Performance Indicators on June 24, 2019.

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moreValueS

- now more than ever!

Matthias Oppitz, Chairman of the Executive Board of GRI 102-14

Lidl Germany, in dialog with Dr. Elisabeth Koep, Head of

of the CSR/Sustainability Department at Lidl Germany

Elisabeth Koep: Matthias, our sustainable Elisabeth Koep: I also feel that we have to counteract this. In my opinion

The title of our sustainability report is "moreValues thought-provoking ideas from outside, such as Fridays for Fu it's worth finding answers, lasting

zen". We have chosen this title because the initiatives of the past year or the initiatives to create value and therefore to be more and

We have been involved in the social discussion at the World Economic Forum for more sustainable standards in our range of products and services.

and in many discussions with customers, economic forms as very enriching for ment, processes and society.

suppliers and colleagues to our further development.

Lidl's role in this.

It was emphasized how important more value

appreciation is for the future of Lidl. Matthias Oppitz: I agree with that, but Matthias Oppitz: From the perspective of the

I can confirm 100 percent that the internal impulses are just as important for the future of Lidl as the internal impulses are for the future of Lidl.

by the contents of this report. important. For example, the feedback we the values we create together

What do you associate with this? of our employees, who are currently in a position where we are able to act sustainably at all levels

the 2020 pandemic crisis Extraordinary decisions. It comes down to

Matthias Oppitz: For me, it's clear: Do more to supply Germany. You Lidl on even more long-term thinking, prudence

appreciation or "mehrWERTschätzen," give us daily impetus to do better and responsibility in everything we do.

as our new sustainability report is called, in order to be the first choice in the future for - in the way we use resources

are cornerstones of our future To our customers. Or to procure the numerous articles, have them produced, they

life together. Without this awareness, any business supplier will be unable to meet the demands of its customers in the medium to long term.

In the medium to long term, every business supplier will be tested for more sustainability - ultimately on what we can offer employees.

model will be put to the test, and it can only be done together.

in all areas. For Lidl, this means more Elisabeth Koep: "We can make a tangible difference here.

clearly more appreciation on many levels: Elisabeth Koep: I fully agree with you on that. Achieving results. After all, Lidl has

for food and raw materials, for our more sustainability is also the clear desire through its international sourcing and distribution partners.

employees and suppliers, for the environment of millions of customers who week after week influence hundreds of every day.

and society. shop with us. Climate change, species extinction and plastic waste in the oceans

the globe. And that is precisely why and plastic waste in the oceans - these are issues that affect us around

and consumers. We are expected to come up with strong strategic initiatives

positions and measures to enable projects to have a positive impact on the ground.

6 FOREWORD

ELISABETH KOEP

DR.

## MATTHIAS OPPITZ

We should not let up in our efforts to challenge ourselves in some areas of sustainability. places in sustainability still expanded a bit, to further challenge our commitment against le. Sustainability can be

We will be able to optimize our efforts in the area of sustainability.

The result will be a more comprehensive recycling strategy for plastics than the sum of the parts - namely

Matthias Oppitz: Elisabeth, who is now working with Lidl - and much more. We take precisely that added value that Lidl Gesellschaft

presented sustainability report is the in the report again step by step our ge and environment through more sustainability

second snapshot of us and the value chain under the microscope.

what we are doing to achieve this. Two years ago, we presented our first report along the verifiable standards of the GRI.

presented the first report. How much have we and, for the first time, along the Sustainable And especially in the current period, our

we continue to develop?

Development Goals (SDGs) of the United Nations.

Nations. challenges us more than ever before, say

Elisabeth Koep: In the reporting period I: "moreValue" - now more than ever.

In 2018/2019, we have made great progress Matthias Oppitz: I am delighted with our

made. For example, we take into account progress. But even though this is the

first time, we are satisfied with the results of a comprehensive company: All our

Under the umbrella "Towards tomorrow

Risk analysis for processes and product ranges Stakeholders - politicians, non-governmental orga

we provide information in all Lidl

countries about

at Lidl. We have cooperation with nizations (NGOs), suppliers, employees activities around the topic of responsibility. On the We

after

merge g

n.

## FOREWORD 7

## STRATEGY & MANAGEMENT

more

VALUE

value

We are guided by the

UN Sustainable Development Goals.

## LIDL GERMANY

performance

lean processes.

Best price

We achieve our very good price-

ratio is achieved through efficiency, simplicity in everything we do, and

lean processes.

## ABOUT

Best quality

We focus on freshness and offer our customers products from

3.200

FILIAL

food and non-food sectors of the best quality. A seamless quality quality management ensures fresh food, crisp fruit and safe

safe toys.

## 39 REGIONAL COMPANIES

Acting sustainably  
For our own brands, we work together

with our

together with our partners in the supply  
chain partners for improvements.

In addition

we also select branded products that

meet the

THE COMPANY, for example through labeling initiatives, represent sustainable  
sustainable alternatives.

Lidl is part of the Schwarz Group, which has 458,000 employees,  
102-6,

employees, around 12,500 stores and specialty stores in over 102-7

30 countries, Lidl is one of the world's largest

the world. Lidl, headquartered in Neckarsulm, Germany, is present in

32 countries and currently operates more than

more than 11,200 stores and more than 200 goods distribution and

and logistics centers. The Lidl Foundation (hereinafter We are following our CSR vision, the most  
sustainable fresh-

"Lidl International"), headquartered in Neckarsulm, Germany, acts as Germany's discounter, while at the  
same time holding

corporate headquarters and, in coordination with our national subsidiaries, upholds our promise to deliver  
the best possible quality at the lowest possible price.

national companies the strategic framework for offering the best price. Efficiency and quality

operational business. In Germany, Lidl is one of the most important retailers in the world: According to  
this

With 3,200 stores, Lidl Germany is one of the leading companies in the German retail sector.

food retailing. 39 regional companies employ 88,000 people. What the customer appreciates,

own administration and logistics centers for each of them - and these are increasingly after

supply and control of around 80 stores each. more sustainable products.

## 10 STRATEGY & MANAGEMENT

With our product range, we make millions of customers GRI 102-2,  
102-7

an offer to consume more sustainably. You will find

a comprehensive, high-quality festive assortment of around

around 4,000 individual articles. These include

Dairy products, frozen foods, sausages, fresh meat,

fresh poultry, fresh fruit and vegetables every day, as well as

various breads and baked goods. Our wide range of brand

branded products make up 25 percent of the assortment.

Private labels account for 75 percent and include over

340 regional and national organic and Bioland foods Around

4.000

and just under 30 Fairtrade-certified products. Complementing

The festive assortment is supplemented by promotional items that change

twice a week. In addition to foodstuffs,

international specialties, as well as textiles, household

international specialties, as well as textiles, household goods, electrical goods,

toys and leisure products.

Individual articles can be found in  
our extensive and

Lidl's total sales in fiscal 2019 of GRI 102-7, high-quality festive assortment.

201-1

89 billion euros, of which 22.7 billion

Euros1 to Lidl Germany.

1 Sales figures for Lidl

Germany do not include online sales as of

2019, no online sales,

In order to offer our customers real added value - as these are available within the Schwarz Group otherwise more choice of more sustainable products, for example, as well as more freshness and quality. more freshness and quality -, we have substantially expanded our sustainability. In the last two years, we have substantially developed our sustainability management based on our CSR vision of being the most sustainable fresh produce company. further developed. Because our actions have had a tangible impact on the economic, ecological, and influence of Lidl's economic, ecological and social Sustainability Strategy 2030, we have further developed existing development of our company - not least by setting goals to continue and new ones for all of our size and reach as a company. These areas have been defined. Our performance and progress fact, we see this as a continuous task to identify new, from the last two years, but also to develop even more efficient measures in order to further advance our we must and want to lay impact on the environment, society and the economy, with which we have set ourselves in this Sustainability Report under the aim of achieving the greatest possible sustainability.

"moreValue" openly.  
STRATEGY &

## MANAGEMENT 11

### THE STRATEGY

Many people took to the streets last year GRI 102-15 took to the streets. They demonstrated for more climate protection, less injustice and more togetherness. They stand up for their values. We, too, as one of Germany's largest retailers in Germany and one of the largest food food retailers worldwide, society is also making great demands on us.

We want to be responsible expectations. And rightly so. After all, the food retail sector has a lot to live up to. del has a major impact due to its business model, which extends into many along the entire countries and regions of the world.

value chain. Our goal is to minimize the negative impact of Lidl's business activities. of Lidl's business activities and to create a positive impact through our activities and measures. positive impacts through our activities and measures, thereby and thus create real added value. We want to shape consumption responsibly - along the we not only talk about significant challenges, entire value chain. This applies to the future but act - and do so every day. Along the four availability of raw materials, for biodiversity, for the value chain stages resources, supply chain, operations working conditions in suppliers and supply chains, and customer, we have derived targets for 2030 and set them with for strengthening the circular economy and reducing food waste. reduction of food waste, for the energy efficiency of our buildings and low-emission processes as far as possible A formal strategy process for further development and for the well-being and satisfaction of our sustainability management at Lidl Germany. employees. Ultimately, however, this also applies to the purchasing decisions of our customers - and to our own sustainability management. decisions of our customers - and our range of 2018, we have already been able to communicate nine overarching strategic responsible products. and communicate operational goals. At the same time, we are working working internally on a large number of further operational goals that will

This is what the Lidl Sustainability Strategy 2030 is based on and guides our daily actions. We are successively implementing these, and we are working to achieve them: We want to become the most sustainable discount supermarket chain in Germany. Germany. In order to achieve this goal, our sustainability program.

## 12 STRATEGY & MANAGEMENT

### LIDL SUSTAINABILITY STRATEGY 2030 OUR CSR VISION:

We want to be the most sustainable fresh food discounter in Germany.

OPERATIONS  
Increasing efficiency -  
Developing employees  
Through our processes in logistics centers and stores, we want to make a

RESSOURCES contribution to climate protection, conserve resources and reduce food  
Improve animal welfare - promote diversity reduce food losses. For our employees create a good working environment for our employees.

We want to make an active contribution and promote the reconciliation of to improve the conditions under which family and career are kept.

of farm animals, and CUSTOMER  
work together with our SUPPLY CHAIN  
suppliers and partners to create transparency -  
preserving biodiversity and living sheep responsibility  
Protecting the environment - Living fairness  
of habitats.

we manage our  
chains,  
transpa  
society  
with numerous  
are committed to

In our supply chains, we want to make our  
contribute to environmental and social  
standards improved step by step  
society. To achieve this, we work with our  
suppliers in partnership.  
reduce the use of raw materials,  
where possible, and incorporate the idea of  
the production process with the idea of  
with the production process.

We are constantly reviewing how  
more sustainable in our supply  
and inform our customers about  
rent about this. We create  
added value by working together  
We support organizations that  
more sustainability.

STRATEGY &

MANAGEMENT 13

SUSTAINABILITY ALONG THE  
ENTIRE VALUE CHAIN

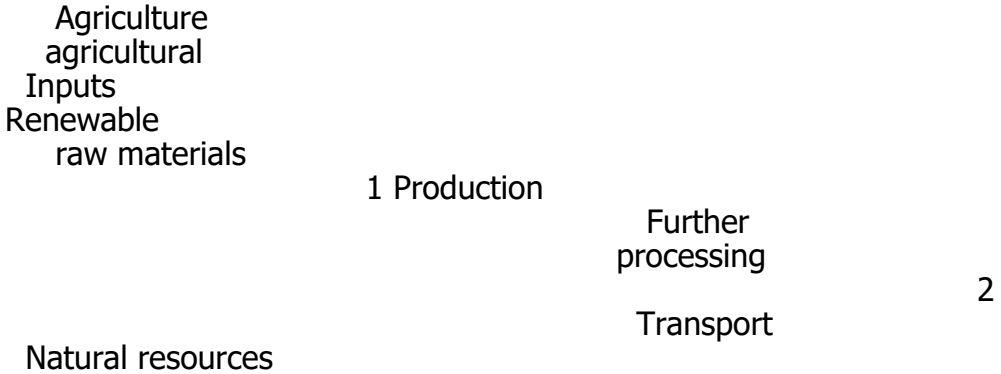
The Lidl Responsibility Model forms the content-related GRI 102-9 sustainability strategy, sustainability management and sustainability management and reporting of our company.  
company. The LRM defines eleven areas of responsibility along our entire value chain, which can be broken down into the four which is divided into four value-adding levels: resources, supply chain, operations and customer. Each area of responsibility topics are assigned to each area of responsibility, which we prioritize and and work on them in a targeted manner. In 2019, the LRM was validated, updated and individual individual topics were further specified. For communication with our customers, we use  
five areas of action: product range,  
partners, society,  
Within the four value creation levels, we analyze employees and the environment. They reflect the

sustainability from a sustainability point of view risks, search management of Lidl and are also oriented for solutions and integrate these approaches into the entire value chain and the value of our entrepreneurial activities. In practice, we exchange ideas with experts and make use of the We exchange ideas with experts and draw on the feedback from our In our publicly available position papers, we provide all the information on our stakeholder management s stakeholder management of Lidl. We take into account suggestions and the most important concerns of our stakeholders. We show which guidelines we follow in order to integrate Lidl's Constructive criticism can be found on page 32 onwards. sustainability strategy in the company's operations. of our actions. The focal points we have set. In 2015, Lidl Germany published the first We then validate the main points of its position papers for more sustainable purchasing by asking our stakeholders. of fish, shellfish and their products. Since then - for example on production and microplastics. publication of the expanded for human rights and protection in the forms the core of our post design of our assortment always update them as necessary.

At [lidl.de/positionpapers](https://lidl.de/positionpapers) sustainability management in the stand covers all of ours. Existing position papers are position papers for download. We always review existing position papers and

14 STRATEGY & MANAGEMENT

THE LIDL RESPONSIBILITY MODEL - ISSUES ALONG OUR VALUE CHAIN



- SUPPLY CHAIN  
Environmental standards Employment in the supply chain Human rights in
- RESOURCES - supply chain climate
- Ecosystem protection
  - Biodiversity
  - Raw materials
  - Pollutant discharge
  - Freshwater
  - Animal welfare standards
  - Species-appropriate husbandry
  - Non-discrimination
  - Supplier and
  - Market development
  - Resource conservation
  - Occupational safety
  - Transport and health promotion
  - Circular economy
  - Freedom of association
  - Appropriate remuneration
  - Child labor
  - Supplier evaluation
  - Forced labor



- Establishment of segregated commodity flows for cocoa Certified own brands according to UTZ.

- Successive conversion of relevant raw materials to 100 percent certified MSC, ASC or organic (as of end of fiscal 2019):

and non-GMO soy by 2022, and expansion of certified fish action - Fruit teas: 78 percent  
article - coffee: 85 percent

- Fish permanent assortment: 100 percent

- Fish promotional items: 47 percent
- 125,000 tons of soy certified to ProTerra

- Fruit and vegetables and flowers and

and GlobalG.A.P. GRASP certified

- Organic share in fixed assortment

by 2025 - corresponding expansion of the range, in particular with products from husbandry level 2, 3 or 4

- Implementation of segregated product flows: pork by the end of 2022, beef by 2025 - fresh poultry: segregated product flows implemented

to abandon chick killing as quickly as possible - range expanded to include milk with certifications according to Pro Weideland and Deutsches

in dairy farming

### Ongoing goal

### TARGET DATE STATUS

2025

Awareness 2022

Habitats 2025

and producers to five million square meters.

Conserving resources - living fairness

Less plastic, more recycling and more sustainable supply chains.  
By 2030, we aim to reduce the impact on the environment and people  
in the production, use and disposal of our products.

## Less plastic 2025

20 percent reduction in plastic use in our private brands by 2025.

Maximum recyclability 2025

100 percent of private label packaging to be maximally recyclable.

Social audits ongoing

Conduct annual social audits in supply chains where an increased risk to labor and identified as posing a heightened risk to labor and human rights.

## 18 STRATEGY & MANAGEMENT

### PLANNED MEASURES MEASURES IMPLEMENTED AND RESULTS ACHIEVED DURING THE REPORTING PERIOD

- Continuous expansion of the plant assortment to include - Species protection program "Lidl habitats" developed and content
- bee-friendly plants integrated into the "Lidl Fruit School"
- Recurring campaigns for customers and employees - Various customer awareness campaigns and lectures carried out
- Continuous expansion of areas together with partners -Additional 1.3 million square meters of flowering areas with agricultural
- Qualitative expansion of habitat partners created - Total of 3.4 million square meters of flowering areas to date

- I nsect hotel and information sign  
provided by Lidl to each supplier and producer involved in the project  
and producers involved in the project  
- 49 hectares of biotope areas created with

the Heinz Sielmann Foundation

- Development of packaging alternatives and, where possible, use of -B isherly, around 170 packages of private-label articles were optimized and filled with  
recycled plastics in cooperation with suppliers, experts and the "more responsibly packaged" logo.  
Schwarz Group and GreenCycle
- Avoidance of plastic packaging where sensible and sustainable
- Analysis of our plastic packaging for improvement potential of - Average recycled content of PET bottles of our own brand "Saskia" at  
recyclability together with suppliers, experts of the Schwarz Group over 50 percent - 420,000 tons of virgin PET saved since 2010  
and GreenCycle - "W5" spray cleaner bottles converted to R-PET - annual savings of
- Use of recyclates to conserve resources (reduced use of raw materials) 1,393 tons of virgin plastic and to avoid CO<sub>2</sub> emissions - plastic snap-on lids removed from 500-gram yogurt pots - annual
- Information to the public on the ecological value of recycling Savings of around 300 tons of plastic.
- Providing information on proper waste separation, for example, by - educating the public on the benefits of reusing items in a  
Separation instructions on packaging distributed nationwide in special handouts

- Participating in a nationwide information  
campaign on proper waste separation in  
participating in ten German cities as part  
of the geTon campaign tour

- Conducted three social impact studies in high-risk supply chains - risk analysis carried out  
by the end of 2021, then three times a year until 2025 - Position paper on corporate due diligence published
- Review of beyond-auditing approaches such as the Better Work Program of - Food: risk-based Sedex social audits conducted  
the International Labor Organization (ILO) and the International Finance -N on-Food: 4,493 unannounced audits to amfori BSCI standards.  
Corporation (IFC) conducted in fiscal 2019
- Sharpen management approaches in the food sector.

Target started Target in progress Target advanced Target  
achieved Ongoing target

## STRATEGY & MANAGEMENT 19

### TARGET DATE STATUS

#### OPERATION

Increase efficiency - Develop employees

Climate protection

We aim to operate all our properties in a climate-neutral manner by 2030.  
2030

Energy-efficient stores 2030

By 2030, we want to continuously increase the (overall) energy efficiency of our stores and warehouses. and warehouses continuously.

#### Refrigerants 2030

We want to use only natural refrigerants in all refrigeration components.

#### Sustainable building operation

By 2030, we want to be the discount retailer that is a leader among employees, customers, customers, residents, communities, and business partners, in terms of sustainable building operation.

#### E-mobility 2025

Install at least one e-charging station at every new store opening, modernization and at selected locations.

#### Sustainable transport

By 2030, we want to be the discounter that is perceived by consumers as the consumers as a leader in sustainable transport.

#### Alternative drives 2025

From 2025, 20 percent of the vehicle fleet is to run on alternative drives.

#### Food

We will reduce food waste by 30 percent by 2025. -30%

#### Foodwaste reduction 2025

We reduce organic waste by 30 percent.

### 20 STRATEGY & MANAGEMENT

#### PLANNED MEASURES MEASURES IMPLEMENTED AND RESULTS ACHIEVED IN THE REPORTING PERIOD

- LED conversion of a further eight warehouses as part of planned expansions - All stores equipped with demand-controlled lighting and LED

- 19 central warehouses equipped with LED

-The energy intensity is 235.2 kWh/m² in

#### fiscal 2019

- Development and testing of a unit using natural refrigerant for the - Measures already implemented in 40 percent of stores and 85 percent of warehouses

Refrigerated display cases - Refrigerated display cases in around 2,100 stores are operated with a natural refrigerant

- By converting our refrigerated shelves, we will save in fiscal 2020 - Since January 2019, all new installations have used only normal refrigeration cells

expected to use 271,110 metric tons of CO<sub>2</sub> on with a natural refrigerant

- Equipping every new store opening with an e-charging station - 145 e-charging stations newly installed at stores - 184 e-charging stations in total to date

- Planning 20 percent empty pipes in preparation for the upcoming - 38 logistics locations equipped with an e-charging pole

legal regulation

- Deployment of 100 LNG vehicles by the end of fiscal 2020 - 3 0 Liquefied Natural Gas (LNG) drives, one Compressed Natural Gas (CNG) drive

and one electric drive system in the truck

fleet (as of fiscal 2019) - currently

currently 3.3 percent

- Area-wide implementation of the "I'm still good" initiative - Together - Lidl food rescue expanded, for example through "I'm still good" boxes

against waste - support "Often good for longer" campaign

Goal started Goal in progress Goal achieved Ongoing goal

### STRATEGY & MANAGEMENT 21

#### TARGET DATE STATUS

##### Framework conditions

By 2025, we will have created a framework in which every employee can employees can combine their professional and private lives in the best possible way, so that business and private interests are in harmony.

##### Best possible conditions 2025

All employees will be able to choose the best possible working conditions for their best possible workplace conditions.

Encouraging employees

By 2022 we will have firmly anchored continuous personal development in our corporate culture so that all employees can achieve the best possible results in their tasks.  
achieve the best possible results in their jobs. 2022

Continuing education 2022

By 2022, all employees will have access to specific qualification and/or training opportunities and, with the support of their managers, will be able to use these in their daily work.

Occupational safety and health protection

By 2025, we will integrate occupational safety and health protection into the daily day-to-day management of all managers. By 2030 we will have anchored occupational and health protection in the awareness of our employees and in the culture of the culture of the company so that there is an intrinsic motivation for safe and healthy behavior in both professional and private life.

Measurability 2021

By 2021, the performance of managers in occupational health and safety will be made measurable. and health protection will be made measurable.

Further development 2025

Occupational health management will be further developed by 2025.

## 22 STRATEGY & MANAGEMENT

### PLANNED MEASURES MEASURES IMPLEMENTED AND RESULTS ACHIEVED IN THE REPORTING PERIOD

- Derivation of measures from the Women's Empowerment Principles (WEPs) -General strategy for employee retention developed and
- Further development of part-time models for employees in management Catalogue of measures derived
- Improvement of framework conditions for employees before, during and -W EPs to promote women in management positions by employees in the after parental leave and for employees with dependents to care for signed higher and top management
- Expansion of mobile working to the regional companies - I nternal minimum starting wage increased to 12.50 euros
- Expansion of support options for employees with children - Mobile working made possible at Neckarsulm administrative location
- Establishment of a parent-child office in the new Lidl office building in Bad Wimpfen - Offers for employees (e.g. discounts at over 600 suppliers)
- Expansion of digital qualification and further training opportunities -O n the job and off the job measures for the professional and
- Integration of blended learning tools into existing competency-based training expanded Further training concepts - conception of blended learning instruments launched
- Expansion of career support for other management levels - Talent management process further developed and aligned with employee career planning
- Validation of new leading characteristic methods in operational use -P roject Megaphys to analyze actual physical workload.

management (career path for sales managers and sales managers and exchange of ideas as a development tool)  
- Continued steady reduction in key figures - 0.6 percent fewer occupational accidents since 2015  
- 0.8 percent fewer lost work days since 2015  
- No fatalities in the past 5 years  
- Validation of new leading characteristic methods in operational use -P roject Megaphys to analyze actual physical workload.  
Completed - new lead characteristic  
methods as a result  
achieved Ongoing target Target started Target in progress Target advanced Target

## STRATEGY & MANAGEMENT 23

### TARGET DATE STATUS

#### CUSTOMER

Creating transparency - living responsibility  
Communication and transparency

By 2030, we want to be perceived by the public as the most sustainable discounter in Germany by 2030.  
 Stakeholder dialog ongoing  
 Continuous expansion of dialog with relevant stakeholders.  
 Transparency ongoing  
 Continuous increase in transparency regarding sustainability issues along the value chain through communication.  
 Conscious nutrition

2025

By 2025, we want to be the discount retailer that offers its customers the best offer for a conscious and sustainable lifestyle.  
 Sugar and salt 2025  
 Sales-weighted reduction of sugar and salt in private labels by 20 percent.  
 Conscious purchasing decision 2025  
 By 2025, we want to play a key role in helping our customers make conscious purchasing decisions for healthy and sustainable food.  
 healthy and sustainable food choices.  
 Equal opportunity  
 By 2025, we want to be the discounter that actively and locally promotes for more equal opportunities in Germany.  
 2025  
 Nutrition education 2022  
 Promoting nutrition education among children, young people and families.

24 STRATEGY & MANAGEMENT

PLANNED MEASURES MEASURES IMPLEMENTED AND RESULTS ACHIEVED IN THE REPORTING PERIOD

- Conducted regular stakeholder events and surveys - 810 stakeholders surveyed:
- Participated in conferences and dialogue forums - 413 customers
  - 271 employees
  - 126 other external stakeholders
- Further surveys conducted on specific topics
- First stakeholder event Lidl in Dialog held in 2018.
- Q uarterly CSR newsletter (Lidl News) published since 2018 and sent to 3,500 stakeholders
- Participated in dialog forums
- Member of sustainability networks such as econsense.
- Conducted co-creation workshop to exchange ideas with customers
- Further development of the responsibility website -F ortschrittsbericht 2018 as well as second comprehensive
- Development of additional customer-facing sustainability campaigns published at the Sustainability Report
- Point of sale to generate awareness of sustainability issues -Communication of sustainability issues tailored to target groups
- Expansion of employee communication with a focus on sustainability implemented
- Further reformulations of private label products -S alz reduced by 8 percent and sugar by 14 percent in private label products to date (fiscal 2018)
- Expansion of items with Regionalfenster labeling in - 25 new items listed with Regionalfenster labeling. Fixed assortment to 200 products by the end of fiscal 2020 - Total number of regional products due to delisting and relisting
- Introduction of supplementary nutritional labeling Nutri-Score, as soon as nevertheless declining the legal basis has been created - assortment with regard to supplementary nutritional labeling Nutri-Score analyzed
- Further development of Lidl Fruit School - Representative study "Lidl-Chancen-Check" conducted with focus on
- With existing and new partners, further projects actively focusing on the breakfast behavior of elementary school children

initiate the topic of "conscious nutrition" - pilot project "Nutrition Workshop" for parents of elementary school children implemented

- 10,300 children provided with breakfasts in

2019 together with brotZeit e.V.

- Lidl fruit school carried out in 200 school

classes each year since 2016

Target started Target in progress Target advanced Target

achieved Ongoing target

## STRATEGY & MANAGEMENT 25

### SUSTAINABILITY MANAGEMENT

Lidl's sustainability management follows our claim to assume responsibility. We are

We are convinced that we must act responsibly in our day-to-day responsible in our daily business in order to remain viable as a company.

#### MEASURES

and at the same time generate added value for

value to society. This also coincides with the requirements FOR MORE SUSTAINABILITY

of our customers. For example, we see a growing demand from our demand from our customers for sustainably produced

and we are responding to this demand by continuously adapting our our product range, for example by introducing a vegan private label

vegan private label range. As a retailer of fresh

and processed foods, it is our responsibility to address the environmental of climate change on the environment and to play our part in the and to keep our role in this in mind.

Together with our partners, we must ensure that

partners, we must ensure that the conditions under which our conditions of our products adapt to the social and ecological changes and changes and do not contribute to their aggravation. THE ADDED VALUE OF MORE

Our sustainability management thus creates more value BIO-STANDARD along the entire value chain.

By 2025, Lidl intends to have at least ten percent of its organic or Bioland foods by 2025 and thus anchor them in the thus anchor it in the middle of society. With the 2018 and long-term partnership with Bioland, we have with Bioland, we have taken a decisive step towards achieving this goal. In this way, we are increasing the for domestic organic farming and support the goal of the

German

support the German government's goal of increasing the share

of organic

organic farming to 20 percent by 2030.

Through the measures only touched on here, as well as numerous other measures, we are increasingly linking the added value of

the added value of sustainability and efficiency and

ensure that Lidl continues to make progress on its way to becoming Germany's most sustainable discounter in Germany.

## 26 STRATEGY & MANAGEMENT

since 2006

### THE ADDED VALUE OF MORE FAIRNESS

Lidl is one of the largest buyers of Fairtrade-certi

certified bananas and cocoa in Germany and is already one of

the

THE ADDITIONAL VALUE OF has been one of the pioneers of fair trade since 2006. The associations and organizations behind it ensure that more and more people in the

more and more people in the countries where the cocoa is

grown.

In order to save resources, we have developed REset Plastic from the fair trade structures certified with it.

We have also been able to benefit from the fair trade structures certified by REset Plastic.

By 2025, we want to reduce the amount of plastic used in our own

by 2025 and to recycle 100 percent of our own-brand packaging

of our private label packaging to be maximally recyclable.

recyclable. Following the discontinuation of the single-use plastic bag

2017, numerous other plastic product packaging

plastic were optimized. We have introduced alternative packaging

such as the vitamin net, reduced the proportion of plastic in existing

existing packaging or increased the proportion of recycled

increased the proportion of recycled material. Already 170 articles whose packaging

packaging meets at least one of these criteria have already been

"more responsibly packaged" logo from Lidl. With

Group's own waste management and recycling company

recycling company, we rely on a recycling cycle that is unique

recycling cycle.

THE ADDED VALUE OF MORE

HEALTH

2025

THE ADDED VALUE OF ENERGY

Less is more - this also applies to sugar and salt. With AND TRANSPORTATION WEEK.

our Lidl reduction strategy, in 2017 we set ourselves the

Our corporate responsibility extends far beyond our own-brand products by 2025.

of our private label products by 20 percent by 2025 to the design of the product range. In this way, we are delivering through

reduce. With this goal in mind, Lidl has for years been adapting the construction of e-charging stations to an important infrastructure.

its own-brand formulas and has thus been able to contribute to the mobility turnaround, giving our customers a

up to and including 2018 around 14 percent sugar and eight pro low-emission journey to the grocery store. Together

zent salt reduction. With the "Lidl Spoon" campaign, we have joined forces with our logistics partners to drive the establishment of a

At the end of 2019, we will be raising people's awareness nationwide for a conscious environmentally friendly truck fleet with alternative drive systems.

nutrition and less sugar in everyday life. drive forward.

STRATEGY & MANAGEMENT 27

THE SUSTAINABILITY ORGANIZATION

Sustainability as a strategic and operational core task GRI 102-17, The Lidl Sustainability Strategy 2030 specifies that the

102-18,

company's sustainability goals and measures are 102-19, anchored in Lidl's management.

anchored. Overall responsibility lies with its chair 102-20, continuously developed and assessed for effectiveness.

102-21

tiveness. The CSR/Sustainability department, be audited as a specialist department. Therefore, the members of the CSR

of Corporate Communications at Lidl Germany, teams of experts report once a quarter on the extent to which their respective

reports to it, takes over the strategic orientation corporate division with the implementation of measures and coordinates the sustainability activities as well as the and the achievement of the individual sustainability goals

stakeholder management. The focus here is on sustainability. The results are then discussed with the

The results are then discussed with the head of the CSR department, the head of the CSR department, the head of the CSR department and the head of the CSR department at Lidl.

International and the Schwarz Group in an ongoing and action needs are derived and the topics are discussed after the

The topics were sorted according to the further development of the sustainability priorities.

understanding and management of sustainability at Lidl.





1 Informs 2 Commissions cooperation in the creation of Group-wide guard rails 5 Exchange of information

3 4

CSR committee and further development of strategic topics

At the same time, we are called upon to review any negative impacts GRI 102-11, GRI 102-15 Along our value chain, we

102-16

of our business activities on the environment and society, we are constantly reviewing the effects, opportunities and risks and, where possible, to reduce them in advance of our activities: With the help of a hotspot analysis, we have avoided. In 2019, for example, we will apply this precautionary principle from the Declaration of the United Nations Declaration of Rio de Janeiro on Environment and Environmental and Human Rights Risks (see Development (UNCED) finds expression at Lidl in our page 71). Our quality assurance department also reviews our Corporate Principles, in the Lidl Code of Conduct and articles regularly for their impact on health is an integral part of corporate governance. The Lidl Code of Conduct is and safety (see page 136).

at [www.lidl.de/codeofconduct](http://www.lidl.de/codeofconduct)  
available for everyone to view.

## STRATEGY & MANAGEMENT 29

### THE SUSTAINABLE DEVELOPMENT GOALS

In order to address the major global challenges GRI 102-12

In fiscal 2019, the focus was on the SDGs defined by the UN and to be and to be implemented by 2030 were the focus of a further opportunity and risk of a further opportunity and risk analysis.

The SDGs are a framework that enables companies, countries and and societies to take the step toward sustainable to take the step toward sustainable development on the basis of concrete goals. sustainable business. In order to measure Lidl against these goals, it was first important to identify the the SDGs that are relevant for the company and to determine which which sub-goals are relevant for us as a retail company. The first integration of the SDGs into this report and, in the medium term, into the sustainability strategy. in the medium term into the sustainability strategy. This

type of To this end, we used the LRM to balance the essential analysis, which also enables us to identify conflicting objectives between topics (see pages 36 - 37) with the SDGs or their SDGs and our business model as a food company. respective subgoals. We filtered this selection to identify and address solutions. We then continued our analysis and ultimately focused on The relevant sub-goals of the SDGs are described in the chapters on the SDGs and our business model. The relevant sub-goals of the SDGs are listed and explained at the relevant points in the chapters on the value chain stages.

and explained in the relevant sections. The greatest

influence on the SDGs

The selected sub-goals were the basis for the opportunities and risks analysis. and risk analysis. Both positive and negati of resources as well as its suppliers. Business Lidl Germany's impact on the achievement of the model means that many of the opportunities and risks of the of the respective target with the help of the UN's SDG indicators, relate to agriculture and food production. As of external risk reports, studies on food bulk purchasers, Lidl can achieve a great deal by having our retail trade and our own reporting. supply chains and, together with our The results of this analysis form the basis for suppliers to further expand sustainability performance.

# 1 RESOURCES 2 SUPPLY CHAIN 3 OPERATIONS 4 CUSTOMER

Climate Child labor Sustainable  
Raw materials Climate Products  
Resources  
Biodiversity Forced labor Regional products  
conservation Foodwaste  
Species-appropriate High-quality  
Appropriate remuneration Products and  
husbandry  
economic remuneration Product safety

The colored dots under the SDGs indicate the stages of the value chain at which we are we have an impact on the various SDG sub-goals.

