

Human Rights in our Supply Chains

Progress Update 2024

A BETTER
TOMORROW



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Our **Responsibility** for Human Rights

Our Responsibility for Human Rights

As a discount retailer, Lidl sells food, non-food and near-food products sourced throughout global supply chains. We are responsible for ensuring access to safe, humane working conditions and labor standards for individuals employed throughout the entire value chain and in our own business areas. We aim to bring about improvements through continuously targeted interventions and meeting our commitments that fall under our strategic focus area of ‘Acting Fairly’.

Since publishing our >> [human rights purchasing policy](#) in 2021 with an update in 2022 we have been on a continued journey with our stakeholders to strengthen our approach. Commitments and actions described in this report were defined and implemented by Lidl Stiftung & Co. KG.

The companies in the Lidl Group work closely together at various interfaces when purchasing goods and managing of the corresponding supply chains. Accordingly, the measures described here may have been defined and implemented by a sub-company of the Lidl Group for a specific supply chain. This may affect other Lidl Group companies that purchase goods from this supply chain. The measures described here affect the part of the Lidl Group reported here. To simplify matters, it is therefore not further indicated which company in the Lidl Group has defined and implemented a measure.

In this year’s human rights progress report, we share how we are performing against the goals and objectives we have set ourselves. It is a transparent account, demonstrating alignment of our sustainability purpose with our wider business mission and outlining the progressive actions being taken to increase value in our supply chains.

The 2023 progress report can be found >> [here](#).



Management Approach for the Implementation of Due Diligence

Through our management approach for the implementation of due diligence, we systematically monitor and assess the potential and actual risk of human rights violations and environmental impacts in our supply chains. Potential and actual risks identified through this process are prevented and mitigated. This is done through the development of

concrete actions, which are implemented within our business practices, buying policies and programs. By implementing these steps, we take accountability for the impacts of our business and identify opportunities to minimize our negative footprint and to drive positive change.

- Conduct an assortment-based materiality analysis
- Identify risks and opportunities
- Assess impacts and opportunities for action

- Report transparently on progress and learnings to internal and external stakeholders

- Monitor and improve requirements and processes
- Eliminate, reduce and avoid negative impacts
- Provide access to effective grievance mechanisms and access to remedy



- Define CSR- requirements, goals and KPIs
- Define roles and responsibilities
- Implement audit-proof processes
- Ensure Measurability

- Demand consistent implementation in supply chains and among stakeholders
- Monitoring of the implementation
- Evaluation of supply chains and supply chain actors



Lidl **Human Rights Strategy** in supply chains

Lidl Human Rights Strategy in supply chains

Lidl Human Rights Strategy at a glance

1 Keeping track of impacts

We constantly determine the risks and potential of improvement.

2 Safeguarding standards

We promote compliance with international frameworks e.g. ILO for the protection of Human Rights

3 Expanding fair trade

We promote living wages and incomes.

4 Driving change

We are active in developing programs, initiatives and projects.
















Keeping track of impacts

1

Keeping track of impacts

We are committed to taking action to mitigate the risks of our own business activities in relation to human rights. We continuously review the potential and actual risks in the production of our goods by:

- Conducting annual and event-driven risk assessments
- Conducting three Human Rights Impact Assessments (HRIAs) in high-risk supply chains per year
- Continuously increasing transparency in our supply chain

Action area	Timing	Scope and goal	Status
 Publishing all first-tier food suppliers	Annually	• Increasing transparency in Food	Published: Link
 Risk Assessment	Annually	• Identification of human rights and environmental risks in supply chains in our own business area and with direct business partners	On a continuing basis
 Event-Driven Risk Assessment	In case of a potential risk	• When potential risks in individual sectors or supply chain stages become known in order to identify causes at origin	On a continuing basis
 Gender Assessment	Annually	• Identification of gender specific risks in the deeper supply chain in Non-Food supply chains	On a continuing basis
From 2020 – 2022 we conducted 6 HRIAs with the goal to identify and mitigate specific Human Rights Risks			
 HRIA Tea	Conducted in 2020	• Tea supply chain from Kenya	Published: Link
 HRIA Berries	Conducted in 2020	• Strawberry supply chain from Spain	Published: Link
 HRIA Banana	Conducted in 2021	• Banana supply chain from Colombia	Published: Link
 HRIA Canned tomatoes	Conducted in 2021	• Tomato supply chain from Italy	Published: Link
 HRIA Wine	Conducted in 2022	• Wine supply chain from South Africa	Published: Link
 HRIA Shrimp	Conducted in 2022	• Shrimp supply chain from India	Published: Link
 HRIA Cashew	Conducted in 2023	• Cashew supply-chain from Cote d'Ivoire	In progress

	Action area	Timing	Key information	Status
	HRIA Meat	Conducted in 2023	<ul style="list-style-type: none"> Meat processing in Germany 	In progress
	Action Plan Tea	Published 2020	<ul style="list-style-type: none"> Language: GER, EN Number of actions: 6 	Published: Link
	Action Plan Berries	Published 2022	<ul style="list-style-type: none"> Language: GER, EN, ES Number of actions: 6 	Published: Link
	Action Plan Banana	Published 2023	<ul style="list-style-type: none"> Language: EN Number of actions: 3 	Published: Link
	Action Plan Canned tomatoes	Published 2023	<ul style="list-style-type: none"> Language: EN Number of actions: 5 	Published: Link
	Action Plan Shrimp	Published 2024	<ul style="list-style-type: none"> Language: EN Number of actions: 4 	Published: Link
	Action Plan Wine	To be published 2024		In progress
	Action Plan Cashew	To be published 2024		In progress
	Action Plan Meat	To be published 2024		In progress

Risk Assessment – Results 2024

The risk assessment on raw material level, that Lidl conducted for 2024, analyzed the human rights risks for a variety of different raw materials present in our supply chains. The risks include areas such as child labor and forced labor. The most important high-risk raw materials as well as associated risks and countries of origin are displayed in the table.

- 01** Child Labor
- 02** Forced Labor
- 03** Fair Remuneration
- 04** Land rights
- 05** Occupational Health & Safety
- 06** Discrimination
- 07** Freedom of Association

TROPICAL FRUITS



- 01 – India, Brazil, Türkiye
- 02 – India, Brazil, Türkiye
- 03 – India, Brazil, Türkiye
- 04 – Ecuador, Colombia
- 05 – India, Ecuador, Colombia
- 06 – India, Ecuador, Colombia
- 07 – India, Ecuador, Colombia

SPICES



- 01 – India, Türkiye
- 02 – India, Poland, Türkiye
- 03 – India, Türkiye
- 04 – India
- 05 – India, Türkiye
- 06 – India, Türkiye
- 07 – India, Türkiye

COFFEE



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

COTTON



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

COCOA



- 01 – Côte d'Ivoire, Ghana, Nigeria
- 02 – Côte d'Ivoire, Ghana, Nigeria
- 03 – Côte d'Ivoire, Ghana, Nigeria
- 04 – India, Cameroon
- 05 – Côte d'Ivoire, Ghana, Nigeria
- 06 – Ghana, Nigeria
- 07 – India, Ecuador

TEA



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

NUTS



- 01 – Vietnam, Nigeria, India, China, Côte d'Ivoire, Türkiye, Argentina
- 02 – Vietnam, Nigeria, India, China, Côte d'Ivoire, Türkiye, Argentina
- 03 – Argentina, Vietnam, China
- 04 – India, Burundi, Indonesia
- 05 – Argentina, Vietnam, China
- 06 – India, Nigeria, Türkiye
- 07 – China, India, Nigeria

