

SUSTAINABILITY REPORT

2019 AND 2020

Reporting our progress towards
A Better Tomorrow



A WELCOME FROM OUR CEO

 **2 million** customers every week



At Lidl we are committed to providing high quality products at market leading value through local sourcing, efficiency and a lean business model. Now over 20 years on the island, Lidl is one of the largest grocery retailers across the country serving more shoppers in communities the length and breadth of the country. We believe it is our responsibility to offer the best service for our customers, suppliers, communities and to protect the environment, building a successful, sustainable future, not just for Lidl, but for all those we serve and impact.

Since first entering the market in 1999 in Northern Ireland and 2000 in Ireland, Lidl has established itself as a significant component within the retail industry with a strong network of more than 6,000 employees across more than 209 stores and four Regional Distribution Centres on the island. Our **'A Better Tomorrow'** sustainability strategy is embedded across our business, harnessing our mission and ensuring future value creation in all we do. 'A Better Tomorrow' in Lidl means acting responsibly, leading by example, striving for positive environmental stewardship and community impact; whilst supporting and engaging with all our valued stakeholders. In our last report, we shared our progress across our four core pillars of 'A Better Tomorrow':



Year on year, our impact and progress across each pillar grows. Through our Lidl Responsibility Model we build our pillars, monitor our impact and drive our responsible progress across our entire value chain in line with our 2020 commitments and future goals. As a leading food retailer, we recognise the demand we place on agricultural resources and the environment through our operations, as well the influence we have on our suppliers' practices.

Looking back...

We were proud to hit a major milestone of 20 years in Ireland in 2020 and Northern Ireland in 2019. With 209 stores and more than 2 million customers passing through our doors every week, our commitment to delivering high quality products at market-leading prices has helped to drive our remarkable growth. We're proud of the strong, longstanding relationships we have established with local suppliers and colleagues in this time, and the positive impact we've made in the communities in which we operate. In the last two years alone, we have been named **Most Reputable Supermarket** (IrelandRepTrak study 2020), been awarded **CORE – The Standard for Responsible Business** in Northern Ireland, **invested over €1million in the largest rooftop solar array in Ireland, planted over 82,000 trees as part of the Native Woodland Project**, increased our food waste reduction programme with **Waste Not** and launched the hugely successful **Lidl Plus**, our app-based rewards programme that gives customers incredible savings every time they shop.



In March 2020, the role of our local supermarket evolved overnight and became a frontline essential service. Our top priorities were ensuring the safety of our colleagues and customers while continuing to serve our communities with food and other essential

supplies. To further protect those most vulnerable in our communities we also implemented remote payment solutions, priority hours for the elderly, priority queuing, additional assistance for vulnerable shoppers and an emergency Food Donation Appeal. Thanks to the resourcefulness and hard work of our colleagues, our shelves were stocked, our doors remained open and our communities were prioritised. In recognition of our frontline employees working tirelessly to ensure communities across the island were supported, we were awarded **Best COVID-19 Response by a Retailer** at the Irish Quality Food Awards. We will continue to innovate and implement solutions as things evolve further.

Our responsibility going forward...

In recent times, we have all experienced unprecedented change. Global and national resilience and collaboration became fundamental to ensuring food safety and supply. However, there has also been a notable increase in awareness and understanding for sustainability, from sustainable living to responsible business practises and the importance of supporting local. I am hopeful this global transition will continue to drive ambitious results towards protecting our planet and securing a bright, sustainable future for upcoming generations. At Lidl, we will continue to contribute to this global ambition through our 'A Better Tomorrow' strategy. One key area of focus for us in the short term will be building our



climate strategy to the highest standard and we look forward to sharing our progress in this report. We take our role in society seriously and continuously strive to go above and beyond to offer the best for our customers, communities and the environment, working hard and smart to bring about real change, where it matters most, through innovation, investment and active leadership. That is why it is vital for us to be transparent and to report measurable and comparable impact. On behalf of the whole team here at Lidl, I am delighted to present our latest sustainability progress report.

John Paul Scally, Chief Executive Officer at Lidl Ireland and Northern Ireland



¹ GRI 102-14, ² GRI 102-15

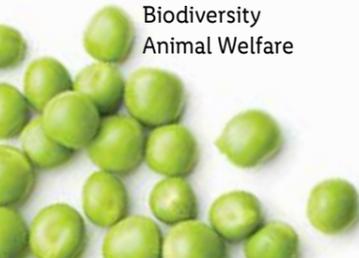
WHAT'S INSIDE



Our strategic goals, activities and projects.

This Sustainability Report for Lidl Ireland GmbH and Lidl Northern Ireland Limited¹ covers the financial year 2019 and 2020 (1st March 2019 to 28th February 2021).^{2,3} This report has been prepared in accordance with the GRI Standards: Core option⁴. This is the second GRI report (first report published September 2019)⁵ for Lidl Ireland and Lidl Northern Ireland and will be reported biennially. The report summarises our strategic goals, activities and projects which have significant economic, social and environmental impact and which have been identified as relevant by our stakeholders. We produced this report to be transparent and to show how we are proactively contributing to sustainable development. The compliance of this report with the GRI Standards has been verified for selected disclosures by an external auditor – EY.

LIDL OVERVIEW	page 05	OUR SUPPLY CHAIN	page 33	CUSTOMER	page 61
Profile	page 06	Circular Economy	page 34	High Quality Products and Product Safety	page 62
Our Produce	page 08	Human Rights & Due Diligence	page 37	Ingredients and Nutritional Information	page 64
Our People	page 10	Supplier and Market Development	page 42	Corporate Citizenship	page 66
Our Planet	page 12	OUR OPERATIONS	page 43	Responsible Communication	page 70
Our Progress	page 13	Climate Strategy	page 44	REPORT OVERVIEW	page 72
SUSTAINABILITY OVERVIEW	page 19	Energy	page 47	ASSURANCE STATEMENT	page 72
Sustainability Management	page 20	Transport	page 48	GRI CONTENT INDEX	page 73
Materiality	page 24	Waste and Food Waste	page 49		
Stakeholders	page 26	Planning & Construction	page 51		
MANAGING RESOURCES	page 27	Employee Responsibility	page 54		
Protection of Ecosystems	page 28	Occupation Health & Safety	page 55		
Raw Materials	page 28	Labour Rights	page 56		
Biodiversity	page 29	Internal Enabling	page 58		
Animal Welfare	page 31	Life Balance	page 60		



¹ General Disclosure 102-1, ² General Disclosure 102-50, ³ General Disclosure 102-52, ⁴ General Disclosure 102-54, ⁵ General Disclosure 102-51

[▲] This symbol will feature beside all audited indicators.

RESOURCES

Protection of Ecosystems Animal Welfare Standards

SUPPLY CHAIN

Environmental Protection: Supply Chain Employment Related Human Rights Supplier & Market Development

OPERATIONS

Corporate Environmental Management Employee Responsibility

CUSTOMER

Responsible Products Transparency at Point of Sale Social Value Creation Responsible Communication

OVERVIEW

We believe it is our responsibility, through innovation, investment and active leadership, to build a successful, sustainable future, not just for our business, but for the communities we serve, live and operate in.



To learn more or share your feedback please contact CSR@lidl.ie or visit our dedicated websites: www.lidl.ie/csr or www.lidl-ni.co.uk/csr

RESOURCES

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OVERVIEW PROFILE

Top quality products at the lowest possible prices.¹

Now more than 20 years on the island, we have established ourselves as a significant player within the retail industry with a strong network of more than 6,000 employees, 209 stores and 4 distribution centres across the island of Ireland.⁴

Lidl	Entry to Market	Head Office	Regional Distribution Centres	Stores	Employees
Ireland ⁵	2000	1**	3***	168	5,119
Northern Ireland ⁵	1999		1	41	1,133

^{*} End of financial year 2020 ^{**} Main Road, Tallaght, Dublin 24, Ireland⁶

Our business model differentiates us from competitors as our philosophy is centred on outstanding operational efficiency, focusses on simplicity and prioritises strategic partnering at every stage of the business.⁷ Thanks to this model, we can generate savings that are passed directly back to our customers in the form of exceptionally low prices without any compromise on quality. Efficiency and process orientation determine the daily actions in our stores, distribution centres and Head Office.⁸



¹ GRI 102-2, ² GRI 102-4, ³ GRI 102-10, ⁴ GRI 102-6, ⁵ GRI 102-7, ⁶ GRI 102-3

OVERVIEW PROFILE

Our Vision

Our vision is to make life better by providing quality food at market leading value, ensuring customer satisfaction is at the heart of everything we do.¹

Our Mission Statement

Our mission is to deliver **outstanding customer satisfaction**.

We guarantee **quality food** through a rigorous product development and quality control process.

We ensure **market leading value** by constantly optimising our efficient processes.

We work with business partners in sustainable relationships contributing positively to **local communities**.

We achieve **long-term success** by investing in the recruitment, training and development of exceptional talent.¹

Our Values

Our values make us different, underpin how we do business and act as a guiding framework for our sustainability activity.¹



^{1,2} GRI 102-16, ³ GRI 102-2, ⁴ GRI 102-5, ⁵ GRI 102-45, ⁶ GRI 102-5

Lidl Stiftung & Co.KG¹

Lidl Ireland GmbH and Lidl Northern Ireland Limited are part of Lidl Stiftung & Co. KG, headquartered in Neckarsulm, Germany.⁵ This trading company sets out the operational model and framework for all Lidl countries. Acting as a system provider, it manages the co-ordination and process standardisation of the Lidl business model. Lidl Stiftung & Co. KG is currently operating in 32 countries with over 11,550 retail stores, and more than 200 distribution centres and has approximately 341,000 people working for them.⁶ Lidl Stiftung & Co. KG part of the international retail group, the Schwarz Group.

Schwarz Group

The Schwarz Group is one of the largest international retail groups in the world. It is comprised of two retailers (Lidl and Kaufland), alongside Schwarz Production, PreZero and the central services. The Schwarz Group employs over 500,000 employees worldwide and operates more than 12,900 stores and specialist stores in 33 countries. Today, the Schwarz Group covers a large portion of the food retail value chain, ranging from production to recycling. Schwarz Production produces the brands for the drinks, bakery, chocolate, dried fruits and ice cream categories, with intentions to expand into coffee roastery. Additionally, the Schwarz Group has been committed to collecting, sorting, and recycling recyclable materials for many years. The group-wide disposal and recycling service provider for this is PreZero.



For a full overview on our policies and Code of Conduct visit lidl.ie or lidl-ni.co.uk²

OVERVIEW OUR PRODUCE



With over 2 million customers passing through Lidl stores each week, we have established longstanding relationships with our local suppliers and have become a valued part of the communities we source from. We take pride in working with the best local suppliers to bring quality Irish and Northern Irish produce to our stores while creating rural employment and export opportunities.

Many of these suppliers have been working with us since we first opened our doors back in 1999 and have grown with us during this time. Supplier innovation is central to us being able to offer customers new and exciting products, as well as progressing our sustainability goals. We have a long history of working with and supporting innovative suppliers across the island of Ireland.



 We are currently the **No. 1 retailer for fruit sales per volume in Ireland²**

Over **€1 billion** worth of Irish produce sourced across the island of Ireland in FY20³

¹,²,³ GRI 102-7

OVERVIEW OUR PRODUCE

KICKSTART PROUD TO BE LOCAL

We have invested over **€6 million** since 2017 promoting local businesses through our 'Kickstart' initiative - Lidl's supplier development programme. Developed in conjunction with Bord Bia the goal of this programme is to support small and medium-sized Irish food, drink and near-food businesses to grow their brand, build their supply network and to see their products on the shelves of the largest retailer in Europe. More than 60 suppliers are selected every year from across the country to participate in the programme. Their products are sold in a limited edition 'Kickstart' food promotion across Ireland and Northern Ireland with the aim of those products becoming permanently listed in our assortment.

