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**Please
note**





United for Fair Working Conditions

Our responsibility is reflected in how we treat people — whether within our company or along our supply chains. That is why we are committed to fair working conditions, diversity and the protection of human rights, working together with our partners to develop solutions that have a lasting impact.



Story

Improving Fairness: Living Wages in the Banana Sector

In 2022, Lidl sent a strong signal with the launch of the living wage project in the banana sector. As part of the human rights strategy for merchandise, Lidl is working with its suppliers to close its own share of the wage gap on plantations.



For selected supply countries, Lidl sources bananas from plantations where its own share of the wage gap is closed



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Together with Lidl, we have developed and tested a tool that allows us to calculate the voluntary contributions that are needed to close the living wage gaps for their people and to identify potential disbursement mechanisms.



Jordy van Honk
Global Director on Living Wage
and Living Income
IDH



In banana production, fair wages are, unfortunately, not guaranteed. In fact, underpayment is a structural issue here with far-reaching consequences. Many workers do not earn enough to lead a dignified life. The potential risks are serious and include child labor, as well as forced labor. Rural regions are particularly affected, where over two thirds of the population live in extreme poverty and a similar proportion work directly in agriculture.¹

As a retailer, Lidl bears particular responsibility here, something we take seriously. As part of a comprehensive risk analysis, known as a Human Right Impact Assessment, Lidl investigated human rights risks, including underpayment in the banana sector, and identified starting points for ensuring living wages in its own supply chain. These are key to a life of dignity for the many people who work in our supply chain.

Lidl is doing pioneering work



Definition of a Living Wage²

A living wage is the income an employee needs to maintain a decent standard of living in a given location, to cover their basic needs and to achieve a certain degree of financial security. This includes paying for food, water, shelter, education, health care, transport, clothing and other essential needs, including a small reserve fund for unexpected events. The living wage gap, or wage gap for short, is the difference between the wage actually earned and the wage required to provide an adequate standard of living for the employee and their family.

¹ United Nations: [The Sustainable Development Goals Report 2019](#)

² According to the Global Living Wage Coalition (GLWC)

Four Steps Toward Fair Wages

With a clear objective in sight, Lidl is following an ambitious plan to close its own share of the wage gap on plantations in collaboration with its suppliers. The company will be supported in this plan by strong partners — the IDH sustainability initiative and the certification company FLOCERT. We work continuously to achieve this goal through an annual, four-step project cycle:

1. Empowerment

All relevant business partners, their upstream suppliers and producers are trained on how to use the IDH salary matrix. The aim is to shine a light on actual wages on plantations as accurately as possible.

2. Data collection

All the information needed to determine the wage gap and calculate any compensatory payments is methodically gathered.

3. Data verification

Submitted data is first checked for its plausibility and then randomly audited by FLOCERT. This is intended to ensure that the data is complete, consistent and correct.

4. Payment

Based on the verified data, we can then work out our share of the wage gap. Together with producers and suppliers, we can draw up appropriate action plans to close the gap through targeted payments.

A Successful Effort

In a major step forward, Lidl is working with its suppliers to close its own share of the wage gap — through voluntary contributions for all bananas sold in Germany, Austria, Switzerland, Belgium and the Netherlands. This applies to the entire banana assortment. The scheme is currently benefiting over 21,000 workers on 206 plantations in Ecuador, Colombia, Guatemala and the Dominican Republic. But this is just the beginning. Lidl will soon expand the project to impact even more people.

Living wage gap closed for:

- 🌿 **206 plantations**
- 👥 **with over 21,000 workers**
- 📍 **in four countries** (Colombia, Ecuador, the Dominican Republic and Guatemala)

This is one way in which Lidl is making a contribution to fair wages locally, sending a strong message to the entire industry and showing that responsibility means facing complex challenges in the supply chain together and taking action where others might turn their backs.



“
I know I can speak for the entire team when I say this bonus is an enormous blessing for us all. Thank you from the bottom of my heart.



Gloria Marín
Las Delicias farm
Unibán Magdalena, Colombia

Taking Social Responsibility GRI 3-3

People from all over the world play a role in our value chains. It is our responsibility to respect and protect their human rights. Together with our partners, we are globally committed to treating people, animals and nature with respect — with the aim of continuously strengthening our positive social impact.

As a retailer for food, non-food and near-food products that are produced in global supply chains, we are convinced that economic success is inextricably linked to social responsibility. Due to our global network and the vast number of stakeholders involved in it, our value chain is highly complex. Various legal frameworks and increasing demands for transparency and sustainability provide the starting point for the targeted development of our structures. This covers, for example, risks relating to health and safety at the workplace, freedom of association, child and forced labor, inadequate wages and discrimination. While the 2025 Global Gender Gap Index, for example, showed progress toward gender equality worldwide, more still needs to be done.³ At Lidl, we take responsibility for these issues and risks and see improving the situation as our priority.

Our corporate due diligence regarding the respect for labor and human rights is deeply embedded in our values and processes. We also strive to be a responsible and attractive employer for our employees. We therefore promote a non-discriminatory working environment and a diverse corporate culture in which everyone has the same opportunities for development, promotion and fair remuneration. Moreover, we offer job security and targeted support, continuous learning through professional training and development, as well as measures designed to help people achieve a better work-life balance. Our principles are set out in our “Compliance Rules of Conduct,” our “Together at Lidl mission statement,” as well as our “Policy on Equal Treatment and Non-violence in the Workplace.”

For our employees, the HR business unit manages topics such as labor and human rights, diversity, equal opportunities, as well as remuneration, internal qualifications and health promotion. The Operations & Real Estate business unit is responsible for the Occupational Safety department. The responsibility for ensuring labor and human rights are respected within our supply chains lies with our Quality & Sustainability department within the Purchasing business unit. Within our national companies, Purchasing is accountable for introducing measures, supported by multicountry cooperation between departments. The Operations & Real Estate business unit is in charge of procuring non-merchandise, although cross-divisional cooperation also takes place.



Fairness Throughout Our Supply Chains

With our Way To Go private-label range, Lidl promotes fair trade and taking responsibility for working conditions in global supply chains. In collaboration with Fairtrade, Lidl is supporting better wage conditions, further development, gender equity and transparency — particularly in regions where conventional cultivation barely allows for a living wage. Way To Go contributes to secure and higher incomes for smallholder families and, in the long term, to achieving a living wage. The program is intended to boost the economic self-determination of smallholders and is based on three pillars: stable social framework conditions such as gender equity, protection of women and children, as well as occupational health and safety; environmental stability through climate adaptation measures and more sustainable cultivation methods; and economic security through wage increases and diversification. Complete transparency and product traceability are the cornerstones of the program.

³ World Economic Forum (WEF): [Global Gender Gap Report 2025](#)

Safety Culture and Employee Well-Being

Those who want to achieve big things need a strong team behind them — #teamlidl. This is why we put people at the heart of what we do: with the clear promise to protect their rights, ensure their safety and actively increase their satisfaction.

We put people at the heart of everything we do. Fairness, mutual respect and appreciation form the foundation for a trusting relationship. Beyond our compliance with legally stipulated labor rights, we are also committed to employee satisfaction in a variety of different ways in order to be perceived as an attractive employer. Together, we want to create working environments where our employees can feel good and live up to their full potential.