RICE



- 01 – China, Cambodia, Indonesia
- 02 – China, Cambodia, Indonesia
- 03 – China, Cambodia, Indonesia
- 04 – Cambodia, Indonesia
- 05 – China, Cambodia, Indonesia
- 06 – Cambodia, Indonesia
- 07 – China, Cambodia, Indonesia

PLANTS & FLOWERS



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

SUGARCANE



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

PALM



- 01 – Indonesia, Malaysia, Papua New Guinea
- 02 – Indonesia, Malaysia, Papua New Guinea
- 03 – Indonesia, Malaysia, Papua New Guinea
- 04 – Indonesia, Papua New Guinea
- 05 – Indonesia, Malaysia, Papua New Guinea
- 06 – Indonesia
- 07 – Indonesia, Malaysia, Papua New Guinea

FISH & SHELLFISH



- 01 – China, Ecuador, India
- 02 – China, Ecuador, India
- 03 – China, Ecuador, India
- 04 –
- 05 – China, Ecuador, India
- 06 – India
- 07 – Ecuador, India

Human Rights Impact Assessments (HRIAs)



In 2020, Lidl became the first German retailer to publish >> [Human Rights Impact Assessments](#). To date, we have completed six HRIAs in total, and further assessments are in the making. By conducting HRIAs, Lidl systematically identifies potential and actual human rights risks in our supply chains. HRIAs are considered an important step in identifying concrete adverse human rights impacts in the supply chain and in determining effective measures. Based on the recommendations resulting from the HRIA process, action plans with defined activities and objectives are developed. To ensure an objective approach, Lidl conducts HRIAs together with independent third parties, globally and at the level of production.



Following a risk-based approach, our HRIAs make use of a systemic process to identify, prioritize and address the potentially adverse impacts of business operations on human rights within prioritized supply chains. The assessment includes direct engagement with stakeholders and rights-holders.

An important aspect of our approach is the risk mitigation and remediation plan, which includes time-bound actions to ensure human rights risks identified through the process are addressed and mitigated effectively. We are continuously working on our internal processes for HRIAs based on our insights and external recommendations such as the [Oxfam report](#) on meaningful HRIA.



Progress update on Implementation of HRIA Action Plans

Commodity	Publication status	Action	Progress
 Tea	Published 2021	1 Exploring collaborative opportunities to increase positive impacts of certification schemes.	● ● ● ●
	See detailed progress report here: Link	2 Continue sourcing of certified black, green and rooibos tea and increase overall proportion of certified fruit and herbal teas.	● ● ● ●
		3 Continue to engage with stakeholders, local partners and MSIs included within the HRIA as well as feedback learnings.	● ● ● ●
		4 Engaging in initiatives and projects with local stakeholders.	● ● ● ●
		5 Strengthening buying practices to go beyond certification requirements.	● ● ● ●
		6 Supporting mitigation of the impact of price volatility on rightsholders through business practices.	● ● ● ○
		7 Continuing to develop supply chain transparency.	● ● ● ●
		8 Testing specific interventions to mitigate risks associated with smallholder farmers and women.	● ● ● ○
 Berries	Published 2022 Link	1 Strengthening internal capacity to implement corporate due diligence.	● ● ○ ○
		2 Participating in the Spanish Ethical Trade Forum.	● ● ● ●
		3 Conducting unannounced social audits.	● ○ ○ ○
		4 Strengthening the monitoring of working conditions in cooperatives and producing companies.	● ● ● ○

Commodity	Publication status	Action	Progress
		5 Participating in the Stronger Together training program.	● ● ● ●
		6 Participating in a Lidl pilot project to set up effective, on-site grievance mechanisms.	● ● ● ●
 Banana	Published 2023 Link	1 Dialogue with standard setting bodies.	● ● ● ●
		2 Participating in a gender equality project.	● ● ● ●
		3 Improving wages in the banana supply chain.	● ● ● ●
 Canned tomatoes	Published 2023 Link	1 Strengthening Lidl's Human Rights Due Diligence.	● ● ● ●
		2 Striving for transparency.	● ● ○ ○
		3 Implementing new requirements.	● ● ○ ○
		4 Participating in the ETI Working Group.	● ● ● ●
 Shrimp	Published 2024 Link	1 Ensuring ongoing feedback and redress	● ○ ○ ○
		2 Sharing HRIA with the industry & establish collaborative mitigation or remediation measures	● ○ ○ ○
		3 Strengthening responsible recruitment management systems, policies and practices	● ○ ○ ○
		4 Enhancing supply chain transparency and accountability	● ○ ○ ○
 Wine	In progress		
 Meat	In progress		

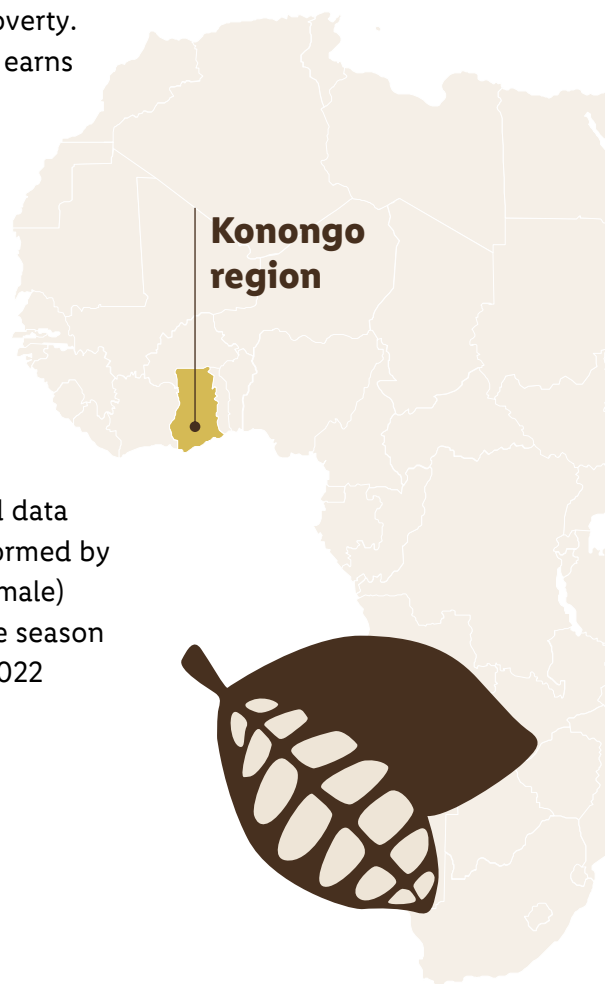
Gender Data in our Cocoa Supply Chain

Gender Inequality: Women in cocoa production in Ghana

The chocolate industry is worth billions of dollars each year, still, most cocoa farmers live in extreme poverty. In Ghana a typical cocoa farmer earns less than 0.85€/day.

Method

The data analyzed is aggregated data from farm record keepings performed by 500 farmers (65 % male, 35 % female) **from the Konongo region** in the season October 2021 until September 2022 within the Way To Go Chocolate Program.



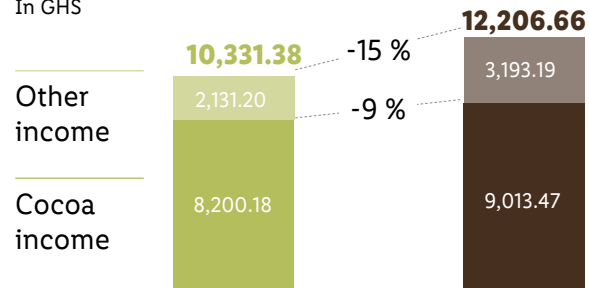
Gender-specific challenges for women in cocoa farming

- **In Ghana, female cocoa farmer earn 25-30 % less than their male counterparts.**
- Women's labor is crucial for cocoa production as they are involved in almost all activities of cocoa production. They play a vital role in their cocoa farming communities, a contribution that often remains unseen, undervalued, and unpaid or paid less.
- Their contribution goes beyond farming activities and includes household work, childcare or cultivation of other crops for domestic consumption (e. g. yam, cassava, plantains).
- Women face great difficulties when it comes to ownership of and decision-making over land as they often have less decision-making power in their household, community or district.
- Women face greater difficulties when it comes to access to education and trainings, financing, farming resources or participation in farming cooperatives.
- The Gender Inequality Index (GII), which looks at gender-based differences, lies at 0.529 in Ghana, ranking it 130 out of 170 countries in 2021.