1.2 2.4 6.3

Sustainable Water

Poverty Food quality  
reduce increase production

7.3 8.5 8.7 9.4

Energy Constraint and infrastructure  
efficiency Full employment Sustainable child labor  
double employment for all rehabilitate

10.3 12.2 12.3 12.5

Equal Sustainable waste

Opportunities Resource Foodwaste significantly  
enable management reduce reduce

13.2 14.4 15.1 15.5

Climate policy Sustainable ecosystems Biodiversity

Include fisheries preserve preserve

STRATEGY &

MANAGEMENT 31

COMMUNICATION WITH STAKEHOLDERS GRI 102-40

Our stakeholder groups

Customers Authorities Politics Non-governmental organizations Associations

Local authorities Media Employees Business partners

Communication channels with external stakeholders Communication channels with internal stakeholders

Participation in associations/ Stakeholder

CSR brochure introductory event

Multi-stakeholder initiatives survey 2017 and 2019 CSR expert team Employee magazine PLU

for new employees

[www.lidl.de/](http://www.lidl.de/)

Budget handout Ads

responsibility Newsletter for

Intranet internal stakeholders Idea

management

Exchange with personal, direct and notices

Press releases

Residents exchange

Employee events

Events, e.g. sustainability employee app meetings, e.g. CSR committee

Lidl News

"Lidl in dialog" reporting "We in dialog".

Key topics along the LRM

Ecosystem protection, animal welfare standards, environmental standards

in the supply chain,

Employment-related human rights in the supply chain, Corporate environmental management, Employee responsibility,

Responsible products, Social value creation

STAKEHOLDER MANAGEMENT GRI 102-42 We evaluate at short, regular intervals, but at least once a year, the

at least once a year, which

stakeholders are important to us.

Continuous exchange with our internal and GRI 102-43 the company are relevant. The basis for this external stakeholders - for example, customers, NGOs, external inquiries and a wide-ranging topic The continuous exchange of information with external stakeholders - such as customers, NGOs, external inquiries and a wide-ranging thematic or the media - is a key component of Lidl's sustainability management system. Lidl's sustainability management. on the part of politicians or NGOs. In addition, a

made with the results of the materiality analysis

In addition, a comparison is

and the associated topics.

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The exchange with our stakeholders exists GRI 102-43 GRI 102-12, Lidl Germany is a member of various 102-13

in both directions: We actively inform the entire associations and organizations (excerpt):

Circle of our stakeholders, be it in personal conversations

then, smaller events or through information - Federal Association of German

write. At the same time, stakeholders provide their expertise, their observations and their

tise, their observations and their critical and constructive - econsense - Forum Nachhaltige Entwicklung

Forum Nachhaltige Entwicklung der Deutschen Wirtschaft e.V. valuable feedback that feeds into our work.

feedback that flows into our work.

- Trade Association Baden-Württemberg

e.V.

- Society for Data Protection and Data Security e.V. (GDD)

POLITICAL EXCHANGE, EXTERNAL INITIATIVES - German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen e.V.)

AND ASSOCIATIONS - Central Real Estate Committee (ZIA)

- Initiative Tierwohl (founding member)

On specific topics such as animal welfare, nutrition and ge - KAT - Verein für kontrollierte alternative

sundheit or environmental and social standards in the delivery animal husbandry e.V.

intensive exchange with politicians takes place - - Bund für Lebensmittelrecht (Association for Food Law)

and

for example at hearings in the state parliament of Baden-Württemberg, Lebensmittelkunde e.V.

during political visits to the Lidl headquarters in Neckarsulm - Save Food

or during visits to the warehouse logistics centers and - Regionalfenster e.V.

branches by local politicians. Since the beginning of 2020, the - 5 am Tag e.V.

Schwarz Group also has a capital city representative office - founding member of "Aquaculture

in Berlin and represents the interests of Lidl there.

Welfare Initiative"

The Schwarz Gruppe, together with Lidl, sees itself as an active

tive participant in the socio-political discussion.

Through Lidl International, Lidl Germany

is also

We contribute our experience from retail practice to the debate on legislative proposals in the following national and international associations

We are represented in the following national and international associations and organizations (excerpt):

Politics as a contact partner on all retail topics.

trade. From our sustainability goals - Handelsverband Deutschland e.V.

and the motives behind them, we ourselves - amfori Business Social Compliance Initiative (BSCI)

which support or even anticipate political goals - Alliance for Sustainable Textiles (Bündnis für nachhaltige Textilien)

or can even anticipate them. In the year - ACT - Action, Collaboration, Transformation.

2018, for example, Lidl became the first retailer in German - Forum nachhaltiger Kakao e.V.

country, Lidl was the first retailer in Germany to begin to monitor all conventionally sourced - Roundtable on Sustainable Palm Oil (RSPO)

of the Rainforest Alliance (RFA) to Round Table on Responsible Soy (RTRS) Fairtrade bananas.

Fairtrade bananas. While politicians welcomed - Donau Soja

welcomed our commitment, the German end consumer market - World Banana Forum

was not yet ready for a complete changeover - Fruit Juice Platform

was not yet ready for a complete changeover, we kept the RFA - Initiative Nachhaltige Agrarlieferketten (INA)

Banana in the assortment.

- GlobalG.A.P.

## Engineering (VLOG)

Together with the Schwarz Group, we participate - Forum Sustainable Protein Feeds

also in association work, for example for - Alliance for Water Stewardship

the Federal Association of the German Food Trade - Charta der Vielfalt e.V.

e.V., in industry-wide exchange and opinion-forming - International Network Leading Executives

process on relevant topics (see box on the right).

Advancing Diversity (LEAD)

STRATEGY &

## MANAGEMENT 33

### STAKEHOLDER SURVEY AND MATERIALITY ANALYSIS

Distribution of stakeholders surveyed

From October to November 2019, Lidl again surveyed GRI 102-43 on stakeholder groups

comprehensively internal and external stakeholders of the

including customers, employees, business partners, NGOs, the

ners, NGOs, the media and politicians. A total of 810,271 employees were

people were questioned online in a representative survey,

to obtain the assessments, views and expectations of these

views and expectations of these stakeholder groups on Lidl and sustainability.

The basis of the survey was formed by the 41 CSR topics of the

413 customers 810

Respondents

LRM, divided into eleven areas of responsibility. The stakeholders

selected what they considered to be the five most important

areas of responsibility and rated Lidl's current performance at the level of the

CSR topics, they evaluated the current performance of Lidl 126 other

Germany. external stakeholders

As in the previous survey two years earlier, GRI 102-44

a large proportion of respondents see no contradiction between

Sustainability and the core business of a discounter.

In particular, the stakeholders rate the topics around for this evaluation provided inquiries

around the product range as key areas of responsibility. NGOs, external developments, competitive  
analyses, etc.

animal welfare standards and responsibility as well as internal data surveys. The resulting

The resulting quantitative classification of the impacts results in the three most important areas of  
responsibility.

The horizontal axis in the materiality matrix is made up of the three most important areas of responsibility  
of customers, employees and other stakeholders.

other stakeholders. In addition, customers identified the

protection of ecosystems as well as the stakeholder groups Both the results of the stakeholder survey and  
employees and other external stakeholders the environment The areas of responsibility the internally

elicited impacts were incorporated into a Work

Protection of ecosystems (ab

standards in the supply chain as highly relevant.

Page 45) and animal welfare

store with the management were

analyzed and validated.

dards (from page 58) are revised on the basis of the results of

this process.

in the Resources chapter

In consultation with the management, we have looked in more detail at. Furthermore, we find the effects  
on selected topics again,

These topics also include the current focus on environmental standards in the supply chain.

supply chain (from page 74) in the

The focus on environmental standards in the supply chain and in operations, as well as remuneration, for  
example, are now also among the measures.

The chapter on the supply chain and on the shop floor, for example, as well as remuneration now also  
include key topics such as our cooperation with Bioland or our responsible products.

(from page 135) in the chapter

Sugar and salt reduction strategy is already well advanced.

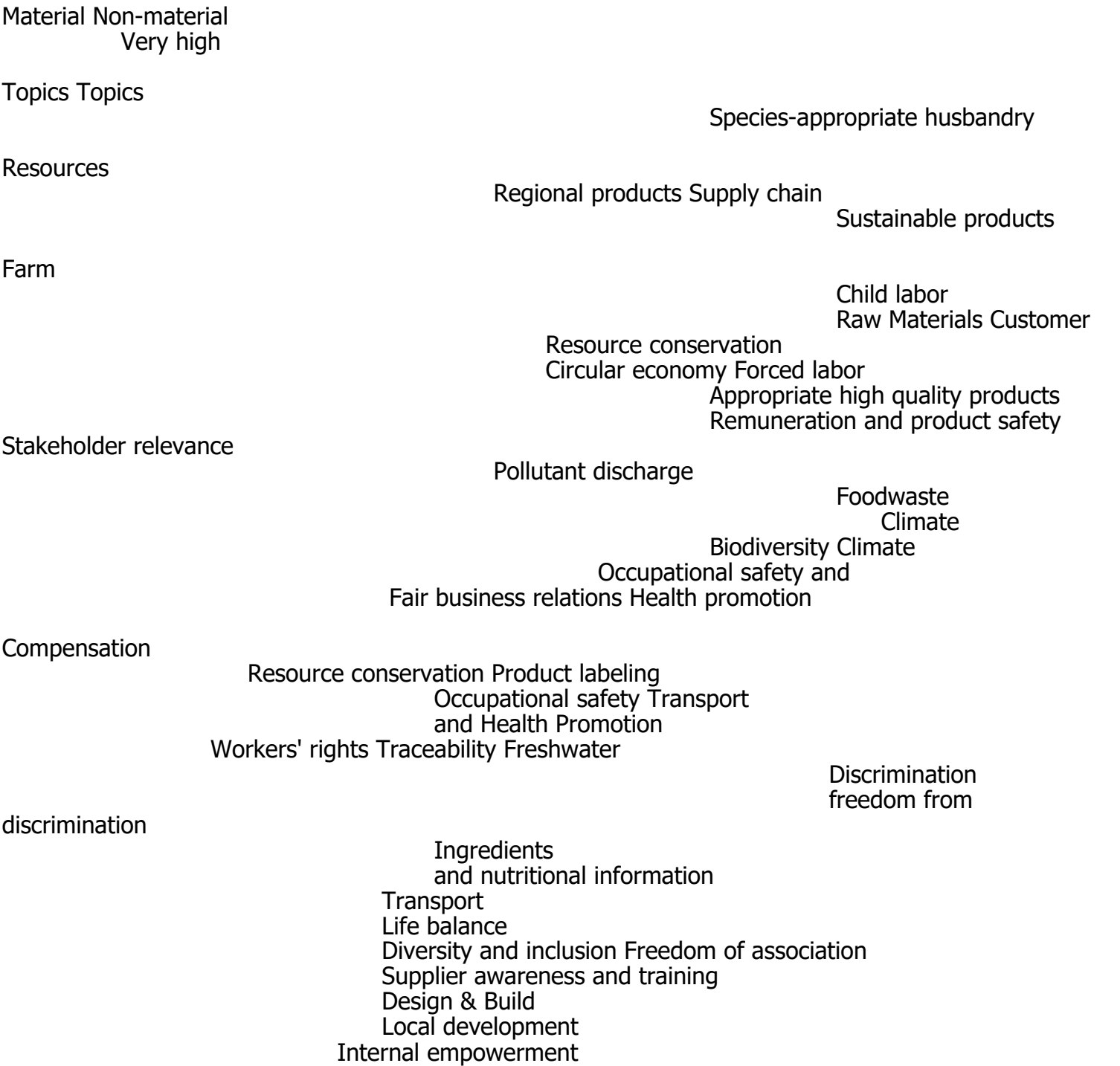
driven.

GRI 102-46 The result of this materiality analysis

shows 15 topics in which the areas in which Lidl's business activities have a major impact.

In addition to the stakeholder survey, Lidl assessed the impact and/or relevance for stakeholders in Germany. Germany internally their own influence on the survey. They form the basis for the present report (see gation topics. The first step was to classify them (see pages 36 - 37). In addition to the issues identified as material by external experts. The department then also examined other strategically relevant topics. CSR/sustainability and the members of the CSR-Ex such as freshwater (in the supply chain), occupational health and safety (in the perten teams, how the company's actions affect operations), training and continuing education, diversity and opportunities Lidl in the respective topics on people, environmental equality as well as compliance consideration in the report. world and society. The source material They are shown separately in the GRI Index starting on page 158.

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Collaborations  
Customer Awareness  
Compliance Supplier evaluation  
high GRI 102-46,

102-47

Stakeholder dialog Corporate

citizenship

high very high Weighting of customers to other

Impact of Lidl Germany Stakeholders 50:50

Almost 90 percent of respondents rate the Sustainable rem Sustainability Program (see pages 16 - 25).  
Through

commitment of Lidl as credible. By asking for and evaluating the most frequently used  
40 percent of respondents associate the company with sources of information we can sustainability  
topics.

Sustainability and responsibility. To communicate expectations in a more targeted manner in the future.  
The information provided by the stakeholders

and to further expand the information channels used and desired by our stakeholders.

In order to meet the expectations of our stakeholders and further expand their trust in us, we are  
implementing targeted measures.

We implement targeted measures and document our progress in our

## STRATEGY & MANAGEMENT 35

### REPORTED TOPICS & GRI ALLOCATION

RESOURCES SUPPLY CHAIN  
PROTECTION OF ECOSYSTEMS ENVIRONMENTAL STANDARDS IN THE SUPPLY

CHAIN

Raw materials Climate

GRI 308: Environmental assessment of suppliers GRI 305: Emissions

GRI 308: Environmental assessment of suppliers

Biodiversity

GRI 304: Biodiversity Resource conservation

GRI 308: Environmental rating of suppliers GRI 308: Environmental rating of

suppliers

Freshwater Circular economy

GRI 303: Water GRI 301: Materials

GRI 306: Wastewater and waste

GRI 308: Environmental assessment of suppliers

ANIMAL WELFARE STANDARDS

Welfare of animals Humane husbandry

FP 10/11/12: Animal welfare IN THE SUPPLY CHAIN

Child labor

GRI 408: Child labor

GRI 412: Human rights

GRI 413: Local communities

GRI 414: Social assessment of suppliers

Forced or Compulsory Labor

GRI 409: Forced or compulsory labor

GRI 412: Human rights

GRI 414: Social assessment of suppliers

Appropriate remuneration

GRI 412: Human rights

GRI 102-47 GRI 414: Social assessment of suppliers

Material topics

non-substantial, but

strategically relevant topics,

which are reported

## 36 STRATEGY & MANAGEMENT

### OPERATIONS CUSTOMER

OPERATIONAL ENVIRONMENTAL MANAGEMENT RESPONSIBLE PRODUCTS

Climate Sustainable products

GRI 302: Energy FP 2: Management approach

GRI 305: Emissions

Regional products

Resource conservation GRI 204: Procurement practices

GRI 306: Wastewater and waste

High-quality products and product safety

Foodwaste GRI 416: Customer health and safety

LIDL I: Ensuring responsible FP 6: Customer health and safety

handling of food

(Lidl specific indicator)

SOCIAL VALUE CREATION

EMPLOYEE RESPONSIBILITY Compliance

GRI 205: Anti-corruption

Occupational safety and health promotion GRI 307: Environmental compliance

GRI 403: Occupational health and safety GRI 418: Protection of customer data

GRI 419: Socio-economic compliance

Employee rights

GRI 401: Employment Corporate citizenship

GRI 406: Non-discrimination GRI 413: Local communities

Compensation

GRI 202: Market presence

GRI 405: Diversity and equal opportunities

Diversity and inclusion

GRI 405: Diversity and equal opportunities

GRI 406: Non-discrimination

GRI 102-47

Internal empowerment

GRI 404: Training and development

STRATEGY & MANAGEMENT 37

RESOURCES

VALUES

build

25

% OF THE ORGANIC PRODUCTS AT LIDL ARE

FROM BIOLAND PRODUCERS,

-FARMS AND MEMBERS

BIODIVERSITY

mus layer on all the agricultural land

available today

LIDL QUESTIONS ... if we could build up a layer of organic produce on all the

... EXPERTS ANSWER all the CO↪No\_2082

into the atmosphere by humans.

The importance of humus for our

livelihoods is

for our livelihoods is therefore

obvious.

Why is the humus layer so strongly

ge-.

"Green plants are shrinking - two thirds have already de-  
diminished?

build humus Because we have developed an agricultural system,  
of course, that no longer relies on humus-rich soils.

Take, for example, the introduction

of corn as

and keep it as a cattle feed crop in the 1960s. Before that  
people used grass and clover. These



green plants  
keep it  
the other hand  
which releases CO<sub>2</sub>.  
fertilizer has changed the  
releases CO<sub>2</sub>  
process. The  
input on earth  
for example  
agricultural cultivation methods.

in the soil."

build up humus naturally and  
in the soil with their roots. Corn, on  
plowed under again and again,  
Also, more and more nitrogen  
chemistry in the soil so that it  
and the humus breaks down in the  
consequence: Two-thirds of the CO<sub>2</sub>  
comes from changes in land use -  
for example, from the new

#### THE ARABLE SOIL IS ALIVE

FOR US ALL How can this development be reversed?

How can this development be

reversed so that humus can form again?

JOSEF BRAUN The build-up of humus is an effective tool

Vice Chairman for more biodiversity and against climate We should feed more cattle with green fodder again

of the Bioland Foundation. Agriculture can feed one in the process. Imagine the retail trade

Josef Braun believes that milk and dairy products would play a key role

in purchasing there.

Josef Braun is a trained farmer. Be

Josef Braun is a farmer who started his farm near Freising 32 years ago.

He has switched to the organic farming system of the Bioland Foundation.

The

higher the proportion of grass, the higher the prices.

and farms according to the Bioland

Bioland standard. Braun has been working for

achieve the producers. This would

be an effective

decades for sustainable land Steering measure to replace lost

Mr. Braun, humus is part of the foundation of life.

focus. He is involved in

He is involved in the Bioland Foundation, with which Lidl is working to build up humus.

Building humus.

How could more farmers not only

biodiversity because it harbors flora and as food producers, but also  
fauna, which are sustainable fruit as climate and biodiversity hosts?

soil. It also protects

the climate. It is made up of the remains of plants, By informing them

about how land

which stored carbon during their lifetime can also mean nature

conservation.

have. A humus layer of only 1.5 percent Therefore, Lidl supports our

project "Soil.

of farmland stores 120 tons of CO<sub>2</sub> per climate." In addition, farmers

should do something about

hectares of arable land. Would we earn such a Hu, if they through

humus build-up for

Climate and species protection. With our The entire interview THE WONDER "SOIL".

can be found online at

climate project, we are currently developing a system that is [lidl.de/sustainabilityreport](https://www.lidl.de/sustainabilityreport)

system. Soil and its layers are formed over very long  
by the mixing of slowly weathering mineral

nutrients.

How can this be organized in practical terms? mineral rock with the organic residues from ever new plant growth. "It is primarily a mixture

of

CO<sub>2</sub> emitters, such as companies and land decomposed organic matter, the humus and the mine weirs, are supposed to do business through us. ral components interspersed with water and air, as well as

We calculate that per ton emitted of a variety of plant and animal life," defines

CO<sub>2</sub>, an emitter pays between 45 and 60 euros to the German Federal Environment Agency.

would have to pay for such an offset

would have to pay. The farmer who, through sustainable

agriculture builds up the humus and neutralizes the

neutralizes the emissions, receives

30 euros, and the rest goes to further education

measures on the subject of soil life and in the HUMUS

proof that the farmer actually has leftover plant growth. The home of

Humus build up. This would give farmers a To worms, beetles, larvae, microbes, algae

and fungi. Regulates moisture,

generates

set income for their important contribution to nutrients and binds large amounts of CO<sub>2</sub>.

Climate protection provides.

TOP SOIL

The agriculturally used topsoil

with a

High humus content consists

mainly of.

"Farmers should use organic materials and microorganisms.

and is the most fertile layer of

the soil.

earn something when

they provide for climate and UNDERGROUND

species conservation."

content, consisting mainly

Layer with a low humus

sediment and rock

mainly sand, clay, or inorganic

Sediment and rock fragments.

GROWN ROCK

The lowest layer provides the

mineral

supply for further soil

formation.

Lidl and the Bioland Foundation invest in climate protection

Since January 2020: Lidl has been supporting the "Soil.Climate" and "Bioland Foundation" projects for three years with an annual budget of 100,000 euros.

the "Soil.Climate" and "Soil.Education" projects of the Bioland Foundation for three years. With "Soil.Climate"

the Bioland Foundation is scientifically exploring ways to make agriculture more climate-friendly by more climate-friendly by building up humus. Humus can absorb enormous amounts

of the greenhouse gas CO<sub>2</sub> in the soil and thus protect the climate. The soils

become more species-rich, fertile and resilient as a result of more humus. In the "Soil.Education" pro

project, the Bioland Foundation uses the funding from Lidl to provide farmers with practical

farmers about the benefits of humus-rich soils for climate protection and biodiversity.

protection and biodiversity.

RESOURCES 41

BIODIVERSITY

LIDL HABITATS

2

EVERY SQUARE METER COUNTS

Near-natural redesign

Lidl-owned properties  
On Lidl-owned properties are,  
flower strips at the University of Hohenheim and the Heinz Sielmann  
Suppliers and producers Hohenheim University and the Heinz Sielmann  
3.4 million square meters of near-natural foundation, at 30 logistics centers

140,000

strips and

flowering areas have been planted at suppliers and square meters of flowering

producers have been set up with Unterstütztenhotels since 2013.  
tion of Lidl have been created.

Optimization of

4

Plant protection measures

In cooperation with an institute for

Food Safety and Back

Since January 2018: With the project "Lidl life stand analysis as well as Lidl fruit delivery areas  
Lidl has been promoting a pilot project in the field of plant protection.  
falt, for example through the creation of flowering meadows.  
bee-friendly

Greece on

We are working on the project Use of plant protection products.  
This increases the food supply for wild "Lidl habitats" with strong  
bees and other insects that forage for nectar partners together:  
and pollen, and nesting opportunities are improved.  
nesting opportunities are improved. The United Nations  
in January 2019, recognized the 360-degree in  
itiative as an official project of the UN Decade University of  
Hohenheim

Biodiversity.

3

Bee-friendly

plants in the assortment

The assortment of bee-friendly

bee-friendly seeds and plants, which

FLOWERS ON

produced without neonicotinoids LIDL LOGISTICS CENTERS

Since 2018, we have steadily expanded the range of

Lidl stores steadily expanded.

Lidl

LIVING-  
SPACES

Networking of habitats in

a biotope network system

In cooperation with the

Heinz Sielmann Foundation

Lidl supports the networking of ecologically

5

biotope areas to form a

biotope network in northeastern

Bavaria.

We want to increase the food supply for

for wild bees and other insects and

and improve nesting opportunities.

RESOURCES 43

Valuing the origin of food: In the

In the production of foodstuffs, we ensure soil-friendly, animal-friendly, biodiversity

animal-friendly cultivation methods and conditions that respect species

standards and conditions of purchase that meet the needs of our producers and

that take into account the needs of our producers and those of nature.

nature. In line with this guiding principle, we have sustainability measures in the value-adding stage resources.

In this chapter

- Protection of ecosystems
- Animal welfare standards

#### 44 RESOURCES

#### PROTECTION OF ECOSYSTEMS raw materials from sustainable

As an internationally active trading company buy GRI 303-0, 304-0,

large quantities of processed primary products and raw materials for our 308-0 of processed primary products and raw materials such as coffee and our assortment and cocoa. The largest share of Lidl's sales comes from products products, the production of which in agriculture is

thus still sustainable- begins. Maintaining and promoting sustainable, fair and healthy agriculture is therefore of enormous importance to us.

agriculture is therefore of enormous importance to us.

After all, this kind of production not only provides the basic supply for today's the basic supply of food for today's generations, but also for future generations.

We are aware that, due to the growing population of the population and finite resources, the world is facing enormous challenges. challenges. Therefore, the protection of analysis on potential risks in the procurement of the biodiversity and climate, the efficient use of resources most important raw materials for our private label products

ces as well as species-appropriate animal husbandry, but also social carried out. In doing so, we paid particular attention to aspects requirements such as minimum wages, safe working conditions, greenhouse gas emissions, pollutants, land use, washing, and the prohibition of child labor.

and the prohibition of child and forced labor, as well as social risks.

These are tasks that we are working to solve together with our suppliers. Joining label initiatives is an important part of our work.

suppliers. For example, we promote responsible levers to counteract these risks. To ensure We incorporate sustainable cultivation, harvesting and processing methods into our purchasing decisions in a more targeted manner.

and we support a sustainable relationship, we have carried out an analysis of the most important seals of approval.

between agricultural yields and the protection of for the individual raw material groups and soils, water, and animal and plant species. All of our goals in this thereby in each case their significance for the aspects of water and

area, we have focused on soil use, biodiversity, climate protection, circular economy

Pages 16 - 19 together

Lidl has set itself the long-term goal of evaluating its own economy. and human rights. and resource consumption to the planetary boundaries and to make an active As a further guideline for our actions, we have developed the following guidelines

Purchasing raw materials of the earth's ecosystems. By 2030, we want to bundle in our position papers on various raw materials and wa

We have compiled all important agricultural raw materials from our position papers, which are updated regularly.

[www.lidl.de/positionspapiere](http://www.lidl.de/positionspapiere).

Together with our suppliers, we are documenting that our products are more sustainable, fairer and healthier.

more sustainable, fairer and healthier. Together with our suppliers, we document the progress

We are therefore working with our suppliers to document the progress made in minimizing identified risks and to develop new standards that are binding for all suppliers.  
Progress in minimizing identified risks and targets and measures. In the event of deviations from the target, we  
We develop new targets that are binding for all suppliers, define measures to ensure that they are implemented.  
We ensure that these measures are implemented.

## RESOURCES 45

SDG 2.4 KAKAO  
SUSTAINABLE 40 percent of the cocoa produced globally comes from  
FOOD Côte d'Ivoire (Ivory Coast). Every fourth inhabitant  
PRODUCTION of the country is directly or indirectly economically dependent on the cultivation of cocoa  
beans - about six million people.  
people. The majority of cocoa is grown on  
small  
SDG 13.2 family plantations. Since yields are low due to outdated cultivation  
methods and depleted soils, the risk of  
underpayment increases.  
CLIMATE POLICY risk for underpaid labor.  
INCLUDE As yields decline, the risk is greater  
more arable land,  
their habitat.  
raw material is on the rise.  
Lidl buys extensive quantities of cocoa for its assortment. Our product range also contains many  
of raw materials, intermediate products and finished articles such as muesli with chocolate flakes,  
chocolate puddings,  
articles from agricultural producers.  
yogurts and the cocoa butter used in  
cosmetics and  
Depending on the raw material group, the supply chains show chocolate milk this raw material.  
different social and environmental risks  
of this raw material. In order to use its influence positively, serve In order to be able to cover its cocoa  
demand in the long term and to  
the results of the 2019 risk to preserve important ecosystems such as the rainforest  
analysis and numerous position papers Lidl as to contribute, in 2012 Lidl launched the continuing  
education project  
Basis for more sustainable purchasing.  
Deutsche Gesellschaft  
governmental  
ANADER) in the Ivory Coast.  
are able to  
global demand for cocoa  
more environmentally friendly way.  
raw materials, for example without the use of pesticides,  
soil, protect  
The production of food is about Res GRI 308-2 protecting biodiversity and achieving higher yields at the  
farm level.

that rainforest will be illegally cleared for  
depriving many animal and plant species of  
At the same time, demand for cocoa as a  
that rainforest will be illegally cleared for  
depriving many animal and plant species of  
At the same time, demand for cocoa as a  
yogurts and the cocoa butter used in  
In order to be able to cover its cocoa  
demand in the long term and to  
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are able to  
global demand for cocoa  
more environmentally friendly way.  
raw materials, for example without the use of pesticides,  
soil, protect  
The production of food is about Res GRI 308-2 protecting biodiversity and achieving higher yields at the  
farm level.

PROCACAO together with the  
for International Cooperation (GIZ) and the  
development agency (Agence Na  
tionale d'Appui au Développement Rural,  
Côte d'Ivoire. The training offered in this  
the training offered in this project, farmers  
successfully and contribute to meeting the  
cocoa demand in a sustainable way.  
In an agricultural training center  
farmers learn how to produce cocoa in a  
pesticides. In this way, they conserve the

resources and raw materials as efficiently and environmentally friendly as possible. Through more sustainable agriculture as possible. cocoa, tea, coffee, palm (kernel) oil and soy are less affected by price fluctuations and the oil and soybeans are affected by the consequences of climate change - and their range are particularly relevant. Responsible An ensure future generations an income- The methods of cultivation, harvesting and processing of these raw materials are not only ecological challenges and livelihoods.

social demands are also  
In view of a growing world population, social standards must be met. Our  
We have already described measures to achieve this for over 18,000 farmers.

In the chapter on the supply chain  
We have already trained more than 18,000 farmers and many of them are passing on their knowledge.  
and biodiversity on the other. Since 2019, the project has been so  
successful that it has been

#### 46 RESOURCES

self-financing and serves as a model for other In order to counter these risks, we are committing to  
Agricultural products serves. Since 2019, PROCACAO has been supported by our suppliers, through the  
national legal

ANADER and the government of Côte d'Ivoire itself minimum standards, further certification  
Continued on an ongoing basis. comply with requirements. Since 2019, all green,

Black and rooibos teas from Lidl have been certified by  
Fairtrade, Rainforest Alliance, organic or UEBT/UTZ for the entire private label range of cocoa raw  
materials. Already  
by Lidl - for assortment, seasonal and promotional items - sold by Lidl since 2006 under its own brand  
"Fairglobe".

has been sourced 100 percent from more sustainable An green and black teas from Fairtrade-certified  
cultivation since 2017,  
cultivation and follows internationally recognized standards such as the minimum ecological and social  
standards.

Fairtrade, Rainforest Alliance, UTZ or organic certification. In addition, all "Fairglobe" teas are certified  
organic. Other

teas bear seals such as that of the Rainforest Alliance.  
In addition to our seasonal promotional merchandise, which is already certified by  
certified by the Fairtrade Sourcing Program (FSP), 78 percent of our herbal and fruit teas carry the  
Fairtrade seal.

additional product ranges, such as chocolate bars, have also been certified by standard-setting  
organizations.  
chocolate bars have been converted to this standard. Other such as Fairtrade, Rainforest Alliance, organic  
or UEBT/UTZ.

Assortment areas are currently being tested. By the end of 2020, the entire range of herbal and  
fruit teas is to be

range of herbal and fruit teas to sustainability certification.  
certification. A prerequisite for this, however, is that the raw  
in the respective country of origin and in the respective quality.  
quality is available.

Tea cultivation can be affected by land conversion, mono  
monocultures and the use of pesticides.  
have a negative impact on biodiversity. To  
deforestation and intensive cultivation can lead to late  
deforestation and intensive cultivation can lead to late effects such as  
water holding capacity of the soil.

#### RESOURCES 47

We currently cover  
85% of our  
coffee range  
by seals from  
standard-setting  
organizations.

COFFEE Over the years, Lidl has steadily increased the share of certified coffee

of certified coffee products in its own brands.

The green coffee for our own brands comes mainly from plantations in Central and South America. from plantations in Central and South America. Cultivation using seals from standard-setting organizations such as

is water-intensive and often jeopardized by unsustainable UTZ, Rainforest Alliance, Fairtrade or organic practices. The goal is

The aim is to further increase this share in the medium term, provided that it is in accordance with the water quality and biodiversity. Accordingly, a certification standard in the country of origin is important and

are certifications which, in addition to social aspects, guarantee the availability of goods.

such as the avoidance of forced labor and remuneration

In our stores in the Hamburg and Berlin areas, we have been implementing ecological standards since October 2018.

From October 2018 to April 2020, we will be purchasing coffee from a sustainability program that we are sustainability program, which we are implementing together

with UTZ and the

All our coffee roasters produce in accordance with the CARE aid organization in Guatemala.

Higher-Level-IFS standard and have to comply with regular, have. The "Guatemala Project" with the Smallholders' Co

undergo unannounced inspections. With the support of operative Agrícola Integral Acatenango, we are actively going

We actively go beyond the legal requirements, especially the role of women, and promote the productive development of smallholders.

and sustainable coffee cultivation. To this end, coffee farms are

Our own-brand range with raw materials from certified cultivation and processing methods.

and additional support projects, enabling them to produce high-quality coffee in the long term.

to improve the ecological framework conditions. Other project goals were to increase the efficiency increase in cultivation through digitalization and the introduction of

fruit crops to enable higher incomes through crop

diversification.

income through crop diversification.

## 48 RESOURCES

Results show that women-managed growers Through an annual supplier survey, we check whether the are more resilient to climate change and are meeting stronger standards we have defined. Should be further developed. In this way, we can identify deficiencies and discuss them with the supplier.

neutral principles are strengthened in the cooperative, and countermeasures are agreed upon. The The certified palm (kernel) oil volumes consumed by Lidl are then

we make available to the RSPO in an overall report, depending

on the type and

to the RSPO in an overall report.

## PALM(CORE)OIL

In the case of palm (kernel) oil, the clearing of forests for the

cultivation areas, and the associated issue of occupational

safety at work are a major risk. As a member

of the Roundtable on Sustainable Palm Oil (RSPO), we advocate the

sustainable cultivation of the raw material since 2018, we have been committed to

and distance ourselves from illegal logging of palm (kernel) oil-containing

and slash-and-burn agriculture. Since 2018, we have been using palm(kernel)

oil-containing private-label food products exclusively on

private label food

segregated and certified palm (kernel) oil. Non-edible food products exclusively on

In the case of private label products containing palm (kernel) oil, we have segregated and certified palm (kernel) oil.

Since 2018, we have switched to the Mass Balance certification model.

certified palm (kernel) oil.

RSPO, insofar as this was technically feasible and

the certified commodity flows were available to the extent required.

were available.

## SOY

Lidl does not have any direct business relationships with soy producers. Nevertheless, the large soy, which is used as feed for poultry, pigs or cattle and in cattle and in food production, Lidl has a particular Lidl has a special responsibility for this raw material. for this raw material. The high demand has negative effects. Forests are cleared for the cultivation of are cleared. This endangers the habitat for plants and animals in danger. In addition, monocultures and the intensive use of pesticides lead in the medium term to erosion and erosion and the unusability of soils. This has further negative consequences for the local population, which conflicts over land use rights.