While we have a strong presence in Ireland, we are also part of a global retail network, which means we have the capacity to promote Irish produce on the global stage. We have supported several local suppliers in having their produce on the shelves across Lidl's 11,200 stores in Europe and the USA. As a result, Lidl has successfully facilitated partnerships between their Irish suppliers and their colleagues in other Lidl countries to the value of €500 million annually for several years.

€500 million
worth of produce from the island of Ireland exported to other Lidl countries since 2019

Of our permanently listed products
85% | **15%**
own brand | branded¹

Over **40%** of our everyday assortment is from local suppliers (by Volume)

Over **100** own-brand organic products in our everyday range 

 Over **60** own-brand Fairtrade products in our everyday range

¹ GRI 102-2, ¹ GRI 204-1

Rye River Brewing Company County Kildare



Our partnership with Lidl Ireland began in 2014, and as our business has grown, so too has our relationship with both Lidl Ireland and Lidl Stiftung & Co. KG. Crafty Brewing Co. is an integral brand within our business and its strong growth in international markets in recent years has proven very important, none more so than throughout this pandemic. Our Lidl export business has acted as a stabilising factor amid many other business uncertainties.

Peter Maguire, Sales Director, Rye River Brewing Company



OVERVIEW OUR PEOPLE

At Lidl, we are a large and ambitious team. Together we look after our customers, drive our operations, support our communities and champion our products. Without the commitment, motivation and collaboration of our colleagues we would not be where we are today.



We invest in our people, because our people are central to our success. Our #WeAreLidl people strategy focuses on developing sustainable relationships by engaging leaders, prioritising employee wellbeing and implementing consistent and transparent two-way communication, while positively contributing to business objectives. **#WeAreLidl - We Make it Happen**

We were recently recognised by the Top Employers Institute as a Top Employer for 2021.



Supporting our workforce with 69 different courses available in 2019. **Increased this to 96 in 2020!**

- We employ thousands of colleagues each year across our wide network of stores and warehouses.
- At Lidl, our colleagues benefit from the most competitive salaries when compared to the rest of the Irish wholesale and retail sector*, in addition to market leading employment benefits.
- We employ a relatively large number of people from the younger age cohorts. Almost 80% of Lidl employees are aged under 40. Younger people stand to be disproportionately impacted by the 2020 pandemic*, inevitably facing disruptions to their education and weakened employment prospects. We intend to continue to create employment opportunities and to support this cohort.
- We also offer a range of shift-orientated employment contracts to support those in education, those balancing work with family commitments, and those trying to re-enter the labour market. Part-time working is often invaluable to those who require flexible working patterns. We are committed to offering 30-hour contracts as a minimum to all our colleagues.

- We were the first major country wide retailer to commit to paying the Living Wage in 2015. We consistently surpass statutory minimum wage requirements and continue to commit to reviewing and incorporating Living Wage recommendations year on year.**
- One of Lidl's declared goals is to achieve long-term success by investing in the recruitment, training, and development of its employees. We invest annually in a range of training programs across the business reaching all roles, opportunities and functions.

*Economic Report Oxford Economics 2019 ** Living Wage recommendations met year on year in both Ireland and Northern Ireland. With most recent Ireland Living Wage available from entry and UK Living Wage requirements being introduced after 1-year service in Northern Ireland.



*GRI 102-8



Permanent
Part of head count, with no predefined end date of employment.

Fixed Term
Part of head count, with a predefined end date of employment.

Full Time
Employees with a minimum of 39hrs stated in their contract. All full time contracts adhere to the Organisation of Working Time Act, 1997 for Ireland and The Working Time Regulations (Northern Ireland) 2016.

Part-Time
Employees with less than 39hr contracts. All part-time contracts adhere to the Organisation of Working Time Act, 1997 for Ireland and The Working Time Regulations (Northern Ireland) 2016. Lidl does not and never has utilised any zero-hour contracts. Since 2019 all customer assistants offered a minimum of 30hr contracts.

OVERVIEW OUR PLANET

Our planetary boundaries are being pushed to the limit and as a business we are committed to ensuring sustainable protective measures are embedded throughout our operations and value chain to mitigate this impact.

In 2020, we recalculated our carbon footprint for our full value chain, scope 1, 2 & 3. We have been working with the Carbon Trust to assess this information and set a climate strategy based on science based targets. In tandem, our parent company the Schwarz Group have signed up to the Science Based Targets Initiative.

For Lidl Ireland and Northern Ireland, we are proud to communicate that we have committed to reduce in line with a 1.5 degree reduction pathway/scenario and aligned to the Science Based Targets principles.

46% reduction
in our scope 1 & 2 emissions by 2030

We will become **Carbon Neutral** by 2025 (in our own operations) **compensating remaining emissions**

We will work with **70% of our suppliers** (by volume) to set **Science Based Targets by 2026**

We are also signed up to the Business in the Community Ireland (BITCI) Low Carbon Pledge commitment and the retail sponsor for the Business in the Community Northern Ireland (BITCNI) Business Action on Climate – Carbon Pledge. Pledging to reduce our emissions and promote our carbon reduction targets.

To date, by working with our suppliers we have implemented responsible sourcing targets and policies, supporting sustainable raw material production and cultivation. We have developed dedicated policies for

responsible sourced palm oil, cocoa, tea, coffee, eggs, fish, plants, flowers, timber and wood-based products, including working closely with Bord Bia Origin Green members. We work in partnership with our suppliers to ensure efficiencies are introduced and maintained throughout product production and transport, avoiding excess where possible.

In our own operations, we committed to sourcing only renewable electricity for all operations in 2018, including the introduction of solar panels across our stores and warehouses.

We now have 16 stores with solar PV panels and the largest rooftop array of solar PV in the country on our Newbridge RDC.

While we have made significant progress we know there is still so much more to be done. One key area of focus for us over the next few years will be building our climate strategy to the highest standard, embedding it through every aspect of the business. Since our last report we have conducted detailed climate awareness training across the entire business, set leading ambitious targets aligned to science and extensively expanded our sustainability project portfolio.

We believe we can achieve long term sustainable development and progress, through continued leadership, collaboration and stakeholder feedback.

Climate change is one of the biggest challenges facing our society. At Lidl, protecting the environment is a core pillar of our 'A Better Tomorrow' sustainability strategy and vision.



OVERVIEW OUR PROGRESS RESOURCES¹

Area	Category	Target	Target Year	Target Status
Animal Welfare	Animal Welfare	100% own-brand cosmetic, hygiene and cleaning products not tested on animals		Achieved & Maintained ●
	Animal Welfare	Committed to not use real fur in our own-brand textiles, accessories and shoes		Achieved & Maintained ●
Raw Material	Bananas	100% own-brand bananas certified to Fairtrade, Rainforest Alliance or/and Organic	2017	Achieved ●
	Cocoa	100% own-brand cocoa certified to Fairtrade, Rainforest Alliance, UTZ and/or Organic	2017	Achieved ●
	Coffee	100% own-brand coffee (beans, roast and ground) to be certified to Fairtrade, Rainforest Alliance, UTZ and/or Organic	2020	Achieved ●
	Eggs	100% own-brand whole eggs from cage-free hens	2025	On Track ●
	Eggs Ingredient	100% own-brand egg ingredients in own-brand products from cage-free hens	2025	On Track ●
	Fish	100% wild caught own-brand permanently listed fish to be MSC certified or from a recognised Irish FIP	2019	Achieved ●
	Fish	100% farmed own-brand permanently listed fish to be certified to ASC, GLOBAL.G.A.P Aquaculture or Organic	2019	Achieved ●
	Fruit and Veg	100% own-brand products to be certified to Bord Bia Quality Assurance or GLOBAL.G.A.P.	2021	On Track ●
	Palm Oil	100% food products certified to segregated RSPO & 100% own-brand cosmetic, hygiene and cleaning products certified to mass balance RSPO	2017	Achieved ●
	Plants & Flowers	100% own-brand plants & flowers to be certified to environmental standards (GLOBAL.G.A.P, Bord Bia's Ornamental Standard, BOOP) and to social standards (Fairtrade, GLOBAL.G.A.P Grasp module, MPS-SQ, SA 8000)	2020	Achieved ●
Tea	100% own-brand black, green and rooibos tea to be certified Fairtrade, Rainforest Alliance, UTZ and/or Organic	2018	Achieved ●	
Tuna	100% own-brand listed tuna products and tuna used as ingredient to be sourced using either 'pole and line', (FAD)-free or to be MSC certified	2019	Achieved ●	
Textiles	100% of own-brand textiles made with viscose to be LENZING ECOVERO	2020	Achieved ●	
Timber, Wood & Paper-Based Products	100% own-brand non-food items made of timber, wood and paper (product and packaging), to be from either recycled wood fibre sources; FSC or PEFC certified sources	2020	Achieved ●	
Timber, Wood & Paper-Based Products	100% of own-brand non-edible products made of timber, wood and paper (product and packaging), to be from either recycled wood fibre sources; FSC or PEFC certified sources	2025	On Track ●	



¹ GRI 102-48

OVERVIEW OUR PROGRESS SUPPLY CHAIN¹

Area	Category	Target	Target Year	Target Status
Local Produce	Eggs	100% own-brand eggs from Irish farms approved by the Bord Bia Sustainable Egg Assurance Scheme and Northern Irish farms approved by the British Lion Standard		Achieved ●
	Meat & Poultry	100% of our own-brand beef, lamb, pork, chicken and duck to be certified to the Bord Bia Sustainable Assurance Schemes, Northern Ireland Farm Quality Assurance Scheme or the Red Tractor Assurance Scheme		Achieved ●
	Milk & Dairy	100% own-brand fresh milk and dairy produced in Ireland and Northern Ireland to be procured from farms approved by the Bord Bia Sustainable Dairy Assurance Scheme or the Red Tractor Assurance Scheme		Achieved ●
Human Rights & Environmental Due Dilligence	HR & Environmental Due Diligence	We have committed to conducting and publishing regular risk assessments of our supply chain and publish the results from 2020	2020	Achieved ●
	HR & Environmental Due Diligence	Since January 2020 we have been committed to taking an action-orientated approach to working towards achieving living incomes and living wages within our global supply chains, thereby closing existing income and wage gaps		Achieved & Maintained ●
	HR & Environmental Due Diligence	From May 2020 we are committed to publishing the names and addresses of our tier one non-food supply chains online	2020	Achieved ●
	HR & Environmental Due Diligence	By the end of 2021 we committed to conduct and publish three Human Rights Impact Assessments (HRIAs) in high risk supply chains	2021	On Track ●
	HR & Environmental Due Diligence	By the end of 2021 we will publish a gender policy for our supply chain, through which we will develop our understanding on the root causes of issues facing women, reinforcing our commitment to the UN Women's Empowerment Principles	2021	On Track ●



¹ GRI 102-48

OVERVIEW OUR PROGRESS SUPPLY CHAIN¹

Area	Category	Target	Target Year	Target Status
Plastics and Packaging	Plastics & Packaging	Replace unrecyclable black plastic packaging in own-brand permanently listed fruit, vegetables, fresh meat, poultry and fish by recyclable alternatives	2019	Achieved ●
	Plastics & Packaging	By the end of 2021 we will no longer use unrecyclable black plastics in all our own-brand products	2021	NEW ●
	Plastics & Packaging	Substitute single-use plastic items such as drinking straws, disposable cups, glasses, plates and cutlery, from our own-brand range by non-plastic alternatives	2019	Achieved ●
	Plastics & Packaging	20% reduction in own-brand plastic packaging	2022	On Track ●
	Plastics & Packaging	100% of our own-brand packaging will be widely recyclable	2025	On Track ●
	Plastics & Packaging	50% of our own-brand packaging will be made of recycled content	2025	On Track ●
	Plastics & Packaging	Removal of plastic microbeads in own-brand cosmetics and household cleaning products	2020	Achieved ●