Income

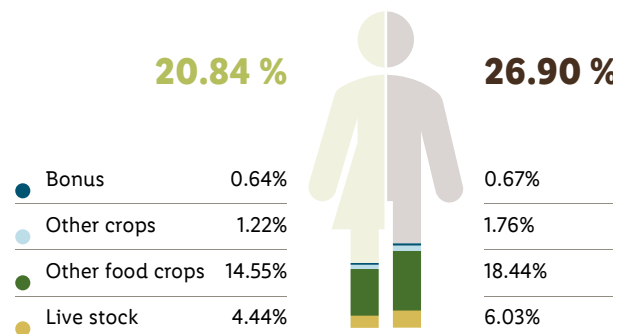
General

In GHS



from other sources

(Diversification ratio)



Productivity

Kg cocoa sold
per acre of land



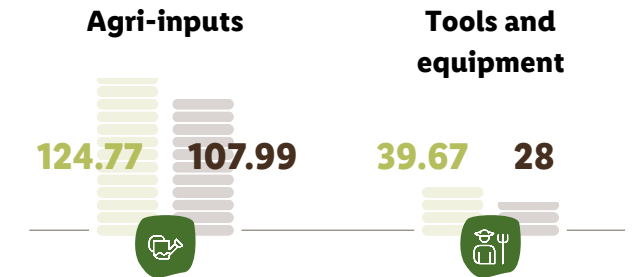
Plot size

in acres



Investment

per acre, in GHS



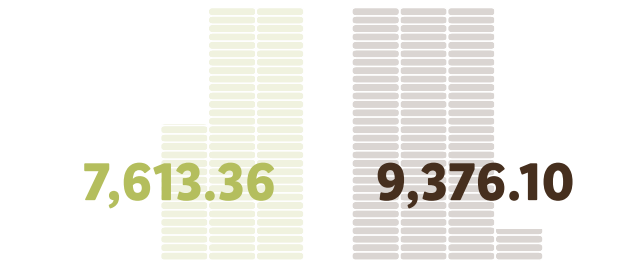
Hired Labor

in GHS



Profit

in GHS



Women Men

Income from other sources

The analysis showed that, with 26.9 % vs 20.8 %, male farmers have a higher income from other sources than cocoa compared to female farmers. Male farmers have a higher percentage of additional income especially for other food crops and livestock. One reason could be that keeping livestock is mostly seen as a male dominant activity in Ghana, while women are engaged in household activities, which limits their time for additional income activities. Moreover, men tend to have better access to land and financing. As diversification is an indicator of farming resilience, we can state that male farmers are currently more resilient.

In future, the share of women generating income from other sources than cocoa could be increased through by raising further awareness for additional livelihood activities. This can encourage women to invest in those activities as well as men to support women to undertake income generating activities. Furthermore, the empowerment of women with information and resources to be able to manage finances as outlined within the Village Savings and Loan Associations (VSLAs) could be expanded. Additionally, supporting women who are interested in investing in other livelihood activities with seed capital could be considered.

Farm Size and age

Within the project, women's access to land could be strengthened by raising awareness among community leaders, traditional leaders and



land owners. The Fairtrade program 'Women school of leadership' is an example that addresses this approach

Hired Labour

Considering female owned farms show an average of 23 % less farm size than their male counterparts, the cost of hired labour may indicate that female farmers have less capacities to work on their farms due to other (family related) responsibilities.

→ Actionplan [Gender Pay Gap](#)



2

Safeguarding standards











Safeguarding standards

We promote measures to strengthen and comply with the ILO core labor standards.

The >> [Code of Conduct of the Schwarz-Group](#) describes our fundamental principles for cooperation with business partners:

- We commit ourselves to human rights and environmental obligations in trade and in our own organization.
- We commit ourselves to be compliant with the **rules of the conduct**.

By setting ambitious standards for ourselves and our business partners, we want to ensure social standards are met throughout all our supply chains.

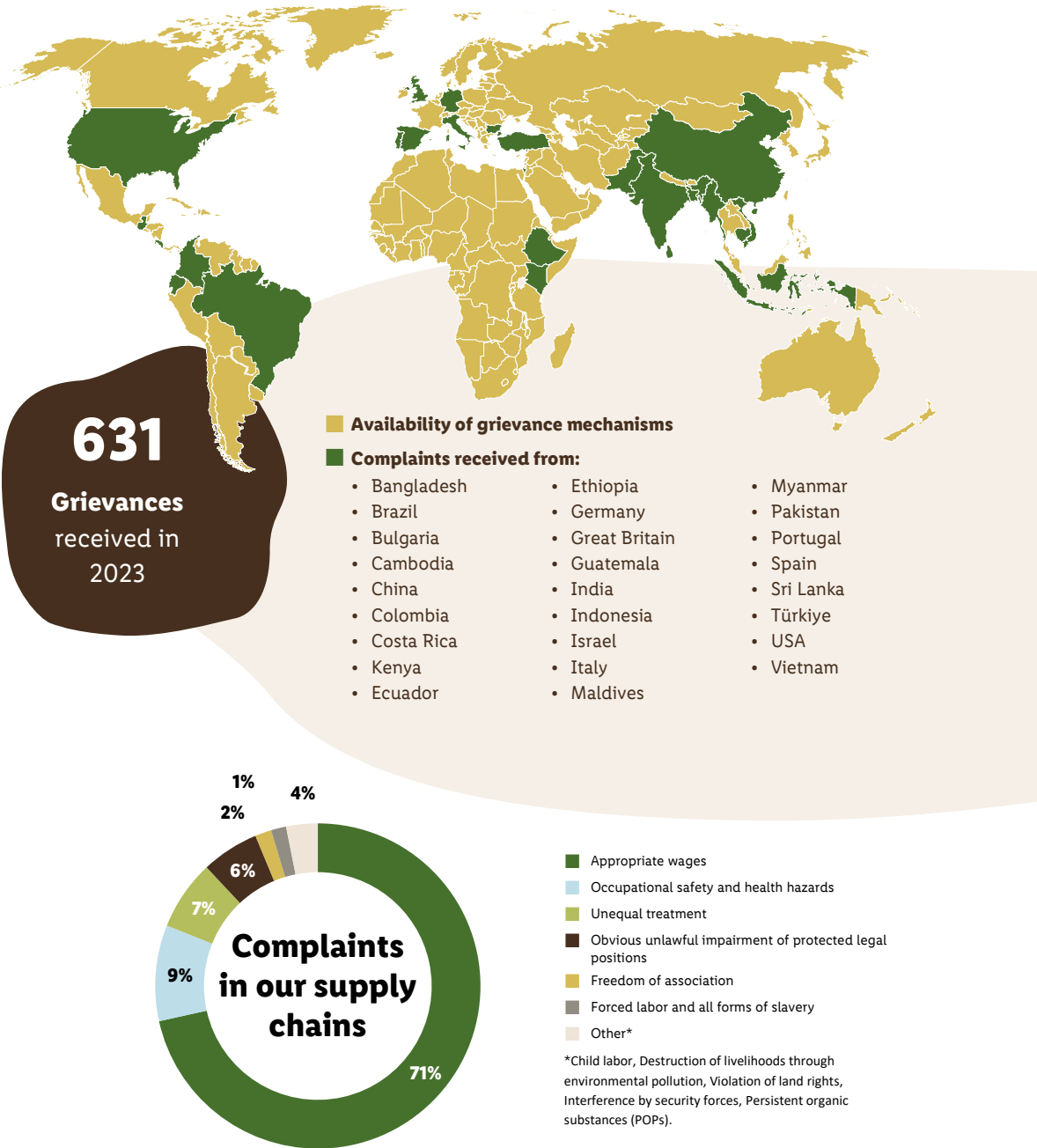
Focus Area	Objective	Status
CSR Requirements for suppliers		
 Sustainable Purchasing Policy	Contractual obligations for Lidl business partners on social and environmental conditions in the whole supply-chain	Rollout in progress
Grievance mechanisms		
 BKMS	Access to grievance mechanism for all actors in our supply chains	active
 International ACCORD	Access to grievance mechanism for workers in T1-factories for Textile-producers in Bangladesh	Rollout completed, PK in progress
 ACT dispute resolution mechanism	Access to grievance mechanism for workers in T1-factories for Textile-producers in Bangladesh	Rollout completed
 Amfori BSCI Speak for Change (S4C)	Access to grievance mechanism for workers in BSCI-certified factories in Bangladesh, Vietnam, India, Türkiye	Rollout completed, CAM, PK in progress, CN pilot in progress
 Wovo-App by Labour Solutions	Access to grievance channel for workers in T1-factories for Textile-producers in Myanmar	Rollout in progress
 Appellando	Access to grievance mechanism for workers in fruit, vegetable, and plant supply chains in Spain	Rollout in progress
Pilot projects for setting social standards		
 Pilot Child Rights in the hazelnut supply chain in Türkiye (with Save the Children)	Strengthening the rights of children in the hazelnut supply chain in Türkiye	Complete: Link
 ILO Better Work Rollout	Enabling of textile factories in Cambodia and Bangladesh to comply with ILO standards	In progress
 OHS & Gender in Colombian banana supply chain		Complete