In order to counter these consequences of soybean cultivation Lidl Germany, Lidl Austria and Lidl Switzerland have developed a soy strategy, which is based on three pillars:

- 1 Reduce the use of soy in the long term  
To reduce the use of soy as animal feed
- 2 Prefer soy from the European Union

- 3 Long-term switch to certified and segregated soy

to reduce, increased domestic Where soy is unavoidable, we prefer As long as the raw material from outside the

protein animal feed, such as rapeseed meal, this raw material must be imported from the EU in a sustainable manner, it will remain our

used. Also, the expansion of the European Union (EU). In 2019, we are aiming to switch to certified, GMO-free and

Lidl range through Bioland products therefore with the organization Donau Soja sustainably produced soy.

and the introduction of meat alternatives entered into a partnership, which has So far, however, only small men

The organization is committed to cultivation in the Danube region under its own brand "Next Level Meat.

contribute to less soy consumption.  
world's soy production

In this context, around 3,000 farmers in percent of the

Serbia and Croatia are certified as sustainable.  
cooperation with 19 local cooperatives.  
cooperatives are trained in sustainable cultivation methods and certified. In 2019, we will have 65,000 tons of soy certified by Danube Soy.

## 50 RESOURCES

Lidl is committed to domestic and European protein feeds. Since 2017, we have therefore been involved in the Forum for more sustainable protein animal feeds. The aim of the dialog forum is to provide a platform for all stakeholders along the value chain to discuss critical topics, open questions and approaches to solutions around the topic of more sustainable protein animal feed.

In total, Lidl Germany, Austria and To increase the share of sustainably certified soy,



Lidl launched the transnational "Lidl Soy Initiative" in 2017.

Switzerland 2019 equivalents in  
launched. In collaboration with the non-profit organization ProTerra Foundation, Lidl is  
tion ProTerra Foundation, we are promoting the switch to a more  
country of Brazil, we are promoting the switch to more sustainable soybean cultivation.  
and GMO-free soybean cultivation. The ProTerra standard is certified. The  
not only commits the farmers to more sustainable cultivation, but also  
tion, it also specifies criteria for better working conditions and the protection of the  
protection of the growing communities. By the end of 2019  
for Germany, Austria and Switzerland, we have set 60,000  
quantity that will be available for all beef and  
tons of soy at the origin of production in Brazil in accordance with the  
have them certified to the ProTerra standard. In doing so, we strive  
we aim to use segregated goods, which means that assortments are required  
that certified and non-certified soy is kept separate during  
during storage, transport and processing.  
during storage, transport and processing.  
In the next few years, we plan to include other assortment areas.  
be included in the next few years. In concrete terms, we are planning  
for farmed salmon to switch to sustainable, certified  
certified and GMO-free soy by 2022. For  
For fresh poultry, we will gradually increase the proportion of European  
European soy for fresh poultry.

RESOURCES 51

#### SDG 14.4

#### SUSTAINABLE

#### FISH CATCH

Lidl offers its customers a wide range of fish from various  
from a variety of sources. The over  
75 percent of the own-brand range has been  
since the changeover completed in 2019, with the  
with the exception of tuna and sardines, is certified  
MSC, ASC or organic certification. Endangered fish  
species are excluded from sale

FISH AND Shellfish We give preference to fish and shellfish that are fished using gentle  
fishing methods. The bycatch as well as the catch

In order to preserve the marine ecosystems and also to reduce the catch of juvenile fish to a minimum  
Lidl is committed to the conservation of marine ecosystems and the sale of fish in the future. Particularly  
critical fishing methods are to be  
sustainable fishing and aquaculture. Since then, we have been closing down or minimizing the number of  
fish caught. For example, we offer

In 2019, we will be selling canned tuna in the permanently listed private labels, where the fish is either  
sourced from

in the fish delicatessen, fish from FAD free fishing, canned fish, and frozen fish.

tinned fish, frozen fish and fresh fish - with the exception of fish caught by gentle pole & line fishing.

Tuna and sardines - only MSC, ASC or MSC certified.

Organic certified goods. For fish and shellfish from aquaculture

Since 2018, Lidl has only used ASC- In aquacultures, our aim is to use ecologically sustainable  
or organically certified raw goods. In the case of wild-caught fish, integrating farmed forms into local  
ecosystems and for

since the beginning of 2017, the frozen and fresh sectors are to ensure the most species-appropriate  
husbandry possible. We require

fish MSC certified. In 2019, certification was extended to the range of fish produced by our suppliers,  
negative impact on flora

Fish delicatessen range. Also for promotional items, and fauna as well as large-scale changes on land or  
which are only on sale for a short time, we want to avoid the range on the seabed. Demonstrably must  
on MSC-, ASC- or organic-certified products continuous precautions against farmed stock  
currently around 47 percent have taken appropriate measures and implemented action plans to reduce  
outbreaks.

certified. outbreaks are being drawn up and implemented.

Lidl distances itself in principle from any illegal, unreported or unregulated fishing (IUU fishing). Fishing). We require full traceability from all suppliers traceability throughout the entire fish supply chain.

## 52 RESOURCES

Foundation

SDG 15.1 / 15.5

Biotope network with Heinz Sielmann

From 2017 to 2020, a cooperation

project will run betw

ECOSYSTEMS between Lidl Germany and the Heinz Sielmann Foundation, which aims to create and connect ecologically valuable biotope

biotope areas in northeastern Bavaria.

At

BIODIVERSITY, among other things, the aim is to create flowering strips on field margins, extensively used grassland and small bodies of water, the exchange

between species populations is to be

promoted.

Intensive industrial agriculture can reduce the species The areas required for this purpose are, among other things, in

diversity and soil usability. To nega Collaboration with Lidl supplier Privatmolkerei

tive impacts, Lidl has acquired Grenz Bechtel at dairy farms. Lidl provides as

values in pesticide use in fruits and vegetables multiplier, Lidl establishes the necessary contacts for this purpose. To date,

introduced. Projects such as "Lidl Habitats" and the have been implemented by 21 farmers 49 hectares of high-quality organic

Cooperation with the Bioland Foundation promote the top area in the Schwandorf district.

humus build-up and biodiversity.

BIODIVERSITY GRI 304-2, biodiversity is for us the basis of a rich

308-2

food assortment. But it is precisely the

production

biodiversity on land, in water and in the air is central to our products can have a negative impact on

biodiversity

for a functioning ecosystem and the food chain The products we use. Analysis of our product range has shown that

raw materials we have in the

of humans. A large number of insects, such as wild bees, are at increased risk in some product groups.

pollination and the loss of biodiversity. In the case of raw materials, the

ticular challenges

wild and cultivated plants on earth. However, almost half of the soybeans used for animal feed and palm (kernel) oil and

of all insect species is declining sharply in population, and cocoa as an ingredient in many products is critical. But also

Scientists also consider the imminent extinction of many species of fruit and vegetable crops to be a high risk.

possible. The reasons for this are the rampant like the production of animal products and fishing.

agricultural land use, monocultures and the use of

agrochemicals. Wheat, rice and corn, for example, together with our suppliers of fruit and vegetables, cover 50 percent of the world's food needs.

For example, only three plant species now meet 50 percent of the world's food requirements,

to protect the diversity of flora and fauna and minimize our impact on the ecosystem.

and fauna and to minimize our impact

on the ecosystem.

possible. Our commitment to biodiversity is based in particular on the further

development of the

Lidl Habitats program, the expansion of

the Bioland range, and the

the Bioland product range, and our

cooperation with the  
bring us closer to our  
that serve as habitats for insects by 2025,  
meters by 2025.

Bioland Foundation. All these measures  
goal of increasing the number of areas  
insect habitats to five million square  
square meters.

## RESOURCES 53

SPECIES PROTECTION PROGRAM "LIDL LIVING SPACES" We are specifically implementing the project in the following

four building blocks:

With the "Lidl habitats" initiative, which was founded in 2018  
we want to sensitize people to endangered biodiversity GRI 304-3 1. Since 2013, Lidl has been working  
together with its suppliers and  
and contribute to the protection of wild bees and other beneficial insects.  
and other beneficial insects. 3.4 million has been invested in the project so far.  
project has been carried out by the University of Hohenheim and the Heinz Siel Quadratmeter  
mann Foundation. Both institutions advise us on which  
measures can be taken and analyze the GRI 304-3 2. In 2018 and 2019, we reported on 30 Lidl logistics  
centers on the  
Progress of the project. The goal is to increase the food supply 140,000 square meters of flowering areas  
created. Additional  
for nectar- and pollen-seeking insects and XXL insect hotels were installed at all locations.  
to improve nesting opportunities.  
about the commitment.

Information signs were erected to inform

seed mix for each site.

mation. The consulting experts determine the optimal

the optimal seed mixtures for the flowering meadows.  
meadows. Some regional companies are in the

process of  
meadows are  
from

renovation or relocation. In these cases, the flowering  
as soon as the measures have been completed. Apart

possible.

Lidl dem, the existing areas will be enlarged in the future where

enlarged in the future. At three Lidl locations, a

LEBENS monitoring  
at three Lidl locations in 2020.

LIFE monitoring of the effectiveness of the measures will take place

## SPACES

to include bee-friendly plants and seeds.

3 Lidl's plant assortment will be successively expanded

bee-friendly plants and seed mixtures.  
expanded. This will also give our customers the

opportunity

attractive plants for insects and bees. 4.

4. in order to optimize plant protection in fruit

cultivation, Lidl has been

Lidl has been working together with a leading German  
institute for food safety and residue  
analytics and Lidl fruit suppliers, Lidl has been

conducting a pilot project in

Greece. In addition to the more efficient use  
of pesticides, the exchange between fruit growers and  
between fruit growers and beekeepers. The aim is to  
to identify active ingredients that are harmful to bees,

to replace them

and

replace them where possible or at least limit their use,

are

use and to promote alternative methods of plant methods. The project has already identified nine plant protection products with active ingredients that

bees, have already been identified for substitution.

## 54 RESOURCES

In order to raise awareness of biodiversity among society, Lidl supports and aims to educate children at an early age.

Lidl relies on extensive communication to get children interested in species conservation. We also presented a number of tion measures. 2019 was our bee highlight year, the foundation's bee symposium the project "Lidl-Lebens which was held under the motto "Save the bees! Every square meter counts" stood. Under this umbrella, numerous

Since the beginning of 2019, Lidl has been a partner of the nationwide initiative.

tiative #beebetter from BurdaHome for more species protection and diversity.

and diversity. Together with environmental

associations and with

In collaboration with the Heinz Sielmann Foundation and with prominent and political support, the

In 2019, in the run-up to the Day of the Bee, we will be raising public awareness on the initiative and

thus setting a

Facebook, Instagram and YouTube three short videos that show signs for nature- and resource-conserving behavior.

The #beebetter initiative is under the patronage of the German beekeeping association.

The initiative #beebetter is under the patronage of Julia Klöckner, German Federal Minister of Food,

In addition, Lidl distributed 3.5 million Agriculture and Consumer Protection on Bee Day. 2020 launched the

native and perennial flower seed mixtures kos initiative with its partners into its second year, in which many

tion free of charge to its customers. This means that anyone can take further measures at home, such as planting a

Further information on flowering areas is planned.

on the species conservation program

contribute. The Heinz Sielmann Foundation's summer camp "Lidl habitats" at

[www.lidl.de/lebensraum](http://www.lidl.de/lebensraum).

### EXCELLENT HABITATS

The United Nations honored in

January 2019 the nationwide program

"Lidl Habitats" as an official project of the

of the UN Decade of Biological Diversity.

This makes the 360-degree initiative

initiative to protect wild bees and

biodiversity is one of a select number of

selected number of exemplary projects that

concrete measures that make an exemplary

biodiversity through concrete measures.

## RESOURCES

55

BIOLAND FOUNDATION manage. This also includes maintaining water quality

and protecting water from pollution. In 2018.

January 2020, Lidl began supporting the Bioland Foundation, we therefore joined the Alliance for Water Stewardship (AWS)

a central hub for the further development of the. We support the vision of improving water

organic agriculture in Germany. Through the investment of sourcing the world's water in the long term.

100,000 annually over the next three years in research and development

in research and development, forward-looking We are working to reduce the water risk in our supply

We are working to better understand and reduce the water risk in our supply chains in a long-term and measurable way. A first

first step will be to secure the future of organic farming. In this way, Lidl is promoting the results of the 2019 by Lidl through  
 Among other things, the Foundation's "Soil.Climate" project. conducted hot-spot analysis. There, fruit and In this, a system for offsetting CO<sub>2</sub>- vegetables as a commodity group that contributes most to water emissions in the supply chain. developed and tested. scarcity. This is serious in that  
 The central starting point here is the buildup of humus in the commodities often from countries such as Spain or Egypt  
 agricultural soils (see also interview with Josef already suffering from water shortages. Braun, pages 40 - 41). Humus is one of the most effective  
 levers to recapture CO<sub>2</sub> in the soil and thus prevent water pollution, on the one hand, and, on the other, to make a  
 contribution to climate protection. At the same time, the production of processed foods such as frozen foods,  
 humus-rich soils are more fertile and resilient. baked goods, snacks and cheese, but also in the fruit and vegetable sector.  
 The project "Boden.Bil Gemüseanbau. The main effect here is the use of dung", is having a negative impact with practical training in fertilizers and pesticides. Our heavy and targets on water use in the supply chain are to be set out in a water policy by 2022.  
 and targets for water use in the supply chain by 2022.  
 and publish them.

## SWEAT

GRI 303-1 Because of our complex supply chains,  
 Water is a vital resource for human survival, and it is difficult to make reliable and quantifiable statements about water use.  
 Good. As drinking water, for hygiene, in cultivation and in the need of suppliers. In cooperation with processing of foodstuffs and as an industrial production factor, freshwater is indispensable.  
 production factor, freshwater is indispensable. For this reason, Lidl has only ten and the consulting firm Fjol.  
 per cent is accounted for by domestic consumption - 70 per project WaVer for selected private label suppliers in  
 percent to agriculture and 20 percent to itiates. Together, we have been able to reduce the consumption of various products  
 industry. such as tomatoes, juice, dairy products and coffee capsules.  
 Savings potential for water and packaging materials  
 Humanity contributes with its production processes to the identified. As an example of this, we have identified the water  
 Water pollution and it is globally under consumption, water pollution and wastewater  
 available in varying scarcity. We looked at the so-called physical quantities and derived valuable insights for water risk.  
 Accordingly, water management in our supply chains varies from region to region.  
 varies. The majority of water consumption can be traced back to the water supply. A reliable statement on water consumption in  
 We are currently unable to make a reliable statement on water consumption in agricultural production, which is the source of most of our products.  
 origin of most of our products. This is why Lidl is involved. We are continuing to examine when we will be responsible to report the water risk in our supply chains to key figure.  
 56 RESOURCES

## LIDL PESTICIDE REDUCTION PROGRAM

The reduction of potential pesticide residues in our  
 pesticide residues in our own brands is a top priority at Lidl.  
 top priority at Lidl.

Lidl's specification values for pesticides and contaminants for the  
 pesticides and contaminants for The strategic active ingredient list The basis for the panel's work is our

To minimize social risks,  
 the entire range of flowers and plants  
 assortment has been certified according to  
 GLOBALG.A.P. Chain of Custody  
 respectively Risk Assessment

on Social Practice (GRASP) or  
 certified to a higher standard.

more

position paper on fruit

Fruit and vegetables residues only up to one third and vegetables under than 21,000 residue analyses per year, with their help of the legal maximum. For the sum of all active [www.lidl.de/positionspapiere](http://www.lidl.de/positionspapiere) substitution candidates are identified. Together

shown.

residues, a maximum value of 80 percent has been set with our growers around the world to the legal maximum total amount that may be derived from these substances in the cultivation of fruit and vegetables to a

a maximum of five substances. These requirements are far more stringent than the

These requirements go far beyond the legal requirements.

We actively contribute to a reduction in the use of pesticides in our flower and plant assortment.

strict criteria that make cultivation safer and more sustainable for people and the environment.

safer and more sustainable. Together

with our

Strategic List of Active Ingredients, Lidl is creating a supplier and grower of cut flowers and pot

We have set ourselves the goal of creating a clear framework for the protection of users of plant

We have set ourselves the goal of sustainably reducing the use of crop protection products and of

protecting the environment and species in the use of crop protection products. The

cultivation of fresh fruit and vegetables. To this end, we have developed a new method with a maximum of six

The number of active ingredient residues must not exceed six in order to comply with the Lidl specification values,

In November 2018, we formed a panel of experts from various institutes to conduct an intensive dialog with growers.

We have also formed an expert panel that is working to eliminate undesirable active ingredients and in the growing regions. The large number of recalls initiated

Contaminants in agricultural production allows us to keep a constant eye on the latest developments.

to identify and exclude them. The independent panel of experts for active ingredient residues for the entire floral and

The independent panel of experts on active ingredient residues for the entire flower and plant assortment is made up of specialists in quality assurance. To minimize social risks as well

In order to minimize social risks as well, the entire range of plants has been tested since the beginning of 2020 according to

to requirements in floriculture

The GLOBALG.A.P. Chain of Custody and the plant assortment will be evaluated and risk

Among other things, risk parameters such as the degradation and To be found in the position paper under Assessment on Social Practice (GRASP) or higher-value

[www.lidl.de/positionspapiere](http://www.lidl.de/positionspapiere).

world behavior of substances. certified.

## RESOURCES 57

### ANIMAL WELFARE STANDARDS

Eggs, dairy products, meat, and sausage are important to many FP 10, In this way, improved feeding and FP 11,

People an important part of the diet. The FP 12

rearing and husbandry conditions are

promoted and the

production of these products is a major industry internal standards for animal welfare continuously further

in Germany and an essential part of our product range. developed. At the same time, Lidl has been cooperating since 2018 with the

We want to improve animal welfare in the agricultural largest farming association in Germany and South Tyrol,

animal husbandry and thus also meet the expectations of Bioland, and expand the assortment with its products.

of our customers, which are increasingly being extended to the continuously. Each Bioland product forms, for the

The origin and the production conditions of their livestock are significantly higher standards than those of

our medium respect. By working together with our suppliers, we have an influence on how the EU organic standard legally requires us to do so.

We have an influence on how the animals are kept, treated and fed, treated and fed. We want to use this influence Lidl has set itself the goal of achieving a proportion in a positive way and to further improve the industry-wide standard of ten percent of organically produced products in the fixed further improve. assortment.

To this end, in our position paper for the All our goals more sustainable purchasing of animal products Specifications in this area we have set out

#### SPECIES-APPROPRIATE HUSBANDRY

formulated goals and concrete measures on pages 16 - 17. measures.

described in detail. They relate not only to our food FP 11 Lidl is committed to increasing animal welfare Our own brands, but also our cosmetics, detergents, and cleaning standards. This commitment is reflected in our

and cleaning products as well as textiles, small leather goods and commitment to the Initiative Tierwohl (ITW) and our

footwear. This position paper is binding, both for Lidl dialogs with the industry and politicians. In the context of

as well as its contractual partners.

NGO dialogs, we take up animal

welfare issues at an early stage

early on. At the same time, we support

recognized organizatio

Responsibility for the development and implementation of these requirements lies with our buyers and suppliers.

of these requirements lies with our buyers and Stewardship Council (ASC) or the Marine Stewardship of the CSR/Sustainability department. Each buyer for Council (MSC). In the assortment, the products ent products containing animal products are labeled in accordance with the requirements formulated by requirements formulated by Lidl when making their sort purchasing decisions. In this way, we want to to take animal welfare and animal protection into account in all our purchasing decisions and to make it mandatory for suppliers in the long term.

mandatory integration of animal welfare and animal protection. The progress of implementation in the industry.

The CSR managers in Purchasing, in coordination with the CSR/Subsequent

in coordination with the CSR/Sustainability department.

As part of our dialog with the

QM-Milch association, we are

we work together with other trading partners

We provide the necessary expertise for higher and binding animal welfare standards. We en

At least twice a year, we are involved in the Dairy Farming Initiative Group, which is chaired by the QM-Milk Association.

in training courses and workshops. They are available to the Albert Schweitzer Stiftung für unsere Mitwelt initiated

regularly in exchange with experts in the field, under an was initiated. The workshops, which are organized by several animal

The "Priorities for Raising the Level of Animal Welfare," which was agreed upon by several animal welfare NGOs

Bund, VIER PFOTEN, Bund gegen Missbrauch der Tiere, in Milchkuhhaltung" are available to us and we are working on them.

PROVIEH, Federal Association for Animal Welfare, Albert Schweitzer improvements in husbandry actively. Stiftung für unsere Mitwelt, ProVeg and Welttierschutz society.

#### 58 RESOURCES

In order to guarantee greater animal welfare, we have adopted guideline FP 10 guidelines for the animal species of the products we sell.

set:

BEEF:

For young bulls, we have obliged our

suppliers to use tethered

suppliers to exclude tethering as a husbandry

method.

PIG: exclude tethering.

Apart from female animals, Lidl only accepts meat from meat from male animals only if they are kept under anaesthesia using under anaesthesia using legally approved methods, immunocastrated or slaughtered as a young animal.

MILK VIEH:

Since young fattening does not involve any intervention on the animal, in the medium term we do not want milk from cows raised year-round.

This is Lidl's preferred method. We are working with our suppliers to ensure that the milk comes from tethered cows. For even greater animal welfare

We have reached agreements with our suppliers to ensure that we can offer our customers additional products in our milk range.

of these requirements. Since 2016, we have been offering boars, such as alpine milk from farms in the Allgäu region or

meat in our stores.

days a year on the

Pasture milk from cows that graze at least 120

graze on pasture for at least six hours a day. for at least six hours a day. Regionally, we

also offer this milk with the certi

premium level certification from the German

Animal Welfare Association.

GEFLÜGEL: In around 500 stores, we have conventional fresh milk

All our fresh meat from broiler chickens and turkeys - completely replaced by pasture-raised milk. We are constantly expanding

except for international specialties - comes our range of dairy products, which are produced in accordance with strict

from farms that produce according to the criteria of the Initiative Tierwohl criteria of the cultivation association Bioland.

produce. In the area of broiler chickens, Lidl also relies on

the animal welfare label "Für Mehr Tierschutz" (For More Animal Welfare). Even in the introductory the entry level of this standard, the animals have more space, additional

more space, additional material to keep them busy, and transport times. For fresh turkey and chicken, we only accept deliveries

In the case of deviations from the target by our suppliers, we only accept deliveries from farms that have been certified to comply with this standard.

Preparation for slaughter CO2 stunning procedures are defined to ensure implementation.

apply. As a matter of principle, we do not sell duck or If the measures do not lead to the elimination of the deficiency, end

Goose foie gras or products produced by farms stam we terminate the business relationship.

We do not sell foie gras or products that come from farms that use force-feeding or live plucking.

Lidl completely eliminates certain animal species from its

product range.

species. In the case of fish and shellfish, for example,

endangered and over

endangered and overfished species, or those whose

LIVESTOCK/YOUNG: Stock and fishing cannot be assessed, are not part of the range.

Since 2009, Lidl has exclusively stocked eggs from bottom- and our range. We orient ourselves to international

Free-range as well as organic eggs. Eggs in processed foodstuffs must be 100 percent organic.

Since 2016, 100 percent of the eggs used in processed foodstuffs must be at least Conservation of Nature (IUCN), OSPAR list of endangered species.

come from barn-raised hens. Since 2019, Lidl offers regional and habitats as well as at national lists. On rabbit meat from

its customers also eggs from Bioland farms from cage rearing, components of exotic or protected animals and

region that meet significantly higher animal welfare criteria.

We also completely dispense with

products made from angora wool and mohair.

constantly. We do not offer products from animals for

which there are no minimum

legal minimum standards or comparable criteria,



## HUSBANDRY SYSTEM - SHARE OF ARTICLES SOLD IN PERCENT FP 11

1 - Stable housing 2 - Stable housing Plus 3 - Outdoor climate 4 - Premium

GY 2018 GY 2019 GY 2018 GY 2019 GY 2018 GY 2019 GY 2018 GY 2019

Turkey 0,0 0,0 100,0 100,0 0,0 0,0 0,0 0,0

Chicken 3.1 0.0 59.4 84.6 31.2 3.9 6.3 11.5

Pork 64.1 61.4 30.8 15.9 0.0 0.0 5.1 22.7

Cattle 79.6 85.7 0.0 0.0 6.8 0.0 13.6 14.3

Total 48.8 48.1 32.8 34.9 10.4 0.9 8.0 16.1

## HOLDING FORM

In order for consumers to consider animal welfare when purchasing fresh meat In the case of beef, we want the conversion to be made by including aspects can be included, we started in 2018 with the into the ITW by 2025 achieve. In addition, the offers

Lidl Farming Compass a separate labeling system for pork, poultry and beef products in levels 3 introduced, thus laying the foundation for an industry "outdoor climate" and 4 "premium" successively expanded.

standard set. Since April 2019, the labeling For this purpose, we have already included fresh meat from Bioland in our

"Haltungsform", which is based on the Lidl system, uniformly assortment.

used throughout the industry. Four levels indicate

how the animal was kept.

By 2025, we aim to have introduced level 2 of the

standard for fresh meat and fresh poultry in our

fresh meat and fresh poultry. In the pro

program phase of the Animal Welfare Initiative 2018 to 2020, we have

we have established segregated commodity flows for poultry meat.

This enables us to offer fresh poultry that is verifiably

from farms that produce according to the criteria of level 2 of the Animal Welfare Initiative.

production. The changeover for unprocessed poultry meat took place in

As a founding member, Lidl has been supporting the ITW since 2015.

companies and associations from agriculture, the meat industry and the food retail industry

and food retailers for more animal-friendly and

sustainable production methods.

For pork, too, the target is Stage 2. meat production by 2020. Together, we want to improve animal welfare in livestock farming.

We have taken steps to actively raise animal welfare in livestock farming step by step and across

Germany in cooperation with all stakeholders in the supply chain. We are enga

We are working on a number of projects, which we expect to implement by the end of 2022, in the ITW

project groups for pork and poultry, among others,

to ensure that we have all our fresh pork in the Finance Committee and the Advisory Committee. In total, the trade provides approx.

be able to label with the "Housing Plus" level.

2018 to 2020. The funds

130 million available over the period from

implementing certain animal welfare

standards and promote

are intended to support pig and poultry farmers in

animal welfare criteria that go beyond the statutory

address animal welfare, hygiene and animal health.

60 RESOURCES.

FP 12 The preventive use of antibiotics is generally and the administration of antibiotics may only be

carried out by

by veterinarians for therapeutic purposes only.

therapeutic purposes. Homeopathic treatment methods

should

the foreground and the use of growth hormones must

be

area of laying hens.

2017, we have

cannibalism.

example.

included in the

for

Food

requirements for pullets.

by 2024.

"Kükenherz" brand.

ANIMAL HEALTH the rearing of male chicks. In currently three regions

we

We consider animal health as the basis for animal welfare FP 10 ensure the rearing of male chicks. The meat

and want to systematically improve this. As part of the roosters we also market in our range.

ITW has been bindingly adopted, an animal health Depending on demand, Lidl Germany will implement the

and antibiotics monitoring at the slaughterhouse for pigs project.

and poultry into the criteria of the husbandry forms.

include poultry in the criteria. For cattle, monitoring will be introduced Lidl welcomes the ruling of the Federal Administrative Court,

2020 and it will be mandatory for all farms from 2023. from killing male chicks as soon as possible.

Lidl sees this procedure as a good opportunity to phase out. We are committed to improving methods of ge

We are committed to improving animal health across the board, and we are working with our partners on the further development of this method as quickly as possible.

We are actively working with our partners on the further development of these methods. To this end, we are in dialogue with the poultry industry

systems. and our suppliers, as well as other stakeholders.

growth hormones is prohibited for Lidl's suppliers. The compliance with these requirements is regularly auditors on a regular basis.

We are also committed to appropriate measures in the

measures in the area of laying hens. Since the end of

eggs from laying hens without shortened beaks. beaks. We want to enable husbandry conditions that behavioral disorders such as feather pecking and

cannibalism. The provision of straw bales and perches perches and the integration of pecking stones, for

for example. There is also a need for better standards that are mandatory in the industry and

and must be included in the KAT guidelines. must be included.

For the rearing of pullets, we were able, after intensive the recommendations of the Lower Saxony State Office

Lower Saxony State Office for Consumer Protection and

(LAVES) and, in particular, to reduce the space

the space allowances for pullets to a satisfactory level

level by 2024.

Since June 2018, Lidl has been implementing the

we offer free-range eggs in around 250 stores, where

## RESOURCES 61

"A GOOD PIECE OF BAVARIA" -

REGIONAL PRIVATE LABEL WITH ADDED VALUE

Since 2009, the focus of "Ein gutes Stück Bayern" has been on animal welfare and sustainable management by family farmers.

family farms. As part of this program

with the private dairy Bechtel and the participating dairy farmers.

and the participating dairy farmers, we have defined animal welfare and

and biodiversity criteria. All dairy farmers participating in this participating in this program undertake to run their dairy cows in a more cows more species-appropriate, with generous space in loose housing and year-round without tethering, and to provide soft lying soft lying areas, a good climate in the barn, massage brushes and regular and regular hoof care. Lidl has paid out 19.6 million euros to the dairy farmers of its own brand "Ein gutes Stück Bayern". Bavaria" brand. During the reporting period additional criteria have been added, such as the cow-tied calf rearing through wet nurses and the use of endangered cattle breeds. use of endangered cattle breeds.

62 RESOURCES

LIDL AND BIOLAND If this is not complied with, Bioland

suppliers to an ombudsman's office set

up at the end of 2018.

In November 2019, Lidl and Bioland, the leading turn celebrated. If this finds a violation of the fair play rules

Association for Organic Agriculture in Germany and, Bioland can impose sanctions on Lidl.

South Tyrol, a year of cooperation that has paid off for both sides The establishment of such a procedure on the part of a

pays off. High-quality organic products thus find their producers' association is so far unique in the German

way into the middle of society, which further promotes retail agriculture.

highest quality level further promotes.

In 2019 alone, sales of organic products from Lidl GENTECHNIKFREI rose

increased by 44 percent as a result of the expansion of the range with Bioland food

by 44 percent. As a result of the cooperation, up to A large part of the population in Germany rejects life

120 Bioland farms additionally reject their high-quality food, which is produced from genetically modified plants or

and supply domestic Bioland milk to dairies. Since animals were produced. In order to meet the requirements of the

At the beginning of 2019, almost all dairy products from Lidl consumers and at the same time a contribu

In order to meet the requirements of Lidl consumers and at the same time contribute to biodiversity, Lidl uses genetically modified milk.

After stone-baked bread rolls, white beet sugar and honey-free food products bearing the "Ohne Gentechnik" seal

were followed in winter 2019 by the first Bioland sausages in Bavaria.

products. In addition, laying hen capacity is being created according to

Bioland standards will be created. In 2020, additional items We do not sell meat from cloned, genetically engineered

or genetically modified animals or their descendants through genome editing will be available.

their descendants. Nationwide, we have

already been selling

Currently, our customers can find 81 Bioland articles firmly in the essential differences 2002 fresh poultry and since 2011 eggs from genetically modified

between the Bioland

Lidl's range of products, which are produced in accordance with, among other things, the guidelines and the EC organic

free feeding. Since 2016, we have been

the first retailer to offer

an independent and ecologi regulation are under Germany-wide fresh milk of our own brand with the

<https://www.bioland.de/>

s agriculture is promoted: fileadmin/user\_upload/Ver certification "Ohne Gentechnik" (OGT). Since November

been certified to the OGT standard.

for\_producers\_and\_producers/.

- Im Kreislauf wirtschaften Vergleich-Bioland-EU-Bio.pdf seal. GMO-free feeding we have

- promote soil fertility. in the meantime for almost the entire range of our

- animals in a species-appropriate manner dairy products. Exceptions include

- Valuable foods produce example composite products or specialties,
  - Promoting biodiversity whose milk content does not originate in Germany.
  - Preserving the natural basis of life
  - Ensure a future worth living for people
- In 2019, Lidl became the first food retailer to launch its "Ohne GMO" range to include fish:

Initial talks between Bioland and Lidl began in mid-Germany to offer GMO-free certified frozen 2016. clear fair-play rules were the prerequisite for chilled salmon fillet from the Faroe Islands in the private-label a cooperation agreement. Thus, Lidl has committed itself in the cooperation agreement "Ocean Sea" as well as in many Lidl stores fresh Norwe to fair negotiations with its suppliers in the gisches salmon fillet with skin of the private label "Fischerstolz" entire supply chain to the farmer and payment. We are constantly expanding this offer. We are committed to fair producer and manufacturer prices.

## RESOURCES 63

### SUPPLY CHAIN Securing VALUES -1

### HIGHER CONCENTRATED 0% PLASTIC

The reduced bottle size of our heavy-duty detergent of the own brand "Formil" enables plastic savings of around 30 tons per year.

### CIRCULAR ECONOMY LIDL QUESTIONS ... ... EXPERTS ANSWER

"Plastic is a The entire interview can be found online at practical raw- [lidl.de/sustainability-report](https://www.lidl.de/sustainability-report) material that you can't improve the environmental balance sheet of this packaging material can basically be improved sustainably. Used correctly properly used, plastics help to save resources. resources". They extend the shelf life of food shelf life of food and are a lightweight packaging packaging material, which reduces energy during transport. Basically because plastic packaging waste that we have a volume problem, doubled in the last plastic packaging waste has doubled in the last 20 years. At more production of new plastic in "PRODUCING, USING, Germany so far only about ten percent old WEGWERFEN" WAR plastic is mixed in as a starting material. All the YESTERDAY more urgent that we get more involved in the circular more urgently in this area.

Because the simple  
PROF. DR.-ING.  
use, discard"

Circular economy is the order of the day, the triad "produce,

MANFRED FISCHEDICK if we want to preserve our livelihoods, we can no longer hold out for long if become more scientific business. In an interview, Manfred explains how we want to preserve our livelihoods.

leader of the Wuppertal Institute Fishedick, Scientific Director  
for Climate, Environment and Energy at the Wuppertal Institute, explains how to best get such cycles started.

recycling of recyclable materials succeed?

Manfred Fishedick holds a doctorate in energy and process engineering. He advises the can - for example, on plastics.  
EU, the German federal government and various Länder We need a German-level governments on energy management and

circular economy action plan.

Variety

climate issues. As a professor at the Bergische University of Wuppertal, Mr. Fishedick, there is hardly any packaging material that is currently so The dynamic development of packaging materials is currently receiving such negative headlines. Already in the design of packaging markets and entrepreneurial opportunities in the area of Clean Technologies. Since January

How justified do you think it is that we should aim for pure plastic and the lowest possible quantities of material.

he is scientific managing director aim for the lowest possible material quantities.  
of the Wuppertal Institute, one of the internal The appropriate answer is: we must This also means concentrating on the tionally leading institutes for applied sustainability research. to separate ourselves from black-and-white thinking. Plus basic question of what packaging is for - dem

tic is a practical raw material that should not be used for protection or as an advertising medium, which is often first should be demonized in principle. However, it does lead to

contamination. We have to

We need to systematically integrate plastics into a circular economy that makes use of digitalization.

