

Implementation Plan

Raw Material Targets



Table of Contents

Implementation Plan Raw Material Targets	3
Strategic Framework and Objective	3
Developed Objective of the Companies of Lidl Group	3
Operational Targets and Measures	4
Further Measures	6
Data Collection and Reporting Process	7
Data Sources	7
Calculation Method	7
Reporting	7
Verification and Auditing	7
Qualitative Data	7
Resources and Control Mechanism	8
Strategic Integration	8
Supplier & Partner Management	8
Organization & Project Management	8
Resource Requirements, Budgeting & Prioritization	8
Required Technologies & Further Developments	8
Assurance Report	9

Implementation Plan Raw Material Targets

This plan comprises the jointly set raw material targets of the Companies of Lidl Group. It covers critical raw materials: coffee, tea, cocoa, palm (kernel) oil, soy, natural rubber, beef, wood/pulp/paper, as well as fish and seafood. All years mentioned refer to financial years.

Our jointly developed implementation plan to fulfill the criteria of section 5(3) no. 4 of the Act against Unfair Competition (UWG) as well as the EmpCo Directive (EU 2024/825) is based on specific milestones and binding supplier agreements. The necessary financial resources are identified as part of the annual budget planning and approved by company management. Progress can be tracked in a measurable and transparent manner through clearly defined key performance indicators, regular reporting, and external audits.

Strategic Framework and Objective

Developed Objective of the Companies of Lidl Group

We are working on establishing deforestation- and conversion-free supply chains for the risk raw materials palm, soy, cocoa, coffee, natural rubber, beef, and wood/paper in Lidl own-brand products.

Our ambition: At least 95% certified raw materials palm(kernel)oil¹, coffee², cocoa, tea, wood/paper (cellulose) in our Lidl own-brand products across the product ranges coffee, roasted coffee, tea (black, green, and rooibos tea), products containing palm oil, cocoa-containing products, and products containing wood/pulp. For primary and secondary packaging made of wood/pulp, we are working towards achieving an ambitious certification target of at least 95% in the future.

Our ambition for soy as an ingredient in own-brand food products: Promotion of European soy as well as certifications in specific product ranges, such as soy drinks, sausage substitutes, and soy cream. If sourcing European soy is not possible, we aim for soy of non-European origin to be certified according to standards recognized by Lidl.

Our ambition for fish & seafood: At least 95% transparent and traceable sourcing of fish and seafood from certified sources or sources rated as accepted by WWF.

¹ The certification target for palm (kernel) oils applies to all Companies of Lidl Group except those in the USA.

² The companies Lidl in Germany, Austria, Switzerland, Denmark, Finland, Great Britain, Northern Ireland/Ireland, Sweden, and the USA have already achieved the certification target for roasted coffee.

Target until 2028: Belgium, Bulgaria, Cyprus, Czech Republic, Spain, France, Greece, Croatia, Hungary, Italy, Lithuania, Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, and Latvia.

Target until 2030: Serbia as well as Bosnia and Herzegovina.

Target until 2035: North Macedonia.

Operational Targets and Measures

To achieve the developed objective of the Companies of Lidl Group, we have defined the following sub-targets and measures.

Certification target for soy:

- Soy as an ingredient in own-brand products: Soy as an ingredient should originate from Europe. Since the end of 2024, we have set an additional certification target for products containing soy in specific product groups. In these product groups, in addition to European origin, soy must be certified according to one of the following standards: Round Table on Responsible Soy (RTRS), Donau Soja, Europe Soy, ProTerra, ISCC+, or Organic (Demeter, Naturland, Bioland, EU Organic seal). This target will be measured for the first time for the calendar year 2026. In the event of deviations from the target, the responsible international and national purchasing departments will be involved, and a strategy for future target achievement will be developed in dialogue with suppliers.
- From the end of 2026, the following also applies: If soy as an ingredient for a product cannot be sourced from a European country (due to quality or availability), we aim for the soy to always be certified according to one of the following standards: RTRS, Donau Soja, Europe Soy, ProTerra, ISCC+, or Organic (Demeter, Naturland, Bioland, EU Organic seal). This target will be measured for the first time for the calendar year 2027.
- Soy as animal feed: Proof of freedom from deforestation via monitoring and verification systems (M&V systems) from ZDC, ProTerra MRV, or the guidance of the Accountability Framework initiative (AFi guidance).
- Additionally, support of certification systems: Donau Soja Protein Partnership and RTRS Credits for conversion-free soy (e.g., from the Cerrado region).

Certification target for black, green, and rooibos tea: At least 95% (external target) or 100% (internal target) certification with recognized seals such as Rainforest Alliance, Fairtrade, or Organic (Demeter, Naturland, Bioland, EU Organic seal).