GRI 2-7, 2-8, 2-30, 402-1

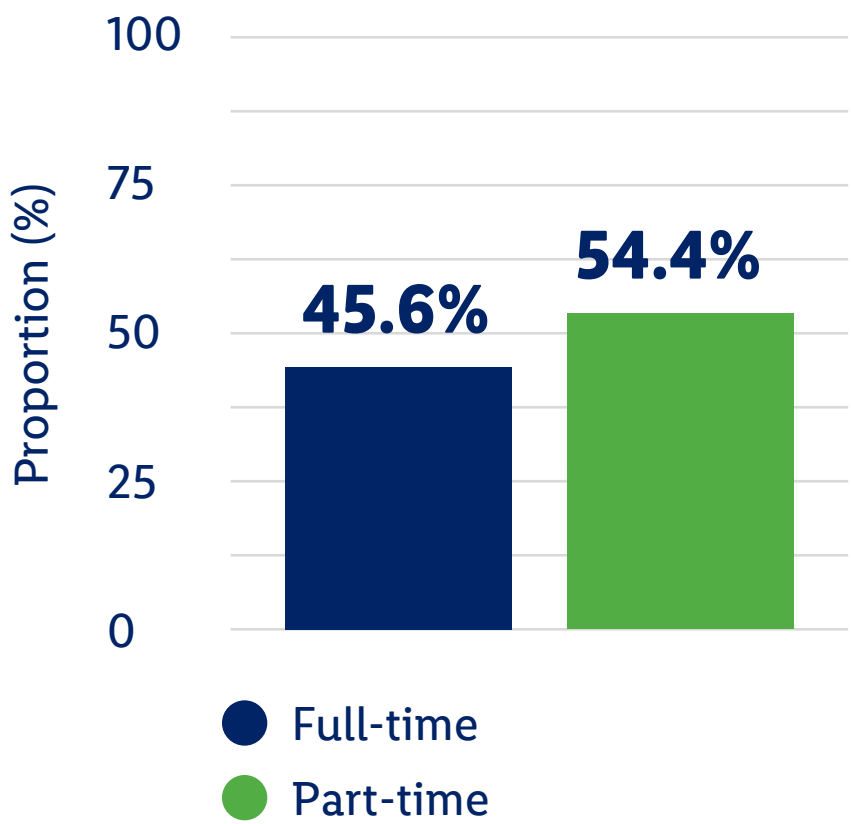
Our Number of Employees at a Glance

In the 2025 fiscal year, 386,342 people⁴ ✓ were employed at Lidl, 45.6 percent of whom were full-time employees and 90.3 percent of whom were on permanent contracts. We also hired a total of 90,801 new employees over the course of the reporting year. All programs for balancing career and family, as well as our range of employee benefits, apply equally to both part-time and full-time employees.

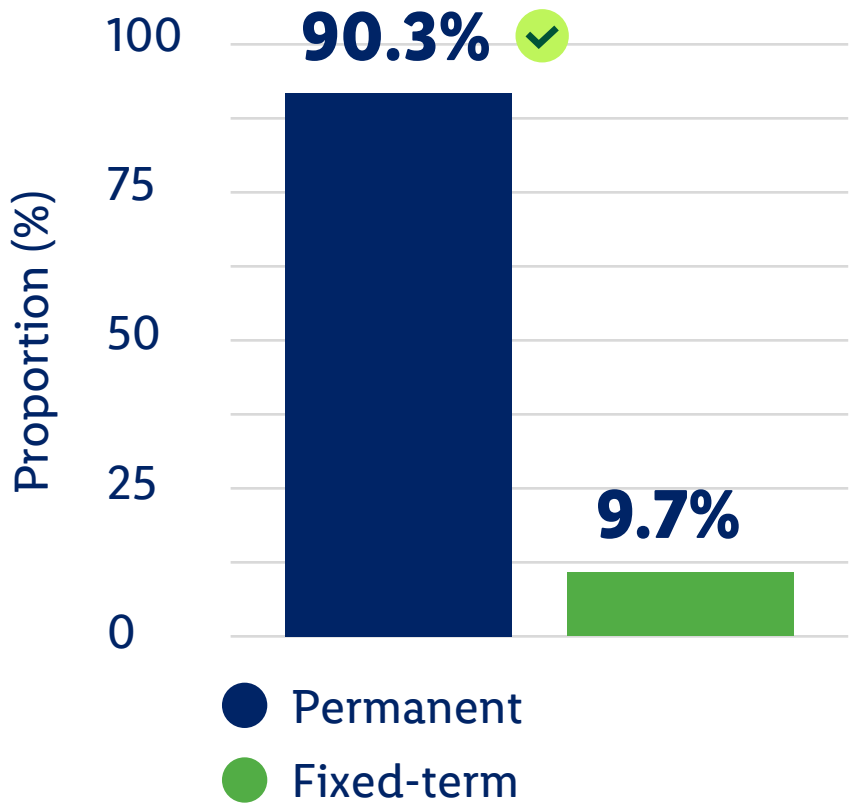
For us, a fair and reliable framework for working conditions is important. At Lidl, around 256,000 employees are covered by collective bargaining agreements. That is 66.3 percent of our workforce.

In order to be able to react flexibly to short-term staff requirements and to provide our employees with the best possible support during intensive phases, we also integrate temporary workers into our teams at Lidl.

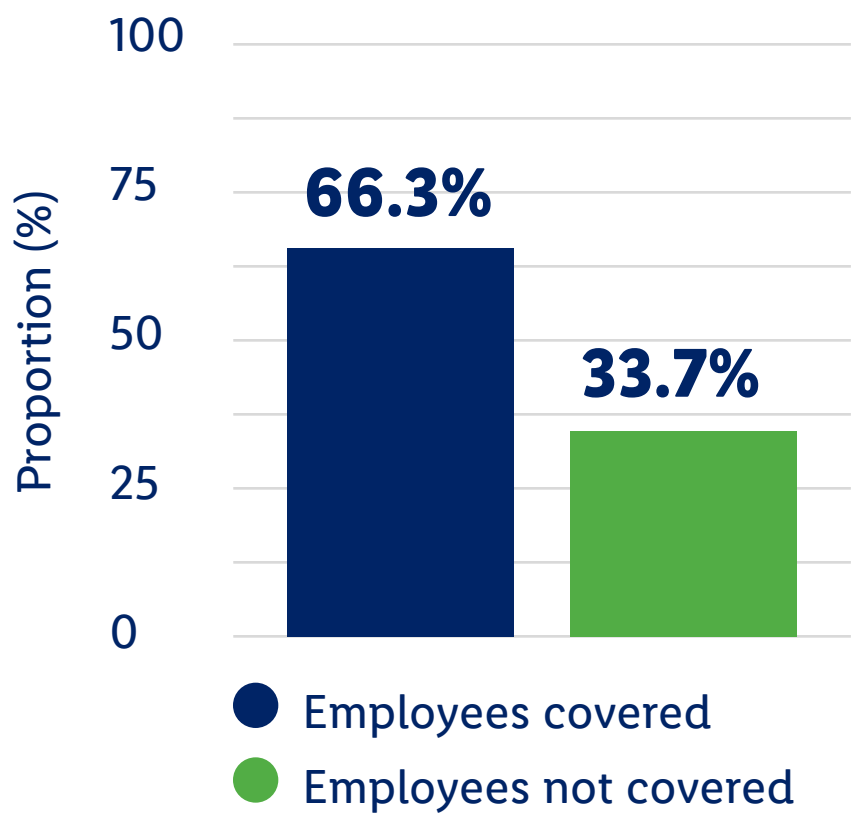
Employment Relationships⁵



Types of Employment



Collective Bargaining Agreements



⁴ The number of employees listed here shows the internal control figure, which is based on a different definition of employee to that used in the annual financial statement.
⁵ Employees with average working hours of less than 100 percent of full-time hours are classed as part-time. Unless there is national regulation on the issue, part-time is considered to be fewer than 163 hours/month.

GRI 2-8, 407-1

Respecting Employment and Labor Law and Workers’ Participation Rights

Our stores, administrative locations and warehouses are predominantly located in Europe and the USA. Over the course of the reporting year, we also opened 71 new stores in non-EU countries.

Country-specific legal requirements form the basis of ensuring our employees enjoy their statutory rights to freedom of association and collective bargaining. Taking into account the applicable employment and labor law and social security regulations, the HR department has established the “HR Compliance” CMS program as a key part of the Compliance Management System (CMS) at Lidl. This program is designed to ensure compliance with all applicable laws and internal policies in everything we do.

Lidl also values fair and continuous cooperation with existing collective labor bodies (e.g., employee representatives or trade unions). Their involvement in corporate decision-making is governed by relevant national legal requirements. Lidl also supports collective bargaining and adherence to collective bargaining agreements, provided they are in place in individual countries or in accordance with applicable national laws.