We need to systematically integrate plastics into a circular economy so that it is easier to build up cycles. Already

Since summer 2019

1.7 million  
vitamin nets  
sold

"We need on German level an action plan Circular Economy."

Simple digital tools could make the make the plastic consumption flows transparent. How much packaging plastic is generated where? Where which type of plastic is available and how sorted? If this data is linked to potential customers, LESS PLASTIC, plastics can be used optimally MORE RESPONSIBILITY be used in the cycle and, with modern

methods such as blockchain, it is also possible that Since February 2018: Lidl Germany's strategy has been to

Self-Organizing Systems Emerge. REset Plastic has set the goal of reducing plastic consumption by by at least 20 percent by 2025 and to achieve maxi

How important are pioneers of the circular economy to make plastic packaging recyclable on a large scale. Lidl

The first discounter to ban the standard plastic bag, for example, is Lidl. its non-returnable PET bottles into a plastic cycle has long been a large number of non-packaged fruit and vegetables?

and now also offers "Dein Vitaminnetz" - reusable, environmentally friendly carrying nets - throughout Germany.

reusable, environmentally friendly carrying nets. So that customers can  
These are signals of a reversal of the trend and of what the new product packaging means in comparison to the old packaging.  
departure. Especially when a more cost-conscious makes the previous more sustainable, Lidl has with the "responsible  
discounter is active here, this shows that circle packed" logo since July 2019 a new labeling at Eigenmar  
The logo shows that Lidl has been introducing a new label for its own market products since July 2019.  
Articles with the logo fulfill at least one  
must and that they can be used even now with of four prerequisites: The packaging is at least 80 percent  
The packaging is at least 80 percent recyclable under the conditions prevailing in Germany, and the  
recyclate content is at least 30 percent.  
can be implemented. Other retailers packaging is made of an alternative material or is already ten  
percent recyclable.  
or industries this should convince and make them percent lighter.  
encourage them to follow suit. Such in  
innovations have the potential to trigger multiplier effects,  
trigger multiplier effects.

## SUPPLY CHAIN 67

### CIRCULAR ECONOMY REDUCE PLASTICS AND RECYCLE

packaging  
Lidl is working to reduce the amount of superfluous  
products, developing new packaging and  
packaging and to develop take-back systems for  
With its REset Plastic strategy, Lidl is pursuing the goal of providing recyclable plastics. Together with our  
and to close the loop. As part of the Schwarz Group's partners, suppliers, and  
Group - which, in addition to Lidl, includes informed customers, we are able to play an important role in  
this respect.  
and Kaufland, we can also make an important contribution to the circular economy with the  
environmental service provider GreenCycle.  
its sales brand PreZero and the companies of the  
Schwarz Produktion - ensure that packaging is made from recyclable  
made from recyclable materials and the use of recycled plastic is  
of recycled plastic is increasing.  
For example, for our own beverage brands "Saskia" and  
"Freeway" beverage brands, for example, we have already been  
closed for years. In the future, further packaging for our own  
own brands will be included in such cycles in order to gradually  
contribute step by step to a resource-conserving  
plastic resources step by step.  
The packaging of our private labels is sold by Lidl and is  
and accumulates as waste in private households.  
The waste management company PreZero collects these recyclable  
materials, sorts them and ensures that they are reused in its own recycling  
in its own recycling companies, among other places,  
where they are processed into new plastic base  
products. In this way, they are returned to the product cycle,  
packaging, among other things. Since the spring of 2020  
numerous "W5" brand detergent bottles have been made from recycled PET.  
have been made from recycled PET.

protection, safety  
and  
In the manufacture of packaging  
packaging must combine  
and durability on the one hand  
recyclability on the other.

recyclable as possible.

other. The goal must be plastic where it is needed and to necessary and to make it as

recyclable as possible.

Households and businesses collect packaging material and pre-sort it. The better consumers separate the recyclable recyclable materials, the easier it is to obtain new recycled raw materials.

Lidl - part of the  
of the Schwarz Group's  
of the Schwarz Group

State-of-the-art sorting plants technology separate the waste into different into different recyclable materials. Modern near-infrared scanners can identify and sort out almost and sort it out. Our recycling partner PreZero, a company of the Schwarz Group, has therefore invested million last year in the modernization of its in the modernization of its sorting facilities, among other sorting facilities.

DELIVERY CHAIN 69

Valuing the journey of products: Lidl's goal is to make the origin of its the origin of its products so that customers can make conscious customers to shop consciously. Aspects such as the seal labels on products, to ensure compliance with social and ecological standards along the entire and ecological standards throughout the value chain and make them comprehensible. therefore play a central role. With this in mind, we have sustainability measures in the value chain stage of the supply chain. value chain.

In this chapter

- Environmental standards in the supply chain
- Employment-related human rights in the supply chain

70 SUPPLY CHAIN

As a retailer, Lidl is at the end of often complex national or international supply chains. This results in the containment of known risks. In the food and non-food

414-0

Along the entire value chain of the products we sell, for example, we source private-label products. We only purchase social and ecological due diligence products from selected business partners with whom we have obligations. We focus on those areas where we have been working closely together in partnership for many years.

We also focus on the areas where the greatest impacts and risks lie. As far as possible from the start. From the start of the manufacturing process, we aim to improve the production

We aim to improve our suppliers' social and environmental standards as effectively as possible, so that the quality of life and the

and environment as effectively as possible so that the quality of life and the environment are affected as little as possible.

as possible.

Lidl Code of Conduct. It is binding for our binding for our contractual

partners and also for all Lidl employees.

In the period under review, we issued a comprehensive set of guidelines in this regard. We specified its requirements in more detail with the beginning of the

We conducted a risk analysis. It identified potential risks, such as those described in the position paper

published in 2020 on "Entrepreneurial  
e.g. human rights violations or negative due diligence for human rights and environmental protection.  
environmental impacts, in the supply chains of our own The position paper "Under in the purchase of  
merchandise". At the same time, it sensitizes

due diligence

At the same time, we identify and regularly update our purchasers on the possible human rights and  
environmental impacts in the supply chains of our own branded products.

alized. In order to improve our product range with regard to these social impacts of our purchasing  
practices on the environment and the environment, we have

of merchandise" is online

and ecological impacts, we have made available a list of our social standards at [lidl.de/socialstandards](https://www.lidl.de/socialstandards).

Duty of care.

the merchandise groups according to the purchasing volumes of the countries,  
countries and their importance in Lidl's total purchasing

Lidl's purchasing volume. Using suitable

Using suitable evaluation factors, we were able to compile a ranking list of the most risky product groups.

the most risky product groups. On the basis of this duty of care: creating transparency, identifying risks,  
and

analysis, we continuously review our countermeasures and develop them accordingly.

and develop them accordingly.

At the beginning of 2020, Lidl published an

updated and updated

In its risk analysis, Lidl has identified the following as significant social risks: "Corporate due diligence".  
Child and forced labor, inadequate employee human rights and environmental protection in the purchase  
of

rights, and discrimination. Special merchandise". This underlines our claim to contribute to the

We also focus on fair trade relations and on solving the major human rights and environmental problems.

living wages in global agricultural supply chains.

challenges in global supply chains.

In the

position paper, Lidl makes it clear that, for

the perception

In terms of ecological aspects, the analysis showed the its corporate due diligence a regular  
threats to biodiversity, climate change, not having assessed the impact of our business activities on the  
ground.

The company is aware of the risks associated with sustainable land use, deforestation, and the  
endangerment of the environment. Lidl presents these opportunities and risks transparently  
of water quality and the overuse of water as and documents the measures derived from this, and  
significant environment-related risks in our delivery processes. In addition, we show in this report how we  
are implementing our approach in the

(see Resources chapter starting on page 45). continuous exchange with stakeholders and through  
transparent communication.

communication.

## SUPPLY CHAIN 71

Lidl creates transparency in its own supply chain

Transparency is crucial for improving sustainability standards in global supply chains.

supply chains. At the beginning of 2017, Lidl became the first food retailer with a non-food  
assortment to

published a list of over 600 suppliers of textile and footwear own brands. In April  
2020, we became one of the first food retailers in the world to publish details of the  
independent manufacturers of our food products on the website [www.lidl.de/](https://www.lidl.de/)

BUSINESS PARTNERS.

The regularly updated lists include names, addresses and countries of all main  
production facilities. The food range includes producers of animal products,  
baked goods, coffee, tea, beverages, snacks and confectionery. This is supplemented by the  
publication of

This is supplemented by the publication of manufacturers in the tobacco, cosmetics and detergents  
ranges. Furthermore, Lidl

Lidl also discloses suppliers from the non-food range, for example for hard goods such as toys,  
sports equipment or garden furniture,



such as toys, sports equipment and garden furniture.  
 In order to further develop the management of social and environmental responsibility, Lidl is playing a key role in the  
 In order to further develop the management of social and environmental responsibility, an international exchange between all Lidl departments or environmental standards in the supply chain plays an important role.  
 takes place. In these meetings, goals and measures are discussed together with all our goals in this role.  
 Lidl has both its own online reporting

area we have set up on the  
 the purchasing department responsible for product range design pages 18 - 19 together, but also uses the BKMS system (Business Keeper  
 department defines and publishes items that have been worked out. Monitoring System). It is available in 27 languages and  
 and published. For the data analysis required for this, we use our we guarantee the confidential handling of the

We use our inventory management and information systems to analyze the data required for this purpose.  
 Essential for sustainable supply chains Our stakeholders For selected supply chains, Lidl Germany works on

Describe management  
 is the dialog with our stakeholders. To this end, Lidl we refer in detail to the the establishment of additional,  
 specifically suitable  
 such as suppliers, technical experts, civil society Pages 32 - 34. grievance mechanisms. For example, we are actively  
 organizations and trade unions along the entire Bangladesh Accord working group, which is responsible for  
 entire value chain. With the Guatemala project, we are working to develop an effective grievance mechanism.

our dialogue also  
 for social and environmental issues, directly with the producers.  
 we rely on regular training and education (see page 48). Bangladesh.  
 for our employees and business partners, and the  
 We aim to inform the public on an ongoing basis about our activities in this area.  
 with the global Society for International Challenges and progress in the protection of  
 cooperation (see page 91). human rights. We report on this,  
 among

in our position paper on corporate  
 due diligence, among other things. due diligence.

## 72 SUPPLY CHAIN

Identifying risks and opportunities  
 - Carrying out a range based materiality analysis  
 - Identify material opportunities and risks  
 - Identify impacts and opportunities identify and evaluate

Define requirements and define processes  
 - Define CSR

Communicate targets, objectives and KPIs

- Establish auditing

- Transparent report secure processes reporting on successes - ensuring and failures to measurability internal and external - definition of roles

target groups

process and responsibilities  
corporate  
Due diligence

Improve Implement and

control

- Review and improve of specifications and processes - Consistent implementation
- Eliminate negative effects, demand in the supply chain avoid and mitigate and review
- Access to effective - Auditing and evaluation Grievance mechanisms Ongoing supply chain and stakeholder exchange.
- Reparation with our stakeholders of violations
- Improvement of supply chains and stakeholders

SUPPLY CHAIN 73

## ENVIRONMENTAL STANDARDS IN THE SUPPLY CHAIN

89

Wastewater  
tests in 2019

Lidl is also a leading textile retailer in German GRI 306-0,  
308-0,

country, so we make our influence felt especially in our own brands for FP 2 CLIMA  
and footwear brands in particular, we are exerting our influence

GRI 305-3, Lidl supports the goals of the Paris Agreement on Climate Change, and we are committed to  
reducing negative environmental impacts in the supply chain.

305-5,

reduce our impact on the environment.  
important international treaty to date

308-2 mens. It is the most

agreement to which 195 countries made a

legally binding commitment in 2015.

Around 80 percent of these products are used in the industry. It provides for climate protection measures  
to

manufactured in Bangladesh and China. We therefore aim to keep global warming well below 2.0 degrees  
Celsius.

the focus of our measures in these countries to limit 1.5 degrees Celsius.

social and environmental risks. So-called

Wet process operations are a focus here, as the dyeing An important step in controlling our CO<sub>2</sub>-  
and washing of textiles particularly harmful to emissions we took in 2019. Within our

environment can be.

risk analysis, we have for the first

time assessed emissions throughout our

entire supply chain, paying particular

attention to

Life Cycle Assessments of manufacturing sites for our Tex identified emission-intensive product groups.  
These are

tils to be improved by helping to avoid cheese, meat and dairy products, vegetables, frozen foods  
chemicals, among others, from the and textiles. In the food product groups, the main drivers are the

The environmental protection organization Greenpeace has identified agricultural processes and animal  
husbandry

are classified as questionable. Since 2014, we have been underpinning this with the emissions, and in the  
case of textiles, the production of the

our Detox Commitment.

fibers and their processing are

responsible for major greenhouse gas

into the atmosphere.

We communicate our expectations at local events

expectations and make guidelines available to our suppliers By the end of 2021, Lidl plans to have an  
emissions target for the entire

accessible for greater sustainability. Lidl is drawing up supply chain in the process. On this basis, the

specific guidelines and then monitor compliance with them with its suppliers at the re through audits and wastewater tests. An internal system will reduce CO<sub>2</sub> emissions. Some measures to avoid chemicals of concern have already been implemented. Where possible, we avoid built up. The environmental management of the plants, for example, emissions-intensive air freight and set are audited by independent accredited institutes. Overall, on seasonal products in the fruit and vegetable range, um were 128 wastewater tests in the 2018 reporting year and 89 in the avoid long transport routes. Also with the Aus The expansion of our product range to include meat alternatives, for example, from a total of 180 suppliers in the 2019 reporting year. leads. The revision and further development of our own brand "Next Level Meat", we are contributing to CO<sub>2</sub>-. monitoring concept for new operations is currently under review. reduction (see page 142).

## 74 SUPPLY CHAIN

### RESOURCE CONSERVATION

In the production and finishing of textiles, Was GRI 308-2 and energy are the resources most commonly used in the production and finishing of textiles. In order to reduce their consumption, from 2017 to 2019, we have held training sessions at our suppliers' textile China and Bangladesh with a focus on resource management. resource management. These focused on energy, chemicals and water consumption, but also water, but also on the environmentally compatible disposal of wastewater of wastewater and waste. As part of the PURE project, local experts are training the the workforces of the textile suppliers. Lidl, together with the the Gesellschaft für Internationale Zusammenarbeit (Society for International Cooperation) costs for the employees' participation. In concrete terms The resource consumption of the sites is recorded, performance indicators are defined and individual savings plans are developed. developed. For example, water meters are installed to record the water meters are installed to record the quantities of water used. We also support the production sites in further optimizing their production processes, further optimize their production processes. In cooperation with the research and consulting institute EPEA, Lidl is pressing ahead with the development and market launch of of recyclable textile products. Our aim is to our ambition is to design our own-brand textiles in such a way that raw material consumption of raw materials and the amount of waste and waste volumes in their production are as low as possible. As a pilot project in 2019, we have developed a complete recyclable Cradle to Cradle-Certified™ collection, including bedding and pyjamas. bedding and pajamas for men, women and children. men and children, which can be fully biodegraded after use. completely biodegradable after use. Even the even the textile abrasion that occurs with each wash cycle is biodegradable. biodegradable. In addition, the printing paste used, Lidl will in the future repeatedly C2C-Certified™ articles. Lidl will offer these in cooperation with the CHT Group, a global specialty chemicals company. widely active company for specialty chemicals, the contribute. This makes Lidl an innovation driver on the EPEA and the Beneficial Design Institute, and at the same time demonstrates the completely biodegradable. The printing paste is also intended to be a potential application for this technical innovation. be extended to non-C2C-Certified™ products. in manufacturing countries such as Bangladesh. DELIVERY CHAIN 75

### LIDL DETOX COMMITMENT CIRCULAR ECONOMY

Our goal is to eliminate substances of potential concern, such as GRI 308-2 For Lidl's core business,

trading in food and polyfluorinated substances (PFCs), alkylphenols, recyclable materials as transport and packaging materials, and their ethoxylates (AP). and their ethoxylates (APEOs), will be replaced by harmless materials by 2020. As one of the major distributors alternatives. In 2014, Lidl became the leading supplier of plastic packaging in Germany. Detox campaign by Greenpeace and, as part of the Schwarz Group, Lidl has made a commitment to this. made a corresponding commitment. Once a year, resource-conserving handling of this material. From independent institutes check the wet processes of our manufacturers through wastewater and sewage treatment plants. of our manufacturers through wastewater and sewage sludge tests Germany, GreenCycle was founded in 2009, through (2019: 89 tests). The results are published on [www.IPE.org](http://www.IPE.org) More information on this their expertise to date a comprehensive recyclables ma

at [www.lidl.de/detox](http://www.lidl.de/detox).

management system has been established that is unique in the European trade in Europe. It covers not only the use of packaging at the point of sale as well as its collection, sorting sorting and recycling. GRI 308-2 It has been scientifically proven that each ton of recycled plastic plastic from sales packaging generates between 1.5 and 3.2 1 Source: CO<sub>2</sub> credits saves tons of CO<sub>2</sub>. 1 This finding is also reflected

for more recycling and Climate Protection, in RecyAktuell, in our holistic, international plastics strategy.

SDG 6.3 Issue 01/2020 REset Plastic, which was launched in 2018 by the Schwarz Group. was launched. Together, it sets out the vision WATER QUALITY "Less Plastic - Closed Cycles" is being pursued. INCREASE

In order to live up to its self-image as an innovation driver Lidl has committed to reducing its plastic consumption by 20 percent by 100 percent

Lidl's supply chains extend into countries with the private label packaging maximally recyclable. high water scarcity. To design the heavy in particular. Wherever it makes sense and is possible, the The proportion of recycled materials is to be increased wherever it makes sense and is possible, and the use of alternative packaging materials is to be increased. manufacturers are high. This is why Lidl has decided to promote the use of alternative packaging materials. To this end, we analyze the Greenpeace Detox campaign in coordination with our suppliers and together with them. ted. In order to protect the quality of the water, with the experts of the Schwarz Group as well as the group's Lidl regularly conducts wastewater tests. own environmental service provider GreenCycle and PreZero - the

GreenCycle's sales brand - where plastic is completely eliminated, alternative alternative packaging options, or

76 DELIVERY CHAIN

SDG 12.2/12.5  
SUSTAINABLE  
RESOURCES  
MANAGEMENT

## WASTE

DEFINITELY recycled plastics can be used without

REDUCE that sacrifices have to be made in terms of quality, freshness and product

have to be made. We take into account the overall ecological impact of the use

Lidl has an influence on how it uses plastic resources, including whether omitting a plastic

in its global supply chains. With the group More information on packaging to increased food losses due to

Lidl food rescue in the

partner's own environmental service provider GreenCycle are chapter operation starting on page 93.

would lead to faster spoilage.

We have become a pioneer in the circular economy.

economy. With our company-wide REset strategy, we have made a commitment to the recycling of valuable materials.

Plastic we are focusing on reduced plastic use, in 2018 the Schwarz Group introduced the

use and maximum recyclability of the Global Commitment of the New Plastics Economy of the Ellen

Private Label Packaging.

MacArthur Foundation signed. For

implementation

serves the comprehensive and international

plastics strategy

REset Plastic, which comprises five fields of

action:

REduce - Avoidance

We avoid the use of plastic wherever possible plastic wherever possible and sustainable.

REdesign - Design

We design products so that they are recyclable recyclable and close loops.

REcycle - Recycling

We collect, sort, recycle, and close recycle and close loops.

REmove - Disposal

We support the removal of plastic waste from the environment.

REsearch - Innovation and education

For innovative solutions we invest in research and development and educate about recycling and resource conservation.

SUPPLY CHAIN

77

REset Plastic - our

Plastics Strategy 2025:

With the establishment of PreZero, one of the major recycling

20 %

less plastic

and waste disposal service providers in Germany, the acquisition of

Sky Plastics, an experienced producer of plastic regranulate, and the

producer of plastic regranulate, as well as the establishment of the dual system

PreZero Dual system, the Schwarz Group has become a key player in the

in the environmental service sector in Germany. The

goal is to create a company-wide recycling

The aim is to create a company-wide recycling system that conserves valuable resources and turns waste into recyclable materials.

around 170 own-brand articles, Lidl offers additional guidance when purchasing

additional orientation when shopping, where changes

to

In the fruit and vegetable sector, Lidl has already been saving resources for years. articles,

Lidl also offers numerous unpackaged items. With the introduction of the logo, at least one of the

following criteria is met

of the reusable vitamin net for purchasing the following criteria:

loose fruits and vegetables in the summer of 2019, we have created for

customers an alternative to the existing knot - recyclability of at least 80 percent plastic bags created.

- Recycled content of at least 30 percent
- Use of alternative materials
- Savings in volume or weight of the packaging material of at least 10 percent

Maximum recycling GRI 301-1, By saving plastics just used in 301-2, form of packaging or disposables already after capability at 306-2 100 %

important contribution

the packaging

innovations

tested in

of all private label packaging

78 SUPPLY CHAIN

very short useful life, the company is making an company is making an important contribution to solving packaging waste problem. Further packaging innovations are being developed and continuously and tested on an ongoing basis.

AN EXCERPT OF OUR PRODUCTS - ALREADY PLASTIC-REDUCED AND PRODUCTS WITH RECYCLED CONTENT

Harvest Basket  
French fries  
-21 % Nut-Fruit

Blend/  
Almonds/Cashew  
Cranberry Mix  
-21 %

Organic agave syrup:  
Bottle body made from  
100 %  
recycled tea in a pyramid bag  
-44 %

Flow-pack packaging  
Pork mince  
-60 %

Miscellaneous  
Fruit and vegetables:  
over 60  
Articles unpacked

Fine  
cookies  
-74 %

DELIVERY CHAIN 79

Lidl

From the bottle at  
Buy plastic granules Lidl  
a new  
bottle body

Saskia or

The green 1.5-liter  
bottle with still  
water of the private brand  
"Saskia" is made of  
100 % of

Freeway bottle with recycled PET.\*

Return to Lidl

Bottle is \* Excluding lid and label  
pressed  
and crushed

28 grams.

saving of up to 70 percent

Lidl

material as its competitors.

Special importance among our measures for GRI 301-1, PET in its bottles as required by the EU by 2025  
301-2

Plastic reduction have the bottles of our beverages will. The green 1.5-liter bottle of still water from our own brands "Saskia" and "Freeway". As early as 2007, our own brand "Saskia" was made of 100 percent recycled plastic.

we began using smaller quantities of recycled PET material recycled PET - with the exception of the cap and label.

for this purpose. Since then, we have been able to increase the proportion through

Since 2010, the further development of the bottles has enabled us to significantly increase the proportion of recycled PET.

partners from Schwarz Produktion and have significantly increased the integrated plastic cycle at and thus save raw materials by reducing the bottle Lidl 420,000 tons of virgin PET material in the first place.

weight. stood.

80 DELIVERY CHAIN

EMPLOYMENT NEAR participation in the ILO's Better Work program, which deals with labor rights at the factory level, as a

condition for the

HUMAN RIGHTS IN THE a collaboration.

DELIVERY CHAIN

fully analyzed our

human rights.

Every day, millions of people work to produce GRI 408-0, human rights violations in each commodity group identi

408-1,

of food and goods sold at retail 409-0, fied. Compliance with the standards we require

are purchased. Lidl's supply chains, for example, include Lie 409-1, is monitored in the non-food area by means of systematic supply chain monitoring.

412-0,

suppliers who produce on five continents. Particularly in the 413-0, chain and through the management of targeted projects.

sourcing countries of the Middle East, South America, Asia 414-0 promoted and monitored. Our aim is to or Africa, however, there is a risk of inadequate minimum standards being imposed, with as few gaps as possible.

working conditions, for example due to insufficient payment.

or even through forced or child labor. The greatest

In our analysis, we identified the greatest risks in the areas of independent labor, forced labor, and child labor.

Another component of our approach is independent monitoring, for example through social audits. These checks are

These audits are of limited use as a stand-alone means of improving working conditions or identifying hidden

to improve working conditions or to

identify hidden

Together with our suppliers, we therefore aim to identify violations - such as the ban on forced labor. ensure that employee and human rights are covered. Nevertheless, these controls are carried out by independent along our value chain are an important means of monitoring risk indicators. are maintained. In the non-food sector, we have already uncovered and targeted the situation in the supply chain.

made good progress, and in the food sector we are currently sharpening our we are currently reviewing our management approaches and measures.

During the reporting period, for example,

we began

For example, we are reviewing a risk-based Sedex social audit in individual food supply chains risk-based Sedex social

auditization of our suppliers in order to better meet our responsibility to monitor working conditions. to better meet them. With all our measures in place and improve. Through the audits, some of which last several days

In this area, we also contribute to the National Action Audits, in which independent auditors evaluate on site the

The NAP (National Action Plan for Human Rights) of the German federal government.

working hours and employee rights.

The Lidl Code also serves as the basis for our business

The Lidl Code of Conduct also serves as the basis for business relations with our suppliers. In the non-food sector, we regularly review the

In the non-food area, we regularly review the human rights standards that apply to our direct and indirect business activities.

We also conduct annual audits of our suppliers' compliance with the UN Human Rights Charter, independent annual BSCI social audits of all our suppliers' own

local legal requirements and for the recognition of brand manufacturers in non-European production countries.

of the International Labor Organization conventions. We evaluate the results of these audits

(ILO) of the United Nations.

The Lidl Code of Conduct is systematically evaluated and

we make our decisions on this basis.

can be viewed at

[lidl.com/codeofconduct](https://www.lidl.com/codeofconduct).

purchasing decisions.

Lidl rejects any form of child labor or forced labor, as well as

and violations of human and labor rights. In information events and discussions

Our Lidl Code of Conduct therefore places the highest priority on communicating our expectations locally.

We place the highest value on workplace safety, freedom of association, and the protection of human rights. Our

fair compensation and equal treatment. Our standards Business partners are required to ensure compliance with the

and solutions, we have specially trained employees at the beginning of 2020 in the position required standards.

We are committed to employing specially trained employees to ensure compliance with the standards called for in the position paper "Corporate Due Diligence".

implemented. For example, we plan to identify, correct and avoid our non-food manufacturers in the future.

SUPPLY

CHAIN 81

To further understand the impact of human rights violations

the impact of human rights violations within our supply chain,

we are conducting three social impact studies by the end of 2021,

Human Rights Impact Assessments, in our high-risk supply chains.

high-risk supply chains. Thereafter, we will conduct these IN COLLABORATION WITH NATIONAL AND

conduct and report on them three times a year until 2025. INTERNATIONAL INITIATIVES

We will continuously improve our approach to this through memberships in organizations that review audits and carry them out using globally recognized local

further develop our methods. In this context, the influence of our human rights standards in the supply chain on

Lidl to maintain human rights risks for women, small farmers. Only in cooperation with civil

and workers will be investigated. The first area to be investigated will be the working conditions in the



cultivation of

We can only achieve effective, long-term solutions if we first look at the working conditions in the cultivation of tea in companies.

Kenya, bananas in South America and berries in Spain. The improvements in the supply chains. Therefore process is being designed in collaboration with different we are networking with relevant stakeholders, going multistakeholder.

stakeholder groups, including stakeholder organizations, or engage with civil society, labor representatives and communities.

Civil society, employee representatives and communities. initiatives that already exist.

Lidl aims to shape its business relationships with suppliers

suppliers for the long term. That is why we try, as far as

possible, we try to work together with manufacturers and local

local partners to eliminate grievances. To minimize the risk

of a relapse, situation analyses are carried out regularly.

situation analyses are carried out on a regular basis. Overall, this approach has

demonstrable success. For example, the proportion of

non-food producers with whom business relations were terminated due to a significant violation of SDG 8.7

business relationships had to be terminated due to a significant

Lidl Code of Conduct had to be terminated was less than 0.1 percent in the

past at less than 0.1 percent.

CHILDREN'S WORK

END

FORCED AND CHILD LABOR - VER-

SYSTEMATIC APPROACH TO IMPROVEMENTS Lidl is committed to decent working conditions along the entire supply chain.

conditions along the entire supply chain

We want to counter the risk of human rights violations and is therefore committed to various initiatives at resolutely countering them. Stepped out of our risk analysis. Lidl can contribute indirectly to this

We were able to see, for example, where we have the greatest influence on sustainably changing entire market segments.

The company is concentrating its efforts on the prevention of child and forced labor among its contractual partners.

partners who supply us with ready-to-sell products, previously more in the non-food sector, less in the products. In order to make our supply chain more sustainable for Men on the food sector. These measures will

These measures are currently being expanded and further developed. With re

with our business partners and respond immediately to any violations.

immediately in the event of violations. For those affected or observers of Lidl, we have set up a transparent complaints procedure.

We have a transparent on-site complaint mechanism for those affected or observers of violations.

mechanism in the form of the BKMS online reporting system.

system.

82 SUPPLY CHAIN

AMFORI BUSINESS SOCIAL COMPLIANCE

INITIATIVE AS STANDARD PARTNERSHIP WITH SAVE THE CHILDREN

Since 2007, Lidl has been GRI 408-1 through the European Foreign Trade, Lidl aims to make its global supply chains human rights

409-1,

association member in the community initiative amfori 412-1 compliant and thus free of child labor. This Business Social Compliance Initiative (BSCI). With around principle, recorded in the Lidl Code of Conduct, forms

2,400 other members, we are making this the basis for our partnership with Save the Children. The

strong that internationally recognized social standards are implemented in the non-governmental

organization trains on behalf of Lidl

supply chain are implemented, including avoiding suppliers in the prevention of child labor in

of child and forced labor. To this end, we have all producer countries

direct producers of our own textile brands in non

GRI 412-2 The background to the partnership was the desire to go beyond our existing monitoring of suppliers.

existing monitoring, to raise awareness of the issue of child labor among our suppliers.

among our suppliers, so that  
 In 2019, for example, systematic countermeasures were taken on site in so-called risk countries. 4,493 unannounced audits in accordance with amfori BSCI standards. First, we worked with Save the dards by local and qualified auditors Children analyzed our range of products and, based on this carried out. We launched a training pilot project for new suppliers from high-risk countries in the non-profit sector. From October 2017 food sector, we trained around 680 participants according to stakeholder assessments by January 2019 or based on audit indices - such as the BSCI Country - usually factory managers, senior executives and Risk Index and the Global Rights Index - increased HR managers, but also auditors. Planned risk, Lidl reviews all of Lidl's strategic textile suppliers on the subject of the business relationship on the basis of BSCI audits or the ma child labor prevention. In doing so, we SA8000 certificate of the International Standard for Social Land for land. We started in Bangladesh, Accountability. followed by Turkey, Myanmar and most recently China. 2020 the program will be expanded to Pakistan and Vietnam.

From October 2017  
 to January 2019  
 we have had approx.  
 680 participants  
 on the topic of child  
 work prevention  
 training.

## SUPPLY CHAIN

83

### FIRE PROTECTION AND BUILDING SAFETY AS AN ALLIANCE FOR SUSTAINABLE TEXTILES FOCUS AND GREEN BUTTON

To improve occupational safety in the supply chain, GRI 412-2 Lidl has joined the "Alliance for Sustainable Textiles" as a member. Lidl has been a member of the Bangladesh Accord on Fire and Building since its inception. Around 190 partners from Safety 2013 - 2018 as well as one of the first signatories Business, non-governmental organizations, trade unions The aim of the agreement, which is valid from 2018 to 2021, is to protect workers through the use of infrastructures. The aim of the agreement is to actively involve employees in fire prevention through infrastructure and training measures. ture and training measures actively in fire protection and. They want continuous social, safety measures and to continuously improve these along ecological and economic lines. continuous improvement. Around 1.8 million workers along the entire textile supply chain have reached and participated in the trainings since 2012. In addition, an action plan has been developed to address common requirements across 1,600 textile factories in Bangladesh on their standards in fire safety and building security, and improvement measures were improvement measures were defined and implemented. Since September 2019, Lidl has also become one of the first 90 percent of the manufacturers producing for Lidl have 27 companies that have successfully produced products with the achieved above-average progress as a result. achieved. The state seal a socially and ecologically transparency. promotional items with the seal. products

Green Button certification have been

seal identifies for consumers textiles produced in

and ecologically responsible textiles and creates

In October 2019, we included the first

the seal and have so far been able to offer 77

As the first life to offer in the promotional assortment.

medium-sized retailers  
of Germany have FAIRTRADE AND COOPERATION  
WITH SEAL PARTNERS

In 2006, we launched products with the  
Fairtrade seal under the GRI 414-2, As a retailer, we often end up with  
own brand "Fairglobe" FP 2

ecological

introduced.

example in agricultural cultivation in the field.

Through the

example

standards are implemented

supply chain.

84 SUPPLY CHAIN

OUR PARTNERS

Product certifications:

Multi-stakeholder initiatives: partners:

We were the first food retailer in Germany to have GRI 413-1 The clearly defined standards of Fairtrade  
prescribe.

2006 products with the Fairtrade seal under the Own, in addition to a guaranteed minimum price, the  
payment of a

Fairglobe" brand was introduced. From coffee to chocolate premium to producers in Africa, Latin America  
and

to bananas and orange juice, the range extends Asia before. This enables villages and families from  
today. Lidl, for example, is Europe's largest own power economically and strengthen their living and

The company is also able to sustainably improve the living and working conditions of local consumers of  
Fairtrade-certified cocoa. The

middle-class retail trade. With the equivalent of around one billion standards are regularly checked locally.  
of Fairtrade bananas sold in Germany since their

Lidl has also been a pioneer for Fairtrade certi

for Fairtrade-certified products and fairer production conditions

production conditions in the global growing regions.

Today, more than 1.7 million smallholders and employees in

75 production countries can now benefit from Fairtrade

conditions.

DELIVERY

CHAIN 85

Fairtrade promotional tasting booths during the  
Fair Week 2019.

Through tastings of our "Fairglobe" products

and information about fair trade, we make a contribution

we are making a contribution to bringing fairly produced articles into the  
middle of society. For example, in

cooperation with Fairtrade in fiscal 2019

around 120 of our stores to explain the background of the Fairtrade  
background to the Fairtrade product range.

In 2018, Lidl became the first retailer in Germany to start

the conversion of conventional bananas from the

Rainforest Alliance to Fairtrade bananas.

This has helped to drive forward the development of a more sustainable

range and at the same time contributing to improved

improved living and working conditions in the

growing countries. Through the cooperation

with Fairtrade and the World Banana Forum, we are taking important steps to achieve living wages in the banana sector.

However, as the German consumer market is not yet ready for a complete switch to Fairtrade bananas, we adjusted our plan in May 2019.