Certification target for wood/paper in the product: Cellulose, wood, or paper in the product must either consist of recycled material or, in the case of fresh fiber, be at least 95% (external target) or 100% (internal target) FSC-certified (preferred) or PEFC-certified.

Certification target for wood/paper in packaging: For cellulose, wood, or paper in packaging (primary and secondary packaging), we are working to ensure that these consist of recycled material or, in the case of virgin fiber, are at least 95% (external target) or 100% (internal target) certified according to FSC (preferred) or PEFC.

Certification target for cocoa-containing own-brand products (all product groups): At least 95% (external target) or 100% (internal target) certified according to Rainforest Alliance, Fairtrade, or Organic (Demeter, Naturland, Bioland, EU Organic seal). Chocolate bars are certified exclusively according to Fairtrade.

Certification target for coffee in pads, capsules, instant coffee products: At least 95% (external target) or 100% (internal target) of own-brand coffee originates from certified cultivation (Rainforest Alliance, Fairtrade, or Organic (Demeter, Naturland, Bioland, EU Organic seal)).

Certification target for roasted coffee:

- At least 95% (external target) or 100% (internal target) of own-brand roasted coffee (ground or whole bean) originates from certified cultivation (Rainforest Alliance, Fairtrade, or Organic (Demeter, Naturland, Bioland, EU Organic seal)).
- The companies Lidl in Germany, Austria, Switzerland, Denmark, Finland, Great Britain, Northern Ireland/Ireland, Sweden, and the USA have already achieved this target.
- Target until 2028: Belgium, Bulgaria, Cyprus, Czech Republic, Spain, France, Greece, Croatia, Hungary, Italy, Lithuania, Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, and Latvia.
- Target until 2030: Serbia as well as Bosnia and Herzegovina.
- Target until 2035: North Macedonia.

Certification target for all own-brand products with palm oil components (all product groups): At least 95% (external target) or 100% (internal target) RSPO SG for palm (kernel) oils, at least RSPO MB for derivatives and fractions.

Certification targets for fish & seafood:

- Wild catch (excluding tuna) in the permanent product range is at least 95% (external target) or 100% (internal target) MSC-certified, provided product availability is given and certification exists.
- At least 80% of the promotional range of wild catch products (total number) are MSC-certified, provided product availability is given and certification exists.
- Fish and shellfish from aquaculture in the permanent product range must be at least 95% (external target) or 100% (internal target) certified according to ASC (preferred), Organic (preferred), GLOBALG.A.P., or BAP, provided product availability is given and certification exists.
- Fish and shellfish from aquaculture in the promotional range must be ASC- (preferred), Organic- (preferred), GLOBALG.A.P.-, or BAP-certified, provided product availability is given and certification exists. At least 80% of products (total number) in this range must be certified.
- Fish and shellfish from wild catch and aquaculture in frozen and ready-to-eat meals in the permanent as well as preferably promotional range must be at least 95% (external target) or 100% (internal target) certified according to MSC, ASC (preferred), Organic (preferred), GLOBALG.A.P., or BAP, provided product availability and certification are given.
- At least 95% (external target) or 100% (internal target) of canned tuna in the permanent product range must be MSC-certified or stem from FAD-free, pole-and-line fishing, or a Fishery Improvement Project (FIP).
- At least 95% (external target) or 100% (internal target) of cat food in the permanent and promotional range of the "fish" variety must be ASC- or MSC-certified, provided product availability is given and certification exists.

Further Measures

Traceable cocoa supply chains: Development and implementation of an action plan to transform cocoa supply chains toward higher traceability (transition from mass balance to physical separation during certification). This is based on data from the cocoa supply chain analysis, a supplier survey, and a test project in a core product group (e.g., chocolate bars).

Participation in initiatives:

- Sustainable management of cultivated areas: Memberships in Donau Soja (Board), RSPO (SRWG), Forum for Sustainable Palm Oil (FONAP), FSC, RTRS, Global Coffee Platform (GCP), Ethical Tea Partnership (ETP).
- Sustainable procurement of fish & seafood: Global Tuna Alliance, NAPA, Earthworm.

Transparency measure (ISO process): Data collection and evaluation for target achievement according to the official ISO 9001 process with annual internal or external auditing.

Raw material projects: Support of landscape projects in the areas of coffee (Vietnam) and soy (Mato Grosso) as well as support of the FONAP smallholder project in Malaysia (palm oil).

Freedom from deforestation and land conversion as well as certification requirements: All existing and new suppliers are obliged to adopt a policy by the end of financial year 2027. This ensures that their operations are free from deforestation, land conversion, and exploitation. This will be anchored in the product specifications (Food/Nearfood/Non-Food) as a binding contractual component for own-brand suppliers. Minimum requirements apply for certification targets with cutoff dates starting from 2020 (for Rainforest Alliance, Fairtrade, ProTerra, and RTRS partly significantly earlier).