A company-wide standard for providing information to employee representatives in the case of operational changes does not exist. This process is governed by individual national laws. Notification periods as well as consultation and negotiation processes for any operational changes are established in accordance with collective bargaining agreements and specific laws.

Lidl employs a small part of its total workforce in the form of temporary employment (temporary workers). In accordance with the legal requirements for equal treatment, temporary workers are fully equal team members. In order to ensure complete legal compliance, our CMS program also includes the consideration of employment and labor law requirements in the area of temporary employment.

All employees — regardless of their role — can contact a central point of contact with any personal concerns or complaints. This point of contact usually takes the form of an employee relations consultant. This person is not just a neutral and trusting intermediary in conflict situations; they also provide employees with general support in the case of sensitive issues in their role as an impartial contact partner and initiator in the solving of problems. Employees and external parties can also submit information on potential compliance violations through various reporting channels. You can find more information about this in the chapter on Corporate governance under [🔗 Compliance](#) (p. 13).

←
Our “HR Compliance” CMS program helps us to also keep an eye on temporary employment.

←
All employees can contact a central point of contact with any issues. This person is a neutral contact partner and supports in finding solutions.



 **Acting locally**



Staying Active in Retirement

As of 2024, Lidl France has been offering a special opportunity for employees who have been with the company for at least ten years and are two years away from retirement: Two days a month, they can use their working hours to support the Restos du Coeur association, which coordinates food aid and integration activities. If they choose to do so, they get to apply all their skills, whether in logistics or in warehouses, or by distributing food parcels and hot meals in direct contact with the community. This initiative is designed to promote social engagement while, at the same time, preparing colleagues to remain active in retirement.

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8

Promoting Occupational Health and Safety in Our Operations

The health of our employees is our top priority. We take responsibility for protecting our employees in their everyday work and actively promoting their health. In our stores and logistics centers, for example, our employees pick, move and stock a wide variety of goods so that our customers can access our extensive product range. To make sure that this physical



We protect our employees in their everyday work and promote their health — in our offices, stores and logistics centers.



work does not have a negative impact on the health of these employees, we take targeted preventive measures to prevent work accidents and work-related ill health.

In order to continually improve on our health-related framework conditions, we have established an occupational health management (OHM) system. It covers occupational safety, occupational medicine, as well as physical, mental and social health. We integrate the latest scientific research to continuously improve our processes and equipment, ensuring safe and healthy work environments. All newly introduced equipment is assessed against safety and ergonomic criteria. OHM covers all regions, stores, logistics centers and other facilities, and thus includes all employees, activities and workplaces at Lidl.

With this, our goal is to ensure that all Lidl sites are accident-free and health hazard-free places to work and shop. Lidl conducts ongoing risk assessments to identify potential harmful influences on employees at an early stage and derive suitable protective measures. We always adhere to the hierarchy of measures in our occupational health and safety management system and apply the measures that offer the highest levels of protection. All occupational health and safety processes are based on the ISO 45001 standard. Our aim is to reliably prevent accidents, particularly those caused by the actions of our employees. This is why we do not just give our

When working in our logistics centers, our occupational health and safety management system helps in the background to prevent accidents as far as possible.

employees training to empower them to comply with safe work processes. We also show them how to detect hazardous situations, protect themselves and, if necessary, remove themselves from harm’s way. Every accident is analyzed, which includes a review of the effectiveness of existing measures.



Unfortunately, not all accidents can be prevented, despite preventive measures. In 2025, the accident rate at Lidl was 4.9 (OSHA rate: accident rate = accidents × 200,000 / hours worked), which is 0.1 lower than the previous year.

In the 2025 fiscal year, a new occupational health and safety strategy was developed and introduced in close collaboration with the Lidl national companies. This strategy sets the ambitious target of reducing the work accidents by 50 percent by 2030 and includes concrete measures through which to achieve this. Among others, these include having behavior-based conversations that cover both safe and unsafe behaviors. This means that managers talk to employees about occupational safety in specific situations and positively influence their behavior, either by warning or praising them, in order to promote a culture of safety. Another measure is the performance of so-called “safety spotlights,” where managers carry out short training sessions on a regular basis on safety-related topics. Lidl’s 2030 occupational health and safety strategy is at the heart of our efforts; it is implemented by each national company and substantiated by country-specific supplementary measures. In order to support this strategy, the Occupational Safety department cooperates with the regional contact partners on site and in a targeted manner, with these sessions being referred to as “strategy alignments.”

We offer our employees occupational medical care in accordance with national legal requirements. Through our network of occupational physicians, we also offer consultations on a variety of topics. Employees are given all relevant information during the onboarding process. Our aim is to identify any work-related ill health early so we can take appropriate action. As part of their training, we raise awareness among our employees of the importance of their health and encourage them to play an active role by involving

them in risk assessment processes. They can also share their own suggestions for improvement by speaking directly to their manager. Every suggestion is carefully reviewed and discussed with employees. Workable ideas are communicated to all national companies as best practice. Employees who are particularly enthusiastic can also be trained as fire wardens, fire safety officers, first aiders, safety officers and evacuation wardens.

Moreover, we have started to introduce the POSH software for occupational health and safety management in all national companies, with this launch expected to be completed by the end of 2026.

To ensure our employees are best protected, every Lidl employee is trained in occupational health and safety. With a careful balance of practical and theoretical training, our employees acquire the skills needed to work safely before they even get started.

As part of our regular training sessions during normal working hours, we can ensure that new skills are being shared throughout our entire workforce. At Lidl, particularly vulnerable people, such as expectant mothers, young people or people with disabilities, are offered tasks in line with their requirements as well as special training that takes their individual risk situations into account. We carry out regular employee surveys in order to evaluate the effectiveness of the training and to check how we can even better prepare the employees for their working situations.

50%

less work accidents by 2030 as our goal



→
A variety of measures serve to support our employees' health care.

By prioritizing health care, we aim to enhance our employees' well-being and satisfaction, and we are pressing ahead with a variety of measures in order to achieve this. Alongside providing information on nutrition, stress and addiction, we also give our employees the chance to take part in various sporting activities — free of charge — and offer discounts with our sports partners. In our work canteens, we focus on a balanced, varied, cost-effective diet. We also offer free fruit. We support employees who have not been able to work for a prolonged period due to health problems by helping them return to everyday work while protecting their health in the long term.

GRI 401-3,
LIDL V: Company's contribution to employee work-life balance

Strengthening Well-Being and Work-Life Balance

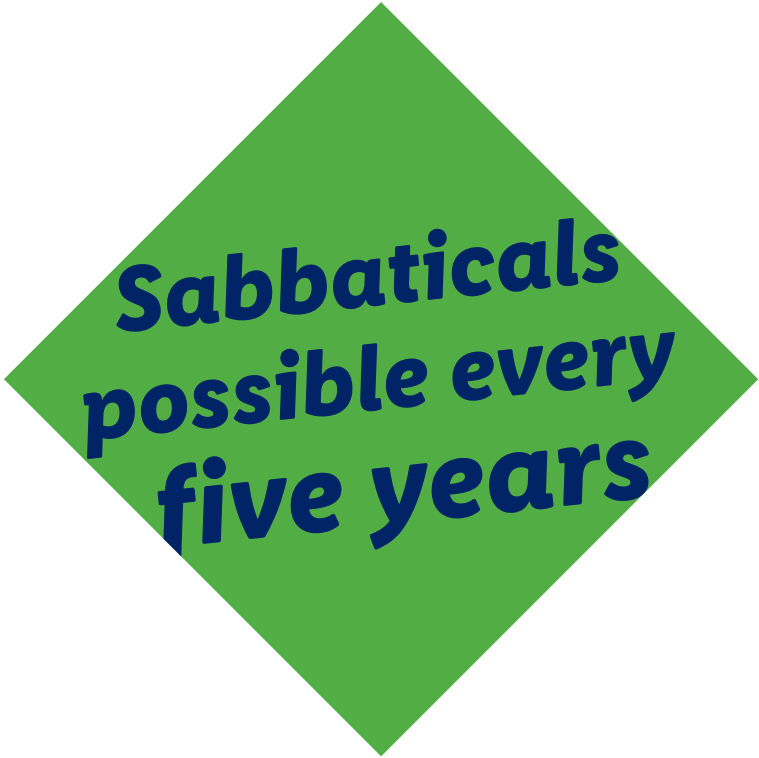
Balancing family time, leisure and work plays a big part in our employees' overall health and well-being. At Lidl, we support our employees through various phases of their lives. To this end, we have created opportunities that we are continually developing, such as the option of mobile working. To take advantage of such an arrangement, employees need to have a job that can be carried out effectively from another location. If this is the case, we give them the IT equipment they need for mobile work.