By August 2019, the Fairtrade bananas were included in the product range nationwide. However, the conventional RFA bananas were also left there. Bananas were left there. Through the three offered

Further information on options, organic Fairtrade, Fairtrade and RFA, we now give our cooperation our customers the choice of working with TransFair e.V. (Fairtrade Germany) under and lifestyles to shop. [www.lidl.de/fairtrade](http://www.lidl.de/fairtrade).

## 86 DELIVERY CHAIN

### FAIR COMPENSATION

We want to enable our suppliers to comply with sustainability standards and performance agreements. sustainability standards and performance agreements and continuously improve them. In doing so, we want to pay in the supply chain, we also want to ensure that the supply chain. In doing so, we rely on long-term relationships, based on the Lidl Code of Conduct, the Lidl Corporate Lidl Corporate Principles and the position paper "Corporate and the position paper "Corporate Duty of Care" published duty of care" published at the beginning of 2020. We promote an active dialog with our partners through regular discussions and joint initiatives on the topic of remuneration. In particular, we also integrate employees of the respective companies and the direct companies and the direct producers on site.

SDG 1.2

POVERTY

### REDUCE POVERTY WITH INITIATIVES AND SEALS COMMITMENT TO RESPONSIBILITY IN THE SUPPLY CHAIN

SDG 8.5

Rural producers in emerging and developing countries make an important contribution to the global FULFILLMENT Trade value chain. However, they are often unable to not be able to make a living from it. In January 2020, the retail divisions of the Schwarz Group Group, Lidl and Kaufland, joined the Initiative for Sustainable Agricultural Sustainable Agricultural Supply Chains (INA). The initiative is designed to ensure fair and livelihood-secure Lidl influences the working conditions and wages of farmers and workers in producer countries. and living wages for farmers and workers in producer countries. This is why Lidl Germany also promoted the The Lidl Code of Conduct obligates suppliers to ensure that their products are Sustainable cocoa. As a founding member, we are committed to paying suppliers a living wage. for years together with around 70 other members Lidl additionally supports the goals through several The company also supports these goals through a number of initiatives from industry, trade, politics and civil society. As rising incomes lead to more more income for cocoa farmers in the countries of consumption and thus to greater environmental awareness.

[www.kakaoforum.de](http://www.kakaoforum.de).

countries in the long term. In the context of our activities, a conflict with other Membership of the Fruit Juice Platform supports sustainability goals. We are also conducting a study in Brazil to determine income and wage gaps in orange production.

SUPPLY

264 farmers  
and farmers learned  
techniques of eco-  
logical and eco-

Coffee cultivation project in Bolivia: Success for sustainable coffee cultivation and sustainable coffee cultivation and equal

coffee cultivation.

At the end of a three-year coffee cultivation project GRI 412-2 project in Bolivia, Lidl and Fairtrade took positive stock in 2019. positive assessment. In eight coffee-growing cooperatives in the the South American country, 30 women and men and men were trained as experts and promoters for the sustainable sustainable coffee cultivation.

For the women farmers, the project has helped to strengthen their role as women in the cooperatives.

In workshops and seminars, the FAIRTRADE KAKAO PROGRAM HAS BEEN CONTINUOUSLY EXPANDED. in the sustainable planting and care of coffee and in commercial

The Fairtrade Cocoa Program enables us to train farmers in the sustainable planting and care of coffee

The Fairtrade Cocoa Program enables us to offer cocoa-containing products, even at entry-level prices. price ranges. In this way, we create a sales channel and

a

As part of the income improvement for small farmers initiated by Lidl and Fairtrade and at the same time In a project initiated by Lidl and Fairtrade, 264 farmers learned the techniques of organic farming on eight demonstration fields.

Demonstration fields techniques of organic and sustainable agriculture. Since 2014, we have been a partner in the Fairtrade cocoa and coffee farming program.

economically valuable coffee cultivation. After completion program. The seal is displayed on the packaging,

of the project, over 230,000 cocoa plants on 56 hectares now supply the cocoa used for the product to particularly hardy coffee bushes was purchased good 100 percent Fairtrade conditions.

Yields. The coffee cooperatives can count on guaranteed income through the The cocoa-containing cereals of the Lidl quality brand

sale of the harvest with guaranteed income reckon "Crownfield," the seasonal "Favorina" chocolate range and thus shape their future. and all our chocolate bars have already been switched to the fair trade cocoa program.

We currently cover 85 percent of the coffee assortment

by seals from standard-setting organizations In the context of Fair Week, the largest nationwide such as UTZ, Rainforest Alliance, Fairtrade or Bio. Fair Trade campaign, we have been supporting this event since 2008.

The goal is to increase this share in the medium term, regularly coffee cooperatives of the Fairtrade program

Provided there is a certification standard at origin with an additional contribution. By the end of 2019, we the supply chain and ensure the availability of goods. projects with a total of 600,000 euros. is guaranteed.

88 SUPPLY CHAIN

Sponsored projects

Fairtrade-  
Minimum price and  
-premium Training on  
improved cultivation

+

of cocoa

Income Investment in other cocoa farmers  
Improvement income sources in Ghana

Purchase of a "Way To Go" chocolate Premium (for example soap, rice)

CLOSING THE INCOME GAP THROUGH

CHOCOLATE: "WAY TO GO

In Germany, Lidl offers its cocoa-containing ownmar To achieve a long-term impact, the "Income cacao only with cocoa from certified cultivation. So Improvement Premium" is not paid out in cash, but

also

also, since March 2020, the four varieties of its "Way To Go" flows into two initiatives. In the process, smallholders

Chocolate: milk, dark, sea salt and caramel, as well as trained in how to sustainably improve their cultivation and harvesting methods.

pecan and coconut. Lidl obtains for the chocolate to optimize. They learn more effective and gentle be 100 percent sustainable cocoa from Fairtrade-certified smallholder cocoa farmers' associations, for example

tified smallholder association Kuapa Kokoo in Ghana. About new cutting and spraying techniques. This enables the

the premium principle of Fairtrade and Lidl, cocoa farmers not only benefit from increasing their cocoa yields, and

farmers from every bar of chocolate sold. To thus improve their income situation, but they

one, they receive the Fairtrade premium - a monetary help to protect the environment of the growing regions as well.

premium for the sale of cocoa grown in accordance with Fairtrade

standards. On the other hand, Lidl introduces a In addition, farmers are helped to pay other

fixed premium - called an "Income Improvement Premium" - plants for rice, honey and soap production on

per bar of chocolate sold to the smallholders. and to acquire the relevant business skills.

business skills. This enables them to tap into

additional

sources of income and are thus less dependent on

fluctuating

from fluctuating raw material prices. The positive

side

positive side effect for the environment is that a

more diverse

the soils of the growing regions and increases

biodiversity.

biodiversity is increased.

SUPPLY CHAIN 89

LIDL QUESTIONS ... not only get fair trade conditions,

...EXPERT ANSWERS but on top of that an additional premium,

which is used for agricultural

projects to improve the

the living conditions of our

members.

the lives of our members.

How many cocoa farmers have

benefited so far

'Way To Go' is one of them?

clear improvement Kuapa Kokoo brings together 57 farming

communities.

have joined forces. To date, one

of our

of our farming communities to the project, so that initially about

initially, about 1,000 farmers will

benefit from the project.

conditions." directly and about 2,000 indirectly. We

hope that the number of farmers

involved in the "Way

To Go" project will continue to

increase in the coming years.

will continue to increase over the

next few years. Lidl is a large,

international company. "Way To

Go" is

in other Lidl countries in addition

to Germany.

Germany. It is a huge  
at their  
of consumer  
revenues. The  
bit closer to  
materials in food.

Lidl countries in addition to  
leverage that food retailers have  
WHEN KAKAO BUILDERS have at their disposal - especially in terms  
MORE OVERSIDE REMAINS cher information, but also in terms of  
brings us, as cocoa farmers, a

Consumers should be informed about the exact origin of raw  
of raw materials in food should be informed

SOLOMON BOATENG argue Abubakar Afful, Team Leader of the Fairtrade Certification Risk  
Certification Risk Manager of Fairtrade Africa for cocoa in Ghana, and the  
Kuapa Kokoo umbrella cooperative Solomon Boateng, Certification Risk Manager  
of the Kuapa Kokoo cocoa umbrella cooperative in So that we can  
make a living from cultivation and invest in farmers.

Solomon Boateng is Certification Risk Ma  
nager for the cocoa umbrella cooperative Kuapa Ghana and coordinator of Lidl's "Way To Go" program,  
our products would have to be

Kokoo. The coordinator of the "Way To Go" pro ject. For every ton of cocoa produced, the producers  
receive at least 2,100 euros.

The project has more than ten years of experience in the origin of the supply chain.  
origin of the livelihood supply chain U.S. dollars received as  
proceeds at farm level - the  
cocoa sector and has already accompanied several sustainability  
The cocoa sector has already been involved in several sustainability projects.

to living incomes. De facto  
in the conventional trade,

however, there are  
ABUBAKAR B. AFFUL

1,470 dollars. So there remains a  
Team Leader of Fairtrade Africa

raw cocoa, which is  
for cocoa in Ghana

Mr. Boateng, the average price of the Lidl chocolate "Way is only  
To Go" customers read that the cocoa of gap of \$630 per ton of

the Kuapa Kokoo cocoa cooperative in Ghana, needs to be bridged.  
Abubakar Benjamin Afful has also been since. Does this bring anything to the producers?

ten years for the cocoa industry in Ghana.

Ghana for about ten years. Before he became team leader of Fairtrade

Mr. Afful, what is standing in the

way of Fairtrade

Africa for cocoa became, he worked in a Not definitely. Because consumers can close the gap?  
governmental organization as project manager UTZ- thus directly at the shopping shelf on the existence  
and Rainforest Alliance certifications.

Fairtrade has implemented the Rainforest Alliance certification.

price of  
influence. You can imagine who Fairtrade conditions a minimum

which to farm  
the cocoa produced, and decide to set \$2,400 per metric ton from

for example, for  
to support those producers. That's a level - after deducting costs,

authorities, the transport  
clear improvement of our sales conditions. Services of the

- for the cocoa farmers  
Also because our cooperatives at "Way To Go" or quality inspection

are left with about \$1,500 to \$1,600. This PARTNERSHIP WITH THE SOCIETY FOR  
serves primarily as a safety net in times when INTERNATIONAL COOPERATION

when the world market price falls. For this purpose the cooperatives receive a premium of \$240 per GRI 412-2 For more than ten years, Lidl has been working on a project-by-project basis with ton of raw cocoa, which is used for projects benefiting all experienced partners such as the German Association of Cocoa Cooperatives members and International Cooperation together. Through a 2019 with Kuapa Kokoo is paid pro rata in cash, Lidl initiated a cooperation with GIZ at Lidl initiated a first step to close this gap, for example, targeted training measures on social and environmental issues. In this way, members are protected from the regular environmental standards applied by manufacturers of our non-food products. income losses due to price fluctuations. The cooperation has improved medical supply better protected on the world market and are able to plan for adequate secure planning. We are not free to set the minimum wage for suppliers. price we are not free, because it is consulted with all the We are not free to set the minimum wage for suppliers, because it is consulted with all actors in the supply chain, and we have about 20 GIZ employees working for Lidl in Bangladesh, have to make sure that the buyers of cocoa, in order to be able to work in textile factories through training international ar the Fairtrade products to end consumers beits and environmental protection standards. The aim was produce, this and also pay the premium it, improvements in pay, overtime, labor want. This, in turn, depends on how much security, equality, trade union representation the consumer in the store is willing to pay. tion and freedom of association on a lasting basis. It That's why direct collaborations like "Way, around 50 manufacturers have gone through this process. Via To Go" between retailers and producers such an additionally offered health service were important. We need companies like Lidl, which provides medical treatment for several thousand employees - such as advocate today and in the future for living wages in the context of preventive medical checkups, eye tests, blood income. group determinations and tetanus vaccinations. Since the project was 100 percent financed by Lidl, it was possible for Mr. Boateng, all participants will benefit from the measures free of charge.

once grown under living wage conditions in production countries?

can be grown?

ACTION, COLLABORATION, TRANSFORMATION

This is possible if consumers are willing to pay the price.

initiative "Action, Collaboration, Transformation" (ACT), and food retailers are well informed about the food supply chain.

well on the food supply chain infor. ACT is the first global agreement on

mation. Retailers want to grow - and so do the men, the area collective agreements for the textile industry in

farmers in Ghana want that. livelihood-securing production countries. The incomes generated in this incomes are not, after all, a privilege; they are traded wages guaranteed by responsible a human right.

Purchasing practices of the participating companies as well

as

binding commitments on purchasing volumes.

In addition, ACT has created a mechanism through which the impact of the initiative can be evaluated.

Textile manufacturers and employee representatives representatives assess whether higher wages can actually be

achieved.

can be achieved. ACT's focus countries are currently

Cambodia,

Myanmar, Bangladesh and Turkey. In the future, the the initiative will be extended to other countries.

SUPPLY CHAIN 91

OPERATION

-3

USE VALUES



0%  
FOOD-  
LOSSES  
UNTIL 2025

FOOD LOSSES  
LIDL QUESTIONS ...  
... EXPERTS ANSWER

The entire interview  
can be found online at  
[lidl.com/sustainability-report](https://www.lidl.com/sustainability-report)

"In Germany, we would end up throwing them away. Value  
For me, appreciation means that consumers, retailers and producers  
and producers develop a feeling

for this large

truckload of effort and act accordingly.  
How big is the problem of food loss actually?

losses actually?  
It's huge. In Germany,

every minute

a truckload of food is thrown away

every minute.

That adds up to 18 million tons<sup>1</sup>

annually. Actually

we produce more than enough

food on earth

enough food to feed the world's

population.

population. Nevertheless, 870

million

people go to bed hungry every

day. What remains

THE VALUE OF food is also a huge climate problem.  
FOOD is also a huge climate problem. In the production of  
RECOGNIZE one kilogram of food produces around 2.5  
kilograms of CO<sub>2</sub> - for nothing if

this food is

LAURE BERMENT Laure Berment relies on digital levers to feed no one.

Executive Director of Saving Food from Being Thrown Away.

"Too Good To Go" The executive director of "Too Good To Go," What do you think of Lidl's self-  
launched

Europe's leading food rescue app, "I'm Still Good" campaign, in

which still

Laure Berment has been working for a better

for a better world for several years. Before she talks about the complex relationship between perfectly  
good food, but short

Managing Director of the app "Too Good To Mensch and food - and of the climate before the  
expiration of the best-before date.

Go," she served as country manager  
of the social enterprise Marktschwärmer

protection one provides when one's plate stands, discounted

offered?

regional food producers under empty eats.

supports. The graduate of the French This is a good sign, in our view, that

Elite business school Essec was named in 2016

by "Forbes" among the "Top 30 under 30" increasingly retailers and produc

In the Retail & E-Commerce category, Ms. Berment, a food waste prevention expert, was selected by  
Forbes in 2016 as one of the "Top 30 under 30".

chosen.

What does that mean for you personally? and are looking for

solutions - even though there

only the smallest proportion of food is wasted there, at around four percent. For me, it means appreciating the full value of all food waste. Food is committed to the soil, the labor, the water that participate in it. Lidl, as one of the "big players" in the retail sector, very much so many resources flow into the production of many people and to inform them in the long term.

1 Source: WWF; editor's note from food. It would all be for nothing, to make a difference.

Too Good To Go is an app that allows users to save food that can be saved. Through the app, restaurants, bakeries, supermarkets and hotels offer their overproduced meals and products at a reduced price. The social impact of the business also engages with all sectors involved, from politics to private households, for the purpose of reducing food waste. "Often longer good" is the current campaign of "Too Good To Go," which sensitizes consumers at home that products can be used even though their expired best-before date can still be good.

"The 'big players' in retail can inform many people and thus change something in the long term."

What can individual consumers do concretely to reduce food losses?

Consumers play a central role, because more than half of all food surpluses are generated in private households. Consumers must therefore be informed about the fact that food can be edible for longer than the date printed on the minimum shelf life would suggest. We launched the "Often good for longer" notice on food packaging.

A campaign that has now been joined by over 50 FOOD IS WORTH IT! food manufacturers, including retailers such as

Nearly half of consumers confuse the best-before date with the expiration date. Since the beginning of 2020, articles with date (MHD) are with the use-by date. We are supporting a campaign

This label on the shelves and call for "Too Good To Go," which shows that food is often good for longer. consumers to trust their senses more.

We hope that politicians will be inspired by this campaign and, for example, adapt the labeling laws accordingly.

OPERATION

95

FOOD LOSSES  
WHERE DO COMMON  
FOOD LOSSES?

SAVE FOOD!

Food losses can only be reduced by working together. Lidl wants to reduce its small share even further. At the same time, we want to reduce around twelve million metric tons of food in Germany thrown away. Even though only four percent of this is accounted for by the retail sector, Lidl is working systematically to reduce food losses in private households.

losses at all stages of the value chain.

systematically to avoid food  
of the value chain.

12 %  
1.4 million t

processes

Streamlined ordering

requirements. Not

Our stores order  
the daily

less. And also not  
more.

18 %  
2.2 million t

52 % 12 million t 1  
6.1 million t  
Private households  
Incorrect storage,  
Ignorance of 4%  
Shelf life 0.5 million t

Efficient supply chain

14% We discuss together

with

the producers what,

1.7 million t when and how much product we need.  
we

need. This enables

our

partners to plan

plan

precisely.

Primary production (12%) Trade (4%)  
Seasonal Too large order quantities, difficult  
Harvest fluctuations predictable Purchasing behavior  
Processing (18 %) Out-of-home catering (14 %)  
Wrong storage, wrong planning, too large  
defective packaging Quantities at the buffet

1 Source: Thünen Institute.

Lidl Germany uses the results of the Thünen Institute in its further communications.

In this way, by 2025 we aim to  
reduce our food losses

Y by 30 percent by 2025.

supported the "Often Good for Longer"

aware on product

that food is often consumed

found directly below the

Lidl are already

giving away to food banks

partners in the initiative.

Food is valuable.

% That's why we give what

Lidl and "Often good for longer"  
Since November 2019: Since its launch, Lidl has  
Too Good To Go" initiative. Consumers are made  
consumers are made aware on product packaging  
best-before date are edible. The words "I often last  
longer than you think - see - smell - taste" can be  
under the date print of many food. In addition to  
over 50 food manufacturers and retailers are

we don't sell to the Trust your Senses

Targeted discounting to food banks in Germany.

Fresh produce is

important to us. So that nothing

on the shelves, Sight Smell Taste

we reduce food, Take a good look at the product Smell the product and check, Try a small amount of the

soon to reach the best-before date and evaluate whether it is still fresh and how product to find out if reach the expiration date. looks edible. smells familiar. the taste has changed.

"I'm still good" initiative from Lidl.

Since February 2020: Lidl Germany has launched the "Ich bin noch good" initiative. In green boxes, Lidl offers foodstuffs in its stores

stores with a 50 percent discount on food that is about to expire.

expiration date. In this way, Lidl is saving products that have been left over despite careful goods

Additional

order, and the consumer receives expiration date-free food at a lower price.

free food at a lower price.

The best-before date

does not indicate when food food must be bad.

I AM N CH GOOD

Many products are often longer

few days before good and belong on the biogas plant

We reduce the number of foodstuffs on the

of the best-before date plate instead of in the garbage can!

losses as

far as possible

-50%

reduced

possible.

What can no longer be

eaten

provides valuable

valuable

energy through

further

processing in a

biogas

plant.

## OPERATION 97

Valuing resources, climate and employees: It is important to us that our products reach our customers as sustainably as possible and that our our employees are treated fairly. We pay attention to lean processes, climate-friendly technologies and resource-saving processes in stores, logistics centers and administrative locations. At the same time, we ensure equal equality, employee rights, and training opportunities.

focus. Accordingly, we have tailored our sustainability measures in the value chain at the operating level have been tailored accordingly.

In this chapter

- Operational environmental management

- Employee responsibility

## 98 OPERATIONS

OPERATIONS To reduce the company's CO<sub>2</sub> footprint,

Lidl continuously implements savings measures in

stores.

ENVIRONMENTAL MANAGEMENT and logistics centers, in the planning and refurbishment of buildings and renovation of buildings, in transportation, and in administration.

With its more than 3,200 stores, Lidl is represented in many cities GRI 301-0, Since the 2018 reporting

year, we have been preparing annual reports on this with

302-0,

and municipalities. With this and the high An 303-0, support of the Institute for Energy and Environment number of electricity consumers (for example, for lighting, cooling, 305-0, research Heidelberg GmbH (ifeu) a carbon footprint. They

306-0,

heating and point-of-sale systems) counts the company Lidl I calculates CO<sub>2</sub> emissions at the state level and serves

to major municipal consumers of energy, as a basis for formulating savings targets. Parallel Raw materials and land. This results in high CO<sub>2</sub>- we use a potential analysis to check in which Be emissions. For us, this is both an incentive and an obligation. On the basis of the

At the same time: We want to reduce the consumption of resources as well as results we optimize our operating processes and

emissions of climate-damaging gases as far as possible, we regularly use new, more efficient technologies,

reduce emissions. We therefore optimize the use of energy, for example to cool our goods.

We therefore optimize the use of energy, for example for cooling our goods, and aim to bring CO<sub>2</sub> emissions

to the technical minimum.

At the same time, we are working to

steadily reduce the amount of waste we

especially in the area of avoidable waste.

In our internal processes and corporate food losses. In the reporting period, we made a number of

In the reporting period, we stepped up our efforts in this area with measures such as the construction of new stores or the remodeling of existing ones.

We therefore take account of relevant environmental and energy aspects in our internal processes and corporate decisions.

energy aspects. For example, at the beginning of the establishment of a targeted discount system for products close to the minimum price, we always consider the energy efficiency concept.

In the meantime, an energy efficiency concept has always been added to the store. On the way to zero and plans for the careful use of land. waste principle (zero waste), we have committed ourselves to the

Lidl Sustainability Strategy 2030, we have committed to

reducing life

Since 2018, all Lidl logistics centers, stores, and administrative offices have been reduced by 30 percent by 2025.

tion sites of Lidl by energy management percent. An important component in this system is ISO 50001 certification. The Lidl food rescue initiative is a special initiative of the energy team meets regularly to further improve existing (see pages 114 - 115).

To further improve energy efficiency solutions. In this

At Lidl, the CSR/Sustainability departments - from sales and logistics through to logistics and from sales and logistics to real estate and sales/merchandise business the topic of food

Construction to the CSR/Sustainability department - are represented, losses. At the level of the Schwarz Group, a

working group has been set up at the Schwarz Group level to ensure an exchange of views from as many different

ensure that food losses are reduced. The departments are working together to reduce food losses. In the event of questions and suggestions for improvement

We are committed to advancing the use of technical innovations and to revising all our customers' process flows with the aim of further improving Lidl's energy efficiency.

sustainability.

OPERATION 99

1 CNG

Alternative drives 1 Electric

30 LNG in the fleet

From 2021, more than 95 percent of all trucks in the fleet will meet the EURO VI emissions standard.

Our sustainable environmental management system at Lidl will comply with the EURO VI emissions class. In addition, we have been testing

program (see pages 20 - 21). In 2019, we will replace the supply of 30 stores with liquefied gas. trucks powered by liquefied natural gas (LNG) for the development of targets and their review. By the end of fiscal 2020

the respective departments from the energy team, 100 of these vehicles are to be in use. Also a through

coordination with the responsible member of the business natural gas (CNG) powered vehicle and an electric truck are part of our vehicle fleet.

SAVING ENERGY AND SPACE

CLIMATE PROTECTION

As part of our ISO 50001-certified energy management system, we have developed an action plan with the aim of ensuring that our goods are of the best quality and freshness, falls in their storage and numerous energy efficiency measures. All Lidl transport from 39 logistics centers to Lidl stores are now equipped with demand-controlled lighting. most of our energy consumption. By equipping Lo. Since 2018, they have been equipped with energy-saving gistics and transport, we save energy and LED lighting, both on the sales floor and in reduce our CO<sub>2</sub> emissions. We are therefore striving to the refrigerated cabinets and on ancillary areas. Electrochrome in day-to-day planning to achieve the highest possible utilization of glass facades in new stores, which are supplied with low voltage in un with short travel distances and an increasingly environmentally friendly fleet of trucks. friendly fleet of trucks. limit the amount of cooling required in the stores.

100 OPERATION

Recycling products are used in the planning and construction phases of new buildings. Since 2009, we have been able to certify 395 of our stores in Germany meet all the requirements for the German Climate-Friendly Building Gold Certificate. The German Sustainable Building Council (DGNB) also takes into account ecological benefits. the environmental impact. We also attach great importance to the use of modern, energy-efficient stores to ensure local supply. and processing methods that create a necessary complement to the range of products and services on offer. both for human health and for the inner city centers. Environmentally safe, and promote the use of

OPERATION 101

Use of photovoltaic systems on store and Logistics center roofs Green roofs	257	Photovoltaic systems
Electrochromic glass for automatic blackout and glare protection	Round	
Offer of DHL packing stations to avoid transport logistics in city centers 500	Packstations throughout Germany	
Provision of electric charging stations for cars		

LIDL STORES - EFFICIENT AND SUSTAINABLE  
102 OPERATION

Automated, demand-driven building control systems (for example, room lighting and ventilation) Use of heat recovery systems In approx. 2.100 Lidl stores we are already we are already using refrigerated

Use of climate-friendly  
refrigerants in the refrigeration  
(propane or CO2)  
with natural refrigerants  
refrigerants.  
Use of  
LED lighting  
Use of concrete core temperature control  
(heating and cooling via floor slabs)  
New buildings can be built without  
fossil energy sources  
Modular construction  
for space-saving  
and functional construction

## OPERATIONS 103

In Lidl stores, energy is consumed in particular by GRI 302-1, Lidl Germany's total energy consumption rose

302-4  
cooling, lighting and heating - electricity nevertheless accounted for 1,417.2 gigawatts  
by far the most important source of energy, accounting for 72.3 percent. hours (GWh) in fiscal 2018 to  
1,480.9 GWh.  
Accordingly, we are focusing on ever more electricity-efficient 2019. The increased electricity  
consumption is attributable to, among other  
technologies. In the reporting period, for example, we used more electricity in the expansion of our  
refrigerated shelves. The  
central warehouse in Leverkusen installed a more energy-efficient refrigeration GRI 302-3 energy  
intensity in the same period of 230.1 kilo  
system was installed and the lighting was converted to LED. watt hours (kWh) per square meter of selling  
space to

235.2 kWh.

DIRECT ENERGY CONSUMPTION ACCORDING TO GRI 302-1  
PRIMARY SOURCES IN MEGAWATT HOURS (MWH) 1 FY 2017 FY 2018 FY 2019

1 As a result of the increase  
in data quality and the associated  
and the associated  
correction of data collection errors and adjustment of calorific  
of calorific value factors,  
the figures have been retroactively adjusted.  
Direct energy consumption 359,680 375,450 402,552

and therefore differ in  
part from the progress figures.  
Natural gas 236,337 241,049 248,951 report 2018. included in the survey are all stores,  
logistics centers and the

headquarters in Neckarsulm, Germany, other  
Liquid gas 2 1,731 1,731 1,558 rented office space of insignificant size is not included  
Heating oil 2 9,751 7,855 7,603 part of the survey. Rounded values, which may result in  
This may result in

discrepancies in the totals.  
Diesel fuels Grid replacement system 3 7,659 7,535 8,172 2 Extrapolation based on previous year's  
figures, as current  
fuels (company car fleet) 4 100,296 111,137 123,149 values are not available.

3 Extrapolation of diesel

consumption of emergency generators.  
Renewable sources (photovoltaic) 5 3,907 6,144 13,119 based on random sampling.  
4 Survey of Lidl company  
car fleet retrospective since 2018.

For 2017, an

extrapolation was made to provide an  
Indirect energy consumption 1,088,748 1,041,745 1,078,301

Comparability. Compared

to the progress be

Electrical energy (electricity) 1,081,768 1,034,885 1,070,882 report for 2018, there is therefore a deviation in the totals.

District heating 2 6,980 6,860 7,420 5 The ratio shows the difference between production and values.  
Feed-in by the photovoltaic plants (=own consumption).

Total energy consumption within the organization 1,448,428 1,417,195 1,480,853.

6 The key figure shows the difference between production and sale of renewable energy sources 6 3,570 3,965 4,808 Own consumption by the photovoltaic systems (=surplus feed-in to the grid operator)

operator).

ENERGY INTENSITY RATIOS GRI 302-3  
OF THE ORGANIZATION 1 FINANCIAL YEAR 2017 FINANCIAL YEAR 2018 FINANCIAL YEAR 2019

1 Due to adjustments in the data collection of the energy consumption consumption, the figures differ from those in the progress report 2018.

Energy consumption in MWh 1,448,428 1,417,195 1,480,853

2 All stores, logistics centers and the headquarters in Neckarsulm.

Areas 2 in m² 6,125,157 6,160,089 6,294,953 included, further rented office areas of insignificant survey. are not included in the

Energy intensity ratio in kWh/m² 236.5 230.1 235.2

104 OPERATION

Use of > 184 257 renewable energies

doubled E-charging stations Photovoltaic systems

PROMOTING RENEWABLE ENERGIES In addition to the energy revolution, Lidl is also helping to shape the mobility revolution.

the mobility revolution. At a total of 184 stores, customers can

We were already able to demonstrate the use of renewable energies by charging their electric vehicles at one e-charging point at each of our 184 stores during the reporting period.

from 6,144 MWh (2018) to 13,119 MWh (2019) with certified green electricity. Our goal is to more than double the number of newly opened stores with an e-charging station in the future.

as well as 20 percent empty conduits as preparation for the

To plan the Global Warming Potential for the upcoming legal regulation.

(GWP) provides information on,

In 2019, 257 photovoltaic systems were installed on the roofs of our stores and logistics centers.

of our stores and logistics centers. In addition, we have been able to increase the As of today. Since 2019, we have been complying with the

The benchmark is the climate

We will be feeding 4,808 MWh of self-generated energy into the grid in order to meet the legal requirements of the Building Electricity Act.

energy supply. We want to continue this development. By (GWP of CO<sub>2</sub> is 1). The GWP of mobility infrastructure law.

of other substances is measured

By the end of fiscal 2020, we want at least 50 relative to this. The lower this value is, the lower

further photovoltaic systems on store roofs and six the effect on the global

further photovoltaic systems on the roofs of Lidl logistics centers. warming.

REDUCING GREENHOUSE GAS EMISSIONS

emissions at Lidl Germany are



caused in particular by the supply of energy to the locations and by the energy transition in store transport and logistics operations. Also refrigerants with a high GWP (Global Warming Potential) also contribute to the

Lidl is actively shaping the energy transition. We are one of strong contributors to CO<sub>2</sub> emissions. That is why it is our goal, 70 partners in the WindNODE model project, which will be used in the model by 2030 for all refrigeration components in the store from region of northeastern Germany between 2017 and 2020 through ultimately natural refrigerants such as propane (GWP 3) or the German Federal Ministry of Economics and Technology. The goal is to use CO<sub>2</sub> (GWP 1). For new openings, this is energy consumption to be controlled and, where possible, made more flexible. already been the case since 2011. In existing stores, this is done

The switchover is being made gradually by providing appropriate storage capacities. Since 2006, we have been This has enabled us to cushion load peaks that would otherwise lead to the disconnection of sustainable power generation in the network.

shutdown of sustainable power generation would lead. Normal cold rooms, based exclusively on natural cooling with

For this purpose, we are testing an electricity storage system, which, thanks to its capacity tel. In addition, we have installed refrigerated shelves in around 2,100 stores.

of 250 kWh and with an output of 100 kW, has already been converted to natural refrigerants and extended

We are also gradually expanding the use of natural refrigerants to completely power a Lidl store for a few hours. A unit with natural refrigerant supply. The energy network is stabilized by means for the freezer cells is currently being tested.

The linking of electricity supply and available electricity storage capacities on a platform that went into operation for the first time in March 2019. was put into operation.

## OPERATION 105

SDG 7.3 We were able to reduce the intensity of GHG emissions we were able to ENERGY EFFICIENCY of 155.9 kilograms. DOUBLE CO<sub>2</sub>-e per square meter. in fiscal year 2018 to 153.7 kilograms

SDG 9.4 CO<sub>2</sub>-e in fiscal year 2019.

INFRASTRUCTURE SUSTAINABLE REPAIR

GRI 305-1, Since fiscal 2018, we have been collecting data with the help of a kli

SDG 13.2 305-2, 305-3 mabilance tool to measure our greenhouse gas emissions (GHG emis emissions) in much greater detail. In particular, the survey CLIMATE POLICY of some Scope 3 emissions, which due to the business model INCLUDE a large proportion of our GHG emissions, clearly shows potential for reduction potentials clearly.

Lidl Germany consumes nearly 1,500 giga In fiscal year 2019, total GHG emissions were watt-hours of energy per year and has major of Lidl were 967,415 metric tons of CO<sub>2</sub>-equivalent (CO<sub>2</sub>-e) and impact on greenhouse gas emissions. All thus 0.8 percent above the previous year. The intensity of our properties to be CO<sub>2</sub>-neutral GHG emissions by 2030 was down over the same period, from and retrofits such as photovoltaic panels 155.9 kilograms of CO<sub>2</sub>-e per square meter in the fiscal year.

gen, as well as conservation measures, lower CO<sub>2</sub>- 2018 to 153.7 kilograms CO<sub>2</sub>-e in fiscal 2019. emissions per sales area and share of sales are already falling today. well.

Heilbronn site in 2017.

that are

Heilbronn public bicycles, the with

into the

fleet. In addition, travel distances are being videoconferencing or a employees with also

106 OPERATIONS

DIRECT AND INDIRECT THG EMISSIONS IN TONS GRI 305-1, CO<sub>2</sub>-EQUIVALENT (SCOPE 1, 2 AND 3) 1 FY 2018 FY 2019 305-2, 305-3

Scope 1 - direct GHG emissions 105,556 102,897 1 GHG emissions were calculated at this level for the first time for the

tool.