Grievance mechanism

Access to effective grievance mechanisms is a key element in identifying human rights violations in our supply chain and forms part of our Human Rights Strategy.

Ensuring access to effective grievance mechanisms is part of the company’s code of conduct, which all business partners commit to when entering into business relationships. In addition, Lidl’s business partners for traded goods are required to commit to our sustainable purchasing policies. We are working collaboratively with our suppliers and further external stakeholders to develop and support access to effective grievance mechanisms throughout our direct operations and global supply chains. Within indirect supply chains, ensuring access to grievance mechanisms can be challenging, particularly for complex supply chains and regarding access for smallholders and on farm level.

We are guided by and comply with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and recognize effective grievance mechanisms to be legitimate, freely accessible, legally compliant, transparent, comprehensible, and through a balanced process, which is based on exchange and dialogue. In order to improve the effectiveness of our grievance mechanisms, we analyze the mechanisms against the UNGP principles, legal requirements and number of received grievances. With these learnings, we actively engage to adjust the mechanisms to increase effectiveness.



By assuming our responsibility to ensure access to effective grievance mechanisms, Lidl has not only organized multi-stakeholder initiatives to establish industry-wide grievance mechanism but also introduced an online grievance mechanism which is based on the [BKMS Reporting system](#). Through BKMS, stakeholders can report grievances, as well as find information about the procedure and confidential data treatment.

Most grievances that Lidl has received in 2023 are related to late payments and overtime. These are carefully investigated. If we notice a high number of violations on specific topics, we are considering additional measures to prevent those grievances.

Following significant progress in the non-food sector, Lidl is now focusing on improving the access to grievance mechanisms, particularly multistakeholder-approaches, for other assortments, for example fruit & vegetables, and plants supply chains.

An initial step is to engage in industry-wide working groups as well as initiating pilots within high-risk supply chains.

Piloting effective grievance mechanisms in the fruits and vegetable sector



From April 2022 to June 2022, Lidl piloted a grievance mechanism in the Huelva region in Spain, with 24 producers, representing about 1,500 farmers in the berry supply chain.

Based on the success of the pilot, Lidl initiated engagement with other, mainly German-based retailers to establish a sector-wide grievance mechanism for fruit, vegetable, and plant supply chains.

The multistakeholder-approach involves local trade unions, certification standards, and other important stakeholders and organizations. Furthermore, it also ensures a dialogue to integrate existing local grievance-initiatives. Based on a needs assessment of potential users, the mechanism is designed to aim for inclusiveness, effectiveness and greatest possible impact while balancing legal requirements.

Led by the EHI Retail Institute, this sector-wide initiative, called “Appellando” officially started in June 2023. Since then, retailers and major suppliers regularly work together to further develop the mechanism and prepare for a rollout in all of Spain. Scale-up to other countries such as Italy, Peru and Ecuador is intended.

More information on the initiative can be found on the [website](#) of the initiative.

Example compliance case – processing and remediation:

We received a media inquiry from a journalist regarding vegetable cultivation in southern Spain, highlighting extensive violations of labor rights, health and safety regulations, as well as environmental pollution at one of our suppliers.

In accordance with our standard investigation procedure, we requested a statement from our direct business partner. After receiving this statement, we reviewed it and requested the corresponding evidence.

Subsequently, we initiated two unannounced social audits to verify the allegations. Both audits were unable to substantiate most of the original allegations but revealed other findings related to violations of workplace safety and health standards.

To consider the perspective of the employees, a local union was included in the audit.

Following this, a corrective action plan was defined and agreed upon with the respective supplier to address the issues. This plan was completed within the specified period. We continuously monitored the implementation of the measures and reviewed and evaluated the corresponding evidence.

After the remediation measures were completed, we developed a monitoring concept for this supplier as part of a preventive approach.

To ensure the long-term implementation of the preventive measures, future audits will take place. These will include employee interviews to verify whether the implemented corrective measures remain effective.



Occupational Health and Safety & Gender in the Banana Supply Chain in Colombia

Gender equality and Occupational Health and Safety (OHS) were highlighted as particular risk categories within the Human Rights Impact Assessment on Bananas in Colombia in 2021. The work in the field is physically highly demanding. While OHAS protocols are in place, they were not always followed. While the workforce in the field is predominantly male, women tend to represent a larger proportion of the workforce in packing houses. Packing roles are generally paid less.

Lidl has committed itself to support gender equality in its supply chains and strengthen the position of women. Within the context of our Colombian banana supply chain, we therefore decided to team up with the World Banana Forum (WBF) to implement a project on OHS & Gender.

Development of a national OHS Manual

To address OHAS issues specific to the banana sector, the Banana Occupational Health and Safety Initiative (BOHESI) has been adapted to the Colombian context. Therefore, national laws and requirements on OHS were considered and the manual was aligned with international OHS standards and conventions. The manual also integrates a gender perspective to OHS, based on the guidelines for the healthy and safe employment of women workers in the Latin American banana industry.

World Banana Forum (WBF)



Lidl has been a member of the WBF since 2016. The WBF, hosted by the Food and Agriculture Organization of the United Nations (FAO), is a permanent platform of assembly where the main stakeholders of the global banana supply chain work together to achieve consensus among best practices for sustainable production and trade. The Forum brings together retailers, importers, producers, exporters, consumer associations, governments, research institutions, trade unions, and civil society organizations to collaborate on key sustainability issues such as workplace issues, gender equity, environmental impact, sustainable production, and economic issues.

In 2013, the Forum launched the **Banana Occupational Health and Safety Initiative (BOHESI)**, with the aim of contributing to more socially and environmentally sustainable banana production and trade, with improved working conditions for workers, farmers, and the surrounding communities.