→
Lidl supports balancing career and family by actively promoting parental leave.

By actively promoting parental leave, we support a better balance between career and family, and are therefore making a contribution to improving equal opportunities and belonging. As of the reporting date on November 30, 9,790 employees

were on parental leave. Lidl has also introduced parent-child offices at various locations, where office workers have the option of bringing their children to work with them. Rooms are equipped with play areas, hygiene articles, changing tables and kitchens to meet the needs of parents and children alike.

Alongside annual leave, we also give our employees the opportunity to take a sabbatical. This is part of Lidl's desire to offer a work-life balance model that is more closely oriented toward the life phases of its employees. The sabbatical is aimed at anyone who has been continuously employed by a company of Schwarz Group for at least five years. It can be tailored to individual needs and can be taken once every five years. The length of a sabbatical can be anywhere between one and three months. All Lidl employees are guaranteed their jobs back when returning from a sabbatical. As of the reporting date on November 30, 2025, 254 people took a sabbatical.



📍 **Acting locally**



Collaboration with a National Anti-Violence Network

Lidl Italy is taking a clear stance against gender-based violence — a persistent and pressing social issue. Working alongside D.i.Re, the country's biggest nationwide network trying to combat violence against women, this is one example of a national company supporting efforts to bring about a cultural shift. The aim of the project is to raise awareness and empower employees, support women survivors and bring the issue to the forefront of national discourse. In the fall of 2024, the second phase of the project began, with an expanded focus on managers, new training opportunities for anti-violence centers and a wide-ranging communications campaign.

Equal Opportunities

We want to offer development opportunities to everyone who works at Lidl. Respect, belonging and acceptance are therefore basic requirements, since we believe that the diversity of our workforce enhances our company.

By signing the Diversity Charter, we are sending a clear signal for respectful cooperation and the equal participation of all employees. Under the umbrella term of diversity, equity and belonging (DE&B), equal opportunities are an integral part of our values and our corporate principles. At Lidl, we are committed to providing a work environment where all employees are treated with respect — regardless of characteristics such as their age, immigration background and nationality, gender and gender identity, physical and mental abilities, religion and belief, sexual orientation, or socioeconomic background. Our actions and our leadership are characterized by social responsibility and the values that define our corporate culture: performance, respect, trust, grounded and belonging. This also involves creating equal and fair conditions for everyone and, for example, continuing to promote gender equality. Lidl incorporates DE&B values in all our processes, from recruitment and onboarding to employee development and offboarding.

GRI 405-1

Diversity in Management Positions and the Workforce

The management levels in companies also act as role models when it comes to DE&B. We believe that promoting diversity in management positions is vital to meet the challenges we face as a company. One aspect of diversity is gender. Over the course of the reporting year, the percentage of female managers was 40 percent ✔ at management level, 15 percent ✔ at senior management level and 19.1 percent ✔ at top management level. This means that around 39.4 percent ✔ of all managers are female. Through targeted initiatives, we foster diversity within our management committees and consistently build upon it.



Since 2020, Lidl has been involved in the international LEAD network (Leading Executives Advancing Diversity), supporting women in management positions in the European retail and consumer goods sector and extending our commitment beyond our own company. By taking part, all Lidl employees benefit from free access to the network’s website. There, they can share ideas with people from other companies and attend various webinars. To further strengthen women’s opportunities, Lidl has signed the UN Women’s Empowerment Principles (WEPs). This is the first global initiative designed to systematically promote and empower women in business. Some key aspects include equal pay for equal work, promoting measures designed to empower women, as well as a zero-tolerance policy on sexual harassment in the workplace.



Lidl Awareness Team at Soccer Matches

As an official partner of the UEFA Women’s EURO 2025™, Lidl sent a strong message in terms of its commitment to social responsibility and lived values, and introduced its own Awareness Team at the stadiums. 57 dedicated employees from Lidl in Germany, Lidl Switzerland and Lidl Stiftung & Co. KG formed a network to support visitors around the stadium, including dealing with issues like harassment and discrimination. Location-based QR codes, a direct presence and designated “safer spaces” meant we were able to provide quick and professional support. Intensive trainings prepared the team for the task ahead of them and helped turn the initiative into a gold standard for respectful and inclusive stadium experiences. The project was designed around fairness, diversity and respect, and had a tangible impact beyond the event itself. Our employees were clearly in favor of the scheme, with a comprehensive survey of all participants in the Awareness Team revealing a very positive rating.

📍 **Acting locally**

The Lidl Effect

FY24

Lidl GB's socioeconomic impact



**The Lidl Effect:
Equal Opportunities and Equitable Pay**

The first Lidl store in Great Britain opened in 1994. The so-called “Lidl effect” measures the annual socioeconomic impact — which is considerable. In 2024 alone, Lidl generated approximately £14.5 billion in gross value added (GVA) for the UK economy, directly and indirectly supporting a total of more than 281,000 jobs. A key component of this positive impact is actively practicing equal opportunities and equitable pay. Lidl combines economic impact with social responsibility and sets standards: For the fourth year in a row, the median gender pay gap is zero percent and the mean gender pay gap is eight percent — well below the British average of 13.1 percent. The Lidl effect makes progress toward real equal opportunities and fair pay for all employees measurable and visible.

**Equal pay
as a principle
at Lidl**



GRI 405-2

Closing the Gender Pay Gap

As part of the Lidl HR strategy, we are pursuing the objective of putting equal opportunities into practice and ensuring equal treatment with regard to remuneration. Since the 2021 fiscal year, we have therefore been collecting an adjusted and an unadjusted KPI relating to the Gender Pay Gap (GPG) to highlight structural differences in employment and career paths. The key performance indicators on the GPG in the 2025 fiscal year (see [📄 Gender Pay Gap table, p. 113](#)) show that such a pay gap also exists at Lidl. Despite our principle of equal pay, this disparity cannot be completely avoided due to structural differences. These include, for example, the higher proportion of women in entry-level positions, which results in lower average wages. Our established payment system provides us with a basis for avoiding gender-based wage discrimination. To close the structural pay gap, we are working specifically on measures to objectify recruitment and promotion processes.

GRI 202-1

Attractive and Competitive Pay

Lidl is committed to fair and competitive pay. In almost all national companies, we have defined a Lidl minimum wage that is above the market minimum wage. This applies to employees working in stores and warehouses. Our pay structure is based on objective criteria, such as professional experience, expertise, skills and areas of responsibility.



We ensure fair remuneration as our pay structure is based on objective criteria.

Our payment system is based on the Lidl HR strategy and is regularly reviewed and adjusted, as required. With this system, we create attractive and fair conditions for our positions that are in line with the market and that are designed to be independent of sex, age, background, sexual orientation, worldview, religion, or physical and mental abilities. We also offer our employees a range of benefits to further support their financial security and well-being. This applies to part-time and full-time employees equally.



GRI 404-1, 404-2

Unlocking Potential Through Training and Development

As well as offering our employees secure prospects, we also want to actively support their professional development and give them access to ongoing learning opportunities. By doing so, we are making a contribution to the personal and professional training and development of our employees, and are creating an environment where they can continually further develop themselves. Lidl has established numerous programs and initiatives for this purpose.

When selecting training opportunities, Lidl employees and managers have access to a wide range of courses, seminars, training sessions, workshops and e-learning modules.

To help suitable employees become team managers, senior managers or vice presidents, we launched an international management development process back in 2020 covering all levels of the company. Through various development days and seminar series, potential managers are trained on topics such as targeted communication and leadership to ensure they have the right skills to take on higher-level roles in future. The Lidl national companies are responsible for the ongoing development of team managers and senior managers. The process for becoming a vice president takes place on an international level.