Natural gas 43,943 45,384 collected. Therefore, the emission values differ from the progress Report 2018. They follow the market-based approach of the Green Volatile Gases 28,994 22,336 house Gas (GHG) Protocol. In the calculation are branches, Liquid gas 375 337 logistics centers and the headquarters in Neckarsulm are included, Other rented office space of insignificant size includes Heating oil 1,897 1,836 not part of the survey. Due to the rounded values Diesel fuels 1,820 1,974 slight deviations in totals possible. Sources of conversion factors: Greenhouse gas potentials (GWPs): Fuels (company car fleet) 28,527 31,030 IPCC 2013; Scope 1: Fuels IPCC 2006; Volatile gases: Composition according to ASHRAE 34; Scope 2: Electricity suppliers; district heating: ifeu model + IPCC 2006; Scope 2 - indirect GHG emissions 298,050 276,885 Scope 3: Purchased goods ifeu calculation based among others on Ecoinvent, Plasticseurope, and UBA; fuel and energy-related emissions Electrical energy 296,364 275,061 emissions: ifeu calculations based on IEA World Statistics + IPCC 2006; transports: IPCC 2006, Ecoinvent and

To promote sustainability on the way to work as Schwarz Mobility Solutions, the mobility services provider the Schwarz Group, launched "ready4green" around the launched "ready4green." Based on a survey on the mobility behavior, Lidl gradually introduced five measures measures that are becoming increasingly popular. a discounted local public transport ticket from the public transport system, 50 digitally bookable rental "TwoGo" app for carpooling, an employee shuttle service shuttle service with currently five routes, and a discount a discount on the purchase of a bike from a local dealer. dealer. More and more e-vehicles are also finding their way e-vehicles are also making their way into the company car travel is being further reduced, for example through and a mobile working arrangement (one day a week) for employees who are not tied to a specific location. This is taken into account in our travel policy.

District heating 1,686 1,824	IEA 2018/2019 (electromobility); operational waste:
ifeu models	and Ecoinvent; commuting: DEFRA and Ecoinvent.
Scope 3 - other indirect GHG emissions 556,484 587,634	
Purchased goods 202,410 230,688	
Fuel and energy-related emissions 145,170 143,342	
Transportation 86,588 87,728	
Operational waste 32,570 29,743	
Commuting Employees 89,746 96,133	
Total GHG emissions 960,091 967,415	
INTENSITY OF THG EMISSIONS 1 FY 2018 FY 2019 GRI 305-4	
Total GHG emissions in metric tons of CO <sub>2</sub> -equivalent (CO <sub>2</sub> -e) 960,091 967,415	1 In the intensity ratios, the GHG emissions of Scope 1, 2, and 3 were included.
Neckarsulm are	2 All stores, logistics centers and the headquarters in
Areas 2 in m <sup>2</sup> 6,160,089 6,294,953 included, further rented office space in immaterial	
GHG emissions intensity kg CO <sub>2</sub> -e/m <sup>2</sup> 155.9 153.7 size are not part of the survey.	
107	OPERATIONS
RESOURCE CONSERVATION GRI 301-1, MATERIAL USE IN TONS 1 YR 2018 YR 2019	
Every day, Lidl's stores and warehouses generate large 1 Total paper consumption 118,377 135,739	301-2
Quantities of folding boxes, delivery bills, handouts, as well as (advertising material, bread of which recycled material 113,521 131,186	of paper consumed
films and packaging. The largest in our Ge bags, printer paper)	
and plastics (plastic/	Plastics consumption 2,592 3,218
material groups used in our business operations are therefore knotted bags, trash bags,	
paper and plastic. We consume paper in the stretch film) were used for the	
The data was collected for the first time in the 2018 financial year.	for the first time in the financial year
flyers, which are an integral part of our customer communication	
and whose circulation was increased again last year GRI 306-2 REDUCE WASTE.	
was increased.	
itself, fall	In addition to the materials used by Lidl
In fiscal 2019, 135,739 materials coming from outside the company were also generated in stores	
throughout Germany,	
Tons of paper used at Lidl. The share of recycled packaging from deliveries of our products is 96.6	
percent.	
ling paper is 96.6 percent. Plastics and PET bottles can be found in the deposit machines. Overall	
especially in the plastic and knotted bags, trash bags 2 Not included in the test scope in the reporting	
period are 576,493 tons (2018)2 and	
cks and stretch films. The total amount of waste used 573,317 (2019) metric tons. Around 95.8 percent	included.
of our waste in fiscal 2019 was 3,218 metric tons. We were able to recycle our waste, i.e., recycle,	
recycle, recycle, recycle, recycle, recycle, recycle, recycle, recycle, recycle, recy	recycled, fermented or reused.
a significant contribution to our	This means that we are already making
recycle a significant	goal: By the end of 2025, we aim to
significant percentage,	reused, recycled or recovered by a
Water consumption	recycled or recovered.
	For example, our waste films are used

to produce the Lidl-  
 For us, conserving resources also means complying with the GRI 303-1 Recycling Bag. The permanent carrier bag consists of 80  
 Water consumption in the plant and in the supply chain is reduced to 20 percent post-consumer recycled material and 20 percent post-consumer recycled material.  
 reduce. In our own business locations is virgin fiber. It is 100 percent recyclable and with the water consumption is relatively low, however, and is Blue Angel certified.  
 The use of fresh fiber is limited in particular to staff rooms, cleaning and toilet use. For the reporting year  
 For the 2019 reporting year, we were able to calculate water consumption for the first time with All textiles not sold are recycled.  
 477,753 m3, based on projections. We were recently able to reduce these  
 volumes significantly with the help of optimized significantly with the help of an  
 optimized water order. Some measures  
 A far greater demand for water arises in the us are already showing an effect. For example, the separation quality has been  
 upstream supply chains, which we are also trying to significantly increase through targeted training, and thus reduce waste.  
 for example through training in the production volumes for thermal recycling in the logistics centers. companies. Information on cost-saving measures in the production of our own brands can be found in the production of our own brands can be found in the chapter  
 Resources on page 56.  
 108 OPERATION

SDG 12.2/12.5  
 SUSTAINABLE  
 RESOURCES  
 MANAGEMENT  
 WASTE  
 DECISIVELY  
 REDUCE  
 Although the impact in the supply chain is chain, Lidl also consumes resources in its own operations, especially paper. resources in its own operations, especially paper and plastics. We have an influence on their their use and recycling, but also on the the recycling of the waste generated at Lidl. As sales increase, so does the total amount of waste. the total amount of waste also increases. Nevertheless, we try to Group-wide projects and measures, such as the and measures, such as the REset Plastic strategy, to reduce waste quantities and increase the proportion of recycled materials. increase.  
 To prevent waste from being generated in the first place, Lidl has for years been focusing on the successive avoidance and reduction of packaging materials while at the same time improving recycling options at the same time. With our plastics strategy strategy REset Plastic, we are starting where the of plastic is used - in our supply chain. is used - in our supply chain. More information on this can be found in the Supply Chain chapter starting on page 76.



be. Incineration of the material are built. It will be processed and thus fed.  
released energy is transformed into biogas and fermentation residue. the basis  
for new products form of electricity, process  
steam or district heat  
used.

#### WHAT IS MADE FROM WHAT?

Transparent film Paper, cardboard and cardboard waste PET bottles  
Transparent film is used to make deposits Paper, cardboard and cardboard packaging are made from our  
waste film.  
cardboard and copying paper become the Lidl recycling bag. 50 percent of a Saskia  
bottle is made from  
produced at Lidl itself in the recycled PET bottles.  
The Saskia 1.5-liter bottle of non-carbonated PET is used in Lidl's own  
stores and administration.  
can be used.

Mineral water already exists at  
1 Excluding the cap and label, 100 percent recycled PET. 1

#### OPERATIONS 111

Proportion of disposal methods in GRI 306-2.  
FY 2019 1 1 Rounded values,

this may result in  
discrepancies in  
in the totals  
result.

0.1 % Reuse  
0.3 % Incineration

82.1 % 3.9 % Thermal recovery  
Recycling 13.5 % Digestion

TOGETHER FOR MORE RECYCLING The company-wide campaign provides for a uniform,  
standardized and efficient concept for the  
recycling of waste.

Waste is a valuable material. We must collect, sort, and manage it in all warehouses and stores. All  
recycle and reuse - in short, put it into a cycle Central warehouses are systematically signposted so that  
value

lead. However, material cycles are only effective, materials are sorted even more quickly and easily, and  
correct

if they function at all stations. It must therefore be possible to dispose of them. For Lidl customers, too  
packaging, for example, recycling boxes were installed at the time of production, so that every customer  
can dispose of waste.

their recyclability are taken into account (REdesign). packaging can be disposed  
of correctly directly on site.

However, waste separation is also central to effective recycling.

separation is also central to effective recycling. The better the waste is separated by consumers, the  
more effectively sorting can be carried out.

the more effective sorting and tons of recyclable materials can be recycled. The recycling  
recycling plants work. However, it is precisely in this area that, for example, new recycling plants could be  
established.

Currently, around two-thirds of the waste collection bags for the branches are made from recycled plastic.  
waste wrongly ends up in the residual waste of German households. celted paper

and cardboard new operating materials (at

For this reason, one of our declared goals is to raise awareness of the need for a sustainable)

sustainable recycling management is one of the declared goals. In addition to this, Lidl has been  
of the Schwarz Group. has already been involved since the beginning of 2009 as a member of the  
Initiative Pro

Recycled Paper (IPR).

In order to encourage Lidl employees to ensure appropriate sorting  
sorting and a high separation quality in recycling.

GreenCycle has developed the disposal concept "Recyclables The entire recycling process is supported by

Green value" has been developed. The internationally uniform Cycle, the environmental service provider of the Schwarz Group, campaign is designed to reduce waste volumes and manage recyclables. The sister company of Lidl increase quantities accordingly - this conserves resources collects recyclables, bundles them and makes them available to the and saves costs. recycling.

112 OPERATIONS

plastics we produce.

infra

entire

manufacture and

the

company PreZero Wertstoffmanagement

company PreZero Wertstoffmanagement

customers in

are then

new plastic base

products.

plant. This saves resources, protects the climate

Prevention is the top priority. Where plastic and other packaging materials cannot be replaced materials, they must be recycled as completely as possible. closed loop as far as possible. To achieve this, producers, producers, retailers, waste management companies and recyclers must pull together. The Gelbe Tonne (geTon) initiative alliance, which Lidl since 2019 together with PreZero - the sales brand of of GreenCycle - and Kaufland, another subsidiary of the Schwarz Group, provides a platform for this.

Through consumer education and association work, the 2019 focus-led initiative aims to improve the quality of separation and promote recycling management based on correct waste separation.

The initiative has achieved over

Educating people about waste separation was also the goal of the ge 20,000 people. clay campaign tour, an initiative organized by Lidl, PreZero and before the Lidl and Kaufland as part of the Group-wide plastic strategy.

REset Plastic support. With information and games on the correct use of the yellow garbage can, the members of the geTon geTon campaign team members spoke to more than 20,000 people in front of Lidl and Kaufland stores to more than 20,000 people. The regional and national media coverage reached more than seven million people. media reached more than seven million people.1 1 Estimate according to gross coverage of the

Closed loop

We no longer want to hand over the

out of our hands. We have created the

structure that enables us to cover the

materials cycle. In the plants of the Schwarz Produktion plants, we

and pack them. After sale in our stores,

Group's own waste management

Group's own waste management

packaging in the yellow sack from many

customers in Germany. The recyclables

then sorted before being recycled into

company to produce new basic plastic

products in the company's own recycling

and makes economic sense.

The geTon campaign tour

Kaufland stores.

## OPERATION 113

### FOODWASTE

To reduce foodwaste in our pro-  
Every year, according to a study by the Thünen Institute, Lidl I  
around twelve million tons of food in Germany  
by 30 percent by 2025.  
thrown away. Even though only four percent of this is attributable to the retail sector and customers.  
Although only four percent of this is accounted for by the retail trade, we are working systematically with  
Lidl's food  
We are systematically working to reduce food losses in all departments, such as the  
various departments such as  
the value chain and, where possible, to avoid them.  
and, where possible, to avoid it. Purchasing, sales, merchandise  
CSR/Sustainability and  
To reduce foodwaste in our processes by 30 percent by 2025.  
paper is online  
Marketing on the same track.  
cents and to effectively raise customer awareness, at www.  
Various departments such as purchasing, sales, Wa [lidl.de/food](http://lidl.de/food)  
Lidl Sustainability Strategy 2030, CSR/Sustainability  
CSR/sustainability and marketing are all pulling in the same direction.  
strand. The measures the company has taken are  
available.

Lidl

has taken, Lidl shows in a corresponding position paper, FOOD-  
RESCUE

#### SDG 12.3

FOODWASTE which was revised and published in March 2020.

REDUCE There, we also show how every individual can help to  
can help prevent food loss.  
Our efforts are most effective on the path to

#### Zero

As a grocery retailer, Lidl has a major influence Waste through the responsible use of  
the reduction and avoidance of life our goods and through the efficient planning of the  
waste management. All measures and actions inventory. In the area of fruit and vegetables, our  
purchasing department is in direct contact with producers under the umbrella of Lidl Food Rescue.  
united. For example, we raise awareness among our Here we rely on long-standing partnerships and a  
customers with campaigns such as "Often Good for Longer" and dialog at eye level to meet the  
challenge of commonly

We reduce food losses through an efficient approach. Deliveries are made directly from the  
zient assortment planning. Smaller distributors are also German specialist fruit wholesalers. Efficient  
logistics

The use of different packing sizes offers a control option, and the proper transport of the goods thus  
avoids the risk of food losses.

However, this often results in a considerable amount of food waste.

cking waste. In order to avoid food losses in the

In order to prevent food losses in the supply chain, we also work with innovative technological  
solutions.

Lidl is also working to prevent food losses with innovative technological solutions.

for example, we offer our customers a web-based scheduling system that is based on  
apples and crooked fruit on individual specials sold, weather data and holidays to order  
promotions in the stores. merchandise can be precisely

determined and automatically ordered. The

merchandise, fewer missing  
result: widespread availability of  
and fewer food losses. Currently



the system is currently being rolled out and was initially "I often last longer than you think" has been applied since spring 2020 in all 39 regional companies for the product group on selected Lidl product packaging applied to frozen foods. Other product ranges and draws customers' attention to the longer shelf life. will follow step by step.

In the context of the sector-specific dialog forum Wholesale.

If, despite careful ordering, products are found to have a longer shelf life, we will actively exchange information with the German government.

If, despite careful ordering, products are not sold shortly before or on the best-before date, our customers will receive this information.

are not sold, our customers receive these further industry participants on the subject. Also products at half price. After a regional test through membership of Save Food, an initiative of the of the Food and Agriculture Organization (FAO), the Environmental Program lusten, since mid-February 2020 Lidl has been working with "I am the United Nations (UNEP) as well as Messe Düssel

still good" a further building block for food rescue dorf and the packaging trade fair Interpack, we are looking for with

implemented in all of the more than 3,200 stores in Germany. companies

from a wide range of sectors for new

Store employees check the best-before dates on a daily basis to find all the information on solutions to food losses.

Lidl food rescue at of the food. For items that are about to reach the [www.lidl.de/lebensmittelrettung](http://www.lidl.de/lebensmittelrettung).

best-before date, they reduce the

Price by half - among them are dairy products,

fresh produce, bakery products, dry goods products

and frozen products. The discounted items are sold in

green boxes with the words "I'm still good" on them.

offered. This notice is intended to raise awareness and replaces

the previous practice of offering such items at a 30 percent discount.

discount.

Working together against food

waste

After all the measures have been taken, there is still food left over.

with the food banks

If there is still food left over after all the measures have been taken, we make it available to the food banks in Germany.

Since 2008, we have been making these products available to the food banks in Germany.

from page 150.

available. A hygiene concept specifies which goods are also placed in the "I'm still good" boxes.

boxes. The delivery is, as legally printed by Lidl, wants for Foodwaste

prescribed, documented. To also sensitize this process. Because even after the

even more efficient, we have been supporting the food banks in setting up digital processes.

since 2018 in setting up digital processes professionally and often still edible.

financially. The project "Tafel macht Zukunft - gemeinsam

digital" aims to simplify food rescue by food banks with digital

with digital solutions in order to save even more food in the future.

save even more food and pass it on to those in need A few days ago.

to pass on.

Reach as well as on the day of the best-before date

Food waste that is no longer fit for sale

and can no longer be donated, will be reduced in ver -50%.

reduced

transported in dense form to biogas plants, where it is used to produce biomethane.

Used to produce biomethane.

At the end of 2019, Lidl joined forces with over 25 grocery

partners in the "Often Good for Longer" initiative.

by "Too Good To Go." The additional note

## OPERATION 115

EMPLOYEES Occupational health management is coordinated

RESPONSIBILITY ment. From its central administrative location in Neckarsulm, Germany, it  
maintain and promote

advises BM&S in the areas of health and safety.

We want to provide our employees with a safe and attractive GRI 202-0, regional companies on health issues.

401-0,  
ves working environment. For Lidl, the basis for this is 403-0,  
Compliance with and protection of employee rights, a 404-0, Employee development is a central management task

405-0,  
fair compensation, and a balanced 406-0 at Lidl and anchored in the "High Five" management mission statement.

Work and private life. A good working atmosphere and respect focus on identifying talents and full interaction with each other are the prerequisite for mo to individually promote, retain employees in the long term

tivated employees. We encourage them to take on responsibility and show them prospects within the company.

to take on responsibility and promote their professional development.

Talent

management comprises a systematic

year-long process with performance

appraisals, a

With the Lidl management guidelines and our corporate potential assessment and further training and development principles, we have

We established a uniform framework for action throughout Germany as early as 2008.

We created a uniform framework for action across the board.

Diversity, appreciation, fairness, trust, and the We are continually working on concepts to improve

The exclusion of discrimination is an integral part of these All information on our employee satisfaction and loyalty policies. As

corporate values and the  
guiding principles. They apply to all employees, without exception, on the basis of the "High Five" management principles.

every level of the hierarchy. In 2016, the guidelines were expanded to include employee surveys and interviews, which can be found at [https://unter. For example](https://unter.take.lidl.com/about-lidl/)

[take.lidl.com/about-lidl/](https://unter.take.lidl.com/about-lidl/)

Leadership Guiding Principles "High Five" supplemented. corporate principles. In 2018 and 2019, a cross-divisional and international

conducted an employee survey. Over

45 percent

of employees at Lidl Germany took part in the survey in each of Lidl's 39 regional companies in German. There is an employee & social affairs officer in each of the 39 regional companies at Lidl Germany in the 2019 fiscal year.

(BM&S). It combines the functions of the health ma Which measures we derived from measures derived from the survey and pursued.

derived from the survey  
nager and the person of trust, evaluate the processes we have described on and derive measures from them, as appropriate. As page 127.

Inclusion Officer, especially for severely disabled EMPLOYMENT AND

employees, he primarily ensures that Lidl fulfills its obligations as an employer and that these obligations are met.

fulfills its obligations as an employer and does not

does not discriminate against this group of employees. In his function GRI 102-8 Lidl is one of the largest employers in Germany in the

BM&S of external food retailers as a health manager. In fiscal 2019, there were

We have more than 88,000 employees who regularly receive training on specialist and punkt topics further trained. 80,111 to the active workforce. 21.4 percent of the employees

were employed full-time and 96.2

percent had permanent contracts.

All our goals for this year are to develop our business with a changing focus. Temporary appointments were made in the

In this area, we have

We are continuing to strategically develop our health management system. Pages 22 - 23 together only with a material reason. The exact number of employees

The exact number of employees hired on temporary contracts in 2019 was not known, as this is a LIDL", which was primarily intended to illustrate the close connection between information is not centrally recorded.

Occupational safety and health was to be made clear.

116 EMPLOYEES

#### GRI 102-7 TOTAL WORKFORCE LIDL FISCAL 2017 FISCAL 2018 FISCAL 2019

1 The key figure shows all reporting date owned, active total workforce 1 70,686 74,788 80,111 employees (excluding long-term absentees). This includes stores 59,822 62,727 66,952 all employees in full-time and logistics centers 9,623 10,671 11,493 Part-time, marginal employees, trainees, administration Germany 1,241 1,390 1,666 dual students, trainees, employees on secondment from abroad, Employees in the active phase of their partial retirement or on sabbatical, as well as working students, interns, diploma students, temporary staff, provided that in the reporting period hours were accrued in the reporting period. The is given irrespective of regardless of any time limit as "heads" (headcount), irrespective of a time limit.

GRI 401-1 In the 2019 financial year, due to the growth of Lidl 19,351 new employees were hired in the 2019 financial year than in the than in previous years. 58.3 percent of the newly hired employees were female, and around 70.4 percent of all newly hired were younger than 30 years of age. The fluctuation rate at the end of the reporting period was 17.2 percent, which was 1.4 percentage points above the turnover rate of the previous year. of the previous year. In order to find out the reasons why employees employees' reasons for leaving the company, we conduct regular and nymized exit interviews. The results of these are subsequently analyzed and appropriate measures are derived and implemented.

SDG 8.5

FULL EMPLOYMENT

FOR ALL

Size Committed: Over 88,000 people work at Lidl work at Lidl Germany. This makes us one of the largest employers in this country and as such and as such have a significant impact on full employment. employment. We focus on a wide range of entry and development opportunities for our employees and fair pay is guaranteed by collective collective bargaining agreements.

OPERATIONS 117

EMPLOYEES BY EMPLOYMENT TYPE FISCAL 2017 FISCAL 2018 FISCAL 2019 GRI 102-8

1 Total temporary

full-time employees 15,423 16,434 17,166 and permanent employees

Female 6,158 6,433 6,713 to the sum of all active  
Male 9,265 10,001 10,453 employees. The difference

Part-time employees 55,263 58,354 62,945 as well as employees, at  
Female 45,720 47,702 50,535 for whom no contract type has been  
system.

Male 9,543 10,652 12,410 2 All active employees with

Permanent employees 1 67,510 71,638 77,039

Female 50,272 52,656 55,825

Male 17,238 18,982 21,214

Temporary employees 2 167 186 227

Female 103 95 116

Male 64 91 111

NEW HIRES FISCAL 2017 FISCAL 2018 FISCAL 2019 GRI 401-1

Newly hired employees - total 12,009 16,796 19,351 Data collection

By location

Stores 9,688 13,673 16,230

Logistics centers 2,100 2,746 2,716

Administration Germany 221 377 405

By gender

Female 6,820 9,863 11,272

Male 5,189 6,933 8,079

By age group 1

< 30 years 8,297 11,329 13,618

≥ 30 < 50 years 3,517 5,162 5,453

≥ 50 years 195 305 280

EMPLOYEE TURNOVER IN PERCENT FISCAL 2017 FISCAL 2018 FISCAL 2019 GRI 401-1

Percentage of employees who left the company 1 14.6 15.8 17.2 ter

figure is

118 OPERATIONS

OCCUPATIONAL SAFETY AND  
HEALTH PROMOTION

We know that work in the stores and logistics centers is  
and logistics centers can be physically demanding and sometimes  
challenging. To maintain and promote the health of  
and promote the health of our employees, we are increasingly  
preventive measures throughout the company.

With regard to occupational safety, volunteers are trained as  
fire protection assistants, fire protection officers, safety  
safety officers, first aiders and occupational safety specialists.  
safety specialists.

This ensures comprehensive occupational safety and actively involves our

employees does not correspond to

difference is due to employees with  
employees with training contracts

contract type is stored in the

factually fixed-term contract  
or temporary contract.

1 Due to adjustments in  
deviates  
figures differ from those in the  
2018 progress report.

1 We report the employee  
turnover not broken down  
broken down by age group,  
gender and region  
(area), as these figures are  
not material for us, as  
not relevant to management  
are not relevant to control. The key  
  
without temporary employment  
employment contracts, retirements  
and partial retirement.

and actively involve our employees. This promotes understanding understanding and acceptance throughout the workforce and and offers the opportunity to play an active role in the in the further development of our occupational safety organization. We offer all offer occupational health care to all our employees. medical care. In addition, all workplaces are regularly inspected safety inspections of all workplaces to minimize and avoidance of accidents.

At least once a year, we provide all employees with training about potential hazards in the working environment. environment. Since 2019, all sales managers and sales managers on the subject of health and safety at work. and occupational safety. In terms of health, our employees also benefit from back training, flu vaccinations, and education on the correct education on the correct adjustment of cashier and office chairs and chairs and office chairs, and instruction in proper lifting and and carrying. In addition, we provide training in cooperation with the trade and merchandise logistics association, we also regularly train students students studying consumer goods retailing at the Baden-Württemberg Cooperative the Baden-Württemberg Cooperative State University in Heilbronn on the topics of on the topics of occupational safety and health protection. As a health manager, BM&S is the contact and supporter in the area of company health management. health management. The occupational safety specialists and company physicians provide support in designing workplaces and workplaces and environmental conditions. To determine the surveys and inspections are carried out to identify causes and effectiveness checks are carried out.

#### OPERATION 119

In order to maintain and improve physical and GRI 403-2 Despite all preventive measures, accidents cannot be completely avoided. mental health, Lidl unfortunately does not offer its employees complete prevention. From fiscal year 2018 needs-based health measures in the Be to fiscal 2019, they increased slightly by 1.4 percent. ergonomics, exercise, relaxation, nutrition ranges to 3,660. We record occupational accidents and preventive medical checkups. In order to prevent illnesses in employees who are already absent from work for one day in accordance with international the employees in the stores, company guidelines are part of this. The number of accidents per For example, ergonomic checkout chairs are standard for 1,000 full-time employees (FTE) at Lidl. at Lidl. In addition to workplace measures, the number of accidents fell in the reporting period from 80.6 (fiscal 2018)

we regularly offer company runs, sporting events to 75.6 (fiscal 2019). Compared to the baseline year or health days. In 2015, we were able to reduce the accident rate by just under eleven accidents

per 1,000 FTEs. To continue this

trend,

If an employee is not able to work for a longer period of time due to illness, we update our GRI 403-3 training on the topic of health and safety.

If an employee is unable to work for a long period of time due to illness, Lidl provides regular support in the form of company integration and occupational safety. If there is a management during the return to work. If an accident at work results in incapacity for work, this is a If an accident at work results in incapacity to work, an accident investigation is carried out to identify similar accidents at Lidl.

at Lidl have not yet been identified in the future.

posed. Occupational diseases are therefore not reported.

decentralized contractors,

employee data on accident rates, lost

our partners are not available.

All of Lidl's service providers are

therefore no quantitative

rates, lost days and fatalities at

NUMBER OF ACCIDENTS, DAYS LOST  
AND DEATHS 1, 2 Accidents Lost days Deaths GRI 403-2

## DIVERSITY AND INCLUSION SDG 10.3

As part of an international trading company, EQUAL OPPORTUNITIES. we are proud to employ people from more than 110 nations. employ. We value the skills and ideas from from different cultures and ethnic backgrounds. For Lidl, it is a matter of course to offer a working environment that is Lidl is committed to providing an equal opportunity work environment for all employees, regardless of age, religion, gender, sexual orientation or gender. origin, religion, gender, sexual orientation, of its employees. Currently under race, ideology or disability - respect divide gender at respect. Everyone has the same opportunities to develop personally and professionally. We want to work with them on this, and we have a lot of experience in this area. We want to work on this and have opportunities By signing the Diversity Charter in 2008, Lidl made a clear commitment to equality at the highest levels of the company. Lidl has made a clear commitment to fairness and respect at the highest level of its corporate principles. and is committed to creating a working environment that is free from prejudice and exclusion. Discrimination of any kind is not tolerated at Lidl. To this end, we raise awareness among our employees through corporate principles that apply to everyone and the management which has appreciation and diversity as central elements components.

GRI 405-1 SHARE OF FOREIGNERS.			
EMPLOYEES IN			
PERCENT	YOY 2017	YOY 2018	YOY 2019
Foreign employees	12.3	13.0	13.5

In the reporting period, we were not aware of any cases of discrimination GRI 406-1 has come to our attention.

The Corporate Principles state that:  
 We respect the diversity of cultures and recognize the diversity of their values and traditions. [...]  
 We treat everyone with appreciation and without prejudice, respect the personality of our employees and all their abilities. We live a respectful with each other and demand this from our employees. employees.

122 OPERATIONS

DIVERSITY AMONG			
EMPLOYEES	FISCAL 2017	FISCAL 2018	FISCAL 2019 GRI 405-1
Distribution by gender in percent	1 Due to adjustments in the data collection, the figures compared to the		
Female	73.4	72.4	71.5 Progress Report 2018.
Male	26.6	27.6	28.5 LIDL SIGNED.

Age structure in percent 1

Compact			
< 30 years	28.7	29.0	30.3
≥ 30 < 50 years	56.9	56.1	54.7
≥ 50 years	14.4	14.9	15.0

culture. Women's Empowerment Principles -. Developed by UN Women and UN Global Commitment to gender equality. ter is firmly anchored in our corporate To publicly underscore this commitment, Lidl launched the Women's Empowerment Principles in 2019. DIVERSITY IN THE (WEPs) of UN Women and UN Global Compact. LEADERSHIP ORGANIZATIONS 1 FY 2018 FY 2019 GRI 405-1. They are the first global initiative to 1 The metric definition Promoting and empowering women in business. Employees in management 5,073 5,376 was revised for greater transparency.

revised. The survey

based on seven principles. Corresponding

Distribution by gender in percent according to the new standard corresponding measures that these principles in our

Female 36.5 37.0 took place for the first time in fiscal year 2018.

are currently in the planning stage.

Male 63.5 63.0

Age structure in percent

< 30 years 20.1 21.2 1. Establishment of an equal opportunity friendly

≥ 30 < 50 years 70.7 69.4 Leadership culture

≥ 50 years 9.2 9.4

Senior management employees 58 58

2. fair treatment of all men and women in

the

working life - compliance with and

promotion of the

Distribution by gender in percent

Human rights and non-discrimination

Female 8.6 8.6

Male

Age distribution in percent

91,4 91,4

3. ensuring the health, safety and well-being of all employees

Female

< 30 years 0.0 0.0

ners and employees

≥ 30 < 50 years 75.9 75.9

≥ 50 years 24.1 24.1

4. promoting education, training and

Top management employees 10 13 of women's career development.

Distribution by gender in percent

Female 20.0 15.4 5. promotion of women's entrepreneurship,

Male 80.0 84.6 Strengthening their role in the procurement market,

Age distribution in percent Respecting their dignity in all brand

< 30 years 0.0 0.0 ting measures.

≥ 30 < 50 years 80.0 92.3

≥ 50 years 20.0 7.7 6. Promoting gender equality through community

community initiatives and advocacy.

7. measuring and publishing progress in

the

gender equality.

## OPERATION 123

BALANCE BETWEEN WORK AND PRIVATE LIFE In addition to full-time contracts, we offer our employees various part-time

contracts, we also offer our employees various part-

time contracts with a monthly allowance of 40, 60,

80, 100, 120 and 130 hours in their free time. In this way, we want to

can relax, is also to enable all employees, with joy and motivation, to have a work that is tailored to their of their work. To this end, we offer our employees numerous coordinated contract

employees a wide range of options for flexibly shaping their

to shape their daily working lives.

GRI 401-3 In 2019, a total of 7,597

employees took parental leave.

parental leave. A significant increase of

16.1 percent in accordance with the various collective wage agreements in the retail sector was once again achieved, particularly among fathers

is, for example, to take one Saturday a month off work.

hold. We also offer our employees flexible

working time models. Employees covered by collective bargaining agreements can, for example, decide



whether they want to work on Neckarsulm, whose work is suitable for mobile working, can decide whether they want to be paid or not. overtime is paid out or in the form of time off, they have been able to do this for one day per week since June 2019 in be compensated. Our employees covered by collective bargaining agreements are entitled to this. By the end of 2020, we plan to we enable numerous hourly models. For example, there is a nationwide opportunity for all employees with appropriate option of working as a "marginal employee". activities to enable mobile working. In addition EMPLOYEES ON PARENTAL LEAVE 1 FISCAL YEAR 2017 FISCAL YEAR 2018 FISCAL YEAR 2019 GRI 401-3

Number of employees taking parental leave	7,361	7,571	7,597	information obligation, the number of co
Female	6,811	6,874	6,788	employees eligible for
Male	550	697	809	parental leave cannot be determined.
determined until the end of				2 Number cannot be
Number of returnees after parental leave	3,060	3,200	3,316	Fiscal 2020.
Female	2,570	2,582	2,599	be determined.
Male	490	618	717	3 Retention rate
calculated by				the total number of employees who have
twelve				
Return rate in percent	Months	after their return		
Female	37.7	37.6	38.3	Returning to work after
Male	89.1	88.7	88.6	were still employed, as a
number				in relation to the total
Number of returnees and still employed according to				employees who were employed in
12 months	2	2,721	2,891	- the previous years after
Female	2,285	2,342	-	place of work
number for the				Parental leave to work
Male	436	549	-	have returned. The
Fiscal year 2019 can accordingly				accordingly only at the
end of				
retention rate in percent	3	-	fiscal year 2020.	be calculated.
Female	88.9	90.7	-	
Male	89.0	88.8		
124	OPERATION			

In addition, staff scheduling takes into account private COMPENSATION appointments and childcare are taken into account wherever possible. taken into account. GRI 405-2 Fair compensation is one of the elementary foundations for a trusting and appreciative working relationship. At the Neckarsulm site, our employees can have a good working relationship. At Lidl, this is ensured by a remuneration system based on At Lidl, this is guaranteed by a remuneration system based on the relevant collective agreements for children between the ages of ten months and six years. We children are cared for in one of the Schwarz Group's daycare centers. cared for. After the daycare period, we want to continue to be a member of the employers' associations and bound by collective agreements. The

guarantee our employees' children the best possible care and relevant collective agreements for retail training possible. For this reason, we work transparently and bindingly on pay and closely with the Josef-Schwarz-School, which is close to a gender-independent payment. Internally we follow

at the Neckarsulm site, we follow a tiered model for the remuneration of department heads and managers.

and executives. This arrangement is independent of Lidl tries to ensure that employees who change their place of residence do not have to worry about gender, age, origin, sexual orientation, world a smooth transition to a new regional view, religion or disability.

society. For this reason

GRI 102-41 77,704 Lidl employees were covered by a collective bargaining agreement in 2019.

introduced, which serves to mediate national and interna and/or covered by a company agreement (72,647 in the

tional switching opportunities serves. Since 2008, fiscal year 2018). At around 97 percent, these are almost

This has resulted in over 8,500 employees across Germany succeeding all of the 80,111 employees.

Currently, more than 30 company agreements are currently in place at Lidl.

In line with the provisions of collective bargaining agreements, we also grant

our non-pay-scale employees special leave in the form of paid

employees in the form of paid leave for special occasions

special occasions such as weddings, births or deaths.

In addition, employees with at least five years of

years of service have the opportunity to take a planned sabbatical

sabbatical, independent of annual leave, to take a planned, un SDG 1.2

sabbatical to have more time for themselves and their families.

for themselves and their families. The duration of the sabbatical ARMUT

is between one and three months. During this REDUCED

time, employment with the company is not interrupted.

Afterwards, Lidl guarantees the employees that they can

can return to their respective jobs. The success

of the offer is measured by Lidl via an annual survey, which in Lidl's large workforce

fiscal year 2019 showed that 221 people took a sabbatical also had a major impact on the elimination of have taken advantage of it. Poverty in this country. The minimum entry-

level wage

of 12.50 euros, which we guarantee to our

employees

guaranteed to our employees, is an important tool in

this regard.