The initiative was piloted in Ecuador, where national tripartite engagement efforts led to the development of a health and safety manual for the banana industry, complemented by extensive trainings on health and safety for key actors. The important multi-stakeholder collaboration – which included the active involvement of public and private sector representatives, as well as civil society and trade union organizations – achieved institutional impacts in the country, resulting in the mandatory use of the manual in banana plantations through a Ministerial Agreement signed by the Ministry of Labour in 2018. The success of the initiative in Ecuador has led banana industry actors in major banana exporting countries to replicate the initiative, including in Cameroon and Ghana. In addition, there has been a strong focus on ensuring that health and safety risk management adopts a gender-sensitive approach, particularly through gender-sensitive OHS risk assessments conducted by the employer, with the active participation of the workforce. To support these efforts, the WBF developed the document [Guidelines for the healthy and safe employment of women workers in the Latin American banana industry](#).

Scaling up: Promoting the Manual & Training

Colombia is one of the most important banana producing countries for the European markets. However, the Lidl >> [HRIA](#) showed that there is more room for improvement especially on a sector scale. Therefore, Lidl supports the efforts of the WBF to initiate a national tripartite debate with the aim to harmonize national regulations with international OHS standards. We hope to encourage further actors to take up our efforts in collaboration with the World Banana Forum in piloting trainings on gender-sensitive workplace health and safety risk assessment for the Colombian banana industry. This will contribute to the improvement of health and safety conditions of agricultural workers and also serve as a catalyst for a wider replication of the BOHESI program in the Colombian banana industry in the future.

Manual content

Chapter 1	Introduction
Chapter 2	OHS laws and the OHS management system in Colombia
Chapter 3	Health and Safety Risk Assessment by the Company with active Participation of the Workforce
Chapter 4	Gender-sensitive Risk Assessment
Chapter 5	Hazards, Risks and Risk Controls in Banana Production
Chapter 6	Training Activities



Project results: Colombia



3 Plantations



59 Participants



33 %
Women



75 %
Success Rate

A graphic featuring a large, horizontal, yellowish-gold organic shape. To its right is a dark brown rounded square containing the number '3' in yellow. Below the yellow shape is a dark green organic shape, and further down is a light green organic shape. The background consists of large, soft-edged shapes in light beige and off-white.

Expanding **fair trade**

3

Expanding fair trade

We promote living wages and living incomes as well as a fair distribution of value throughout our supply chains.

We continuously develop our projects to promote living incomes and wages in our global supply chains and thereby further reduce wage and income gaps.

Commodity	Program	Objective	Timeframe	Status
	Living Wage Banana	We close the Lidl-specific living wage gap of workers on banana plantations that supply Lidl in Germany.	annual	Completed and Ongoing
	ACT	As an ACT member, we support the implementation of collective bargaining agreements for the textile industry in producing countries. The wages negotiated within this framework are supported by responsible purchasing practices.	continuously	Ongoing
	Way To Go	Way To Go is Lidl's particularly fair own-brand range. The Way To Go concept was developed jointly by Lidl and Fairtrade to secure the incomes of small farmers in Lidl's food supply chains and improve them towards a living income.	continuously	Completed and ongoing
	Cotton made in Africa (CmiA)	Lidl is a partner of CmiA, one of the world's leading standards for sustainably produced cotton. A key topic is the non-discrimination and empowerment of women, for which the standard sets specific requirements. For example, the standard requires CmiA-certified cotton cooperatives to provide gender-independent pay and to protect mothers through parental leave and the option to return to work.	continuously	Completed and ongoing

Living Wage Banana Project

In 2021, Lidl conducted a Human Rights Impact Assessment (HRIA) in its Colombian banana supply chain. This revealed risks of gender discrimination and underpayment of workers on banana plantations. By focusing on achieving living wages in the banana supply chain, Lidl seizes the opportunity to mitigate several risks and develop a long-term sustainable strategy.

In 2022, Lidl launched its living wage project in the banana sector. In close collaboration with IDH and FLOCERT as well as local producers, Lidl developed a process to close its share of the wage gap in the banana supply chain by 2023. This included a four-step cycle, ranging from training producers, data collection, verification and validation through on-site audits, to payments via individual action plans developed with each operation that had a wage gap.

In 2023, Lidl successfully closed its wage gap through voluntary contributions for all bananas sold in Germany, Austria, Belgium, and the Netherlands. This applies to all organic and conventional bananas sourced from 200 plantations in Colombia, Ecuador, the Dominican Republic, and Guatemala. Thus, Lidl expanded our commitment to living wages and incomes beyond the Way To Go program.

Full report on the project can be found [here](#).

Lidl – Living Wage Gap closed for



200 plantations



+ 10,000 workers

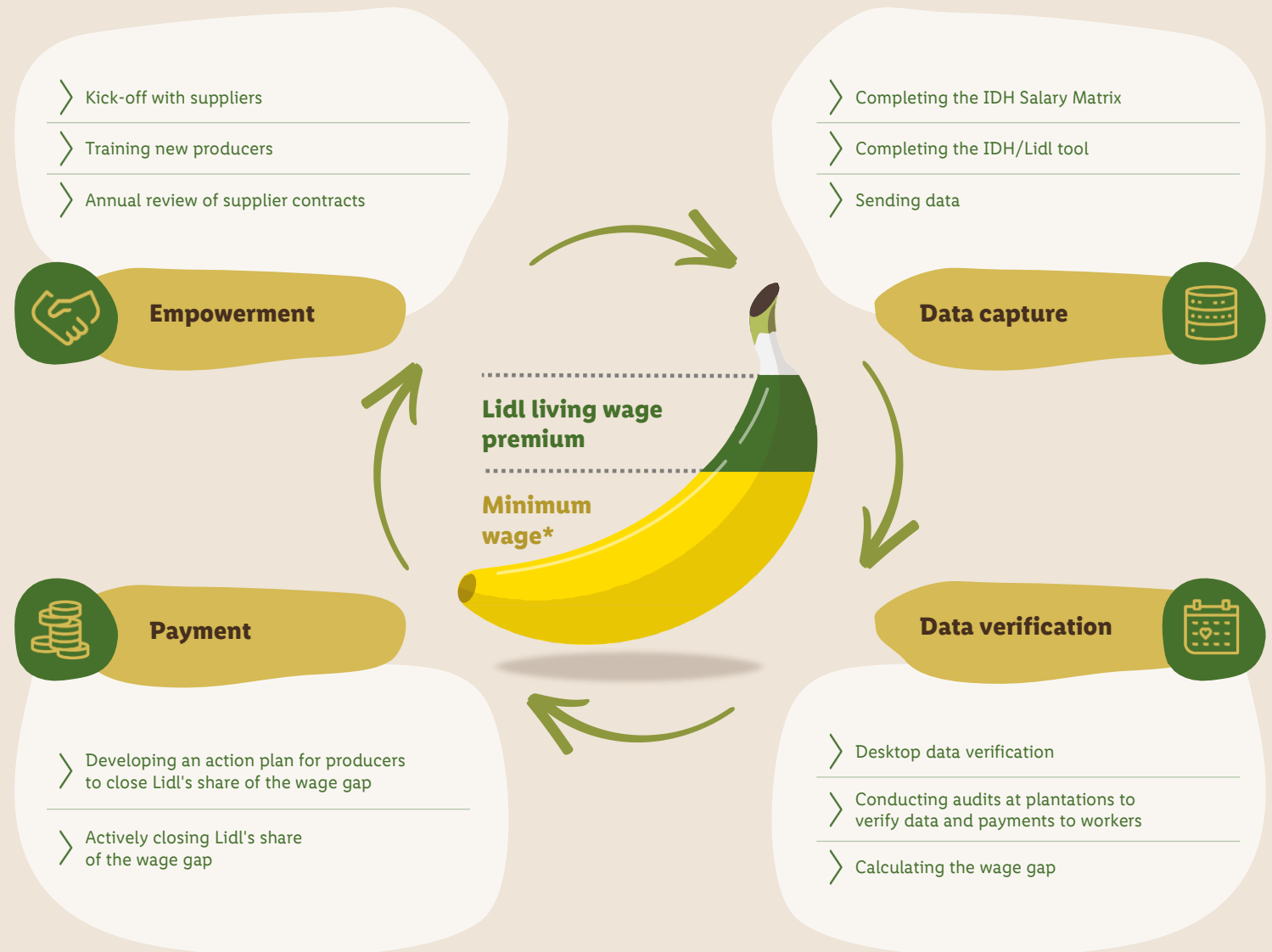


4 Countries:

Ecuador
Colombia
Dominican Republic
Guatemala

2023 project cycle to close Lidl's share of the wage gap

Lidl succeeded in closing its share of the living wage gap for Lidl bananas sold in the Netherlands.