¹ GRI 102-48

OVERVIEW OUR PROGRESS OPERATIONS¹



Area	Category	Target	Target Year	Target Status	
Operations	Climate	SBTi · 46.2% reduction in our scope 1&2 emissions by 2030 · We will work with 70% of our suppliers (by volume) to set Science Based Targets by 2026 · We will become Carbon Neutral by 2025 (in our own operations) compensating remaining emissions	2030	NEW ●	
		Energy	Maintain ISO50001 for all operations.	Annual	Achieved & Maintained ●
		Energy	Increase the solar energy capacity by integrating 2.6MWh by 2020	2020	Achieved ●
	Energy	100 stores with solar PV by 2025	2025	NEW ●	
	Energy	Increase the number of electric car stations for our employees and customers	Annual	Achieved & Maintained ●	
	Energy	Continue to source green electricity on an annual basis	Annual	Achieved & Maintained ●	
	Energy	Continue to raise awareness of energy efficiency with employees as well as customers	Annual	Achieved & Maintained ●	
	Energy	LED lighting	Annual	Achieved ●	
	Energy	Continuously changing to refrigerants with lower Global Warming Potential (GWP) in refrigeration units used to cool products in our stores and warehouses	Annual	On Track ●	
	Transport	Further increase truck utilisation to 95% by the end of 2021		NEW ●	
	Waste	Donating one million meals by 2020 (IE)	2020	Achieved ●	
	Waste	Donating 250,000 meals by 2020 (NI)	2020	Achieved ●	
	Waste	Zero Waste to Landfill	Annual	Achieved & Maintained ●	

¹ GRI 102-48

OVERVIEW OUR PROGRESS OPERATIONS¹

Area	Category	Target	Target Year	Target Status
Operations	WeAreLidl	We plan to continue to build our training programmes and to increase our program up take (where applicable) by 5% year on year	Annual	Achieved & Maintained ●
	WeAreLidl	Continue to increase our annual Health Factor score - Health Factor is the difference in the total number of sickness hours divided by the total number of contracted hours x 100. We have achieved our internal targets year on year, increasing this ambition annually	Annual	Achieved & Maintained ●
	WeAreLidl	Delivering an annual increase on mental health awareness initiatives – we have set internal targets for this linked to Mindscore	Annual	Achieved & Maintained ●
	WeAreLidl	We aim to continue to deliver a market leading benefits offering to all our colleagues	Annual	Achieved & Maintained ●

¹ GRI 102-48



OVERVIEW OUR PROGRESS CUSTOMER

SUSTAINABILITY @ LIDL

Area	Category	Target	Target Year	Target Status
Health & Nutrition	High Quality Products & Product Safety	Sugar: Reducing added sugar by 20% by 2020, focusing primarily on foods that are popular with and consumed by children	2020	Achieved ●
	High Quality Products & Product Safety	Salt: Reducing the salt content of products in line with the UK's Food Standards Agency (FSA) 2017 salt targets by 2020	2025	Updated ●
	High Quality Products & Product Safety	To reduce the sales weighted average content of added sugar and added salt by 20% across our own branded products by 2025	2025	New ●
Community	Jigsaw	Pledging to raise €1,000,000 by 2021 for Jigsaw	2021	Achieved ●
	Jigsaw	Pledging to raise €1,250,000 by 2022 for Jigsaw	2022	NEW ●
	Jigsaw	Build awareness for youth mental health with the support of Jigsaw		Achieved & Maintained ●
	NSPCC	Pledging to raise £250,000 by 2018	2018	Achieved ●
	NSPCC	Pledging to raise £600,000 for the NSPCC by 2022	2022	NEW ●
	Sport For Good	Invest £100k per year in Northern Ireland to support youth sport	NA	NEW ●
	LGFA	Pledge to invest €6m by 2021	2021	NEW ●
LGFA	Increase All-Ireland Final attendance YOY until sell-out achieved (31,083 starting point)	NA	Achieved & Maintained ●	

We believe it is our responsibility, through innovation, investment, collaboration and active leadership, to build a successful, sustainable future, not just for our business, but for the communities we serve, live and operate in. We embrace this responsibility, working hard and smart to bring about real change in our operations and supply chains.



¹ GRI 102-48

SUSTAINABILITY @ LIDL



SUSTAINABILITY @ LIDL

We are working hard and smart to bring about real positive change.

Our Sustainability Strategy¹



At Lidl, we believe in clear structure and defining roles and responsibilities to ensure progress through added value and measurable impact. Our strategy and 4 pillars are derived from the **Lidl Responsibility Model** which encapsulate our areas of greatest impact and influence across our entire value chain. Since our last report, we have further developed our 4 core pillars, utilising the Lidl Responsibility Model, increasing our transparency and our targets while furthering our ambitions to continue to deliver real impact, where it matters most.

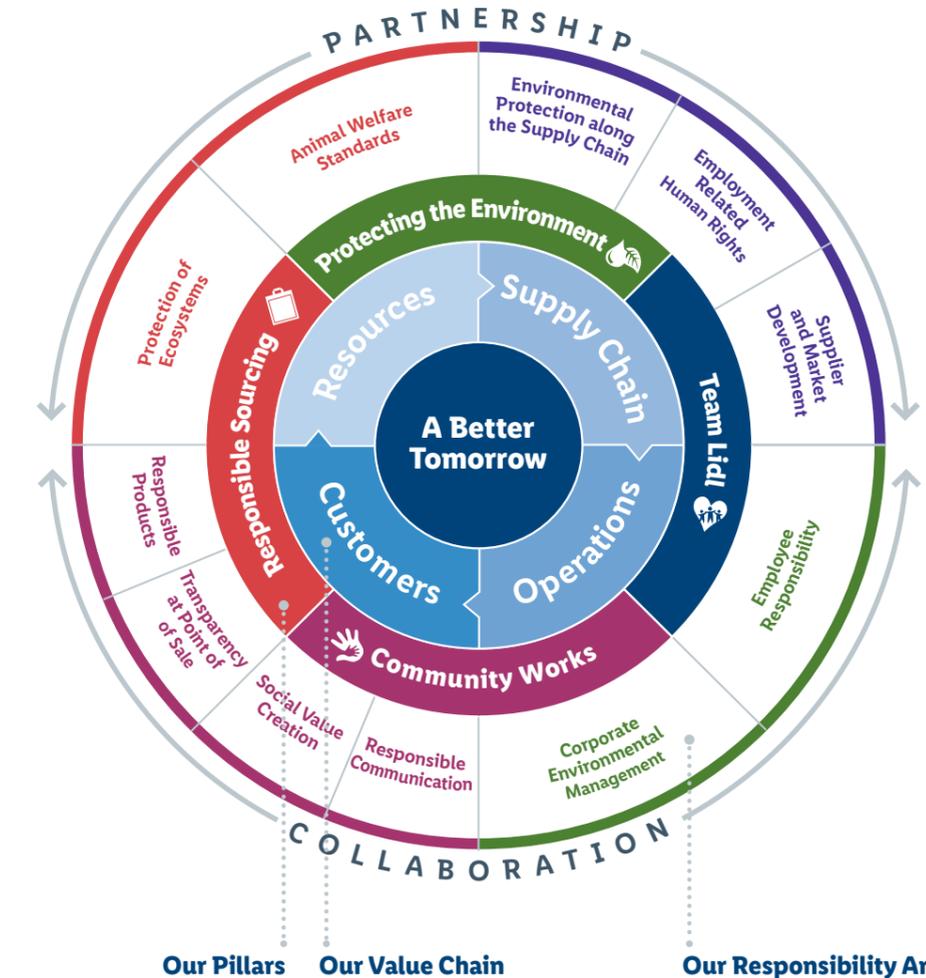
Sustainability along the Entire Value Chain

Lidl's CSR Management focuses on both the direct and indirect effects of our trade along the entire value chain. The Lidl Responsibility Model forms the content basis for the sustainability strategy, the sustainability management and the sustainability reporting for our company. It provides a uniform frame of reference for our sustainability activities as well as potentially relevant CSR topics. It offers us the possibility to evaluate the positive and negative effects of Lidl in regard to sustainable development and to take country-specific features into account. It also enables us to be transparent on our impact along the value chain.



'A Better Tomorrow' is our comprehensive target-led sustainability strategy which sets out clear and ambitious sustainability targets across our four key pillars; Responsible Sourcing, Protecting the Environment, Team Lidl, and Lidl Community Works. This strategy crystallises our commitment to providing a safe and nurturing environment for colleagues, to contribute positively to our communities and to be exemplary environmental stewards.

Owen Keogh, Head of Corporate Social Responsibility



Lidl Responsibility Model

During this report we will take you through our full strategy following our Lidl Responsibility Model, reporting on the areas that are most material to our business, emphasising our commitments to the global Sustainable Development Goals (SDGs) and detailing the core projects from each of our strategy pillars.

RESOURCES

We embrace our responsibility at the very beginning of our value chain, striving to make an active contribution to our ingredient extraction, product production and improving the conditions of farm animal welfare. Together with our suppliers and partners, we are committed to preserving natural habitats and biodiversity.

SUPPLY CHAIN

We strive to protect our supply chains and make sure to consider the ecological and social impacts of our product processing, production and transport processes. We want to ensure that environmental and social standards are supported at each tier in our supply chain.

OPERATIONS

We review our operational processes from warehouse to store which contribute to potential climate implications such as resource use and waste management. We are also committed to the well-being and health of our colleagues across the business, working to ensure we create a good working environment and promote family and work balance.

CUSTOMER

We are a large retailer, serving millions of customers each week. We want to make it possible for our customers to have healthy food choices, sustainably sourced products, and to keep our customers informed through regular communications in store, on pack or online. We also create added social value by supporting many organisations and building partnerships that support and promote social local needs and causes.



GRI 102-18, GRI 102-19, GRI 102-20

SUSTAINABILITY @ LIDL

The United Nations Global Compact

Upholding labour and environmental standards in global supply chains remains a worldwide challenge in trade and retail. Lidl is committed to its corporate duty of care and to continually improving social and environmental standards throughout its value chain. In March 2020, Lidl Ireland and Northern Ireland, as part of the Schwarz Group joined the **United Nations Global Compact** (UNGC).

In doing so, we committed to upholding the ten universal principles of the UNGC in the areas of human rights, social standards, environment and anti-corruption. They provide a global framework for the comprehensive commitment to sustainability that we have developed over many years.

As part of the Schwarz Group, we work to make a significant contribution and have already implemented a wide range of measures to support the ten principles for a sustainable global economy. This report details the measures implemented in the current reporting period.

THE GLOBAL GOALS For Sustainable Development



The **United Nations Sustainable Development Goals** provide the global community with a common set of targets to tackle major world issues such as poverty, inequality, injustice and climate change by 2030. We have embedded these goals into our sustainability strategy to ensure that it supports the global goals and is aligned with global ambitions.

The Ten Principles of the UN Global Compact

Human Rights

- Principle 1** Businesses should support & respect the protection of internationally proclaimed human rights; and
- Principle 2** make sure that they are not complicit in human rights abuses.

Labour

- Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4** the elimination of all forms of forced and compulsory labour;
- Principle 5** the effective abolition of child labour; and
- Principle 6** the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7** Businesses should support a precautionary approach to environmental challenges;
- Principle 8** undertake initiatives to promote greater environmental responsibility; and
- Principle 9** encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery.

SUSTAINABILITY @ LIDL

Origin Green

Origin Green is Ireland's leading food and drink sustainability programme, operating on a national scale, uniting government, the private sector and the full supply chain from farmers to food producers and right through to the foodservice and retail sectors. The programme is the world's only national food and drink sustainability programme, and enables the industry to set and achieve measurable sustainability targets that respect the environment and serve local communities more effectively.

Origin Green collaborates with over 53,000 farms and 320 leading Irish food and drink companies to prove and improve the sustainability of the food they produce to meet the evolving needs of global customers and consumers. Verified Origin Green members account for 90% of Irish food and drink exports and over 70% of the Irish retail market.