## OPERATION 125

For ten years now, Lidl has been paying an internal minimum entry minimum entry-level wage, which is higher than the statutory standard.

standard required by law. On the basis of the collective wage agreement in the retail

for the years 2019/2020, Lidl has increased the collective wage for the 12.50 euro

year 2019 by 3.0 percent. For the year 2020, a per hour is the

further increase of another 1.8 percent is planned. As internal minimum

In addition, an internal bonus has ensured that all Lidl employees have been receiving a wage

that all employees receive payment in excess of the collective wage agreement.

March 2019.

All Lidl employees - whether full- or part-time - will therefore receive For comparison: in 2020 the statutory

minimum entry-level wage of 12.50 euros per hour, in minimum wage in Germany

generally even higher. In the store, the average is 9.35 euros.

The starting salaries of our employees are on average 1.5 times

(women) and 1.4 times (men) as high as the legally prescribed minimum wage.

with our works councils for many years and will continue to do so.

continue to do so. To the extent that

works councils, for example, have

In order to make provision for the future, Lidl pays for all changes in operations to be informed (§§ 111

ff. Works employees from the seventh month of employment), they are contacted immediately, In this way, the co-determination rights are safeguarded. All 300 (proportionately in the case of part-time employees) into a pension fund, our employees decide independently and freely whether they wish to contribute to this fund. sion fund. Lidl waives the express right to establish a works council. The employee must submit a written request as stipulated in the and which must be submitted by the employee. There are currently more than	
an average of seven	20 works council committees, each with representatives. The involvement of
works councils is an integral	
DIALOGUE AND PARTICIPATION is an integral part of HR work within the regional companies. and cooperation with the works councils	
at the regional companies.	
We are committed to an open exchange with our works councils. In this context, the works councils give employees and a rapid flow of information. This provides impetus for the continuous development of	
RATIO OF AVERAGE STARTING SALARY	
OF TARIFF EMPLOYEES TO LEGAL MINIMUM WAGE Female Male GRI 202-1	
Branches 1.5 1.4	1,5 1,4
	1,5 1,4
Logistics centers 1.6 1.6	1,6 1,6
	1,5 1,5
Administration Germany 1.8 1.7	1,8 1,7
	1,7 1,3
	FY 2019 FY 2018 FY 2017
126 OPERATIONS	

Promote personnel management or operating procedures. Every new employee receives a detailed induction.

If there is no works council in a company, the Lidl values and the mission statement of our company are also explained here.

BM&S are trustworthy contacts to whom the company can communicate. An individual one

Each employee is given an individual work plan to help them with any problems, concerns or conflicts. An accompanying

can turn to. "mentor" and a specialist instructor, who are prepared for their

prepared for their task by means of special seminars, provide

a

A key instrument for ensuring optimum support for our employees is our employee survey. dialogue with our employees is our employee survey, which takes place across all

across all national companies. The overall

satisfaction as well as satisfaction on all points - TRAINING

communication, team leadership, general conditions -

in 2019 by 0.2 percent compared to 2018, and satisfaction in all areas - communication, team leadership, general conditions - increased slightly by 0.2 percent compared to 2018.

increases. In 48 subsequent workshops in all regions, Lidl offers training in 21 different professions. Thereby, the

nal companies, regions as well as in the specialist departments they can choose from three formats - an apprenticeship, the Abi

At the Neckarsulm site, a total of more than 1,100 responses were received in 2019.

1,100 responses were collected. From this, participants in the training program were able to go through a comprehensive

Last year, 28 top topics and fields of activity were covered in a program that combines theory and practice through internal training.

in detail. In 2020, we will continue the training courses, seminars and projects as well as external workshops.

implementation of the measures derived from these, such as united. In addition, participants have access to a digital example, the "Employees recruit employees" campaign learning platform is available to participants. In the vast majority and the possibility of mobile working, Lidl takes on the graduates of the training programs for further employment.

programs into further employment.  
Another result of the employee survey is the In fiscal 2019, a total of 3,357 employees took part in the "We in Dialog" workshop format. The special thing about it: employees completed their training or a dual study program at Lidl. Employees, from salespersons to store managers, from the sales, operations or administration, are given the opportunity to meet the academic requirements of the dual study program. opportunity to spend two days training with the management, Lidl supports all trainees with additional seminars on current topics and suggestions for improvement. exchanges. The format includes joint workshops, targeted exam preparation courses. Regular a cooking event and group discussions. "Wir im Dialog" seminars on health protection are also part of became part of our offering in 2019 in five regions covering Germany. as well as held at the Neckarsulm administrative site.

Each event is attended by 15 colleagues from different companies take part in each event, as well as the the business manager of the respective region and the Business Manager from the human resources department.

	NUMBER OF	APPRENTICES/PARTICIPANTS	BACCALAUREATE PROGRAM	3,061	3,133	3,073
INTERNAL EMPLOYMENT	Stores	2,788	2,847	2,764		
	Logistics centers	237	252	275		
Forward-looking personnel planning is particularly important in Administration Germany		36	34	34		
times of a shortage of skilled workers and in view of the demo						
and in view of demographic change. In the competition for dual students		313	309	284		
the most talented applicants, our attractiveness as a branch		212	208	182		
employer plays a key role.	Logistics Centers	64	67	61		
	Administration Germany	37	34	41		

OPERATIONS 127

TRAINING AND EMPLOYEE DEVELOPMENT

The Lidl competency model provides the framework for development, a central management task at Lidl. at Lidl. The central approach here is to discover talents and to talents and to promote them individually, to employees in the long term and to show them prospects in the company. prospects within the company. For this reason, talent management also includes feedback from their manager and will be employees receive individual support from Lidl in their development through a systematic, year-round process. The number of performance appraisals, an assessment of potential conducted feedback and development discussions and training and development measures - will be documented in perspective using "SAP SuccessFactors". supplemented by further measures such as the program, which is currently still in the pilot phase "Job Rotation Division". The Germany-wide application of the system at Lidl is planned for 2020.

In the talent management process, all employees with managerial or shift responsibilities are reviewed annually in a GRI 404-2 When selecting training measures, the potential meeting presented and their potential and Lidl employees and managers on an um developments are discussed. They receive individual feedback on their training in a feedback from presentations, and development discussion, they receive individual feedback on training courses, seminars, workshops and e-learn

and work together with their colleagues to develop their skills. employees in the stores and in The logistics centers have a terminal with a range of different training measures.

measures. e-learning is available to employees in the stores and at the

in the workplace - for example, through the e-learning module.

In fiscal year 2019, a total of 16,002 employees were involved in GRI 404-3 "Energy management" in order to pay more attention to energy efficiency in day-to-day store operations.

tion in the potential discussions. All other environment to be taken into account.

As part of talent management, employees receive

The "Human Resources Development" toolbox

also enables managers

managers to develop their employees in the

individual

individual areas of competence. The seminar and

training catalog

training measures tailored to the target groups.

off-site training measures tailored to the target

groups.

Until 2022, we are anchoring the

The "Job Rotation Division" program is a new development

development program for managers and specialists who are already qualified for the next

corporate culture, so that they are nominated for the next level in the hierarchy. The

candidates

The candidates assume responsibility for an

individually defined period of six to

period of six to 24 months, which is the best possible for all employees.

results in their tasks in another division of the Schwarz Group.

can achieve.

GRI 404-1 In fiscal year 2019, 13,807 employees

attended seminars and training courses.

naries and training courses. Of these, 10,756

were accounted for by competency

seminars and technical concept training courses

and 3,051 to training

training provided by training and development

managers. The average

Lidl does not report on the average training

hours per

Lidl does not report on the average hours of

training per employee, as this information is not

relevant to management and is therefore not

material.

128 OPERATIONS

NUMBER OF EMPLOYEES INCLUDED IN POTENTIAL INTERVIEWS

INCLUDED FEMALE MALE TOTAL GRI 404-3

Branches 9,541 5,476 15,017

	8.385	4.769	13.154
	8.777	4.632	13.409
Logistics centers	46	301	347
	66	305	371
	28	242	270
Administration Germany	220	418	638
	143	293	436
	120	260	380
Total	9,807	6,195	16,002

8.594 5.367 13.961

8.925 5.134 14.059

FY 2019 FY 2018 FY 2017

NUMBER OF PARTICIPANTS IN CONTINUING EDUCATION FEMALE MALE TOTAL GRI 404-1.

Branches	5,411	5,462	10,873	
	4.560	4.428	8.988	
	4.142	4.287	8.429	
Logistics centers	344	1,055	1,399	
	295	670	965	
	203	528	731	
Administration Germany	744	791	1,535	
	556	619	1.175	
	402	431	833	
Total	6,499	7,308	13,807	
	5.411	5.717	11.128	
	4.747	5.246	9.993	
	FY 2019	FY 2018	FY 2017	

DISTRIBUTION OF TRAINING MEASURES BY  
EMPLOYEE CATEGORIES IN PERCENT Y/Y 2017 Y/Y 2018 Y/Y 2019 GRI 404-1  
Salaried employees 78 75 75  
Non-tariff employees 22 25 25

OPERATIONS 129

CUSTOMER  
VALUES  
mediate  
-2

8%  
SUGAR

SALT AND SUGAR REDUCTION

LIDL QUESTIONS ... society, for example, around 63 billion  
... EXPERT ANSWERS per year.1 The annual cost of treating caries is  
of caries amount to over eight  
billion euros. 2  
We all bear these costs, among  
other things  
through health insurance  
premiums. However, everyone can do  
everyone can do something about  
malnutrition - from  
"Against malnutrition manufacturer via the trade to the consumer  
and politics.  
Who would have the greatest leverage to reduce the overconsumption of  
salt and sugar?  
From the manufacturer to the retailer to the consumer and politicians?  
from the manufacturer to the retailer to the consumer.  
with binding requirements.  
Because the free  
to the consumer and voluntary self-commitments, as they exist in this  
in this country, will not really  
make the health  
to politics." of the people will not really improve. At  
soft drinks, for example, the  
average  
sugar content of over eight grams  
per 100  
milliliter decreased by less than  
0.1 grams per 100 milliliters from 2018 to 2019.  
grams per 100 milliliters. Binding  
would be better, as there would  
be no competitive  
disadvantage if all manufacturers  
were to comply with the

SALT AND SUGAR GRAMS sugar or salt content within the individual  
Reducing the sugar or salt content in their products within the

individual submarkets

products at the same time. The

reformulation itself is

Kai, a physician and health scientist, usually not a problem. Retailers

like Lidl have

DR. MED. KAI KOLPATZIK Kolpatzik knows the value of a conscious He has already proven with several  
products that

Head of the Prevention Department nutrition. As Head of Prevention at the AOK-Bundesverband, such a  
change is possible.

AOK-Bundesverband, he advocates lower-salt and lower-sugar foods.

and low-sugar foods. Manufacturers, retailers, consumers - What role

do retailers like Lidl,

Kai Kolpatzik is a physician and health scientist.

scientist. As an assistant physician, but above all as a policy-maker, according to the to counteract  
malnutrition?

he worked in surgery in sick health scientists on a string

hospitals in Freiburg and on Lake Constance.

Stations in health science

Lidl was the first retail company to introduce a new health

were the University of Bielefeld - to initiate changes with nutrition.

Strategy to

reduce salt and sugar

Master of Public Health degree and in food developed and shows the ver

European Master of Public Health - and

the World Health Organization (WHO) to reduce the amount of salt and sugar in products. We had Lidl  
in Geneva. Since 2009, he has headed the department Mr. Kolpatzik, how big is the problem of already  
in 2017 to the first sugar reduction summit.

Prevention in the AOK Federal Association with

too much sugar and salt consumption? of the AOK, so that other sub

other focal points in prevention and health promotion, nutrition

The AOK was invited to participate in the first sugar reduction summit in Germany.

competence, health communication The problem is enormous. At the same time, retail groups such as  
Lidl and digital health.

and digital health.

in Germany is well above the WHO- in addition to their own brands

have a major influence

recommendations - and this has serious consequences for the

purchase of external brands. This should

ness. Too much sugar leads to obesity, and they also have to be

aware of the

to diseases such as type 2 diabetes and tooth decay. of less energy-

dense or lower-salt products.

Obesity, i.e. severe overweight, costs the products for consumers to

use.

Up to and including 2018

REDUCTION, we were able to increase the shares

In 2017, Lidl launched the "Lidl Reduction Strategy 2025" with the goal of reducing the share of added  
brand products, to reduce the proportion of added sugar and salt by 2025 by 20 percent each in sugar  
and around 8

respectively. With continuously refined product formulations, we were able to reduce the  
already reduced the proportions by 14 percent for sugar and around eight percent for salt in 2018. Same  
in the case of salt.

At the same time, we are paying attention to reducing saturated fatty acids and energy density, as well  
as additives such as

additives such as flavors, preservatives and colorants.

#### SENSITIZATION

How do you rate the Lidl spoon campaign, With the Lidl spoon campaign, from October 2019 to the  
beginning of 2020, we have used our

at Lidl as a signal to reduce sugar, sensitizing customers to change their habits for less sugar in everyday

life

special spoon with curvature to its customers do not have to change. The Lidl spoon saves thanks to a bulge around distributed? 20 percent sugar savings. Two spoons of sugar in coffee remain two spoons of sugar.

But just 20 percent less - simply less sugar in the blink of an eye. Of course, something like that is symbolic at first, but but one that attracts attention. That alone my view, this alone does not lead to a change in change in behavior, but it can be a good can be a good starting point for further activities. Lidl has distributed KENNZEICHNUNG as part of the campaign on all hot beverage As part of the campaign, Lidl has introduced an additional button on all hot beverage vending machines in its stores to enable customers to make a conscious purchase decision. introduced an additional button that can be used to dung. The planned Nutri-Score uses a traffic-light indicator to show consumers the The planned Nutri-Score will use a traffic light system to show consumers which nutritional and physiological can be. The Lidl spoon campaign is consistently logical category the product falls into. We want to make this information clearly visible on In the first step, we want to make this information clearly visible on the front of private label packaging. and, in the next step, to make offers how consumers can reduce their sugar consumption themselves. consumers can reduce their own sugar consumption - is view, is a good way to go.

#### NUTRITION EDUCATION

The entire interview can be found online at With the nationwide Lidl Fruit School school campaign, we are supporting the association [lidl.de/sustainability-report](http://lidl.de/sustainability-report). "5 a day." Qualified nutritionists teach elementary school children in a child-friendly way how to eat a balanced diet of vegetables and fruit in a way that is appropriate for children. fruit. In the 2018/2019 school year, we included an excursion on biodiversity in the 1 Effertz et al., 2015: The costs and consequences of obesity in Germany: a new approach from a prevalence and life- program. The third and fourth graders will learn more about the cycle perspective. Eur J Health Econ, 17(9) important role of wild bees as pollinators of our fruit and vegetable crops. 2 Federal health reporting, 2015: Medical costs by institution, sex, ICD10 (as of. 2015) K02 Dental Caries, [http://www.gbe-bund.de/oowa921-install/servlet/oowa/aw92/WS0100/\\_XWD\\_PROC?\\_XWD\\_204/2/XWD\\_CUBE.DRILL/\\_XWD\\_232/D.946/14375](http://www.gbe-bund.de/oowa921-install/servlet/oowa/aw92/WS0100/_XWD_PROC?_XWD_204/2/XWD_CUBE.DRILL/_XWD_232/D.946/14375))

#### CUSTOMER 133

Valuing customers: Our customers are among Lidl's most important partners of Lidl. Among other things, we want to improve the safety safety of products, in the labeling of the product range, in the choice of of organic products, aspects such as health and balanced nutrition, and our and balanced nutrition, and in our social commitment. out the best. Lidl has aligned its sustainability measures in the customer value chain has aligned its sustainability measures in the customer value chain. In this chapter

- Responsible products
- Social value creation

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position papers

The buyers

with the position papers and to

requirements formulated there into account when

when making their product range decisions. These

Together

RESPONSIBLE with them, we document progress and develop new

binding for all

PRODUCTS All our targets in this supplier. If a target is missed, we must

are implemented.

range, we also exchange information and ideas.

As a retailer of food and GRI 204-0 items, we also exchange information with independent NGOs.

416-0,

We contribute to the supply of the population throughout Germany with basic FP 2,

supply of the population. Particularly in times like FP 6, buyers regularly receive training in which An

the pandemic crisis in 2020, the systemic relevance of more sustainable purchasing becomes particularly

clear.

particularly clear. We have a major impact on the lives of many millions of people.

the lives of many millions of people. Our action informed. The progress we have made in implementing

more

and impact opportunities lie primarily in the area of sustainability in the product range are being achieved

internally through the

the design of the product range. For this reason, we are continuing to focus on the purchasing

department and the CSR/sustainability area.

development of food, in the expansion of our reviewed.

range with more sustainable and regional products,

and regional products, but also in the transparent labeling of our

In addition to the gradual expansion of our product range, the focus is always on the needs of our

customers and the community.

society are always at the center of attention. By 2025, we want to have satisfied our customers with

sustainable products.

The quality of our products is a key factor in a conscious purchasing decision for our customers. To this

end, we are focusing on a

and sustainable foodstuffs. a complex system of internal and external controls for the safety and quality

of our products.

and external controls for the safety and

quality of our Lidl private labels.

To enable us to offer our customers more and more sustainable

If there are any deviations from the specifications, we have to start at the beginning of our processes:

with purchasing.

processes: in purchasing. In coordination with the Quality Assurance department, in cooperation with the

In coordination with Quality Assurance, this department is responsible for planning and implementing

countermeasures in cooperation with International Purchasing and the responsible CSR management.

This department is responsible for planning, implementing and implementing countermeasures. The

quality assurance of Lidl German

and development of the product range. We want to ensure that our private label products are

The purchasing of raw materials that are associated with social and ecological risks is increasingly

sustainable.

risks, to become increasingly sustainable. A large number of private label products,

design. This applies to the permanently listed ownmar such as cereals or fruit and vegetables as well as non-food  
 The range of products from Lidl Germany and, successively, also articles, are the responsibility of Lidl Inter  
 our entire promotional assortment. In order to ensure that this is done in a targeted manner nationally, where in these cases quality assurance is also  
 responsibility for quality assurance, the Purchasing department has products from brand manufacturers in their results in the chapter  
 corresponding strategy and prepared a risk analysis of the supply chain starting on page 71.  
 our product range are subject to quality assurance  
 carried out on the various sub-product groups. of the respective manufacturer.

## CUSTOMER 135

SDG 12.2 Since March 2019  
 SUSTAINABLE  
 RESOURCES- all fruit and  
 MANAGEMENT

Vegetable items

Through a sustainably and transparently designed  
 from Germany by the  
 range in the entry-level price segment enables  
 Lidl enables its customers to make responsible purchasing decisions.  
 decisions. The company is constantly expanding its  
 range to include regional and sustainable certified.  
 products as well as climate-friendly alternatives.  
 alternatives. Unsold products that are still fit for consumption  
 but still fit for consumption and safe from a food  
 to the food banks.

HIGH-QUALITY PRODUCTS  
 AND PRODUCT SAFETY

GRI 416-0 To ensure the safety, legal compliance and quality

of our own

and quality of our own food brands, we carry out

systematic

systematic testing of all private label products by

accredited

of all private label products by accredited institutes  
 take place. In addition to the chemical, microbiological

and

chemical, microbiological, physical and sensory test

parameters as well as

and sensory test parameters, the declarations are also  
 declarations are also included. Checking at Lidl itself as

well

For correct article labeling, for example, buyers and quality assurance employees the  
 regarding ingredients and origin, is the sensory quality with the help of expert tastings.  
 supplier is responsible. In addition, this is checked by the Regular consumer tastings, which show how  
 quality assurance is checked. This includes ensuring that the product performs to the consumer's  
 satisfaction, complementing the  
 legal conformity, and compliance with internal specifications. Quality assurance.  
 In addition, product claims are regularly  
 by external accredited institutes.

Lidl's tightly meshed testing system determines the

quality of each fruit and vegetable.

The manufacturers and suppliers working for Lidl are certified according to vegetable product-specific  
 testing specifications and

They are certified to international standards and share Lidl's quality assurance measures.

quality standards. Through intensive monitoring, we control the quality of our suppliers through extensive  
 internal quality controls.

We monitor our suppliers at all stages of the value chain right from the start of the product life cycle. For

this  
the quality we demand. In addition, we employ specialists who are in constant contact with local  
production sites.  
production facilities on site on a regular and unannounced basis by external experts from recognized  
testing institutes.  
by independent external auditors in accordance with Lidl's own supplemented by these measures at all  
levels of the  
criteria are checked. These are based on the International Supply Chain through participation in  
certification systems  
Featured Standard (IFS) and regulate, for example, aspects of leading industry standards, such as the  
GlobalG.A.P.  
on traceability, hygiene or for productionan standard, by our partner companies. Since March 2019  
all fruit and vegetable products from Germany have been certified by QS GmbH.  
certified by QS GmbH.

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Every day, all deliveries of fresh fruit GRI 416-1 In fiscal 2019, a total of nearly 36,700  
and vegetables were inspected according to standardized processes and on the basis of inspection  
reports from Lidl Germany and Lidl International  
of the Lidl inspection catalog were closely examined. commissioned. The number is down on the previous  
year,

as we are reducing the  
frequency of analysis for food articles.  
chemical-analytical testing for residues could be carried out without compromising on the safety and our  
of pesticides and other undesirable In the position paper for fresh due diligence.

Fruits and vegetables under  
contaminants is carried out by recognized experts [www.lidl.de/positionspapiere](http://www.lidl.de/positionspapiere)  
independent laboratories. More critical or in we summarize all information  
on quality assurance

products that are more conspicuous in the test results are grouped together in this process.

If, despite the quality controls, a health risk  
will be examined more frequently. More information on our pesticide reduction program is provided  
immediately.

For more information on our pesticide reduction program, see the Resources chapter starting on page 57.  
GRI 416-2, a public product recall is initiated. In the

In the 2019 financial year, Lidl  
and

All non-food promotional items produced worldwide, which suppliers in terms of preventive consumer  
Lidl offers, are tested by independent testing institutes in food and  
Germany tested. In each case, we select the laboratory non-food articles.

that has a proven high level of expertise in testing a particular

testing of a particular article. The quality assurance

Quality Assurance at Lidl International controls and coordinates this

and coordinates this complex procedure. In this way, we ensure the external and internal  
and internal inspection of the products.

INSPECTIONS OF OWN-BRAND FOOD PRODUCTS SOLD IN GERMANY  
AND FRUIT AND VEGETABLES GY 2017 GY 2018 GY 2019 GRI 416-1

1

Excluding seal-, special-, wine-.

Products for which Lidl International is responsible for purchasing and near-food analyses.

2

Including wine and near-food,

Number of test reports 26,481 39,288 34,636 Excluding import. Near-Food-

of which test reports Food 1 9,500 9,659 7,742 Items include cosmetics,

Detergents, cleaning and puri-

of which fruit and vegetables 16,981 16,838 14,722 detergents and sanitary

articles.

of which test reports non-food -3 12,791 12,172 3 The survey took place

Number of expert tastings 2 5,740 6,238 6,564 for the first time in fiscal year

Number of items tasted (item-supplier combination) 2 6,830 7,738 8,137  
 Products for whose purchasing Lidl Germany is responsible  
 Number of food test reports<sup>1</sup> 1,961 2,758 2,042  
 Number of expert tastings<sup>2</sup> 2,077 6,480 6,089  
 Number of articles tasted (article-supplier combination) 2 2,105 6,605 6,382  
 PRODUCT RECALLS Y 2017 Y 2018 Y 2019 GRI 416-2

1 Incl.

near-food  
 Total number of public product recalls 10 16 16  
 Food private label 1 7 11 10  
 Food own brand 1 0 3 4  
 Non-food private label 2 2  
 Non-food brand 1 0 0

## CUSTOMER 137

about the Fair and transparent  
 With our Fairtrade products, too, we want to  
 transparency all the way back to the origin of the  
 and give our customers the opportunity to learn more  
 to learn more about the cultivation of the certified  
 learn more. For this reason, the packaging of "Fairglobe  
 Fairglobe" products have a numerical code on the  
 packaging. Via the website [www.fairtrade-code.de](http://www.fairtrade-code.de), customers can  
 customers can go on a virtual journey and find out  
 where and by whom the product was made and what fair  
 trade and by whom the product was produced and what fair  
 trade does in the growing countries. With our Fairtrade  
 certified "Way To Go" chocolate, the traceability of the  
 cocoa traceability of the cocoa extends to the individual  
 cooperative in the growing country of Ghana.

In the course of the controls, the information on the information on a yellow imprint directly on the  
 product, known as the product declaration, is regularly packaged. Customers can have dairy products as  
 checked by accredited institutes. For the more information provided by Lidl also for cereals by QR codes.  
 Germany, the institutes assigned to the origin of the products experienced.

In fiscal year 2019, 0.6 percent (2018: 0.3 percent) of the  
 declarations as not marketable, and in 24.6 per  
 of cases (2018: 22.5 percent), they noted suggestions for improvement.  
 suggestions for improvement. To remedy even minor declaration deficiencies  
 we pass on the relevant customer feedback to our quality  
 to the quality assurance department.

TRACEABILITY AND TRANSPARENT  
PURCHASING POLICY

The traceability of all Lidl products and a transparent purchasing  
 transparent purchasing policy are also part of our quality  
 understanding of quality. For fish and meat products as well as  
 sausage products under our own "Metzgerfrisch" brand, we offer customers the  
 customers the opportunity to obtain information on the origin, production  
 about the origin, production and farming conditions, and processing of the  
 conditions and the processing of the articles.  
 processing of the articles. Fish products under Lidl's own brands carry these

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-29,1 %  
 Sugar -20.0

Salt

-13,9 %  
Sugar

-13,8 %  
Salt

CONTENT MATERIALS AND NUTRIENTS FP 6 The successes of Lidl's 2025 reduction strategy.  
in figures:

Lidl Germany is further developing its private label  
to offer customers an even greater choice of selected products.

Salt reduction

products. In doing so, we are pursuing a  
reduction approach for sugar, salt, saturated The position paper "Conscious nutrition" at  
Nutrition" at [www.lidl.de/](http://www.lidl.de/)  
fatty acids and energy density, as well as additives, such as flavorings, preservatives and  
such as flavorings, preservatives and colorants. our goals and measures.  
together.

2017: -2,1 %

We have set ourselves the target of reducing the proportion 2018: -8.0 %  
of added sugar and salt by 2025, on a sales-weighted basis  
by 20 percent in each case by 2025. The main target 2025: -20.0 %  
focus on articles that are particularly consumed by children 1,900 metric tons of salt and  
such as breakfast cereals. In addition, a further 31,000 metric tons of sugar in  
products included in various merchandise groups - Lidl own-brand assorti-  
such as soft drinks, dairy products and sausages. ment up to and including  
2018.

Sugar reduction

We ensure that the sugar saved is not replaced by sweeteners.  
sweeteners, but are gradually reduced in such a way that customers  
that customers can get used to the less sweet taste.  
to the less sweet taste. To this end, Lidl largely dispenses with  
the sweetening power of glucose-fructose syrup, which is only used in exceptional  
exceptional cases for technological purposes, such as

2017: -6,0 %

for better solubility.

2018: -14,0 %

Target 2025:

-20.0

CUSTOMER 139

Simply less sugar

The development of formulations for new

products with  
20 percent less sugar can be noticed and tasted is right up front of our targets. We hardly  
hardly ever. Lidl wanted to prove this with the Lidl spoon. All information on the our own-brand  
range area by area. With it

holistic concept

Thanks to its special shape, the spoon automatically saves and the diverse pro we are improving in  
cooperation with our suppliers.  
We work with our suppliers to improve the recipes of Lidl's private labels in line with our own recipes.  
at [www.lidl.de/](http://www.lidl.de/)

On one campaign day each in October 2019 and Fe reduction together ideas and keep an eye on energy  
density.

bruary 2020, Lidl has grasped around two million in all stores. This will prevent, for example, a food the  
spoon to its customers, from a purchase value of 25 sugar content reduced and at the same time the fat  
content of

Euro, distributed free of charge. He was also permanently in the Lidl- is lifted, with which an article in the  
end the same amount or

Onlineshop at the action price of 1 cent available. Which would even contain more calories.

Lidl spoon is a symbol for "just a little less" in

everyday life. It does not prohibit indulgence, it hardly changes To our customers the conscious decision  
for

taste, but it sensitizes. balanced food, Lidl is planning the nutritional labeling creation of the legal include sustainable the opportunity central step assortment by 50 percent by the end of 2018. 66.1 percent increase, we have actually thanks to our association for organic Tyrol. Our organic a broad basis and to of a sustainable under Lidl's own brand. Over 80 items - have since been stores. fruit and vegetable nationwide or regional millions of consumers organic food products 140 CUSTOMER

NUMBER OF ORGANIC ARTICLES	Y 2017	Y 2018	Y 2019	FP 2
Food & Near-Food (number of varieties)	2	The Bioland cooperation		
Organic articles in permanent assortment	171	284	342	Fiscal 2018.
Of which Bioland articles	-2	57	81	
Organic articles in the Food promotional assortment	1	108	125	214
of which Bioland articles	-2	2	32	
Non-food (number of articles)				
Organic articles in the non-food promotional assortment	40	41	103	

introduction of the supplementary Nutri-Score. Following final analysis and the legal basis, we will begin with the labeling. start with the labeling. SUSTAINABLE PRODUCTS BIO FOR EVERYONE With the expansion of our product range to products, we want to give our customers to make conscious purchasing decisions. A was the expansion of our organic festive by 50 percent by the end of 2018. With a even exceeded the target - in particular partnership with Bioland, the leading organic farming in Germany and South common goal is to bring high-quality, local products into the mainstream of society on and to work for the long-term development sustainable agriculture and food industry. We started with herbs and dairy products products under Lidl's own "BioOrganic" including cheese, milk, butter, and yogurt - the green Bioland label in the German stores in Germany. Step by step, further and vegetables will gradually follow in the will follow. In this way, we are giving consumers access to high-quality, local demand for such products is growing.

1 Excluding repeaters started end

Accordingly, the number of organic products increases at Lidl. FP 2 In the next step, we have set ourselves the goal of achieving by 2025  
 Already 342 food & near-food items from our dau at least ten percent of our fixed assortment as organic. ersortiment of private label and branded products are or offer Bioland foods. At present, the with the various organic logos - EU organic, German share is six percent. The goal of offering our organic range in the Bio seal or Bioland - labeled. The number of fruit and vegetable range by the end of fiscal 2018 to Organic items in the food promotional assortment we were able to significantly double, we were not able to fully achieve. With from 125 items in fiscal 2018 to 214 items in an increase from 19 organic items in 2017 to 35 items in 2018 Fiscal 2019 increase. Non-food items, we were nevertheless also able to significantly expand the range. In the the reporting period, they more than doubled, as 50 organic articles were already part of our range in fiscal 2019. we are increasingly focusing on organic cotton in textile campaigns. Fruit and vegetable assortment.

CUSTOMER 141

100% CO<sub>2</sub>  
 A USGLE!

Compared to beef products, the vegan alternative 91% of CO<sub>2</sub> emissions.

#### VEGAN ALTERNATIVES Vegan Workshop

In line with the demands of our customers, Lidl is constantly developing and refining its its product range on an ongoing basis. As the topics CO<sub>2</sub> reduction products Lidl actively involves customers. Thus and animal welfare are increasingly occupying the minds of consumers, customers are getting ideas for more vegan products via a we offer under our own brand "Next Level Meat" vega co-creation platform. In September 2019 ne product ranges as meat alternatives. Since 2019, ten of them have been given the opportunity to participate in a Lidl has about the meatless "Next Level Burger" and three-day workshop to participate and the vegan vegan minced meat permanently in all German stores Lidl range to actively shape. A total of tasted in the assortment. Compared to beef products, the participants saved around 140 different products, vegan alternative saved 91 percent of CO<sub>2</sub> emissions. Since evaluated the taste and consistency and October 2019, Lidl offsets the remaining nine percent discussed opportunities for improvement. with its supplier via climate certificates with the Gold Standard from ClimatePartner. This is used to support projects for the In addition, they created together with Influen The project also supports projects to protect the rainforest in Brazil, which allows Lidl experts to create recipes with the vegan products. more land will benefit smallholders rather than products and discussed suitable uses for soy plantations. for soy plantations are deforested. Also in the action cations. It became apparent that, in addition to taste and We are increasingly offering vegan products in our product range. The transparency of nutritional information is also a common feature of all common to all products is optimized packaging that uses less and ingredients as well as sustainable packaging plastic and more recyclability. In the next important criteria for the success of the products at the ver In the next step, we want to expand our range to include vegan consumers, for example. The result of this customer involvement The result of this customer involvement will be the addition of vegan cheese alternatives. in the form of a new curry sausage product and a bolognese sauce.

Bolognese sauce as new "next level" promotional items. articles to be found with us.

## SUSTAINABILITY ORIENTATION

Sustainability labels enable our customers to make conscious purchasing decision. They offer transparency on origin, production, manufacturing and processing. We carry the following internationally recognized labels in our product range:

Excerpt of the seals and labels of our articles:                      Explanation of the product  
seals can be found in our online  
seal database [www.lidl.de/seals](http://www.lidl.de/seals).  
[www.ra.org/siegel](http://www.ra.org/siegel)

## CUSTOMER 143

transparent

"husbandry

With the Lidl husbandry compass we were the first retailer in 2018 the first retailer to introduce a

labeling for fresh meat. introduced. Since April 2019, the the industry-standardized

"husbandry form" replaces the Lidl husbandry compass.

## PIONEER IN HUSBANDRY FORM/ LIDL HUSBANDRY COMPASS

We want to give our customers the opportunity to take animal In addition, in February 2018, Lidl set itself specific goals.

to include welfare aspects when buying fresh meat. for a more animal welfare-friendly product range. With the Lidl Husbandry Compass, we were the first retailer to include a transparent husbandry label in around every second fresh meat product.

In 2018, Lidl has already achieved its interim goal of transparent labelling for fresh meat at level 2 or higher.

meat introduced. Other retailers have followed our example. By 2025, we want to have only fresh meat followed and have a voluntary husbandry labeling offer products that exceed the legal standard including the four levels and identical criteria, i.e. are classified in level 2 or higher. At We have already achieved this goal in the case of the products that we have jointly developed as part of the fresh poultry sector alliance.

We have already achieved this goal for fresh poultry, while we have standardized the Animal Welfare Initiative. Since April, we have been using the same label for pork products, among other things, as part of the Animal Welfare Initiative.