* The minimum wage associated with Fairtrade certified bananas is at least 70 percent of a net living

Way To Go: towards a living income for small-scale farmers

With [Way To Go](#), Lidl takes fair trade to the next level. Through our Fairtrade-certified private label range, we contribute to the establishment of living incomes for small-scale farmers in the producer countries of our high-risk raw materials through income-enhancing measures in the long term, going even further than the Fairtrade standards prescribe.

The Way To Go concept has been jointly developed by Lidl and Fairtrade.

The goal of Way To Go is to empower small farming families to achieve sustainable income improvement. For this, we rely on the following core components:

So far, the Way To Go concept has been implemented in four supply chains: cocoa, cashew, coffee and juice.

Lidl plans to expand the scope and scale of the project to other supply chains over time.



Living income premiums and income diversification

Lidl contributes to the establishment of living incomes in the producing countries for the quantities of the risk raw material purchased by Lidl by adding a separate Lidl **Income Improvement Premium (IIP)** on top of the Fairtrade minimum price and the Fairtrade premium. The IIP is composed of a **direct payment** as well as the financing of **project activities** in the cooperatives. The latter emphasizes our intention to (self-) empower small-scale farmer households to pursue income-diversifying and income-increasing measures. Based on needs and risks, Lidl and Fairtrade jointly develop the accompanying income improvement measures.



Secure Incomes

Sustainable income improvement requires stable social, economic and ecological framework conditions.

Income diversification and preventive measures to adapt to climate change and more sustainable cultivation methods help to secure the ecological and economic basis for the cultivation and distribution of raw materials.

In the social dimensions, specifically gender equity, the protection of women and children as well as occupational health and safety are further focal points of Way To Go.



Transparency

Our Way To Go products are traceable back to the respective cooperative. Through regular reporting, analyses, and assessments, we increase the transparency of our Way To Go products and can evaluate where we need to focus next.

Way To Go Cocoa

The first Way To Go project was initiated in September 2019 in collaboration with the cocoa cooperative Kuapa Kokoo Farmers Union (KKFU), Fairtrade and Rikolto. The aim of the project was to improve the socioeconomic conditions of farmers within the Konongo area of the Ashanti region of Ghana by improving the income of farmers from cocoa production and other income generating opportunities in the area. In 2023 Lidl added a second cooperative for cocoa – the Kukuom Cooperative Cocoa Farmers and Marketing Union in the Asunafo South District in the Ahafo Region.



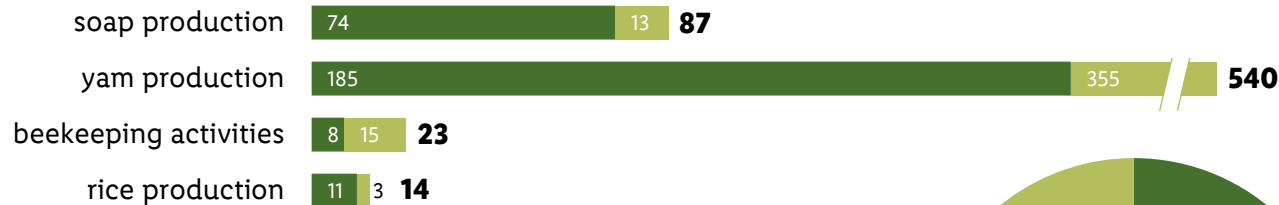
Key facts about the project

- **Payment of Income Improvement Premium** for each ton of raw cocoa on top of Fairtrade Minimum Price and Fairtrade Premium. This IPP bridges the gap towards a Living Income Reference Price (LIRP). The LIRP is based on Fairtrade calculations, following the Anker methodology, and recalculated yearly. The IIP is composed of direct payment to improve individual small-scale farmers' incomes as well as financing of project activities to achieve long-term income improvement specifically targeting women, youth and low-income members.
- **100 % physically traceable cocoa** from the Kuapa Kokoo Farmers Union (KKFU) – Konongo and Juaso Societies and the Kukuom Cooperative Cocoa Farmers and Marketing Union
- **5-year milestone:** Long-term relationships give farmers more income security. We are happy to have been working with our cocoa cooperative Kuapa Kokoo since September 2019.
- **Increasing resilience** against price shocks, effects of climate change or any other challenges with their cocoa harvests as an important part of raising incomes by diversifying income sources, thus reducing dependency on cocoa

- **Rollout of gender inclusive** project activities such as farm record keeping and village savings and loan associations (VSLAs) carefully considering male and female farmers
- **Acting gender sensitive** by conducting needs and risk assessments before defining the project activities with the support of the cooperative's female and male representatives as well as a 'gender specialist' to define programs that specifically include a gender perspective regarding root causes and the needs of female farmers

Key achievements since project start

Farmers involved in...



female
male

More than
2,200 farmers

benefitted from spraying
and pruning services

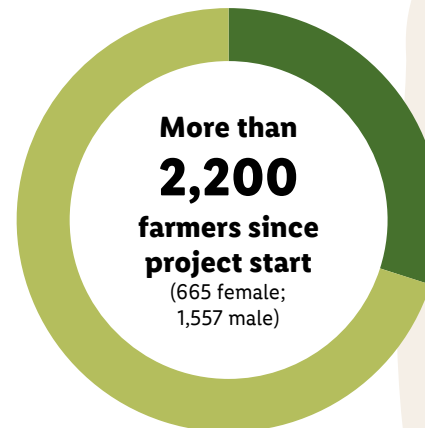
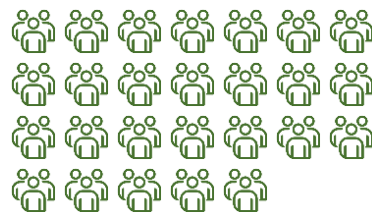
**Data collection, validation
and analysis** conducted for

**316 children between
the ages of 5-17**

from 7 identified high risk
communities regarding child
labor (160 female, 156 male)

More than
3,300 farmers

**participated in the village
saving and loan associations**
(49 % female) with the aim to
improve access to finance for
cocoa farmers (1,644 female,
1,726 male)



26 communities

with GPS mapping of farms
(3,343 farmers)

419,000 cocoa seedlings

**distributed to 868 farmers (283 female;
585 male)** to facilitate rehabilitation of old
and diseased cocoa farms to increase
productivity and efficiency of cocoa farms



90,350 tree seedlings

of different local varieties
distributed to 901 farmers to
initiate afforestation in the cocoa
producing regions



Way To Go Coffee

Based on the learnings from the Way To Go cocoa project, Lidl and Fairtrade extended the concept to their coffee, cashew and orange juice/orange-mango nectar supply chains. The Way To Go coffee project has been implemented in August 2022 in collaboration with the COMSA coffee producer organization in Honduras. This project aims to improve the incomes for female coffee farmers in the Marcala region of Honduras. The cooperative was renamed to APROCOMSA in 2023.