Increasing the signing rate of Sustainable Purchasing Policy (SPP) Food and Near Food: By the end of FY 2027, the signing rate of SPP Food/Near-Food will be increased from the current 79.03% to at least 98.00% by fully integrating the SPP into the framework contract Food/Near-Food by the end of FY 2026 at the latest.

WWF Partnership: As part of a strategic partnership, the Companies of Lidl Group work together with WWF Switzerland. The focus is, among other things, on deforestation- and conversion-free supply chains as well as the sustainable procurement of soy, palm oil, wood, pulp, paper, cocoa, coffee, tea, as well as fish and seafood.

Exclusion of species and protected origins:

- Categorical species exclusion: Sharks, rays/skates/sawfish, sea turtles, marine mammals, and wild-caught sturgeons.
- Protection of endangered species (IUCN): Strict exclusion of all species classified on the IUCN Red List as "Critically Endangered" or "Endangered".
- IUU fishing: Products from illegal, unreported, and unregulated fishing (IUU).

Data Collection and Reporting Process

At the core of data collection is a combination of structured supplier queries and system-based data recording. This approach provides the quantitative foundation and core metrics for measuring progress, as well as qualitative data to improve understanding of challenges within supply chains.

Data Sources

A combination of supplier queries and system data is used as data sources. A supplier query is a survey for the raw materials cocoa, soy and palm(kernel)oil, supported by an external service provider (3Keel). In this query, core volumes as well as corresponding certification rates are surveyed. Additional data points for example regarding traceability (trade models), countries of origin, and supply chain structures (importers of raw materials, etc.) are also collected.

Calculation Method

Target achievement for respective raw materials is determined based on the certified volume share. The data basis is formed by all suppliers with recorded goods receipts and feedback were recorded during the year under review.

Calculation example using the raw material coffee:

$$\text{Target achievement in \%} = \frac{\text{Quantity of certified coffee [in kg/t]}}{\text{Total quantity of coffee [in kg/t]}} \times 100$$

External Standard (min. 95%): For external communication and auditing, a tolerance value is applied where achieving at least 95% is evaluated as fulfilling the raw material target (“at least 95% certified raw materials”).

Reporting

For continuous monitoring of target achievement, the processed data is provided in our internal dashboard. It is available there for ongoing monitoring at both international and national levels. In addition, an annual meeting takes place in which the current state of target achievement is jointly analyzed and discussed. Subsequently, corresponding measures to achieve targets are derived and implemented.

Verification and Auditing

The measurement methodology and underlying data are explicitly designed to serve as a reliable basis for external audits and to ensure reporting in compliance with EmpCo.

Qualitative Data

In addition to target achievement rates, strategic questions regarding challenges in raw material procurement and qualitative data such as countries of origin and levels of traceability of raw materials are queried in order to gain a comprehensive overview of the supply chain structure and derive targeted measures to increase transparency and sustainability.

Resources and Control Mechanism

Strategic Integration

The raw material targets form a central pillar of the focus area "Respecting Biodiversity" within the jointly established CSR strategy of the Companies of Lidl Group.

Supplier & Partner Management

Supplier Commitment:: Certification requirements and additional requirements regarding deforestation- and conversion-free supply chains are contractually anchored in the Sustainable Purchasing Policy - SPP for all own-brand suppliers for Food, Nearfood / Non Food.

Exclusion criteria: Compliance with the purchasing guidelines for fish and seafood (exclusion of protected species and illegal, unreported, and unregulated fishing).

Organization & Project Management

Operational implementation is carried out as assigned within the Purchasing division of Lidl Stiftung & Co. KG by the Programs & Standards team in close coordination with international and national category buyers. Progress is measured annually at the end of the financial year and selected KPIs are externally verified. Should deviations from our specifications be determined during target achievement measurement, clarification is handled via the Programs & Standards team and responsible business partners from the respective company of Companies of Lidl Group together with the respective buyer. A solution strategy is then developed together with suppliers to rectify the deviation and resume sourcing exclusively certified raw materials in the future.

Resource Requirements, Budgeting & Prioritization

Dedicated personnel capacities are available in the Purchasing division of Lidl Stiftung & Co. KG for risk analyses and origin projects.

Necessary financial resources (e.g., licensing and certification costs) are identified during annual budget planning and approved by company management.

Required Technologies & Further Developments

Monitoring systems & data infrastructure: Expansion of specification and purchasing databases for automated querying and validation of certificate numbers (Fairtrade, Rainforest Alliance, RSPO, FSC/PEFC).

System integration & control: Linking CSR raw material databases with central merchandise management and purchasing portals of the respective Companies of Lidl Group.