We are proud members of the Origin Green programme. Through this programme we share our comprehensive sustainable development strategy and plan, that is independently verified and audited annually.



Our Sustainability Management Approach

Our strategy is led by the CSR department with support of our Chief Executive Office and our Board of Directors'. The wider CSR team is comprised of the CSR department and dedicated representatives from each area of the business. With the guidance of the CSR department, these representatives continue to lead, report and drive our clearly defined CSR Key Performance Indicators (KPIs) for each CSR pillar annually. The CSR department reports directly to the Chief Executive Officer on all CSR KPIs². In recent years, this department has also expanded to further support the growth and scale of the strategy.

Through continuous two-way communication, the wider CSR team work to achieve long-term sustainability with our growing strategy, targets, KPIs and goals.³

We continue to work closely and are guided by the strategic direction of our international headquarters and benefit from many initiatives that affect all countries in the group. In the context of our business decisions, we want to avoid or substantially reduce all conceivable or potential negative social, environmental and economic impacts. Through our collaborative CSR management structure and continued use of our Lidl Responsibility Model, we can mitigate these risks.⁴



¹ GRI 102-20, ² GRI 102-19, ³ GRI 102-18, ⁴ GRI 102-11

RESOURCES

- Protection of Ecosystems
- Animal Welfare Standards

SUPPLY CHAIN

- Environmental Protection: Supply Chain
- Employment Related Human Rights
- Supplier & Market Development

OPERATIONS

- Corporate Environmental Management
- Employee Responsibility

CUSTOMER

- Responsible Products
- Transparency at Point of Sale
- Social Value Creation
- Responsible Communication

RESOURCES

- Protection of Ecosystems
- Animal Welfare Standards

SUPPLY CHAIN

- Environmental Protection: Supply Chain
- Employment Related Human Rights
- Supplier & Market Development

OPERATIONS

- Corporate Environmental Management
- Employee Responsibility

CUSTOMER

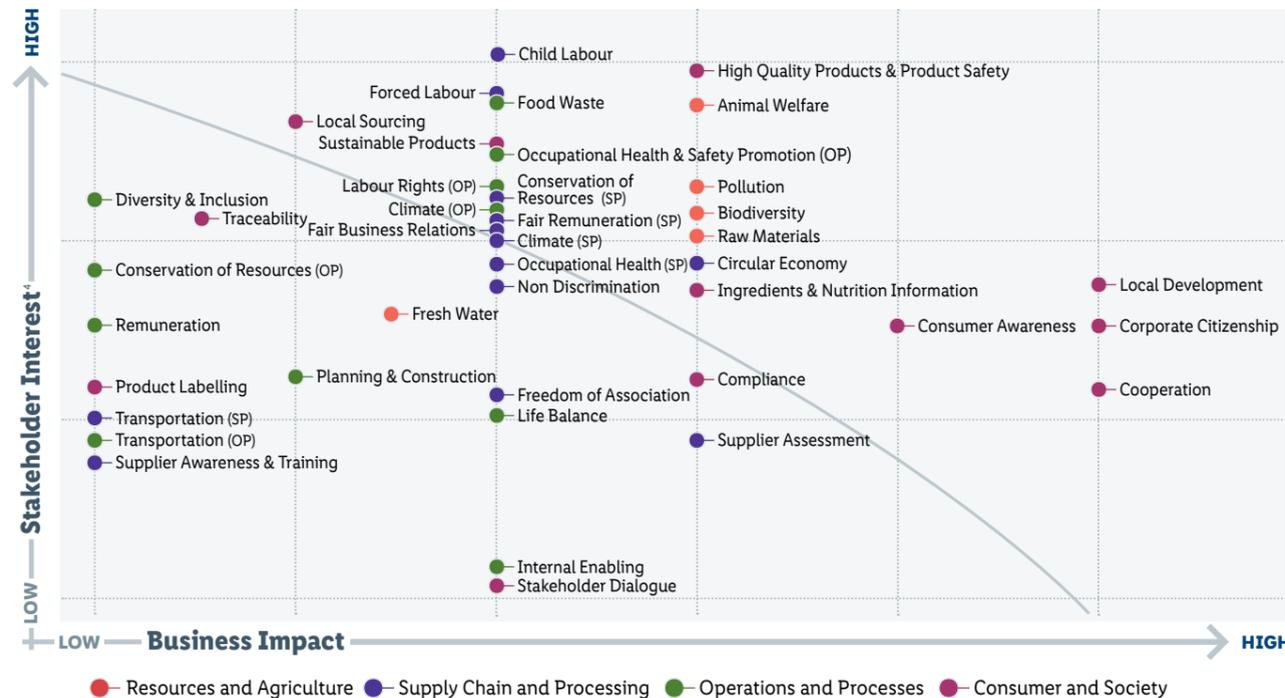
- Responsible Products
- Transparency at Point of Sale
- Social Value Creation
- Responsible Communication

SUSTAINABILITY @ LIDL MATERIALITY



Our stakeholders influence our sustainability strategy

Our strategy focuses on those areas that are the most material to our business and our stakeholders and where we can have the greatest impact. Our stakeholders' feedback is important to developing our approach to sustainability and is used to influence our sustainability strategy.



Our stakeholders' feedback is important to developing our approach to sustainability and is used to influence our sustainability strategy. We have completed an in-depth materiality internal and external review of our full **Lidl Responsibility Model** to understand what social and environmental concerns were most important to our stakeholders and to observe if there were any changes since our previous report.

Our materiality consisted of quantitative and qualitative feedback from all our stakeholders; customers, partners, suppliers, employees, charities, media, politics and third-party area experts.¹ This list was agreed and reviewed by the CSR, Communications and Marketing departments locally while also verified by third party experts.² All stakeholders received a link to an online anonymous and gratuity-free survey which surveyed their opinion on our 41 Lidl Responsibility Model topics. Business in the Community Ireland, an independent company specialising in corporate responsibility, supported the process and completed qualitative interviews for data verification.

Materiality matrix displaying all Lidl Responsibility Model topics and their position relative to the degree of stakeholder interest and potential business impact. Together, the results represent the topics identified as most material for Lidl Ireland and Lidl Northern Ireland.³

¹ GRI 102-40, ² GRI 102-42, ³ GRI 102-47

SUSTAINABILITY @ LIDL MATERIALITY

Our stakeholders influence our sustainability strategy

After an extensive internal review of materiality topics, an external assessment and the support of senior leadership, we identified and agreed the topics material to Lidl Ireland and Lidl Northern Ireland in this report. The materiality analysis consisted of four phases of work:¹

Finally, our qualitative interviews reinforced the findings observed in the matrix and noted the desire for further communication on our progress which we hope to continue to grow with all stakeholders' year on year.



Our new materiality matrix displays similar results to that of our previous matrix with Food Waste, Human Rights, High Quality Products, Sustainable Products, Employee Labour Rights and Local Development remaining very important to our stakeholders. Since our last report, we can observe a notable increase in Climate Protection in supply chain, Animal Welfare and Occupational Health and Safety. This increase is welcomed and reflective of our progress which we will share in the report. We did observe a decline in Product Packaging among our stakeholders, however, we believe this is due to the change of name for this topic to Circular Economy. The change was made in order to align to our plastics strategy REset Plastic, committing to close loops.²

Whilst all selected issues are important and will be discussed, the areas identified as most material will guide the focus of this report as well as help prioritise and shape our sustainability strategy in the future.³

All the above topics are discussed in this report with particular emphasis and detail provided to the topics identified as most material. Material topics are discussed in relation to the Lidl Responsibility Model and 'A Better Tomorrow' pillars.⁴

If you have any questions regarding this report or the materiality process, please contact us at csr@lidl.ie⁵

¹ GRI 102-43, ² GRI 102-49, ³ GRI 102-44, ⁴ GRI 102-46, ⁵ GRI 102-53



+ We surveyed our key stakeholders and evaluated the positive and negative effects of our activities on people, the environment, and society. The materiality analysis is updated at least every two years as part of the sustainability reporting.

+ We analyse the relevance of sustainability topics for our business at short, regular intervals, but at least every two years as part of a stakeholder survey.

SUSTAINABILITY @ LIDL STAKEHOLDERS^{1,2}

RESOURCES



We believe that two-way communication and collaboration is vital for positive impact and progress.

Customers As stated in our vision, ensuring customer satisfaction is at the heart of everything we do. We value our customers and depend on their feedback to ensure we are delivering on what is most important to them. Outside of our materiality assessment, we commission quarterly research to investigate their perception and understanding of our CSR initiatives. We also conduct regular in-store and online surveys to gain insight on specific projects or trials relating to CSR e.g. In-Store Recycling Stations and Reusable Fruit and Vegetable Bags. Our dedicated customer rewards app is a new and additional channel for continued customer feedback and insights.

Suppliers We believe in building long-term relationships. Many of our suppliers have been working with us since we opened our doors in Northern Ireland in 1999 and in Ireland in 2000. We value their feedback and engage regularly with them on raw material certifications, human rights, ethical trade and environmental standards. Led by our Responsible Sourcing Manager we have launched a new Supplier Engagement Programme dedicated to supporting their sustainability journeys through feedback, insight and collaboration.

Employees Our colleagues drive our business and our positive impact. We offer multiple channels for colleagues to share feedback and ideas; intranet, employee app, employee magazine, IdeasHub. We regularly engage all colleagues via our employee app on topics relating to CSR for their feedback e.g. reusable Bags for Life, Assistance Dog Sponsorship and feeding into our materiality. Our CSR representatives also act as our local ambassadors for CSR and community impact gathering business wide feedback and insights for all initiatives.

Partners – We work with our business partners to contribute positively to local communities. Our partners range from government departments, charity organisations, clubs, membership networks, and industry reporting bodies e.g. Business in the Community Ireland and Northern Ireland, Bord Bia, Retail Food Waste Form, Retail



For all our stakeholders, we offer opportunities for feedback and requests through numerous channels such as our website, social media channels, customer app, stores and dedicated customer service team based in our Head Office in Tallaght.

Waste Action Group. Through regular forums, networking, workshops and meetings, we harness these partnerships to their full potential. Partner feedback and collaboration is necessary for shared learning, opportunity, market development and growth.^{3,4}

Communities –We are present in hundreds of communities across the island of Ireland. Recognising this reach, we engage regularly with members of the community, local councils and community groups through formal and informal contact e.g. directly through our store colleagues, community initiatives and commissioned feedback forums. This ensures we are communicating directly with the communities in which we operate.



We are committed to operating our business responsibly at every stage of our value chain. This includes upholding and strengthening the social and environmental standards in our global supply chains and minimising the risk of negative impacts when sourcing raw materials, cultivating, harvesting, farming, producing and packing our products. While this area of our value chain is not fully in our direct control, we recognise the role we can play in positively influencing best practises across all the markets where we operate and our global value chain.

¹ GRI 102-21, ² GRI 102-40, ³ GRI 102-12

RESOURCES PROTECTION OF ECOSYSTEMS^{1,2}

Our aim is to reduce the environmental impact on the cultivation and extraction of the raw materials that we use in our products and in our supply chains, to protect our natural resources and ecosystems.

Globally, the production of food is highly resource intensive from an environmental perspective. In order to increase yields to feed our growing global population, while actively contributing to the preservation of the ecosystems, it is important that we cultivate, harvest and process more food in a way that protects the health of our soils, demonstrates sound water stewardship and enhances biodiversity.³

Raw Materials



ACTION: At Lidl, we take an active role in responding to these challenges through our responsible sourcing policies. We conducted a high-level risk assessment of our supply chains combining our quantitative and qualitative risk factors with our purchasing volumes to understand our focus areas. Then we work closely with our direct suppliers, relevant stakeholders and NGOs to better understand the identified risks and we consolidate clear and binding sourcing policies on key raw materials.⁴

Our responsible sourcing commitments prioritise those product areas in our supply chain that are most at risk of resource exploitation and linked to potential social and environmental impacts. We work closely with all our suppliers towards reaching these targets and ensuring that the ecosystems we source our raw materials from are protected and supported.⁵



SDG 2 – Zero Hunger
Our targets are aligned to and support SDG 2.4

Ensure sustainable food production systems and implement resilient agricultural practices.