August 2022

Lidl Germany, Netherlands, and Belgium have launched the Way To Go coffee



Key facts about the project

- **100 % physically traceable coffee** from the APROCOMSA cooperative in Honduras
- **Payment of Income Improvement Premium** for each ton of raw coffee on top of Fairtrade Minimum Price and Fairtrade Premium. The IIP is composed of direct payment to improve individual farmers' incomes as well as financing of project activities to achieve long-term income improvement for the farmers specifically target women.
- **Increasing resilience** against price shocks, effects of climate change or any other challenges by fostering income diversification, productivity increase through improved coffee varieties, improved production methods and providing trainings to address gender specific issues.
- **Acting gender sensitive** by conducting needs assessments before defining the project activities with the support of the APROCOMSA women committee. The project aims at promoting the role of female coffee producers by concentrating on a female-only target group for all project activities.



Key achievements since project start

Fairtrade coffee sourced from female farmers of APROCOMSA producer organization:



178

female coffee farmers from APROCOMSA

have participated in the coffee project to date, sold their coffee to Lidl and have received the **income improvement premium**



Female farmer members of APROCOMSA have organized as a group and **intensified communication and exchange of ideas** among each other



57 farmers

have already **benefitted from accompanying project activities**, e. g. by planting more than 5,000 fruit and shadow trees. An expansion to all 178 farmers is already in progress.



30 women

have started **seedling production with more resistant coffee** varieties for planting and field renovation in 2023 with more than 50,000 coffee seedlings



46 women

have participated in **trainings on reproductive health**



57 women

participate in farm record keeping to **professionalize their farms and improve cultivation costs**

Way To Go Cashew

The Way To Go cashew project was launched by Lidl Netherlands in 2022 in cooperation with Johnny Cashew. It has initially been implemented with the UWAMI cooperative in the Kilwa district in the Lindi region in Tanzania. In the meantime, additional cooperatives – Mtungi, Namakorongo, Nguva Moja and Msisma, have been added. The project aims to improve the incomes for cashew farmers.

Key facts about the project

- **100 % physically traceable cashews** from cooperatives in Tanzania
- **The calculation of the Living Income Reference Price (LIRP)** for cashew production in Tanzania has been completed.
- **Payment of Income Improvement Premium** for the cashews on top of Fairtrade Minimum Price and Fairtrade Premium to finance project activities
- **Empowerment and training** of farmers, including training for safe pesticide use and storage, tree maintenance and crop protection, as well as construction of an office and a warehouse
- **Whole Harvest Principle** that uses 95 % of the processing output – including broken cashew nuts – and thereby reduces food loss



Key achievements since project start

The first cashew cooperative (UWAMI)

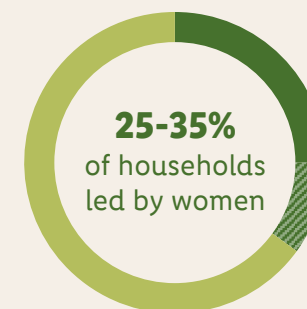
2022 registered as an Agricultural Marketing Cooperative Society (AMCOS)



improvement in collecting cashew nuts



Improvement in entering into trade contracts on behalf of its members



More than 1,000 farmers from three cooperatives supplied cashews.

Two additional cooperatives have already been onboarded

Training on **Fairtrade standards** from Fairtrade Africa has enhanced the understanding of Fairtrade standards and requirements among the cooperative leaders and selected farmers.

Training on **premium use and management** enabled the UWAMI management to handle the Fairtrade premium processes from planning to implementation in a democratic way and practices the proper and accountable use of the funds.

Way To Go Oranges

In 2023, a new project started in the Way To Go program, integrating orange juice and orange-mango nectar into the range of products. In addition to the minimum price and the Fairtrade premium, orange producers in Brazil receive the Lidl Income Improvement premium, which finances accompanying project activities and direct payments to the cooperative. In this way, Lidl aims to help establish living incomes, improve social framework conditions and enable more farmers to cultivate in a more environmentally friendly way that adapts to climate change. The Way To Go oranges are grown by the cooperative Cooperativa de Produtores de Comércio Solidário – Coopsoli in the Paraná Region, Brazil.

Key facts about the project

- **100% physically traceable oranges** from Cooperativa de Produtores de Comércio Solidário – Coopsoli
- **Payment of Income Improvement Premium** for the oranges on top of Fairtrade Minimum Price and Fairtrade Premium. The IIP is composed of direct payment to improve individual small-scale farmers' incomes as well as financing of project activities to achieve long-term income improvement for the farmers.
- **Increasing resilience** against price shocks, effects of climate change or any other challenges with their orange harvests as important part of raising incomes by diversifying income sources, thus reducing dependency on oranges.
- **Development of gender inclusive** project activities to target male and female producers, taking into account additional hurdles for female farmers.

The cooperative:

2018

registered as Coopsoli –
Cooperativa de Produtores
de Comercio Solidario



7/36
members
are women

2020

Fairtrade certified



Complete rollout of
project activities
planned throughout
2024

4

Driving change

Driving change

We engage in development programs, initiatives, and projects within our supply chains to proactively drive change beyond our organization.

Human rights violations in global supply chains are often fueled by structural poverty, inequality, and inadequate rule of law in producer countries.

Many challenges in global supply chains are faced by numerous supply chain actors. Often, they have complex underlying causes and pose a challenge for the sector as a whole. Systemic solutions are necessary to address social risks connected with occupational health and safety, freedom of association, non-discrimination, wages as well as child and forced labour.

Within Multi-Stakeholder Initiatives (MSI), Partnerships and through the exchange in numerous working groups we share our experiences from pilot projects and aim to contribute to systemic changes in producing countries and thus helping to shape a sustainable future.

Program	Goal
 GRASP Technical Committee	Improving workers' health, safety, and welfare
 Ethical Trading Initiative (ETI)	Improving the lives of workers worldwide
 Ethical Tea Partnership (ETP)	Creating a fairer, better, more sustainable tea industry for workers, farmers, and the environment
 ACT on living wages	Creating better working conditions for textile workers and working towards living wages
 Cotton made in Africa	Improving the living conditions of small-scale farmers in the cotton sector
 World Banana Forum	MSI promoting an open dialogue on the challenges in the banana sector



Table of **human rights commitments** and progress

Our human rights commitments and progress

	Strategic column	Field of action	Commitment	Timeline	Status
End of fiscal year 2021	Keeping track of impacts	Living wages and incomes	Identify top risk products for Living Wage / Living Income gaps in our supply chains + report progress annually	2021	●●●●
	Safeguarding standards	General	Access to effective grievance mechanisms in three supply chains	2021	●●●○
	Safeguarding standards	Non-discrimination/Gender equality	Inclusion of women's empowerment in the Way To Go project	2021	●●●●
	Driving change	Non-discrimination/Gender equality	Encouraging strategic suppliers to sign UN WEPs	2021	●●●●
End of fiscal year 2022	Safeguarding standards	General	Establishment of a risk-based approach on social auditing	2022	●●○○
	Safeguarding standards	General	Develop an overarching approach to improving labor standards beyond audits ("Beyond Auditing")	2022	●○○○
	Safeguarding standards	Non-discrimination/Gender equality	Promote equality between men and women and ensure the participation of both genders in order to minimize the gender pay gap.	2022	●●●●
	Safeguarding standards	Living wages and incomes	Integrating the topic of fair pay into our annual risk analysis. In doing so, we take into account the different income situations of men and women.	2022	●●●●
	Expanding fair trade	Living wages and incomes	Support small-scale farmers in accessing and using agricultural inputs to increase the efficiency of their yields and to diversify their products and thereby strengthen their resilience.	2022	●●●●
	Expanding fair trade	Living wages and incomes	Engage regularly with stakeholders to promote small-scale farmers	2022	●●●●
	Expanding fair trade	Living wages and incomes	Support small-scale farmers in increasing their incomes, e.g. through access to financial resources, agricultural diversification programs and business administration training.	2022	●●●●
End of fiscal year 2023	Keeping track of impacts	Non-discrimination/Gender equality	Publication of an action plan on decreasing the gender pay gaps in 3 risk supply chains and annual progress report	2023	●●●●
	Keeping track of impacts	Non-discrimination/Gender equality	Include the topic of non-discrimination and gender equality into account in our annual risk analysis.	2023	●●●●
	Safeguarding standards	Communication	Informing and training of our business partners on the Lidl Human Rights Strategy	2023	●●●●
	Safeguarding standards	General	All Tier-1 producers in Cambodia and Bangladesh are members of ILO Better Work	2023	●●○○
	Safeguarding standards	General	All farmers/growers of fruits & vegetables, plants and flowers are certified with GLOBAL GAP GRASP	2023	●●●●