Assurance Report

The assurance engagement performed by EY relates exclusively to the German version of the “Implementation Plan for the Raw Material Targets” of Lidl Stiftung & Co. KG. The following text is a translation of the original German independent assurance report.

Assurance report of the independent German public auditor on a limited assurance engagement in relation to the implementation plan pursuant to Sec. 5 (3) No. 4 UWG of Lidl Stiftung & Co. KG

To Lidl Stiftung & Co. KG

Assurance conclusion

We have conducted a limited assurance engagement on the “Implementation Plan for the Raw Material Targets” dated 28th of September 2026 for the achievement of future environmental performance in the context of an environmental claim related to the future environmental performance of Lidl Stiftung & Co. KG, Neckarsulm, (“Company”), prepared to meet the requirements of Sec. 5 (3) No. 4 UWG [“Gesetz gegen den unlauteren Wettbewerb”: German Act Against Unfair Competition] (“implementation plan”).

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying implementation plan of the Company is not prepared, in all material respects, in accordance with the requirements of Sec. 5 (3) No. 4 UWG concerning the characteristics and contents of an implementation plan and the supplementary criteria presented on page 3, paragraph 2 of the implementation plan.

Basis for the assurance conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section “German public auditor’s responsibilities for the assurance engagement on the implementation plan.”

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (07.2026)).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the executive directors for the implementation plan

The executive directors are responsible for the preparation of the implementation plan in accordance with the requirements of Sec. 5 (3) No. 4 UWG and the supplementary criteria determined and presented by them and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of an implementation plan in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., manipulation of the implementation plan) or error.

This responsibility of the executive directors includes selecting and applying appropriate methods for preparing the implementation plan, as well as making assumptions and estimates and ascertaining forward-looking information for individual disclosures in the implementation plan.

Inherent limitations in preparing the implementation plan

Sec. 5 (3) No. 4 UWG contains wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in the implementation plan. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the matters presented in the implementation plan based on these interpretations is uncertain. [In particular, the quantitative information specified in section “Strategic Framework and Objectives“ of the implementation plan is subject to the inherent uncertainties in measurement and evaluation described in that section. These inherent uncertainties in interpretation, and in the measurement and evaluation of these matters also apply to our assurance engagement.

We also note that actual events are likely to differ from the future events anticipated in the “Implementation Plan for the Raw Material Targets” as anticipated future events often do not occur as planned and such differences may be material.

German public auditor’s responsibilities for the assurance engagement on the implementation plan

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the implementation plan has not been prepared, in all material respects, in accordance with the requirements of Sec. 5 (3) No. 4 UWG and the supplementary criteria determined and presented by the executive directors of the Company, and to issue an auditor’s report that includes our assurance conclusion on the implementation plan.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism throughout the assurance engagement. We also:

- Consider the process used to prepare the implementation plan.
- Identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the Company’s control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the Company’s control, as both the Company’s executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- Consider the forward-looking information, including the appropriateness of the underlying assumptions.

Summary of the procedures performed by the German public auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the matters presented in the implementation plan. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, among other things, we:

- *obtained an understanding of the organisation's structure, responsibilities, and the processes for the development, implementation and monitoring of the implementation plan.*
- *inquired of the executive directors and relevant employees involved in the development, implementation and monitoring of the implementation plan regarding the underlying processes, internal controls and environmental claims.*
- *inspected relevant documentation, supporting evidence and other records relating to the targets, measures, milestones and implementation activities underlying the environmental claims.*
- *evaluated the overall suitability of the criteria established by the executive directors for the subject matter.*
- *performed analytical procedures in relation to selected assumptions, targets, actions and timelines included in the implementation plan.*
- *conducted inquiries, performed selective testing on a sample basis and obtained supporting evidence regarding selected disclosures and information underlying the implementation plan.*
- *evaluated whether the implementation plan includes appropriate actions, responsibilities, milestones and timelines to support the communicated environmental claims.*
- *evaluated the reasonableness of significant assumptions and planning premises, as well as the internal consistency of the implementation plan, including the alignment of objectives, actions and timelines.*
- *evaluated the reasonableness of the estimated values provided by the executive directors and the related explanations.*
- *evaluated whether appropriate mechanisms have been established for monitoring implementation and measuring progress.*
- *evaluated the consistency of the information presented in the implementation plan with other relevant information made available to us.*
- *considered the presentation of the information in the implementation plan.*

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungs-gesellschaften [German Public Auditors and Public Audit Firms]” dated 1 July 2026, which are attached to this report, are applicable to this engagement and also govern our relations with third parties in the context of this engagement ([ey-germany-idw-aab-en-2026.pdf](#)).

In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the assurance report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Stuttgart, 28 September 2026

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Hinderer
Wirtschaftsprüfer
[German Public Auditor]

Rodriguez
Wirtschaftsprüferin
[German Public Auditor]