SDG 15 – Life on Land
Our timber, wood and paper-based products targets support SDG 15.2

Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.



TARGETS:
By 2020 all our own-brand wood and paper-based products will be from either recycled wood fibre sources or FSC or PEFC certified sources.
Achieved ●

By 2020 all our own-brand textiles that contain viscose will be LENZING ECOVERO.
Achieved ●

By 2025, we aim to source all primary, secondary and tertiary packaging from either FSC, PEFC and/or recycled sources.



RESOURCES PROTECTION OF ECOSYSTEMS^{1,2}

Protecting our Pollinators'



ACTION: Present in over 200 locations across the country, we have been busy bees looking at ways to further support local pollinators, surrounding land and biodiversity outside our stores and warehouses. We signed up to the All-Ireland Pollinator Plan, working collaboratively to build our progress and impact in this area.

Green Roofs - We have three stores with green roofs, namely Shankill, East Wall, and Glenageary. Partially covered in vegetation, green roofs absorb rainwater and provide insulation, reducing the need for in store drainage systems. Green roofs also help to cool urban environments, improve air quality, sequester carbon and increase urban biodiversity by providing habitats for wildlife.

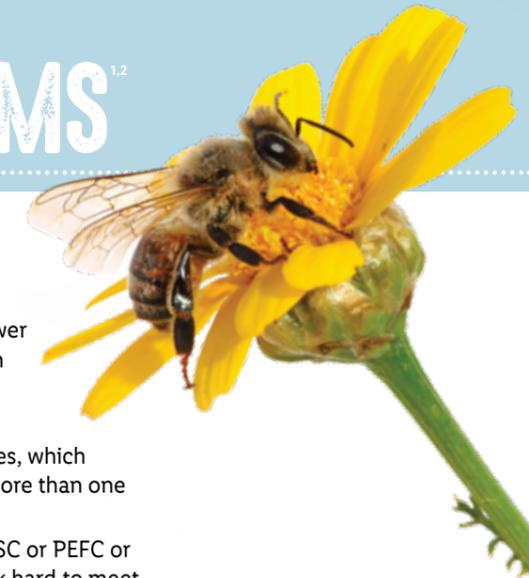
Pollinator Stores – In 2020, Lidl Youghal partnered with local community group, East Cork Biodiversity Networking Programme (ECBNP) to develop the first Pollinator-Friendly Store in Ireland. Pollinator-Friendly Stores are an innovative concept whereby suitable surrounding areas on Lidl store locations are optimised to create an area of pollination promotion. Featuring insect hotels, informative signage, reduced mowing practices and wildflower planting, these areas can look overgrown but are in fact a haven for pollinators like bees, butterflies and hoverflies which are essential for the production of fresh fruit and vegetables available in store.

Wildflower Meadows – We have established a Wildflower Meadow and Native Tree area at our newest Distribution Centre in Newbridge, Co. Kildare, which is also home to Ireland's largest solar panel covered rooftop.

Pesticides - We have a strict policy concerning pesticides, which indicates that our fruit and vegetables may contain no more than one third of the maximum level permitted by EU law.

Wood Products - All our wood products are certified FSC or PEFC or coming from recycled wood sources. Our suppliers work hard to meet these requirements, which ensures we are supporting biodiversity on a daily basis.

Pollinator Range - We also have an ever-expanding pollinator friendly plant range. This can be seen in our stores and advertising in our leaflet through our bespoke 'Bee Friendly' logo.



^{1,2,3,4,5} Lidl Specific GRI

RESOURCES PROTECTION OF ECOSYSTEMS^{1,2}



GLOBALG.A.P.

The loss of biodiversity poses an existential threat to ecosystems. Lidl worked with internationally recognised experts on sustainable food systems and agriculture to develop the first biodiversity focused cultivation standard for the conventional cultivation of fruit and vegetables in Europe. This standard was developed as an add on to the GLOBALG.A.P. Integrated Farm Assurance Standard (IFA) and thus integrated into the established certification system.

In the future, the biodiversity standard will be available to all market participants – from producers to distributors so that they can work effectively to protect biodiversity. The team of experts includes Sustainable Food Systems GmbH (SFS) in the role of project leader, as well as the Global Nature Fund, Bioland the Lake Constance Foundation, representatives of agricultural producers and Nürtingen-Geislingen University. The multi-stakeholder approach takes into account different perspectives and accompanying measures and thus promises high acceptance. The result of this process will be that, in the future, growers will implement measures in their business activities based on a catalogue of criteria, which will contribute to the preservation of biodiversity and thus to the protection of species diversity.

Trees planted		
	ha	# of trees
Sessile oak	8.03	26,491
Pedunculate/ common oak	1.02	3,373
Birch	1.77	5,831
Scots pine	2.96	9,780
Mixed broadleaves	5.88	18,932
Alder	2.80	9,240
Downy Birch	4.00	10,000
Rowan	0.60	1,500
Total	27.06	85,146

Lidl backed projects:
Burnellstown, Co. Westmeath;
Brownstown, Co. Wexford;
Ballaghboy, Co. Sligo and
Ballybogey, Co. Cork.

Woodland Environmental Fund

In 2018, the Forest Service, Department of Agriculture, Food and the Marine (DAFM) launched an innovative public private initiative (PPI) – the Woodlands Environmental Fund (WEF) – whereby the corporate sector can provide additional top up payments to premiums paid to landowners who establish new native woodlands. Effectively this provides additional payments for ecosystem services provided through the creation of new native woodlands while offering the private sector an avenue to support tree planting and the restoration of our native woodlands.

Currently, the Department covers the cost of woodland establishment by means of a grant and also pays a premium to the woodland owner each year for 15 years with ourselves in Lidl coming aboard to add a financial incentive to the landowner to engage with the scheme. Having the private sector come on board was the missing link as many landowners are hesitant to change their land to continue covered forestry (CCF) meaning their land will become a native forest in perpetuity. The government backed scheme provides a financial incentive to encourage landowners help to reforest Ireland.

SDG 15 – Life on Land
Our progress is designed to support SDG 15.9

Integrate ecosystem and biodiversity values into development processes.



RESOURCES ANIMAL WELFARE STANDARDS

Our aim is to safeguard the wellbeing of the farm animals in our supply chains, improving conditions for livestock farming and protecting animals from distress without reasonable cause.

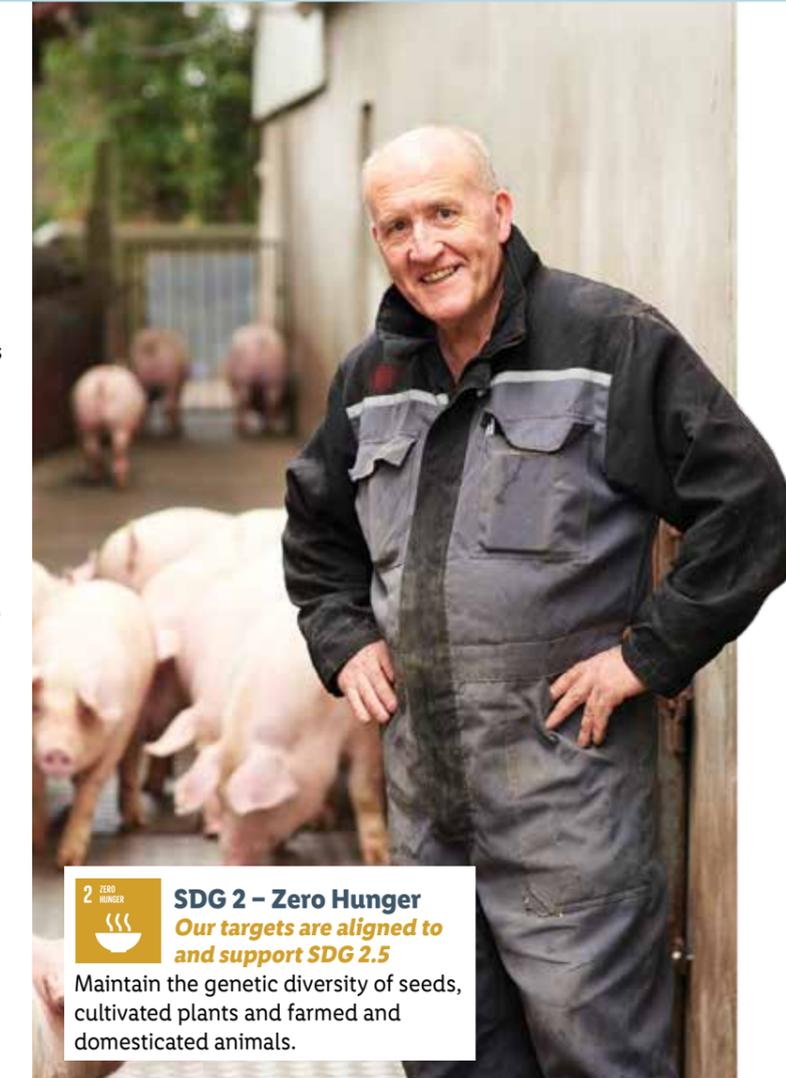
With more than 7 billion people currently inhabiting the planet the global protein and food industry is facing unprecedented challenges. At Lidl our vision is to act responsibly striving for positive environmental stewardship and contributing positively to the communities we reach. The health and animal welfare of farmed animals forms a key part of our continued dedication to our sustainability strategy.¹

ACTION: Good farm animal welfare is an integral part of Irish beef, lamb and dairy farming which is largely grass-based, and less intensive compared with the standard farming practices across Europe. Animal Welfare is an important part of being a responsible business and we are committed to high standards of animal health and welfare both in our food and non-food own-brand products.

Our Animal Welfare standards are defined and enforced by the Irish Department of Agriculture Food and the Marine (DAFM) in the Animal Health and Welfare Act 2013; and by the Department of Agriculture, Environment and Rural Affairs for Northern Ireland (DAREA) in the Welfare of Animals Act (NI) 2011. Both institutions set out the minimum standards for keeping farm animals which are based on good practice and scientific knowledge. These standards define specific requirements such as inspections, record keeping, freedom of movement, buildings and equipment and the feeding and watering of animals. Both standards are based on the **Five Freedoms** of animal welfare, which were established by the Farm Animal Welfare Council (FAWC).²

- Freedom from hunger and thirst**
providing fresh water and the right amount of feed to keep animals healthy.
- Freedom from discomfort**
making sure that animals have the right kind of environment, including shelter and somewhere comfortable to rest.
- Freedom from pain, injury and disease**
preventing animals from getting ill and making sure that animals are diagnosed and treated rapidly should they fall ill.
- Freedom to express normal patterns of behaviour**
making sure that animals have adequate space and proper facilities.
- Freedom from fear and distress**
making sure that animals' conditions and treatment avoid mental suffering.

¹ GRI 103-1, ² GRI 103-2



SDG 2 – Zero Hunger
Our targets are aligned to and support SDG 2.5
Maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals.

RESOURCES ANIMAL WELFARE STANDARDS



Fish

Since 2019 all our farmed fish (i.e. salmon, trout, prawns, etc.) is certified to the Aquaculture Stewardship Council (ASC) Standard or GLOBAL G.A.P Aquaculture Standard, which both include specific requirements on animal welfare.

Achieved ●

Fresh Meat & Poultry

All of our suppliers' sites are compliant with the Animal Welfare Acts in Ireland and Northern Ireland and are annually audited by the respective governmental departments. 100% of our fresh beef, lamb, pork, chicken and duck are Bord Bia Sustainable Assured, Northern Ireland Farm Quality Assurance Scheme (for beef only) or Red Tractor Assured certified, which are also independently audited regularly to make sure that the animal welfare standards are met.