With ongoing learning opportunities, we support the personal and professional development of our employees.



Lidl offers structured development programs at management and specialist level.

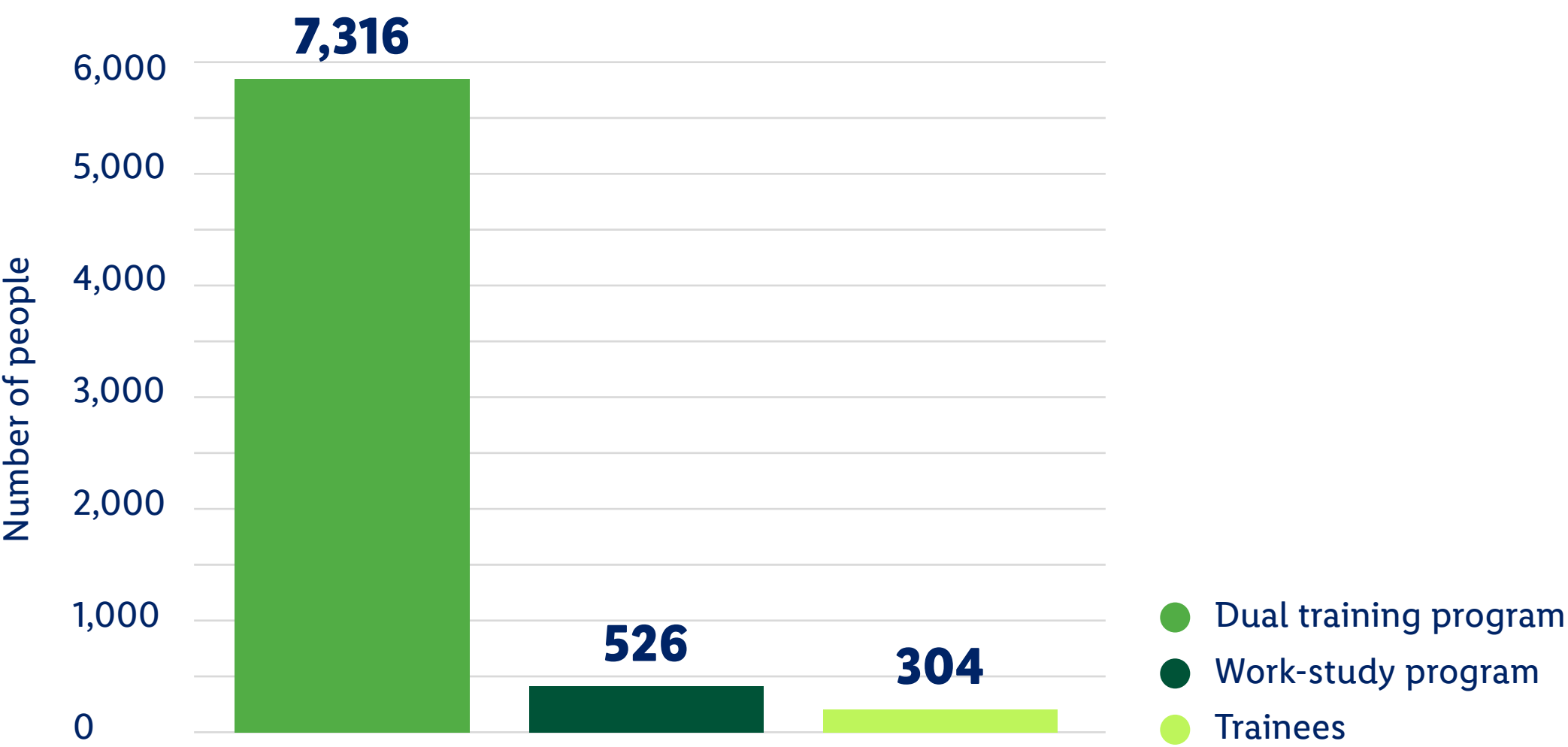
A photograph of a Lidl employee, a woman with blonde hair, smiling and standing behind a fruit display in a store. She is wearing a grey Lidl polo shirt. In the top left corner of the image, there is a dark blue button with a white location pin icon and the text "Acting locally".

A red heart icon with a white cross, representing the flag of Denmark.

Together on the Job Market

As part of the cooperation with Lev Job, Lidl Denmark wants to help people with cognitive impairments such as autism, ADHD or learning disabilities to facilitate their access to the labor market. The initiative supports these individuals with securing regular employment and achieving long-term integration in the workplace. At the same time, the partnership enables employees to use their skills in an inclusive environment and take individual support needs into account. The collaboration is part of Lidl Denmark’s commitment to inclusion in the workplace — with a special focus on individual skills and a safe working environment.

Lidl Future Talents in the 2025 Reporting Year



Another aspect of the professional and personal development opportunities we offer is our international job rotation program. It allows employees from junior levels upward to develop their skills overseas and encourages international exchanges. Stays abroad last from 12 to 24 months, during which time participants get to complete a language course, receive on-the-job training and independently take on a range of different tasks. The Lidl national companies also benefit from the scheme. As of the reporting date on November 30, 180 employees were taking part in the job rotation program in 2025.

We want to help young professionals find secure and exciting careers through our wide range of entry-level programs. This includes our nationwide trainee program run by the Lidl national companies. The program gives university graduates a comprehensive insight into how an international company operating in the food retail market really works. With this program, we are preparing trainees to take responsibility for the various tasks within a Lidl national company. In 2025, a total of 304 trainees were employed by our national companies and Lidl Stiftung & Co. KG.

At Lidl, trainees gain a comprehensive insight into the internationally operating company.





The dual training program at Lidl combines theory with practice, leading to recognized professional qualifications.

For high school graduates, we also offer a work-study program and a dual training program as ways into the company. This is one way future talents can gain important theoretical and practical knowledge, as well as qualifications, once they complete their apprenticeship or degree. In 2025, as of the same reporting date, 7,316 people were on the dual training program and 526 on the work-study program.

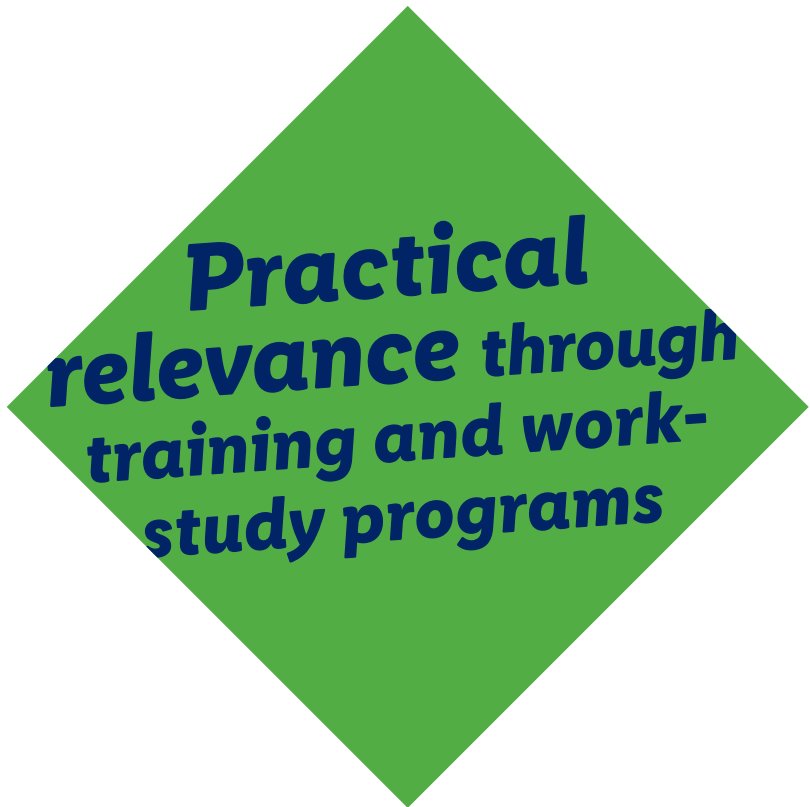
Guaranteeing Structured Onboarding

From the very beginning, we want to prepare our employees for their everyday work in the best way possible, inspiring them and fostering a sense of loyalty. As well as receiving tailored support from managers and colleagues, every new employee is given a detailed onboarding plan that provides information on the onboarding process. Moreover, when joining the company, all Lidl employees are assigned to a dedicated point of contact as part of our mentoring program. This individual supports them as they integrate into the company and find their way within their individual departments and teams.