Strategic column	Field of action	Commitment	Timeline	Status
Safeguarding standards	Non-discrimination/Gender equality	Publication of gender-specific data for 3 high risk supply chains	2023	●●●●●
Safeguarding standards	Non-discrimination/Gender equality	Support business partners in the implementation of occupational health and safety guidelines during pregnancy as well as maternity protection guidelines	2023	●●●●●
Safeguarding standards	Non-discrimination/Gender equality	Publication of a plan against gender-based violence (in accordance with ILO Convention 190)	2023	●●●●●
Safeguarding standards	Living wages and incomes	Empower buyers to identify and address high risk products for Living Wage/ Living Income gaps	2023	●●●●○
Safeguarding standards	Non-discrimination/Gender equality	Revise requirements for suppliers with a specific focus on fairness and equal opportunity in the supply chain	2023	●●●●●
Safeguarding standards	Non-discrimination/Gender equality	Sensitize buyers to responsible purchasing practices, including on the topic of gender sensitivity.	2023	●●●●●
Safeguarding standards	Living wages and incomes	Publication of a position paper on fair pay	2023	●●●○○
Safeguarding standards	Freedom of association	Including the issue of freedom of association as a requirement for suppliers in Code of Conduct and SPP	2023	●●●●●
Expanding fair trade	Freedom of association	Supporting small-scale farmers to form an association	2023	●●○○○
Expanding fair trade	Non-discrimination/Gender equality	Publish the gender pay gap of a high-risk supply chain.	2023	●●●●●
Expanding fair trade	Living wages and incomes	Sensitize buyers in terms of living wages	2023	●●●●●
Expanding fair trade	Living wages and incomes	Engaging in multi-stakeholder initiatives to support collective bargaining	2023	●●●●●
Expanding fair trade	Living wages and incomes	Implementation of 3 pilot projects to reduce the Living Income/ Living Wage gap in risk supply chains; consideration of women's wage situation	2023	●●●●○
Driving change	Communication	Engaging with trade unions on the challenges of freedom of association in order to better understand the opportunities and limitations. We place a particular focus on women-specific hurdles.	2023	●●○○○
End of fiscal year 2024	Keeping track of impacts	Identifying suitable measures together with expert organizations on the basis of the data collection, to reduce the gender pay gap in high-risk supply chains	2024	●○○○○
	Safeguarding standards	Sensitize buyers to responsible purchasing practices including the issue of gender pay gap	2024	●○○○○

	Strategic column	Field of action	Commitment	Timeline	Status
	Safeguarding standards	Health and safety	Support workers in selected high-risk supply chains with access to a social security system	2024	●○○○
	Safeguarding standards	Freedom of association	Training our suppliers in high-risk supply chains on promoting freedom of association.	2024	●○○○
	Safeguarding standards	Freedom of association	Training workers in three high-risk supply chains on the topic of freedom of association, with a particular focus on women-specific hurdles in consultation with trade unions and local stakeholders.	2024	●○○○
	Safeguarding standards	Living wages and incomes	Develop a program for school scholarships and provide support by providing information on training and career opportunities in selected high-risk supply chains.	2024	●○○○
	Safeguarding standards	Health and safety	Support workers in selected high-risk supply chains in protecting their health	2024	●○○○
	Driving change	Non-discrimination/Gender equality	Revising guidelines for suppliers with a particular focus on gender-based violence in the supply chain	2024	●●○○
	Driving change	Non-discrimination/Gender equality	Support programs to promote educational and professional opportunities in selected high-risk supply chains, with a special focus on girls and women	2024	●●○○
	Driving change	Non-discrimination/Gender equality	Support increasing the proportion of women in trade unions and raising awareness of issues of gender-based violence and forms of oppression	2024	●○○○
	Driving change	Non-discrimination/Gender equality	Identify 3 high-risk supply chains and calculate the baseline for gender pay gaps	2024	●●○○
End of fiscal year 2025	Keeping track of impacts	General	Conduct and publish 3 HRIAs annually	2025	●●●○
	Keeping track of impacts	Communication	Publish all high-risk supply chain tiers starting with 3 supply chains	2025	●●○○
	Safeguarding standards	Non-discrimination/Gender equality	Ensuring access to gender-sensitive health and safety systems	2025	●○○○
	Safeguarding standards	Non-discrimination/Gender equality	Ensuring access to gender-sensitive grievance mechanisms in high-risk supply chains	2025	●○○○
	Safeguarding standards	Child labor	Implementing a training concept in high-risk supply chains for prevention/ remediation of child labor	2025	●○○○
	Safeguarding standards	General	Ensuring that purchasing practices are followed beyond Tier 1	on a continuing basis	●●●●
	Safeguarding standards	Non-discrimination/Gender equality	Collaborating with women's rights organization	on a continuing basis	●●●●

Strategic column	Field of action	Commitment	Timeline	Status
Safeguarding standards	Non-discrimination/Gender equality	Sensitize buyers to responsible purchasing practices including the issue of gender-based violence	on a continuing basis	●○○○
Safeguarding standards	Living wages and incomes	Improvement of workers' wages (fair wages) and reporting on projects	on a continuing basis	●●●●
Safeguarding standards	Living wages and incomes	Publishing an action plan to support small-scale farmers towards a living income + annual report on lessons learned	annual	●●●○
Expanding fair trade	Non-discrimination/Gender equality	Encouraging business with women-owned companies	on a continuing basis	●●●●
Expanding fair trade	Living wages and incomes	Implementation of ACT requirements including strengthening the awareness of Freedom of Association/ collective bargaining in our supply chains	on a continuing basis	●●●○
Driving change	Freedom of association	Dialogue with labor unions to identify challenges	on a continuing basis	●●●●
Driving change	Non-discrimination/Gender equality	Revising our requirements for suppliers with a specific focus on fair pay and equal opportunities in the supply chain	on a continuing basis	●●●●
Driving change	General	Actively participating in 3 multi-stakeholder initiatives	on a continuing basis	●●●●
Driving change	Communication	Publication on the planning of grievance mechanisms	on a continuing basis	●●●●
Driving change	Communication	Advertising fair products	on a continuing basis	●●●●
Driving change	Communication	Reporting on the progress of human rights commitments and lessons learned (including grievance mechanisms).	annual	●●●●
Driving change	Communication	Reporting on responsibilities for CSR within Lidl	annual	●●●●
Driving change	Communication	Including the issue of gender pay gap in our annual risk analysis	annual	●●●●
Driving change	Communication	Reporting on our progress and share our experiences in multi-stakeholder initiatives	annual	●●●●



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