Northern Ireland Farm Quality Assurance Scheme (for beef only) or Red Tractor Assured certified, which are also independently audited regularly to make sure that the animal welfare standards are met.

Maintained ●

Eggs

We have publicly committed in our Responsible Sourcing Policy for Eggs that by 2025 all of our shell eggs and egg ingredients in all our own-brand products will come from cage-free hens (i.e. organic, free range or cage free).

On track ●

Non-Food

For our cosmetics, hygiene and cleaning products we ensure that our suppliers don't conduct animal testing in the development of our own-brand cosmetics and hygiene and cleaning products. In 2014, we joined the international 'Fur Free Retailer' programme, ensuring that no real fur is used in any of our textiles, accessories or shoes.

Maintained ●



Cage Free Eggs

We are committed to working with our current supplier base on the sustainable production of eggs by transitioning towards cage-free barns, free-range and organic production systems, and we have extended this commitment to cover ingredient eggs as well. By 2025, we will source not only cage-free eggs, but we will use only cage-free eggs contained as ingredients in own-brand products.

Organic, free-range and cage-free systems provide a varied environment compared to caged systems for the expression of behaviours that are important to the hen. These systems allow hens to move around, stay active and easily perform natural behaviours like nesting, perching and dust bathing which help keep them fit and healthy.

All our Irish eggs are produced under the Bord Bia Sustainable Egg Assurance Scheme or the British Lion Standard, for eggs produced in Northern

Ireland farms. Producers operating under these schemes must adhere to strict controls to ensure high levels of traceability, safety and welfare. Under these schemes each egg is consistently printed with the farming method (0=Organic, 1=Free range, 2=Barn and 3=Cage), country of origin and a code which relates to the specific farm where the egg is produced, providing our customers with the information to trace each egg back to its source. Also, our organic eggs are certified by the Organic Trust. This ensures that birds are reared to the high animal welfare standards outlined in the European Council Regulation No. 834/2007.



36% of shell eggs sold in 2020/21 are from non-caged production

* Some isolated cases of the bird flu in Ireland and the Covid-19 pandemic caused unique and significant demand and supply challenges for the egg sector in 2020. Both the closure of the hospitality sector, resulting in increased in-home consumption, and periods of panic buying, experienced across the grocery retail sector, drove a significant increase in demand for eggs. Lidl worked hard with its supply base during this period to keep its shelves stocked with high-quality eggs at competitive prices, ensuring it met customer demand throughout this unprecedented period.

SUPPLY CHAIN



We are fully committed to ensuring that our buying power is driving positive change for producers, manufactures, suppliers, communities and the environment.

SUPPLY CHAIN CIRCULAR ECONOMY



At Lidl, we provide top quality and responsibly sourced products at market leading value. Working closely with our suppliers, we aim to reduce any potential negative environmental and social impacts of our local and global supply chains.

Every product we place on our shelves has been supplied to us by one of our valued suppliers. Product production is a step by step process, from farm to fork, which represents a supply chain network. Supply chains can vary in complexity depending on the product and its origin, making them susceptible to potential social and environmental impacts. Our supply chains are not limited to food products, they also include non-food items, such as textiles or equipment, as well as service providers, from technicians to maintenance providers.¹

ACTION: We take pride in our range of top-quality products and are fully committed to ensuring that our buying power is driving positive change for producers, manufactures, suppliers, communities and the environment, both in Ireland and further afield. This commitment is lived through our dedicated supply chain initiatives and ever growing and ambitious targets.

Circular Economy²

In line with our plastics strategy REset Plastic, we are working proactively and collaboratively with our suppliers and industry partners to reduce plastic use and improve packaging recyclability across all our products.

While packaging can serve important functions such as food safety, protection in transit, maintaining quality and information communication, we are very aware of the need of reducing the use of plastics across our product ranges and replacing them with more sustainable alternatives, while also increasing the post-consumer recycled content of our packaging and the recyclability of the materials used.³

^{1,2,3,4}Lidl Specific GRI



ACTION:
Loose Products: In relation to lose fruit and vegetables, we have introduced numerous additional loose options, bringing the overall loose lines to approximately 20% of our range. We must be vigilant in our approach to ensure we are working towards SDG Goal 12.3 and supporting the objectives of the Food Waste Charter. We will continue to trial the removal and adaptation of packaging whilst maintaining our food waste and zero waste to landfill commitments within our operations.

Packaging Guidelines: We have also updated our supplier packaging guidelines to ensure our reduction requirements and commitments are clear and our suppliers are fully supported.

Single Use: We have removed all single-use plastic items such as plastic drinking straws, disposable plastic cups, glasses, plates and cutlery from sale since 2019. These items were replaced by recyclable alternatives ahead of the EU Directive restricting certain single-use plastic products which came into effect in July 2021.

Black Plastic Removed: We have removed unrecyclable black plastic from fruit and vegetable, fresh fish products, cured meat and the majority of our fresh meat and poultry, converting almost 500 tonnes of plastic into fully recyclable packaging. In 2020 we launched a sustainable packaging innovation for two brand-new beef products initially, with the view to roll out to 10 further products in our premium steak range early next year. In partnership with longstanding supplier, Liffey Meats, we unveiled the new and improved paper tray made with FSC-certified paper and using 75% less plastic which equates to a savings of more than 70 tonnes of plastic per year.

SUPPLY CHAIN CIRCULAR ECONOMY



Microplastic Policy: We comply with the ban on microplastics in cosmetic and cleaning products as directed by the Irish and UK governments. **NEW!**

Reusable Fruit & Vegetable Bags: Since September 2019, we have introduced reusable fruit and veg bags in stores. The bags are designed to give customers a sustainable choice and reduce plastic use and waste in the long term. The 'Green Bags', provide customers with an affordable, reusable alternative to single-use plastic fruit & vegetable bags. **NEW!**

Recycling Stations: We were the first retailer in Ireland to provide this service in 2019, introducing Recycling Stations to all stores. Offering recycling bins behind our tills for customers to dispose of unwanted excess packaging. We then ensure the material is recycled on their behalf and made into new products where possible. The aim of this initiative is to take responsibility for the packaging we put on the market and are currently working to reduce. **NEW!**

Bags for Life: We were the first retailer to remove all our 'bag for life' shopping bags and to introduce reusable heavy duty bags made of **100% recycled content** in 2020 in Ireland. Lidl's new recycled shopping bags will see 6.3 million 'Bags for Life' eliminated from circulation annually. 'Bags for Life' are reusable shopping bags made from plastic which, although are meant to be an environmentally friendlier alternative to single-use plastic bags, can often have a large environmental footprint as they are frequently not reused. Lidl was the first retailer in Ireland to only offer heavy-duty plastic bags which are made from 100% recycled plastic. The new reusable bags are more durable and feature puns to encourage their re-usability selected from a competition. Pictured here for example "Lettuce all reuse our bags". **NEW!**

Microplastic Policy

At Lidl, we define "microplastic particles" as solid, visually recognisable plastic particles smaller than five millimetres that are not water-soluble. This includes polyamide (PA), polyethylene (PE), polyethylene terephthalate (PET), polyester (PES), polyimide (PI), polypropylene (PP) and polyurethane (PUR) plastics.

We fully comply with the Irish and UK government bans on microplastics in Lidl cosmetic and cleaning ranges.



New Responsible Packaging Label

In 2020 a new label for our own-branded products was created to highlight and inform customers about our packaging improvements. This new label has been put in place on the packaging of many of our own-brand items after packaging has been optimised or improved by reducing the amount of plastic by a minimum of 10%, increasing the recycled content to 30% or replacing the packaging materials for a more sustainable alternative.



TARGETS:
By the end of 2022 we will reduce own-brand plastic packaging by 20%.

By the end of 2025, 100% of own-brand packaging will be recyclable, reusable, refillable or renewable.

By the end of 2025, 50% of our own-brand packaging will be made of recycled content.

SDG 12 – Responsible Production & Consumption
We are committed to SDG 12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



SUPPLY CHAIN CIRCULAR ECONOMY

REset Plastic

Food retail is core to our business and some resources are indispensable for transport and packaging material. As part of Schwarz Group, we believe anyone who brings plastic into the retail cycle also bears responsibility for its further use. Schwarz Group has for many years been particularly committed to the collecting, sorting and recycling of these resources.

As signatories to the Global Commitment of the New Plastics Economy of the Ellen MacArthur Foundation since 2018, the Schwarz Group have a vision for “less plastic – closed loops” which is enshrined in their plastics strategy REset Plastic and targets across all their companies. Through this strategy, the Schwarz Group has committed itself to reducing plastic consumption with these defined targets and a dedicated REset Plastics strategy.

This holistic internationally applied strategy comprises of five guiding principles and action areas: from avoidance and design, to recycling and removal, and innovation and education. In doing so the vision of “less plastic - closed loops” will become reality.

Learn more: www.reset-plastic.com

The five guiding principles for action areas of Schwarz Group plastic strategy REset Plastic:

REduce – We reduce plastic, wherever sustainably possible. Not only in packaging!

REdesign – We design recyclable packaging and close loops.

REcycle – We collect, sort and recycle plastics to close the loop.

REmove – We support the removal of plastic waste from the environment.

REsearch – We invest in research and the development of innovative solutions and educate on recycling.



Paper banding with natural adhesive

Our new reusable fruit & vegetable bags

Packaging changed from unrecyclable black plastic to transparent

Aurivo Renewable Milk Cartons

As part of our commitment to making our own-brand packaging 100% recyclable, reusable or renewable by the end of 2025, in May 2020 we introduced our new plant-based milk cartons for Coolree Creamery own-brand range.

These new milk cartons are made from **100% renewable resources**. The original fossil based plastic used on the coating, neck and cap of the cartons, was replaced by a plant-based material made from responsibly sourced sugar cane resulting in a reduction in emission of 160 tonnes of CO₂ equivalents per year and 31% lower carbon footprint compared with the same standard packaging. The rest of the carton is made with FSC certified paperboard, which guarantees that comes from responsibly managed forests and other controlled sources traceable to its origins.



SUPPLY CHAIN HUMAN RIGHTS

Ethical standards along our supply chains is very important to us. We aim to uphold consistent compliance with labour and human rights standards at all stages of our supply chain.

Due to the complex nature of food supply chains, the most salient human rights risks and environmental challenges are typically found upstream, in sectors and geographies far removed from our day to day operations. Challenges associated with upholding human rights are complex and systemic, meaning they can often impact entire sectors. Salient human rights issues such as occupational health and safety hazards, lack of freedom of association, discrimination, inadequate remuneration, child labour or forced labour can often be most effectively addressed through systemic solutions and collaboration.²



ACTION: To ensure we are upholding the rights of people impacted by our business and continually driving improvements, we have adopted a range of approaches and have integrated our targets across the business.

Across the Globe

At a group level, Lidl is aligned to the below principles:

- UN Sustainable Development Goals
- UN Universal Declaration of Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination Against Women
- UN Guiding Principles on Business and Human Rights
- UN Women’s Empowerment Principles
- ILO Conventions and Core Labour Standards
- OECD Guidelines for Multinational Enterprises
- Dhaka Principles for Migration with Dignity

²GRI 412-1 - is this referencing 1 or 2 or both?

Supplier Code of Conduct

Our core standards are outlined in our Supplier Code of Conduct, which is fundamental to the relationship between Lidl and all its contracted suppliers.

It defines the social expectations of all global direct and indirect suppliers and forms an integral part of our commercial contracts. We require our direct suppliers to uphold the clauses from our Code of Conduct within their own supply chains as part of our commercial agreements. Lidl takes a zero-tolerance approach towards inaction on forced and child labour and works proactively to tackle these issues as part of its due diligence process.



SDG 10 – Reduced Inequalities

We support global principles SDG 10.4

Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

Way to Go! Chocolate



In 2019, Lidl was the first global retailer to design and launch our own-brand chocolate bar **Way to Go!** with the objective of developing a business model and supply chain approach that directly supports workers, smallholder farmers and local communities by increasing wages for Ghanaian cocoa farmers and promoting income diversification. The project uses the ‘Fairtrade Living Income reference price’, which represents a raw material cocoa price that enables smallholder farmers or workers within the plantations to earn a living income or a living wage.