GRI 404-3

Promoting Individual Development

In order to put employee potential to best possible use and to present individual development prospects, we have created the talent management process to establish a uniform procedure that is the same for all employees. An annual development meeting between the employee and manager provides scope for sharing feedback on performance and skills. These meetings are also an opportunity to map out any development opportunities. In addition, an annual interim review is held to focus on the employee’s well-being, development status and goals, as well as an open exchange. We carry out our talent management process — an international Lidl standard — once a year. As part of the process, employees take part in performance and career development reviews led by their line managers. Over the course of the reporting period, 100 percent of employees took part in the talent management process.



Labor and Human Rights in the Supply Chain GRI 414-2, 408-1, 409-1, 2-24

Globally connected, locally active: With our international partners, we fulfill our due diligence obligations along our supply chains. In doing so, we want to work with our suppliers to improve the living and working conditions of the people involved in our value creation — and we are driving forward industry-wide progress together.

→ We take responsibility for ensuring that human rights are respected in our upstream value chain.

At Lidl, we take our responsibility to fulfill our human rights and environmental due diligence obligations throughout our supply chains very seriously. Through targeted commitments, we want to drive improvements in our upstream value chain. As a leading retailer, we see it as our responsibility to lead by example when it comes to [human rights throughout the entire value chain](#).

As a company of Schwarz Group and therefore a member of the UN Global Compact (UNGC), we are committed to observing and actively protecting human rights. We support the UN Guiding Principles on Business and Human Rights (UNGPs) and advocate for measures to strengthen and ensure compliance with the ILO’s core labor standards. At Lidl, we are continuously working on implementing these principles on human rights due diligence into company-wide processes.

Purchasing follows our [Human Rights Strategy](#) for merchandise, which defines clear principles, goals, standards and responsibilities for the protection of human rights. We provide updates on our progress toward achieving our human rights targets in our annual progress report. To improve understanding throughout the company, we ensure our employees are made aware of the standards and requirements that apply to our supply chains in a variety of ways.



The SASI Working Group in South America

Since 2023, we have been actively involved in a working group of the German retail sector (EH-AG) on living incomes and wages along with other retailers. This working group operates under the umbrella of the Sustainable Agricultural Supply Chains Initiative (SASI), which is supported by the German Federal Ministry for Economic Cooperation and Development. The aim is to improve living and working conditions in our global supply chains and promote a living wage for producers. In early 2025, we were part of the launch of a pilot project supporting coffee producers in Honduras and Peru. The project focuses on three strategic targets:

- 1. Establishing responsible and sustainable purchasing practices
- 2. Promoting resilient production systems and strengthening producer organizations
- 3. Expanding cooperation at local, regional and international level and using synergies for sustainable change in the entire sector

Expectations of Our Business Partners With Regard to Human Rights and Environmental Standards Clearly Defined

We require our business partners to work with us in a collaborative manner and to operate in compliance with the law. In particular, we are committed to ensuring that human rights and environmental standards are respected. Based on the Code of Conduct (CoC), we inform our suppliers of our fundamental principles and expectations regarding our collaboration. The CoC sets out fundamental specifications in the areas of child and forced labor, wages and working hours, occupational health and safety, fair treatment and anti-discrimination, which are based on applicable international standards. We have been using this CoC for many years in our negotiations with suppliers from a risk-oriented standpoint. Our direct suppliers are expected to address and enforce these provisions accordingly with their own contractual partners.

In the event of a breach, we expect all parties to engage. We also provide our business partners with a training video on the content of the Code of Conduct. At the same time, we acknowledge that many of our business partners have already invested a great deal of time and effort in developing their own codes of conduct.

In addition to the principles and standards set out in the CoC, we have also defined additional expectations for the purchasing of merchandise for private-label suppliers from a risk-oriented standpoint. These are referred to as our “Sustainable Purchasing Policies.” Through the expansion of

internal systems for collecting supplier data and collaboration with external stakeholders, we are continually increasing transparency in our supply chains.

Establishing Effective Complaints Mechanisms

Fundamentally, complaints mechanisms need to be legitimate, freely accessible, legally compliant, transparent and clear. Our business partners must establish an internal reporting system for breaches of the standards set out in the Code of Conduct. Employees who report breaches must not be disciplined or disadvantaged as a result. To improve the effectiveness of our internal and external complaints mechanisms, we check them against UNGP principles, legal requirements and key performance indicators, such as the number of complaints received. Taking these insights on board, we then adapt the mechanisms as much as possible to increase their effectiveness.

In addition, complaints can be submitted via an internal [☑ online reporting system](#), which is available to all Lidl employees as well as all affected parties in the supply chain. You can find more information about this in the chapter on Corporate governance under [☑ Compliance](#) (p. 14). Those affected can use the system to report complaints, anonymously if they wish. Lidl runs multi-stakeholder initiatives to find industry-wide solutions, with a particular focus on avoiding multiple complaints mechanisms in the same assortment or country context.

📍 **Acting locally**



Preserving Traditional Olive Groves

Lidl Spain relies on national suppliers and works closely with them to ensure fair conditions and profitability for the producers. One example is the “Traditional Olive Groves” project, supported by Lidl Spain, which encourages rural development and more sustainable agriculture. More than 250,000 families depend on traditional olive cultivation techniques for their livelihoods and the project aims to preserve these practices and ensure fair prices and profitability for producers who maintain them. Products are manufactured entirely in Andalusia and exported to other European countries.

→
With the Code of Conduct, we inform our business partners of our fundamental principles and expectations of cooperation with regard to human rights and environmental standards.





Acting locally

Hand in Hand for Victim Protection

The UK Modern Slavery & Exploitation Helpline is a victim-focused service operated by the anti-slavery organization Unseen. Through this helpline, potential victims and concerned citizens can contact trained staff. Callers are referred to specialist organizations, such as safe houses, religious organizations, the National Referral Mechanism or law enforcement agencies. Information reported to the Modern Slavery Helpline is shared with member companies (e.g., Lidl Great Britain) via the Unseen Helpline Business Portal when cases relate to their own operations or supply chains. Companies work with Unseen to coordinate next steps and mitigate or remediate each case. This portal enables multiple companies to be connected, fostering cross-industry collaboration to optimize resources and increase leverage.

In such cases, we advocate for collaboration between initiatives to strengthen the effectiveness of existing mechanisms. In concrete terms, we support industry-wide complaints mechanisms in purchasing merchandise, such as the International Accord, amfori Speak for Change and ACT for the textile range.

During the reporting period, we concentrated on extending this risk-based approach from our textile range into our food, fruit and vegetables, flowers and plants supply chains. Initial steps include taking part in industry-wide working groups and launching pilot projects in high-risk supply chains.

Whistleblower Protections

Providing access to effective complaints mechanisms can be challenging, particularly in complex supply chains and on local smallholder farms. Nevertheless, we want to give as many people involved in producing goods for Lidl as possible the opportunity to contact us in the event of any breaches of policy. Within our own sphere of influence, Lidl ensures whistleblowers’ identities are kept confidential and that anyone wishing to report something can do so anonymously.



Lidl supports industry-wide complaints mechanisms for a more effective reporting system.

Good to know

A Pilot Project for Dealing With Complaints in the Food Sector

In late 2024, Lidl became the first retailer to sign a memorandum of understanding to take part in the “Nossa Voz” pilot project. Supported by the International Labour Organization (ILO) and funded by the US government until early 2025, the project aims to roll out a local complaints mechanism in the Brazilian coffee supply chain by the end of 2026. The mechanism will operate in collaboration with a technical service provider, a major national trade union and relevant government agencies in Brazil. Official project partners include the Global Coffee Platform and the Rainforest Alliance. Two coffee wholesalers from Lidl’s supply chains are also taking part. Their nominated farms will start being trained and onboarded during the 2025 harvest season. Lidl will receive a monthly report of all the complaints received on participating farms. The project is designed to gain insights so that the coffee supply chain can be equipped with a more effective complaints mechanism in the long term.