Since April, we have been working on standardizing the "farming method" label for pork products, including as part of the Animal Welfare Initiative. used.

End of 2022 to raise the minimum standard

to level 2.

More information on For beef, we are pursuing this goal

through 2025. we

husbandry system under

Four levels indicate how the animal was kept. [www.haltungsform.de](http://www.haltungsform.de) and are aiming to extend the husbandry label to dairy products.

Page 60.

Beef, turkey or chicken - international specialties with the relevant stakeholders. are excluded - have borne the husbandry label since April 2018.

In terms of the total number of articles in our permanently of our permanently listed fresh meat range, REGIONAL PRODUCTS

this means that less than three percent of our articles do not have a farming method label. Here, regionality is playing an increasingly important role for consumers.

This means that duck and rabbit products, which have so far played an important role in consumers' purchasing decisions. Short transport



The short transport distances, the freshness of the products and the support of the trade are not taken into account in the labeling of the products. of the products, but we are increasingly raising awareness of these issues in discussions with relevant domestic companies. stakeholders. Consumers. 144 CUSTOMER

tag concept in our eastern

known  
is

Price tags for the region  
At the end of 2019, we introduced a new price introduced a new price tag concept. A map of depicted map of Germany is marked, from which federal state or from which well- region the article comes from. The decisive factor the last production site. In the future, we want to extend the concept to other regions in Germany. in Germany.

At Lidl, we understand regionality to mean regional Spe or from the immediate vicinity. The transport routes cialities from Germany, irrespective of the origin from the farm to processing are at a maximum of of the ingredients and the point of sale. On the other hand, for 125 kilometers. us products are regional if the main ingredient comes from a specific German region and is only offered in a GRI 204-1 In the reporting period, we were able to add 25 new items with the regionally limited number of stores.

Regionalfenster labeling to be listed. Nevertheless, the the total number of these articles declined, due to

The Regional Window label provides our customers with supplier and product range changes that ensure regio full transparency. For these products, the origin of the nalfenster label is not further mapped main ingredient and the processing location could for the consumer. Our goal of offering 100 more products could apparent at a glance. For example, we are therefore unable to achieve this goal. Nevertheless, we are sticking to all German Lidl stores with regional window- eggs and aim to offer a total of 200 labeling. We also carry organic sausage items with the Regionalfenster label in our regional stores. products from animals that come exclusively from the regions of Festsortiment. Franconia and Hohenlohe. Also the feed of the animals also comes predominantly from our own farms  
NUMBER OF REGIONAL PRODUCTS GY 2017 GY 2018 GY 2019 GRI 204-1  
Articles of the regional private label "Ein gutes Stück Bayern" 30 19 8  
Articles with regional window 110 101 83

CUSTOMER 145

Another pillar of Lidl's regional focus Nevertheless, we were able to attract customers in the Bavarian branches. is the "Ein gutes Stück Bayern" private label. Since 2010, we have not sufficiently benefited from the added value of regional products. we have been selling regionally produced Mol fresh meat and sausage products under this private label. from and in Bavaria. "A Good Piece of Bavaria" so much so that we have decided to

decided to take it out of our range in the

fall of 2019. The producers and manufacturers for our regional own men. As a result, the number of articles has been reduced to eight. The products in this range originate from or are produced exclusively in Bavaria. As part of this program, the farms are regularly inspected in the areas of cultivation, husbandry, feeding, fertilization and production. In addition, all mol

SOCIETY

dairy products have been awarded the premium level of the animal welfare label WERTSCHÖPFUNG "For more animal welfare" label, which is awarded by the German German Animal Welfare Association (DTB).

GRI 201-0, Lidl wants to be recognized as an exemplary corporate citizen in the

205-0,  
As a bonus for farmers who contribute the continuing 418-0 general welfare of society. In particular requirements, we have so far been able to earn more than 19.6 million euros of trust through sustainable million euros, from which the growers directly earn, our customers, business partners and the profit. Since the launch of "A Good Piece of Bavaria" in the wider circle of stakeholders. year 2010, we have continuously developed the regional private We have continued to develop the regional private label and have, for example, expanded it at the point of sale,

On the other hand, we have  
and in customer publications. Pages 24 - 25 together sponsoring and through the support of selected

summarized.

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organizations. We rely on long-term partnering, regular training, legal monitoring and policy management, and a process with national and regional initiatives with monitoring and guideline management, and a process clearly related to our core business. for the case handling of compliance notices. On the other hand, we pay strict attention to legally compliant procedures GRI 102-17 Lidl is always open to information from employees, processes. We are aware that legal violations can cause financial damage to customers or business partners. and reputational losses, personal damage compensation violations - these are incidents in which through claims and criminal prosecution may result in our employees or towards our employees may result. Our actions are therefore subject to the legal requirements applicable in the performance of their duties.

Information on our  
The whistleblower system of the law or internal guidelines is binding for the entire company. For We comply with applicable law and internal policies. and all other whistleblowing channels are available to us for information on possible compliance violations.

channels of reporting are  
publicly available on the Lidl compliance officer's contact website (compliance@lidl.de), the lawyer of confidence, and the

www.lidl.de/compliance  
COMPLIANCE website. whistleblower system BKMS (Business Keeper Monitoring System) is available. Further reporting

channels can be provided to the  
To comply with this GRI 307-0, Customer Service, which is binding for all employees, the respective employee representative

419-0  
principle binding on all employees, Lidl has introduced a Compliance and Social, the respective employee's supervisor Management System (CMS) in place that is binding as well as be the supply chain initiative. CMS requirements and follows a zero-tolerance principle. principle. The focus is on ensuring legal compliance in The Compliance Officer of Lidl Dienstleistung to ensure compliance with the law in all business processes, to prevent violations of the law from the and, if an initial suspicion is identified, to consistently conduct investigations to to punish. The management and executives serve to clarify the facts. in doing so through their daily actions as role models. Content The content of the CMS focuses on prevention, for example, GRI 307-1, Data privacy and data protection, and quality.

419-1  
of corruption and fraud, as well as antitrust law and the protection of the respective whistleblowers. We do not provide any information on the content. The whistleblower will not suffer any no disadvantages to the whistleblower.

Each report is strictly reviewed.  
The implementation of the CMS is treated confidentially by the Compliance Officer.  
The Compliance Officer is a member of the Lidl Service team and reports directly to the reports directly to the management. He is responsible for the operation The comprehensive information of all employees about our of a uniform, appropriate and effective CMS, compliance requirements is the basis for their adherence. reviews the effectiveness of compliance measures, carries out awareness-raising measures and training courses  
All internal and external indications of compliance violations are therefore followed up promptly after the start of operations and thereafter.  
and regularly thereafter. Depending on the position in the company, we also offer awareness awareness-raising measures as well as  
In fiscal year 2019, Lidl again conducted a risk analysis GRI 205-1 information offerings via the intranet. to further develop the CMS. The focus was on  
The focus was on corruption, fraud and antitrust law.  
and antitrust law were examined with the aid of risk scenarios.  
and identified environmental factors that could lead to a breach of the regulations to be which could lead to a breach of the regulations to be complied with.  
After completion of the risk analysis, supplementary measures were derived. The existing measures already include, among other things, an extensive

## CUSTOMER 147

### DATA PROTECTION

We take the protection of personal data very seriously. We therefore strive to guarantee our customers their right to informational self-determination. to informational self-determination.  
The legal basis for this is the data protection actively and locally in  
The German Data Protection Regulation (DSGVO) and the German Federal Data Protection Act for more Act (BDSG). In particular, with the entry into force of the Opportuni  
DSGVO, our data protection concept has been further wi  
cated to meet the new legal requirements.  
legal requirements. At the same time, a new training concept  
employees in dealing with Lidl Sustainability Strategy 2030 personal data.  
personal data is to be increased.  
Lidl collects personal data from customers for such purposes as  
to process payment transactions or to handle customer  
processing customer inquiries. 90 days after the final  
personal data is deleted or made anonymous in the So instructed Lidl 2019 together with the association  
brot  
Usually deleted or anonymized. On the website lidl.de Zeit e.V. the "Lidl-Chancen-Check". For the representative  
and on a notice board in the store, customers can study the nutrition, care and support situation  
The data protection information states which data is processed for which purpose.  
which data is processed and for what purpose. Allensbach (IfD) surveyed  
around 1,000 mothers and  
Fathers of elementary school children. The study  
confirmed that  
Furthermore, adjustments have been made so that rights regulated meals, reliable care at the  
of those concerned within the afternoon specified by law, individual support and the income  
deadline are answered. In order to avoid any discernible impact on the educational in the case of  
potential datapan of parents  
The defined reporting deadlines of 72 hours have to be met (see graphic on page 149).  
corresponding processes have also been established.  
have also been established. These results have once again  
strengthened our  
our goal of focusing on nutrition education for  
children, adolescents

and families by 2022. This includes CORPORATE CITIZENSHIP among other things, to further develop the Lidl Fruit School and to work with existing and new partners. As a regional local supplier, we see ourselves not only in an active further projects around the topic of "nutrition".

retailer-customer relationship, but also as a partner in the initiation of new projects. For more than ten years, one of our key partners has been people on the ground. We want to make a noticeable difference through personal commitment, donations and sponsorship.

donations and sponsorship on page 150).

for society and, by 2025, to be the discounter that is

actively and locally in Germany to promote more Responsible for social commitment

Equal opportunities. We promote existing Lidl are the CSR/Sustainability department and the

civil society organizations related to our Human Resources "Leadership and Culture" area for the corporate

rem core business and support our employees in volunteering. Donations and sponsorships are their voluntary commitment. governed by a separate policy.

148 CUSTOMER

The management of donations and sponsorship for ge To assess whether a donation or sponsorship is my charitable organizations is committed or agreed by the CSR/ department, formal Sustainability is managed at Lidl Germany. It has and defined substantive review criteria. The approvals for

The responsible department has its own donations budget, which it uses to make targeted donations.

Lidl's 39 regional company managers at the head office or in the respective regional companies.

Lidl regional companies with an annual donations budget, managing directors of the regional company, and by the

to be able to support regional initiatives. Lidl Head of CSR/Sustainability in the four-eyed

exclusively promotes causes with a clearly educational, principle. Donations in excess of 1,000 euros must also be

cultural, scientific, health-promoting, chairman of the executive board

social or ecological character.

the Compliance department has been checking

In addition, since the end of 2019,

each application in terms of political

connections.

The funding projects must be legally permissible and

must not be connected with business, the initiation of business

negotiations or proceedings with the authorities.

negotiations or proceedings. Donations and sponsorships may not

not be used to meet the requirements of compliance regulations on

regulations on the handling of gifts, invitations and other

gifts, invitations and other benefits. Donations to political parties, trade

political parties, trade unions, politically active persons or organizations are

are not permissible under our donations and sponsorship

and sponsorship guidelines and will therefore not be granted.

FEEDING THEIR CHILDREN IS A

THE CARE OF THEIR CHILDREN LESS MONEY,

CHALLENGES GAP IN THE AFTERNOON LESS EDUCATION

300,000 elementary school students, For 10 % of the 47 % of parents

that is 10%, go to school every day without elementary school children from the simpler class

breakfast to school. lack a suitable childcare place. would like to support their children more,

than the financial means

allow.

57 % of parents 23 % of parents,

often have problems getting afternoon care for their children 27 % of these parents

healthy and balanced diet for their children, they would not like to have more support with

nourish. afford. the nurturing of their children.

CUSTOMER 149

SUPPORT FOR CHARITABLE

## ORGANIZATIONS

We regularly donate to organizations around our Neckarsulm and regionally at our 39 regional companies. 39 regional companies. Larger donations in the reporting the reporting period went in particular to the Tafel Deutsch the umbrella organization of over 940 food banks in Germany. in Germany. Our aim is to invest in the future viability of this of this important charitable organization.

In 2018, Lidl celebrated its double anniversary - 25 years of Tafel In September and October 2019, Lidl offered its customers in Germany and ten years of cooperation between Lidl once again the opportunity to buy food and other items and the Tafel food banks - as an opportunity to donate one million euros. of daily necessities to the Tafel food banks throughout Germany. The funds were donated to the newly installed "Future Fund". In the "Buy 1 More" campaign, customers were able to donate the Tafel, which will secure the future of the organization by offering a choice of nine different donations in the stores. knowledge building, the development of digital processes and cards on which a product such as roasted coffee, the switch to sustainable infrastructures secure spaghetti or liquid laundry detergent between 39 cents should. In 2019, Lidl donated a further 500,000 euros for the and 2.79 euros was digitally deposited - products that were donated to the Tafel "Future Fund." The distribution stations of the regional food banks are urgently needed.

were collected at the We have been supporting the Tafel in GRI 413-1 cash register for twelve years now, and at the end of the campaign, Lidl provided all the Germany. Lidl stores thereby give food to items selected for donation - in total around the local food banks, which are fit for consumption and food 81 tons - in Lidl logistics centers for collection legally unobjectionable. 40 food bank representatives in the regional food banks. regional companies and at the headquarters in Neckar sulm act as a link and mediator between the brotZeit e.V. We have been supporting brotZeit e.V. since its inception with interests of the food banks and Lidl.

breakfast products and celebrated our ten year of partnership. Lidl and brotZeit e.V. provide. In addition, the Tafeln financially support children at schools with a balanced breakfast through the deposit donations of Lidl customers. Through them have been since before classes. In the process, we donate around 480 tons of food to 229 schools between the launch in 2008 and the end of the reporting year. Around 9.3 million 18 million euros were collected for the food banks. Since breakfasts, we have been able to help over 1,300 senior citizens, refrigerated vehicles, hygiene articles, volunteers who have been involved since the early days of our new equipment such as shelving units, dishwashers, etc. to schoolchildren. 10,300 children or freezers, but also cooking classes for those in need benefited in fiscal 2019. In addition to a financed. By the end of 2019, just under 2,500 projects had been realized as a result of the project. 2,500 projects were realized. Exchange of the children among themselves stimulated.

## 150 CUSTOMER

Donations across all our regional companies GRI 201-1 #WhatReallyMatters regional companies amounts to 1.9 million euros in fiscal 2019. million euros. Lidl also collects donations together with its

our social me

(What is really important)

with its customers through social media. With dia fundraising campaign #waswirklichwichtigist

CORPORATE VOLUNTEERING we encouraged followers on Facebook and Instagram to watch the donation video "A good gesture".

Another pillar of our social engagement likeness. For every like, Lidl donated 20 cents. The total amounts is the active contribution of our employees. We increased the donation total to around 60,000 euros.

Trainees at the Neckarsulm site can take a look at 90,000 euros. 15,000 euros of this sum was donated to each of the

and strengthen their social skills at SOS Children's Villages, UNICEF Germany, the German three charitable organizations. In the process, Red Cross, German Children's Fund, Make-A-Wish First- and second-year trainees in Germany and Die Arche.

computer courses for senior citizens, take responsibility for children and young people at the playground meeting, or they gain an insight into the working world of people with disabilities during a

The students apply a balanced diet directly to their practical work.

In order to also exercise our other employees in the preparation of fruit skewers and smoothies.

of an honorary position, we are currently revising our concept.

expand the Lidl Fruit School

expanded to include a

nutrition.

PROMOTING EDUCATION FOR FOOD, which ties in with the "Lidl Habitats" initiative.

AND MOVEMENT. The aim is to teach schoolchildren about the importance of wild bees and other flower-visiting insects.

and other flower-visiting insects are important for

the diversity of the world.

We are also active with our own initiatives, primarily to provide vegetables and fruit. As a further addition, we launched

to teach children about a balanced diet, we launched the pilot project "Nutrition Workshop" in 2019, which will also

and impart knowledge about our food. Thus, parents of elementary school students were involved. At two

Since 2016, the Lidl fruit school has been visiting information events nationwide every year, giving nutritional advice to

The Lidl Fruit School has visited around 200 elementary school classes every year since 2016, providing parents with an overview of conscious nutrition and the

practical tips on how to motivate their children to eat more vegetables and fruit.

to eat more vegetables and fruit.

As an official partner of "Jugend trainiert für

Olympia" (Youth trains for the Olympics)

Lidl provides food for sporting events as part of our "5 a day" membership,

implemented nutrition education project learn reason provide energy for competition. In January 2020

third- and fourth-grade students through play and once again provided Lidl with food as an official Fresh Food partner

under the guidance of trained nutritionists, the European Men's Handball Championship and premium partner of the

how they can integrate vegetables and fruit into their daily menu German Handball Federation the athletes with fresh

can integrate. The new learning around a from fruit and water.

SALES AND DONATION INCOME FISCAL 2017 FISCAL 2018 FISCAL 2019 GRI 201-1

1 Sales figures for Lidl

Sales revenue €21.4 billion €22.7 billion 1 Germany include from

2019 no online sales,

Donations revenue €2,231,034 €2,446,005 €1,918,350 as these are allocated within the

Schwarz Group are

aggregated

aggregated elsewhere.

CUSTOMER

## FURTHER INFORMATION GRI

In this chapter

- GRI Content Index
- Auditor's Report
- Imprint

### GRI CONTENT INDEX GRI 102-55

For the implementation of the GRI Materiality Disclosures Service, the GRI had this report "mehrWERTschätzen" from Lidl was available to the GRI for the implementation of the GRI Materiality Disclosures Service. The correct positioning of the "materiality disclosures (GRI 102-40 - 102-49) in the report was confirmed by the GRI Services team. All of the GRI standards listed in the following GRI standards were published in 2016.

### DISCLOSURES EXTERNAL ASSURANCE PAGE OMISSION/COMMENT.

GRI 101: Fundamentals

GRI 102: General disclosures

Organizational Profile

GRI 102-1: Name of organization 2

GRI 102-2: Activities, brands, products and services 11

GRI 102-3: Location of headquarters 2

GRI 102-4: Operating facilities 10

GRI 102-5: Ownership and legal form 2

GRI 102-6: Markets served 10

GRI 102-7: Scale of organization 10, 11, 117

GRI 102-8: Information on employees and other personnel 116, 118

GRI 102-9: Supply chain 14

GRI 102-10: Significant changes in the organization and its no supply chain

GRI 102-11: Precautionary principle or precautionary measures 29

GRI 102-12: External initiatives 30, 33

GRI 102-13: Membership in associations 33

Strategy

GRI 102-14: Statements by senior management 6-7

GRI 102-15: Key impacts, risks and opportunities 12, 29

Ethics and integrity

GRI 102-16: Values, policies, standards and norms of conduct 29

GRI 102-17: Procedures for ethical consultation and concerns 28, 147

Leadership

GRI 102-18: Governance structure 28, 29

GRI 102-19: Authority granting body 28

GRI 102-20: Leadership responsibility for economic, 28 environmental and social issues

GRI 102-21: Dialogue with stakeholders on economic, environmental, and 28 social topics

### 154 GRI CONTENT INDEX

### DISCLOSURES EXTERNAL REVIEW PAGE OMISSION/COMMENT

Stakeholder engagement

GRI 102-40: List of stakeholder groups 32

GRI 102-41: Collective bargaining 125

GRI 102-42: Identifying and selecting stakeholders 32

GRI 102-43: Approach to stakeholder engagement 32, 33, 34

GRI 102-44: Key issues and concerns 34

Approach to reporting

GRI 102-45: Entities mentioned in the consolidated financial statements 2

GRI 102-46: Determining report content and topic boundaries 34, 35

GRI 102-47: List of material topics 35, 36, 37

GRI 102-48: Restatement of information 2

GRI 102-49: Changes in reporting 2  
 GRI 102-50: Reporting period 2  
 GRI 102-51: Date of most recent report 3  
 GRI 102-52: Reporting cycle 3  
 GRI 102-53: Contact details for questions regarding the report 163  
 GRI 102-54: Statements on reporting in accordance 3  
 with the GRI Standards  
 GRI 102-55: GRI content index 154 - 159  
 GRI 102-56: External assurance 3, 160 - 162

#### KEY TOPICS

GRI 200: Economy  
 GRI 201: Economic performance  
 GRI 103: Management approach (including 103-1, 103-2, 103-3) 146  
 GRI 201-1: Direct economic value generated and distributed 11, 151 Sales and donations for Lidl  
 Germany

Lidl Dienstleistung

www.bundesanzeiger.de

reported, detailed breakdown for  
 GmbH & Co. KG is available at  
 can be viewed.

GRI-

#### CONTENT INDEX 155

#### DISCLOSURES EXTERNAL AUDIT PAGE OMISSION/COMMENT

GRI 202: Market presence  
 GRI 103: Management approach (including 103-1, 103-2, 103-3) 116  
 GRI 202-1: Ratio of standard entry salary disaggregated by gender 126  
 standard entry-level salary to local statutory minimum wage  
 GRI 204: Procurement practices  
 GRI 103: Management approach (including 103-1, 103-2, 103-3) 135  
 GRI 204-1: Proportion of spending on local suppliers 145 Reported number of regional products. From  
 and share of spending on regional  
 suppliers are not  
 are not reported for reasons of  
 competition law.  
 reported for reasons of

competition law.

GRI 205: Anti-corruption  
 GRI 103: Management approach (including 103-1, 103-2, 103-3) 146  
 GRI 205-1: Operations audited for risks related to corruption 147  
 GRI 205-3: Corruption incidents confirmed and actions taken There were no public corruption  
 corruption proceedings.

GRI 300: Environment  
 GRI 301: Materials  
 GRI 103: Management approach (including 103-1, 103-2, 103-3) 99  
 GRI 301-1: Materials used by weight or volume 78, 80, 108  
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 GRI 302: Energy  
 GRI 103: Management approach (including 103-1, 103-2, 103-3) 99  
 GRI 302-1: Energy consumption within the organization 104  
 GRI 302-3: Energy intensity 104  
 GRI 302-4: Reduction of energy consumption 104  
 GRI 304: Biodiversity  
 GRI 103: Management approach (including 103-1, 103-2, 103-3) 45  
 GRI 304-2: Significant impacts of activities, products and 53  
 services on biodiversity  
 GRI 304-3: Habitats protected or restored 54  
 GRI 305: Emissions  
 GRI 103: Management approach (including 103-1, 103-2, 103-3) 99  
 GRI 305-1: Direct GHG emissions (Scope 1) 106, 107  
 GRI 305-2: Indirect energy-related GHG emissions (Scope 2) 106, 107



GRI 305-3: Other indirect GHG emissions (Scope 3) 74, 106, 107  
GRI 305-4: Intensity of GHG emissions 107  
GRI 305-5: Reduction of GHG emissions 74  
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DISCLOSURES EXTERNAL ASSURANCE PAGE OMISSION/COMMENT

GRI 306: Wastewater and waste  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 74, 99  
GRI 306-2: Waste by type and disposal method 78, 108, 110, 112

LIDL I: Foodwaste  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 99  
LIDL I: Ensuring the responsible use of 114 - 115  
Food (Lidl specific indicator)  
GRI 308: Environmental assessment of suppliers  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 45, 71 - 73, 74  
GRI 308-2: Negative environmental impacts in the supply chain and actions taken 46 - 52, 53, Measures taken 74, 75, 76  
GRI 400: Social  
GRI 405: Diversity and equal opportunities  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 116  
GRI 405-2: Ratio of base salary and compensation of women to 125 Pay is based on the performance of the co  
basic salary and to the compensation of men employees and regardless of gender. We therefore do not  
We therefore do not report  
the ratio.  
GRI 408: Child labor  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 81 - 82  
GRI 408-1: Business sites and suppliers with significant risk 81 - 82, 83  
for incidents of child labor  
GRI 409: Forced or compulsory labor  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 81 - 82  
GRI 409-1: Business locations and suppliers with significant risk 81 - 82, 83  
for incidents of forced or compulsory labor  
GRI 412: Human rights screening  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 81 - 82  
GRI 412-1: Business locations where a human 81, 83 rights audit or a human rights impact assessment  
has been conducted  
human rights or a human rights impact assessment has been conducted  
has been conducted  
GRI 412-2: Training for employees on human rights policies and 83, 84, 88, 91  
-procedures  
GRI 413: Local communities  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 81 - 82  
GRI 413-1: Business locations with involvement of local communities, 85, 150 A percentage of business  
locations is currently not available.  
impact assessments and funding programs currently not possible with reasonable effort.

GRI

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DISCLOSURES EXTERNAL AUDIT PAGE OMISSION/COMMENT

GRI 414: Social assessment of suppliers  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 71 - 73, 81 - 82  
GRI 414-2: Negative social impacts in the supply chain and actions taken 84 - 85, 87  
Measures taken  
GRI 416: Customer health and safety  
GRI 103: Management approach (including 103-1, 103-2, 103-3) 135 - 136  
GRI 416-1: Assessment of the impact of different product and 137 Number of private label products  
tested reported.  
service categories on health and safety The proportion of tested products cannot be stated for

competition

legal reasons, the percentage

of tested products cannot be disclosed.

GRI 416-2: Violations related to the health and 137

safety impacts of products and services

#### SECTOR-SPECIFIC INDICATORS

FP: Sustainable products

GRI 103: Management approach (including 103-1, 103-2, 103-3) 74, 135

FP 2: Proportion of purchasing volume that is aligned with internationally recognized 84, 141 A statement of the detailed sales volume is

production standards is currently not possible with reasonable effort.

FP: High-quality products and safety

GRI 103: Management approach (including 103-1, 103-2, 103-3) 135 - 136

FP 6: Proportion of sales volume of products with reduced fat, 139 It is not currently possible to provide detailed sales volumes of

trans fats, salt and sugar currently not possible with reasonable effort.

FP: Animal welfare

GRI 103: Management approach (including 103-1, 103-2, 103-3) 58

FP 10: Animal welfare (integrity and handling of narcotics) 59, 61

FP 11: Percentage and absolute number of animals produced and processed 60

animals, by type and husbandry system

FP 12: Policies and handling of antibiotic, anti-inflammatory, 61

hormonal and/or growth promoting treatments.

#### OTHER DISCLOSURES WITH STRATEGIC RELEVANCE

GRI 303: Water

GRI 103: Management approach (including 103-1, 103-2, 103-3) 45, 99

GRI 303-1: Water withdrawal by source 56, 108

GRI 307: Environmental compliance

GRI 103: Management approach (including 103-1, 103-2, 103-3) 146 - 147

GRI 307-1: Non-compliance with environmental laws and regulations 147 For business reasons, no information on

fines possible.

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#### DISCLOSURES EXTERNAL AUDIT PAGE OMISSION/COMMENT

GRI 401: Employment

GRI 103: Management approach (including 103-1, 103-2, 103-3) 116

GRI 401-1: New employees and employee turnover 117, 118

GRI 401-3: Parental leave 124

GRI 403: Occupational health and safety

GRI 103: Management approach (including 103-1, 103-2, 103-3) 116

GRI 403-2: Type and rate of injuries, occupational diseases, absenteeism 120 Sick leave and absenteeism rates are not

The number of sick days and absences, as well as the number of work-related fatalities, are not published because they are sensitive internal data.

sensitive internal data.

GRI 403-3: Employees with a high incidence of, or at risk of, ill 120 health associated with their job. related to their occupational activities.

GRI 404: Training and development

GRI 103: Management approach (including 103-1, 103-2, 103-3) 116

GRI 404-1: Average hours of education and training per 128, 129

year per employee

GRI 404-2: Programs to improve employee skills 128

and transition assistance

GRI 404-3: Percentage of employees receiving regular appraisals 128, 129

of their performance and career development

GRI 405: Diversity and equal opportunities

GRI 103: Management approach (including 103-1, 103-2, 103-3) 116

GRI 405-1: Diversity in governance bodies and employees 122, 123 We cannot reliably measure the proportion of employees with disabilities.

cannot reliably measure the

proportion of employees with disabilities, as employees are not

employees are not required to

disclose disabilities.

GRI 406: Non-discrimination

GRI 103: Management approach (including 103-1, 103-2, 103-3) 116

GRI 406-1: Incidents of discrimination and remedial action taken 122

GRI 418: Protection of customer data

GRI 103: Management approach (including 103-1, 103-2, 103-3) 146

GRI 418-1: Substantiated complaints regarding breaches of the 148 Due to the high sensitivity of data published

protection or loss of customer data, we do not disclose any information in this regard and are bound to secrecy.

We are bound to secrecy.

GRI 419: Socio-economic compliance

GRI 103: Management approach (including 103-1, 103-2, 103-3) 146 - 147

GRI 419-1: Non-compliance with laws and regulations in the social and 147 For business reasons, it is not possible to provide information about economic area fines possible.

GRI

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## REPORT OF THE INDEPENDENT AUDITOR ON AN AUDIT TO OBTAIN LIMITED ASSURANCE ON SUSTAINABILITY INFORMATION

To the Management of Lidl Dienstleistung GmbH & Co. KG, Selected disclosures in the scope of our assurance engagement

Neckarsulm are included in the report and in the GRI Index in the column "External assurance".

"External assurance" column with the following symbol " ".

We have reviewed the disclosures on materiality, reporting boundary

We have reviewed the disclosures on materiality, reporting boundary and management approaches, in selected aspects (energy, emissions, and

aspects (energy, emissions, wastewater and waste, The legal representatives of Lidl are responsible for diversity and equal opportunities as well as customer health the preparation of the report in accordance with the

and safety) including selected key figures and reporting criteria. Lidl applies the GRI standards for the post

Disclosures on these material aspects (information on the Global Reporting Initiative's sustainability reporting

employees and other staff, energy consumption in (GRI) principles and standard disclosures, and within the organization, energy intensity, direct GHG emissions the Corporate Accounting and Reporting Standard (Scope 1

sions (Scope 1), Indirect energy-related GHG emissions and 2) the Greenhouse Gas Protocol Initiative by the World

(Scope 2), Waste by Type and Disposal Method, Di Resources Institute (WRI) and the World Business Council for

iversity in control bodies and among employees, Number Sustainable Development (WBCSD) in conjunction with internal

Test reports, expert tastings and tasted items, guidelines on (hereinafter referred to as "Reporting Criteria").

Product recalls) published in the Sustainability Report (hereinafter the

Hereafter, the "Report") for the period from March 01, 2019 to The responsibility of the legal representatives of the company

February 29, 2020 of Lidl Dienstleistung GmbH & Co. KG, includes the selection and application of appropriate methods

Neckarsulm (hereinafter referred to as "Lidl" or the "Company") of an for the preparation of the Report and the making of assumptions

independent business audit to obtain and make estimates regarding individual disclosures,

to a limited degree of certainty. which are appropriate under the given circumstances. Furthermore management is responsible for such internal control as

management determines is

controls that they have determined are necessary to enable

the preparation of the

misstatement, whether due to fraud or error.

preparation of the report that is free from material

- intended or unintended - misstatements.

## 160 AUDITOR'S REPORT

Statement of the auditor with respect to the March 1, 2019 through February 29, 2020 period in all material

Independence and Quality Assurance Matters not in accordance with the reporting criteria.

We have been independently prepared by the Company in accordance. In an audit performed for the purpose of obtaining

limited assurance engagement in accordance with German commercial law and professional

and we have performed our other professional procedures in accordance with those requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Therefore, a significantly lower level of assurance can be obtained.

is obtained. The procedures selected depend on the auditor's judgment.

Our auditing firm applies the national statutory auditing regulations and the professional standards of the auditor.

and professional standards applicable to quality assurance, in particular the

In the course of our audit, we have examined, among other things, the following audit procedures

for auditors and certified public accountants, as well as the actions and other activities:

IDW Quality Assurance Standard: Requirements for the - Inquiries of persons responsible for materiality analysis

Quality Assurance in the Auditing Practice (IDW QS 1). employees at Group level in order to gain an understanding of the procedure for

of the procedure for identifying material

Our responsibility is to express an opinion on the effectiveness of the internal control system and on the effectiveness of the internal control system.

Our responsibility is to express an opinion on these matters based on our audit.

Our responsibility is to express a conclusion with limited assurance on the basis of our audit - A risk assessment, including a media ana

on the sustainability disclosures described in the introduction and in the GRI Index with lyse, on relevant information on sustainability

" " on Lidl's sustainability performance in the reporting period.

to provide. - Assessment of the suitability of the internally developed definitions.

tions.

We conducted our audit in accordance with the International - Assessment of the Design and Implementation of

Standard on Assurance Engagements (ISAE) 3000 (Revised): Systems and Processes for the Determination, Processing

"Assurance Engagements other than Audits or Reviews of and Monitoring of Disclosures and Results in Audited

Historical Financial Information", issued by the Inter

national Auditing and Assurance Standards Board (IAASB), - Inquiries of employees at the corporate level, which are performed for

performed. Those standards require that we plan the audit to obtain evidence about concepts, due diligence

and to perform the audit to obtain limited assurance about the processes, results and risks involved in performing

internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on these consolidated financial statements.

internal control procedures and the consolidation of the disclosures that have been made, which would lead us to conclude that disclosures are responsible

the disclosures described in the introduction for the period from

AUDITOR'S

- Inspection of selected internal and external documentation The engagement, in the performance of which we have mented.

Services provided to the management of Lidl

Dienstleistung

- Analytical assessment of the data and trends of quantita GmbH & Co. KG, Neckarsulm, Germany, were based on the Allge

tive information, which for consolidation purposes at Group level my engagement terms for auditors and economic

reported by all locations. auditing firms in the version of January 1

- The 2017 financial statements are based on an assessment of the local data collection, validation and reporting processes as well as the reliability of the data collection, validation and reporting processes.

and reporting processes and reliability aab.pdf). By taking note of and using the data reported in this of the reported data through a sample survey note, each recipient confirms,

at the Neckarsulm site. the regulations made therein (including the liability

- Assessment of the overall limitation of the liability for negligence contained in the audit to EUR 4 million in section 9 of the

comprehensive information on the sustainability performance. AAB) and acknowledges their validity in its relationship with us.

and acknowledges their validity in relation to us.

Audit Opinion

On the basis of the audit procedures performed Munich, June 05, 2020

Based on the audit procedures performed and the audit evidence obtained, we are not aware of any KPMG AG

circumstances have come to our attention that cause us to believe that the financial statements that the consolidated financial statements for the period from March 1, 2019 to February 29, 2020

the period from March 1, 2019 to February 29, 2020 in the

and marked in the GRI Index with the following symbol Hell ppa.

" " symbol in the GRI Index for the period from March 1, 2019 to February 29, 2020.

has not been prepared, in all material respects, in accordance with the

have not been prepared in accordance with the reporting criteria.

Restriction of use/AAB clause

This note is addressed to the management of Lidl Dienstleis

tung GmbH & Co. KG, Neckarsulm, Germany, and is intended solely for that person.

and is intended solely for the latter. We do not accept any responsibility

third parties.

162 AUDITOR'S REPORT

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The green 1.5-liter  
bottle with still  
water of the private  
brand "Saskia" is  
is made from 100 percent  
of recycled PET.  
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",2019,SR,EN,LIDL#DLD