Way To Go! is a Super Fairtrade certified chocolate from 100% traceable cocoa beans grown by farmers from the Kuapa Kokoo co-operative in Ghana. Through Way To Go! Lidl guarantees cocoa farmers the Fairtrade Minimum Price for cocoa and the Fairtrade Premium, which is a sum of money for farmers to invest in their communities. On top of that, Lidl has also pays an additional ‘Lidl Premium’ on every tonne of cocoa which is invested in training for farmers in sustainable cocoa cultivation and other local crops, helping them diversify, improve crop yields and increase their income levels, meaning they are able to support a sustainable future for their families. In the first year, the Way to Go project has reached 440 farmers, a quarter of whom are women.



SUPPLY CHAIN HUMAN RIGHTS

Human Rights and Environmental Due Diligence

Our dedicated due diligence policy defines how we systematically monitor and assess the potential and actual risk of human rights violations and environmental impacts in our supply chains, and the actions that we take to prevent and mitigate those risks. Our risk assessment process is informed by greater transparency, our social compliance programme, internationally recognised assessment tools, as well as knowledge gathered through our supplier relationships and expert NGO partners. Our due diligence process is shown in the diagram on the right.

Risk Assessment

In order to systematically assess risks and opportunities we regularly monitor measurable human rights, environmental and economic indicators and use these insights as a foundation for developing appropriate measures. We use indices such as the International Trade Union Confederation (ITUC) Global Rights Index and the Global Slavery Index (GSI) together with environmental data from the United Nations Food and Agriculture Organisation (FAO) and the Environmental Performance Index. We also engage regularly with external stakeholders, including civil society organisations, NGOs, expert partners and trade unions using their insights and expertise to feed into our risk assessment. Our risk assessment considers all stages of the value chain, from raw material extraction through to the final packing, production and distribution processes.¹

We systematically monitor and assess the potential and actual risk of human rights violations and environmental impacts in our supply chains and we take actions to prevent and mitigate those risks.

Commodity	Human Rights Risks	Environmental Risks
Bananas	<ul style="list-style-type: none"> Child Labour: Brazil, Ecuador, Philippines, Vietnam Forced Labour: Angola, India, Indonesia Workers Rights: Brazil, China, Philippines Discrimination: India, Indonesia 	<ul style="list-style-type: none"> Biodiversity: Angola, Ecuador, India Climate Vulnerability: India, Philippines Land Use & Deforestation: Brazil, Ecuador, Indonesia Water: Brazil, India
Cotton	<ul style="list-style-type: none"> Child Labour: India, Turkmenistan, Uzbekistan Forced Labour: India, Pakistan, Uzbekistan Workers Rights: India, Pakistan, Uzbekistan Discrimination: India, Pakistan 	<ul style="list-style-type: none"> Biodiversity: India, Turkey, USA Climate Vulnerability: India, Pakistan, USA Land Use & Deforestation: Brazil, China, India Water: China, India, USA
Plants and Flowers	<ul style="list-style-type: none"> Child Labour: Ethiopia, Kenya Forced Labour: Ethiopia, Kenya, Thailand Workers Rights: Ethiopia, China, Malaysia Discrimination: Ethiopia, Kenya 	<ul style="list-style-type: none"> Biodiversity: Ethiopia, Ecuador, Kenya Climate Vulnerability: Kenya, Thailand Land Use & Deforestation: Ecuador, Colombia, Malaysia Water: Ethiopia, China, Kenya
Fish	<ul style="list-style-type: none"> Child Labour: Philippines, Thailand, Vietnam Forced Labour: China, Thailand, Vietnam Workers Rights: Indonesia, Thailand, Vietnam Discrimination: Morocco, Mexico, Indonesia 	<ul style="list-style-type: none"> Biodiversity: China, India, USA Climate Vulnerability: India, USA Land Use & Deforestation: Brazil, Malaysia, Vietnam Water: Chile, China, India
Hazelnuts	<ul style="list-style-type: none"> Child Labour: Azerbaijan, Jordan, Turkey Forced Labour: China, Jordan Workers Rights: China, Iran, Turkey Discrimination: Azerbaijan, Iran 	<ul style="list-style-type: none"> Biodiversity: Jordan, Turkey, USA Climate Vulnerability: USA Land Use & Deforestation: Azerbaijan, China, Jordan Water: Azerbaijan, China, Iran
Coffee	<ul style="list-style-type: none"> Child Labour: Ethiopia, Colombia Forced Labour: Ethiopia, Indonesia, Colombia Workers Rights: Brazil, Guatemala, Indonesia Discrimination: Ethiopia, Honduras, India 	<ul style="list-style-type: none"> Biodiversity: Indonesia, Honduras, Vietnam Climate Vulnerability: Kenya, Honduras, Vietnam Land Use & Deforestation: Brazil, Indonesia, Colombia Water: Brazil, Indonesia, Vietnam
Cocoa	<ul style="list-style-type: none"> Child Labour: Ivory Coast, Ghana, Nigeria Forced Labour: China, Thailand, Vietnam Workers Rights: Brazil, Ivory Coast, Indonesia Discrimination: Brazil, Ghana, Indonesia 	<ul style="list-style-type: none"> Biodiversity: Ivory Coast, Ghana, Indonesia Climate Vulnerability: Dominican Republic, Nigeria Land Use & Deforestation: Brazil, Ecuador, Ivory Coast, Ghana Water: Ghana, Nigeria
Palm Oil	<ul style="list-style-type: none"> Child Labour: Ivory Coast, Nigeria, Thailand Forced Labour: Indonesia, Malaysia, Thailand Workers Rights: Indonesia, Colombia, Malaysia Discrimination: Guatemala, Indonesia, Papua New Guinea 	<ul style="list-style-type: none"> Biodiversity: Indonesia, Papua New Guinea Climate Vulnerability: Indonesia, Malaysia, Thailand Land Use & Deforestation: Indonesia, Malaysia, Thailand Water: Indonesia, Nigeria, Thailand
Rice	<ul style="list-style-type: none"> Child Labour: Bangladesh, India, Vietnam Forced Labour: India, Thailand, Vietnam Workers Rights: China, Thailand, Vietnam Discrimination: India, Indonesia, Myanmar 	<ul style="list-style-type: none"> Biodiversity: China, India, Vietnam Climate Vulnerability: India, Myanmar, Vietnam Land Use & Deforestation: China, India, Vietnam Water: India, Vietnam
Soy	<ul style="list-style-type: none"> Child Labour: India, Nigeria, Paraguay Forced Labour: China, India, Ukraine Workers Rights: Brazil, Ivory Coast, Ukraine Discrimination: Bolivia, India 	<ul style="list-style-type: none"> Biodiversity: Argentina, China, India Climate Vulnerability: India, Canada, USA Land Use & Deforestation: Bolivia, Brazil, Paraguay Water: Brazil, China, India



Requirements

In-depth understanding of potential risks, enables us to develop systemic approaches and policies. Together with our internal teams and external stakeholders, we integrate key processes, requirements and practises to ensure social and environmental due diligence is upheld. Clear and binding sourcing policies are developed, published and integrated within our tender processes and purchasing practices. These policies were outlined in our raw materials targets in the previous section.

Training

Buying teams are trained internally by CSR specialists on an annual basis as part of their product range review cycles to ensure they are aware of the potential human rights and environmental risks associated with their product categories. The buyer training also includes a review of the responsible sourcing policies associated with their product categories. This training is not only delivered to food and non-food buying team but also to all our goods not for resale and services and procurement teams.

Implementation

We undertake a range of actions to implement and monitor our due diligence in our supply chain. These controls reinforce our responsible sourcing policies and our third party certification schemes and our Code of Conduct.

Audits

Audits play an important role in our due diligence to gather supply chain information at a point in time. Through these independent assessments we gather information to support our wider risk analysis. Within our food supply chains we work with Sedex to conduct risk-based SMETA audits to understand the effectiveness of social management systems within high-risk supply chains, including areas such as health and safety protection, working hours, wages and employee rights.



As part of our responsible sourcing policies our cocoa, coffee and tea farmers and their supply chains are also audited by Fairtrade and Rainforest Alliance which include strong social and environmental criteria in their standards. In our fruit, vegetable, plants and flowers supply chains we work with Global GAP Risk Assessment on Social Practice (GRASP). This social risk assessment enables us to understand and evaluate the baseline performance of our growers around the world. Within our non-food supply chains we have a requirement to conduct annual Amfori - Business Social Compliance Initiative (BSCI) social audits, the results of which form part of our buying decisions. We also outline clear expectations with regards to policies on preventing child labour, forced labour and responsible recruitment. By monitoring these audits we are able to drive continuous improvements in our supply chains.

SDG 5 – Gender Equality
We are committed to SDG 5.1

End all forms of discrimination against all women and girls everywhere.



¹ GRI 409-1

SUPPLY CHAIN HUMAN RIGHTS

SUPPLY CHAIN HUMAN RIGHTS

Supporting Women in our Supply Chains

We know that women play a crucial role within our food supply chains and understand that women can be more vulnerable to human rights violations, violence and abuse. In 2020 Lidl Ireland and Northern Ireland signed the **UN Women's Empowerment Principles** (WEPs). The WEPs are a collaborative initiative between UN Women and the UN Global Compact. It is the first global initiative which aims to promote women's empowerment and gender equality within businesses and their supply chains.

UN Women's Empowerment Principles:

1. Establish high-level corporate leadership for gender equality
2. Treat all women and men fairly at work – respect and support human rights and non-discrimination
3. Ensure the health, safety and well-being of all women and men workers
4. Promote education, training and professional development for women
5. Implement enterprise development, supply chain and marketing practices that empower women
6. Promote equality through community initiatives and advocacy
7. Measure and publicly report on progress to achieve gender equality.

Rights Holders

We take an active role in driving a more sustainable supply chain and encourage ethical production methods, focusing on rights-holders. We recognise that, despite the fact that women and smallholder farmers play a vital role within many of our agricultural and textile supply chains, they often experience country or sector specific challenges that can lead to greater vulnerability to human rights violations. We are also committed to supporting rights-holders to increase their resilience and prosperity. To develop these approaches and projects, we work with external stakeholders including civil society organisations, NGOs and trade unions. Our programmes in high risk supply chains are developed and implemented in close collaboration with expert partners such as Fairtrade, CARE, UTZ, Round Table on Responsible Soy (RTRS) and GIZ (German Association for International Cooperation).

Working with our Non-food Suppliers

- We have been a member of the Business Social Compliance Initiative (BSCI) since 2007, committing us to improving working conditions for people employed in our non-food supply chains.
- Since 2008, we have also focused on going 'beyond compliance' in Bangladesh, working in partnership with GIZ to provide dedicated training programmes for production facilities to support compliance with international labour standards.
- We are a member of the Bangladesh Accord, which is an independent, legally-binding agreement between brands and trade unions designed to work towards a safe and healthy Bangladeshi ready-made garment industry.
- We are also part of the **Action Collaboration Transformation (ACT)** initiative. ACT is an agreement between global brands, retailers, unions and governments which aims to secure living wages for workers in clothing, textile and shoe industries. Through this declaration we are confirming our commitment to responsible sourcing by focusing on collaboration with key stakeholders to address systemic challenges, leverage change and in turn increasing the number of suppliers covered by long-term commercial agreements.