Good
to know

Appellando: The Complaints Mechanism for Supply Chains

In 2020, Lidl published a human rights impact assessment looking into the human rights impacts in the berry supply chain in Huelva, Spain. In response to the findings, Lidl piloted an effective complaints mechanism in the region in 2021. Based on the findings and recognizing that solutions require joint industry management, Lidl has driven forward the development of the first cross-retailer complaints mechanism in the fruit and vegetable sector. Developed in collaboration with all the major German retailers and the EHI Retail Institute, the system — known as Appellando — is designed to create new, effective mechanisms while harmonizing existing ones. Employees working for producers are able to report breaches of social and environmental standards without fear of discrimination. The system is currently being rolled out in Spain, with other countries soon to follow.



We also draw on proven national initiatives for our international approach.



HRIAs lead to concrete measures if a need for action is identified.

Generally speaking, Lidl works to roll out complaints mechanisms across borders for maximum impact. At the same time, promising national initiatives can be found in individual countries where Lidl operates, which we assess for quality and scalability and, wherever possible, integrate them into our international approach. These include, for example, the UK Modern Slavery Helpline and the Earthworm Foundation’s complaint screening tool in France.

A Risk-Based Approach With Human Rights Impact Assessments

Our annual systematic risk analysis is supplemented by further investigations into our supply chains. At Lidl, we carry out social impact studies, also known as human rights impact assessments (HRIAs). These assessments are carried out in accordance with internationally recognized procedures. HRIAs focus on human rights risks at the lower end of the supply chain. Through HRIAs, we hope to gain a clearer understanding of the risks and impacts within a selected high-risk supply chain so that we can take appropriate steps to reduce them. As part of this process, Lidl works with various stakeholders, including civil society organizations, employee representatives and communities. When action is required, we draft specific action plans in which we — in consultation with both internal and external stakeholders — can explore which measures are both feasible and appropriate to reduce the risks.

Acting locally



Being a Part of the Solution with Earthworm Foundation

Since 2020, Lidl France has been a member of the palm oil working group led by the Earthworm Foundation NGO. This group brings together French food retailers that have committed to procuring palm oil which has guaranteed traceability and was produced in compliance with the No Deforestation, No Peat and No Exploitation (NDPE) principles. This collaboration facilitates identifying the biggest importers within the working group. In the event of a breach, Lidl France will receive an alert; the complaint will then be classified and prioritized internally. The working group will then demand a corrective plan of action. This measure is supplemented by the commitment based on the cooperation with the Roundtable on Sustainable Palm Oil (RSPO); as of the 2024 fiscal year, the palm oil available at Lidl France is 100 percent RSPO-certified.

Based on these plans, we can then take appropriate preventive measures, embedding any related targets in our own operations and the wider supply chain. Measures need to address both the potential and, where applicable, actual negative impacts on human rights and contribute to their prevention or reduction.

Good
to know

Hear From Those Affected: The “Workers’ Voice” Project

In the 2024 fiscal year, around 81,000 workers in textile factories in the high-risk procurement markets of Sri Lanka, Pakistan and China were surveyed regarding their working conditions. The survey was conducted remotely and on a voluntary basis. Carried out alongside global risk management partner LRQA, the “Workers’ Voice” survey provided insights into working conditions, health and safety standards, environmental factors and the management systems used by our producers, going beyond the scope of typical social audits. The findings from the survey were used by Lidl as an additional source of information to support its ongoing due diligence activities. The results highlighted a range of topics, including aspects related to non-discrimination and gender, based on worker responses.

To date, we have carried out HRIAs for the supply chains for tea, berries, bananas, tinned tomatoes, wine, prawns, cashews, cut flowers and orange juice. All of these reports, as well as our action plans, can be found on our website.

As part of the processing of reports of shortcomings in our supply chains, we also carry out additional ad-hoc risk analyses.

Our Approach to Protecting Children’s Rights

In many parts of the world, child labor is not an isolated case; it is a structural problem. It is closely linked to poverty, the lack of access to education and the lack of a social security system. Children often work to contribute to their family’s income — a reality that can be seen primarily in the Global South but also in certain sectors with high levels of informal work, seasonal work or migrant labor. In the process, fundamental children’s rights are violated, such as the right to protection, education and a carefree childhood. For Lidl with its global supply chains, this situation calls for a particular responsibility to be observant, to identify risks and to work with partners to ensure that children’s rights are not just protected but strengthened too.

With the “Workers’ Voice,” Lidl gains valuable insights into the working conditions in textile factories in order to initiate targeted improvements.

Lidl is actively committed to preventing child labor within our supply chains and giving younger workers special protections. Suppliers must provide safe working environments in accordance with local laws and guarantee opportunities for further development.

Nobody under the age of 15 (or 14 when in accordance with national laws) or children who are still of school age should be employed. If national laws set lower requirements, at least the provisions of ILO Convention 138 apply.



Recruitment policies and working conditions must comply with both international and national requirements. Suppliers must verify the age of applicants, including when using recruitment agencies, and must make complaints mechanisms available. In order to support our suppliers in the meeting of these requirements, we ran the “Train of Trainers” program in the 2024 fiscal year, together with our partners Save the Children and The Centre for Child Rights and Business. This program is designed to help our business partners train their suppliers on how to comply with the requirements. As well as verifying the age of applicants, the program also aims to strengthen the management systems, ensure safe workplaces for young people and provide access to complaints mechanisms and possible remedial actions. During the reporting year, our business partners began rolling out the program in their factories.

25,000

euros per year for the REACT fund in order to take action within just 72 hours in the event of suspicious cases

**Good
to know**

Combating Child Labor with the Child Rights Action Hub in Malaysia

The fight against child labor in global supply chains is a key component of our commitment to fair trade. Sabah is a center of palm oil production, with 59 percent of child labor cases in Malaysia originating from this state. In order to address this, we are a partner of the Malaysia Child Rights Action Hub, which is being established by Save the Children and The Centre for Child Rights and Business in collaboration with local partners. The project combines bespoke solutions to combat child labor through capacity building and knowledge sharing. Specific achievements to date include training over 40 case managers and accrediting 15 junior case managers, contributing to the creation of a robust system to prevent and eliminate child labor and closely supporting those affected in and around the plantations.

Responding to Suspected Child Labor

Lidl has a zero-tolerance policy when it comes to cases of child labor. When breaches of children’s rights occur within our supply chains, Lidl is obligated to rectify the situation in the best interests of the children concerned. Affected families are supported by The Centre for Child Rights and Business, with the aim of identifying the appropriate training prospects and future prospects for the children involved based on their individual situation. Lidl expects its suppliers to actively cooperate and support the remediation process, whether they detect child labor or learn that young people are performing hazardous work. In these circumstances, direct suppliers must inform both Lidl and the respective expert organization. They must also support the subsequent remediation process.

As part of the ongoing development of our approach to promoting children’s rights in our supply chains, we took a decisive step toward strengthening our human rights due diligence obligations in the reporting year: the introduction of the REACT (rapid evaluation and action on child labor cases) fund.



Taking decisive action against breaches of children’s rights



Collaborating closely with partners & civil society



Enforcing mandatory age verification for applicants



Identifying and systematically eliminating risks

The REACT fund is a central, financially secure instrument that, in collaboration with our partner The Centre for Child Rights and Business, allows us to respond immediately to suspected cases of child labor within our supply chains. With an annual allocation of €25,000, the fund allows us to close a critical gap. Upon receiving a tip off, The Centre for Child Rights and Business can immediately investigate and, if necessary, take action within just 72 hours. The fund covers the costs of investigation and critical action such as transport, safe accommodation and medical care. This means that children’s welfare can be immediately protected even before liability has been assigned.



Combating and Preventing Forced Labor

Lidl firmly rejects all forms of forced labor. Nevertheless, the reality shows that employees in certain global supply chains may be at risk of forced labor. We rigorously investigate any potential breaches of the requirements as part of our due diligence obligations. We put particular focus on respecting the rights of migrant workers, who often find themselves in highly dependent relationships with their employers or recruitment agencies. In order to systematically prevent forced labor in our supply chains, we work with other stakeholders in the supply chain, civil society, social partners and competitors. This work includes projects and initiatives designed to address the risks of forced labor, because compliance with fundamental labor standards, such as prohibiting forced labor, is an essential part of our corporate due diligence.

We want to continually improve on our processes for detecting forced labor situations and to provide effective remedial action and redress for people affected by forced labor. The established complaints mechanisms already contribute to this. Nevertheless, the fact that many forced labor situations remain hidden and are often not detected by social audits remains a challenge for all market participants. This is why we are developing new approaches for tackling forced labor and scaling tested risk-minimization methods as part of an international strategy.



We are also committed to ensuring fair working conditions on our producers' plantations.

Animal Welfare Standards

At Lidl, we are committed to improving the production conditions of animal products through labeling and in close collaboration with our suppliers. We are working to ensure that all national companies set their own targets for animal welfare by 2030.



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Animal welfare is highly relevant for Lidl across the entire company.

Although the level of concern regarding animal welfare differs significantly from region to region, it is a highly relevant issue across the entire company for Lidl. We therefore follow an independent animal welfare strategy that serves as a base for deriving international and national measures. The topic is allocated to the “Acting fairly” field of action within our reporting.

Many products in our assortment contain animal-sourced raw materials, the production and origin of which are subject to extensive social expectations regarding animal welfare.

By 2030,
all national companies are to define national targets for animal welfare standards

In establishing fields of action and new measures, we are guided by the Five Freedoms of the British Farm Animal Welfare Committee (FAWC), widely considered the fundamental principles of animal welfare, and their continued development by initiatives like the Five Domains model by David J. Mellor, Professor at New Zealand’s Animal Welfare Science and Bioethics Centre. They aim at a balanced diet, a species-appropriate environment and shelter, comprehensive health care, encouraging natural behaviors and avoiding stress and anxiety. These measures provide a forward-thinking framework for taking a holistic view of animal welfare and helping Lidl demand, implement and achieve our animal welfare targets. These principles also provide a framework for the efforts of our national companies. One area of focus is the labeling of products of animal origin, which ensures a more transparent disclosure of husbandry conditions. We have set ourselves national targets for increasing the animal welfare standards of our fresh meat assortment by 2030.

These cows are on a farm in Germany that is certified according to Bioland criteria. Lidl is working on expanding its range of certified organic meat products.



📍 **Acting locally**



Targets for Improved Animal Welfare Conditions

Lidl in Germany has been committed to improving animal welfare for many years. The company’s own “Better conditions – For the benefit of animals” label consistently combines animal welfare with regional responsibility, linking husbandry with origin. The items bearing this label originate 100 percent from German agriculture and are guaranteed to be supplied by animal welfare farms operating at husbandry system level 3. Lidl in Germany is aware that improving animal welfare entails higher costs for farms. For this reason, the national company pays an animal welfare premium to offset these additional costs and enable higher standards in the barns. By 2030, all chilled fresh meat articles and all Metzgerfrisch sausage products will meet at least husbandry system level 3, provided sufficient stock levels are available.



Commitment to Improved Animal Welfare Conditions for Laying Hens

We aim to completely phase out caged systems for laying hens for both fresh eggs and items containing egg across all national companies, while taking security of supply and regional market conditions into account. Today, over 90 percent of our fresh eggs are already laid in barns or come from higher husbandry systems. We are driving this development forward and supporting higher standards through targeted measures and close collaboration with our suppliers and associations.

Complaints Mechanisms Involving Lidl GRI 414-2

Name	Approach	Status
BKMS	Access to complaints mechanisms for all stakeholders in our supply chains	👍 Active
International ACCORD	Access to complaints mechanisms for workers in T1 factories for textile producers in Bangladesh	⬆️ Rollout in Pakistan
ACT dispute resolution mechanism	Access to complaints mechanisms for workers in T1 factories for textile producers in Bangladesh	⊗ Currently no further rollout planned
amfori BSCI Speak for Change (S4C)	Access to complaints mechanisms for workers in BSCI-certified factories in Bangladesh, Vietnam, India, Turkey	👍 Active
Wovo app from Labour Solutions	Access to the complaint channel for workers in T1 factories for textile producers in Myanmar	⊗ Discontinued
Appellando	Access to complaints mechanisms for workers in supply chains for fruit, vegetables and plants in Spain	➡️ Rollout in progress

Gender Pay Gap GRI 405-2

Gender Pay Gap of the Companies of Lidl Group (Unadjusted) in Percent ⁶	2024	2025
Mean	16.8	14.9
Median	7.1	5.9

⁶The unadjusted gender pay gap compares the gross hourly wages of all employees across all hierarchy levels based on gender; it shows the average percentage difference between male and female wages. It reflects structural disparities.

Employees With Performance Reviews GRI 404-3

Performance Reviews by Gender in Percent	2024	2025
Total	90.2	100
Female	57.4	61.2
Male	32.8	38.8
Other	0.0	0.0
Not specified	0.0	0.0

Workforce Structure

GRI 405-1

Diversity Among the Workforce ⁷	2023	2024	2025
Employees	385,665	382,412	386,342
Breakdown by gender (percent)			
Female	64.1	61.5	61.0
Male	35.9	38.5	39.0
Age structure (numbers)			
< 30 years old	128,598	129,931	129,414
30-50 years old	211,963	205,359	206,644
≥ 50 years old	45,067	47,081	50,230

⁷The number of employees listed here shows the internal control figure, which is based on a different definition of employee to that used in the annual financial statement. Whereas the annual financial statement states the number of employees including those on long-term sick leave and employees on maternity leave as end-of-quarter averages for the fiscal year, the figure is reported internally as of the reporting date. Employees on maternity leave and long-term leave are not included in the calculation.

GRI 401-1

Diversity Among Newly Hired Employees and Turnover Rate ⁸	2023	2024	2025
Newly hired employees	102,542	131,796	90,801
Breakdown by gender (percent)			
Female	53.4	53.5	51.7
Male	46.6	46.5	48.3
Age structure (percent)			
< 30 years old	65.4	64.5	66.1
30-50 years old	30.6	31.6	30.1
≥ 50 years old	4.0	3.9	3.8
Turnover rate (percent) ⁹			
Total	29.0	26.1	19.6
Female	25.1	22.7	16.9
Male	36.1	31.5	23.8

⁸ All new hires in the companies of Lidl Group are included in the relevant FY, irrespective of whether the employees are hired on a fixed-term contract (start date).

⁹ Employee turnover is calculated as the ratio of employees who leave the company compared with the average number of employees.

Diversity Within Management Bodies ¹⁰	2023	2024	2025
Employees in management	27,847	27,396	27,861
Breakdown by gender (percent)			
Female	41.1	39.8	40.0
Male	58.8	60.2	60.0
Age structure (percent)			
< 30 years old	11.9	11.7	11.3
30-50 years old	78.5	78.1	77.9
≥ 50 years old	9.5	10.2	10.9
Employees in senior management	519	531	541
Breakdown by gender (percent)			
Female	14.6	15.3	15.0
Male	85.4	84.7	85.0
Age structure (percent)			
< 30 years old	0.2	0.2	0.2
30-50 years old	82.9	80.4	78.7
≥ 50 years old	17.0	19.4	21.1
Employees in top management	251	225	215
Breakdown by gender (percent)			
Female	16.3	19.6	19.1
Male	83.7	80.4	80.9
Age structure (percent)			
< 30 years old	0.0	–	–
30-50 years old	78.1	79.1	74.9
≥ 50 years old	21.9	20.9	25.1

¹⁰ Employee categories are defined according to our joint understanding as follows: Top Management = Management Level I – II, Senior Management = Management Level III, Management = Managers from Management Level IV – VI excluding deputies / no specialist level, employees without management role = other employees.