Grievance

Effective grievance mechanisms and corresponding action plans play an important role in remediating identified human rights violations for affected individuals. Lidl recognises 'effective grievance mechanisms' as defined by the **UN Guiding Principles (UNGPs) on Business and Human Rights**, meaning that they are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on engagement and dialogue. Grievance mechanisms form part of our Supplier Code of Conduct and we firmly believe that when these are implemented effectively, human rights violations can be clearly identified and affected individuals have access to remediation. Lidl Ireland and Northern Ireland has implemented a grievance mechanism via an online platform, available at www.lidl.ie and www.lidl-ni.co.uk to enable any individual (whether they be connected to Lidl's direct operations or its supply chain), to report human rights, social and environmental violations. All grievances are independently processed by the organisation's compliance officer and the reporting system can be accessed via an internet-based application. The effectiveness of this mechanism is reviewed annually between the compliance and CSR departments.

As outlined in our policy, we report annually on the steps we are currently taking, as well as outlining our future commitments, ensuring we continue learning and adapting our approach as an organisation. Collaboration is critical to our approach - we are a board member of the RTRS, an active member of the World Banana Forum, a founding board member of the Sustainable Cocoa Forum, we also sit on the technical advisory committee of Global GAP GRASP and are a member of working groups within the Bangladesh Accord, ACT and the Roundtable on Sustainable Palm Oil (RSPO).

Transparency

As part of our journey towards greater transparency, we have also committed to publishing tier one information on our non-food supply chains. Our textile, accessories and shoes supplier lists can be downloaded on our websites at lidl.ie/csr and lidl.co.uk/suppliers

SDG 8 – Decent Work & Economic Growth
 Through our **Supplier Code of Conduct** we drive **SDG 8.5**

Achieve full and productive employment and decent work for all protection policies, and progressively achieve greater equality.

TARGETS:

We have committed to conducting and publishing regular risk assessments of our supply chain and publish the results from 2020.

Achieved ●

Since January 2020 we have been committed to taking an action-orientated approach to working towards achieving living incomes and living wages within our global supply chains, thereby closing existing income and wage gaps.

On Track ●

From May 2020 we are committed to publishing the names and addresses of our tier one non-food supply chains online.

Achieved ●

By the end of 2021 we committed to conduct and publish three Human Rights Impact Assessments (HRIAs) in high risk supply chains.

On Track ●

By the end of 2021 we will enable access to effective grievance mechanisms and access to remedy (as defined by the UNGPs) in all identified high-risk supply chains.

On Track ●

By the end of 2021 we will publish a gender policy for our supply chain, through which we will develop our understanding on the root causes of issues facing women, reinforcing our commitment to the UN Women's Empowerment Principles.

On Track ●



SUPPLY CHAIN SUPPLIER & MARKET DEVELOPMENT¹

Aiming to lead and build awareness and understanding, internally and externally, on the importance of Human Rights due diligence and ethical trade in our supply chains.

Over the years, there have been numerous reports of severe labour abuses in the Irish industries. The **2020 Trafficking in Persons Report** (US State Department's Office to Monitor and Combat Trafficking) says while the Government has made significant efforts, Ireland does not meet the minimum standards for the elimination of trafficking. While the National Action Plan to Prevent and Combat Human Trafficking is expanding, we work to support awareness and understanding of these potential risks among our suppliers.



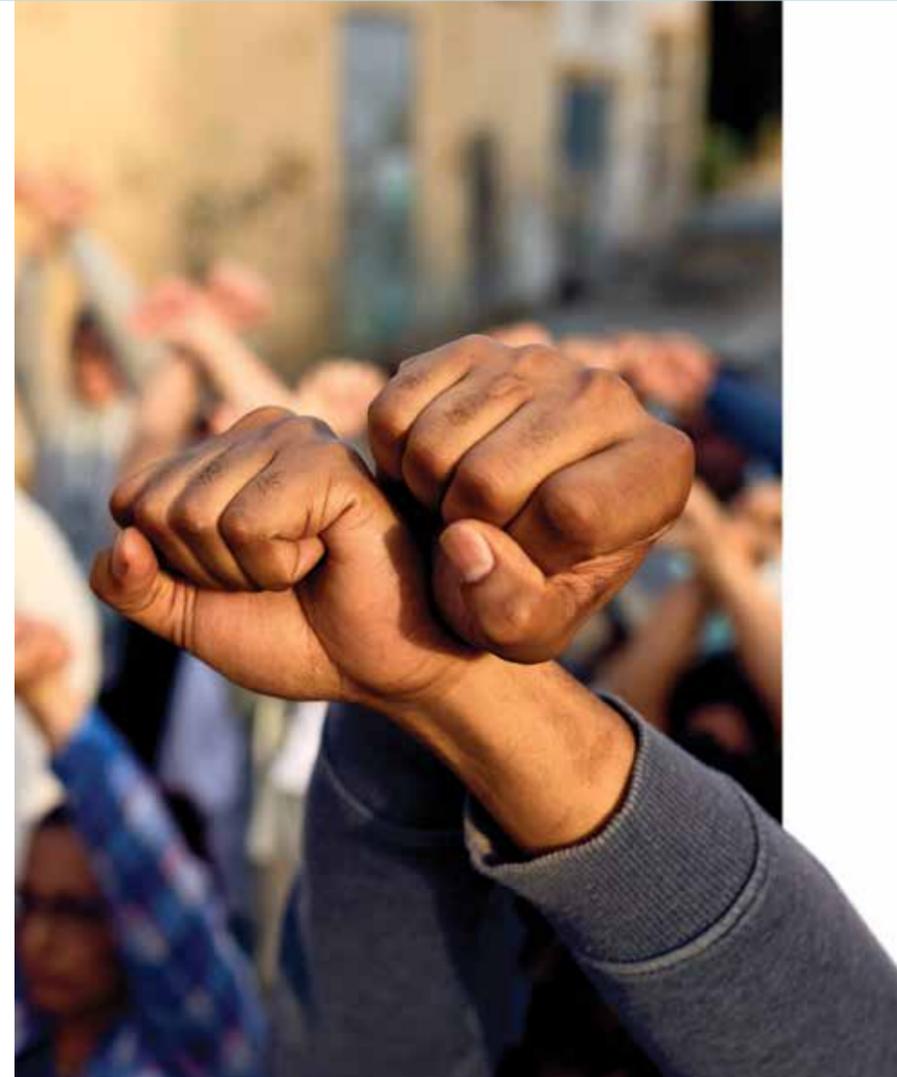
ACTION:
Internally: We deliver training to all our Procurement and Buying departments on Human Rights and Modern-Day Slavery. This training is designed to support our teams to support our suppliers. Building their awareness and understanding for the challenges our suppliers may face and equipping them to further protect our contracted workers. The training is designed to educate our teams on risks in food supply chains and equally service provider supply chains and structures.

- 100% of buying and procurement teams** trained in human right policies
- 100% of the board of directors** trained in human rights policies
- Approximately **15-20 hours of training/year** with the buyer teams

Externally: In partnership with Business in the Community Ireland, we developed a bespoke Human Rights training workshop for our food suppliers. First of its kind in Ireland, we engaged suppliers from the fruit and vegetable, fish and meat industries and invited them to participate in the pilot of this Human Rights and Modern Slavery training.



TARGET: We aim to deliver training on human rights due diligence each year to our own-brand national suppliers.



OUR OPERATIONS



As a leading retailer with over 200 stores across the island of Ireland, we recognise the influence and impact of our operations.

¹ GRI 412-2

OUR OPERATIONS CLIMATE

At Lidl, we endeavour to address our climate impact by continuously improving our resource efficiency.

CHALLENGE: As a leading retailer with over 200 stores across the country, we recognise the influence and impact of our operations. We are consciously aware that we rely on our vast amount of resources to deliver our proposition to our customers across all our stores. Our resource requirements can contribute to global emissions, contributing to our total operational emissions and overall carbon footprint.

ACTION: We are committed to diligent resource management and constant review of our progress. This is achieved through a dedicated management processes, initiatives to increase efficiency and innovations across all areas of our operations.

Climate

Climate change is one of the biggest societal challenges of our time. Individuals and companies can influence climate change through their actions. The extent of this influence can be calculated with a climate or carbon footprint. Our carbon footprint is the total amount of greenhouse gas (GHG) emissions applicable to our business. The calculated quantity of greenhouse gases provides the foundation for climate management and the analysis for the carbon reduction potential.

We first started collecting this data in 2016, setting our first official baseline year to 2017. Since then we have grown in size and still observed significant reductions across our business operations.

Each year we strive to improve our data quality in order to inform our strategy as accurately as possible. We collect all the necessary consumption data, while the necessary emission factors are provided by our external partner, The Carbon Trust, who then calculate and verify our total carbon footprint.

Although we have made significant progress, we decided to re-baseline our data and update our targets and ambition to a 1.5 degree reduction commitment in 2019 setting our most ambitious targets year to date.

SDG 13 – Climate Action
We built our targets and goals for climate to further drive SDG 13.2



This is the carbon footprint of our operational GHG emissions, i.e. direct GHG emissions from Scope 1, such as refrigeration, and indirect GHG emissions from Scope 2, the procurement of generated energy or electricity.

Our Operational Progress 2019 (Scope 1 and Scope 2)	
Ireland and Northern Ireland	Emissions (tCO ₂ e)
Market-based	-80%
Location-based	-18%

This progress related to our first baseline year, 2017, and is reporting our progress for 2019. The carbon footprint shows the greenhouse gas emissions* (GHG emissions) of Lidl in tons of CO₂- equivalent and relates to the stores, warehouses and administrative offices operated by Lidl Ireland and Lidl Northern Ireland. We used the requirements of the Greenhouse Gas (GHG) Protocol** as the basis for the calculation.

* For carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and nitrogen trifluoride (NF₃)
** GHG Protocol Corporate Accounting and Reporting Standard (Scope 1+2) & Scope 2 Guidance

OUR OPERATIONS CLIMATE



Our Climate Ambition

We are committed to protecting the environment and increasing our efforts to address climate change. In 2020, the Schwarz Group submitted a Commitment Letter to the Science Based Targets initiative on behalf of all parts of the company, confirming our commitment to Science Based Targets.

We welcome this group wide ambition and have updated our local ambition in line with this commitment. By joining the Science Based Targets initiative we, Lidl Ireland and Northern Ireland through the Schwarz Group, are committing to implementing specific, scientifically verified climate targets and proactively instigating effective climate protection measures.

Over the last two years we have modelled in-depth reduction pathways aligned to the Science Based Target initiative guidelines with an ambition for a 1.5 degree reduction scenario. While the Science Based Targets ambition and commitment will be set at a global level, we have developed our own national reduction strategy aligned to the 1.5 degree scenario.

TARGET: This includes a target of a 46% absolute reduction pathway from a baseline year of 2019*.

46% reduction in our scope 1 & 2 emissions by 2030

We will work with **70% of our suppliers** (by volume) to set Science Based Targets by 2026

We will become **Carbon Neutral** by 2025 (in our own operations) compensating remaining emissions

*Reference new footprint used for 2019 and no longer 2017 due to the updated figures being more accurate and represent our full value chain. This means the previously reported annual reductions in our 2017/18 report are now invalid.



Climate change is one of the biggest threats to society and demands action from everyone. We have committed to improving climate protection for many years through various measures. By focusing on science based targets, we are now going one step further and cementing our climate strategy for the next ten years.

Owen Keogh, Head of Corporate Social Responsibility

OUR ROADMAP



Solar PV
115 stores by 2025



Heat Pumps
Gas free stores by 2030



Supplier Engagement Programme

OUR OPERATIONS CLIMATE

Supplier Engagement Programme

At Lidl, we have developed a bespoke, 'Supplier Engagement Programme', to help support our suppliers reduce their environmental impact, improve the resource efficiency and grow their sustainable sourcing practises, throughout their operations and supply chain. This 5-year collaborative program aims to support suppliers in developing long term sustainability goals and making positive progress on specific areas such as climate, packaging innovation etc. Launched in 2020, we are currently working with 4 suppliers across our primary product areas, to set S.M.A.R.T. goals, improve their climate impact and in turn, helping them to grow their future business sustainably. These selected suppliers meet with us quarterly to share progress, challenges and learnings. To support them on this journey we provide workshops, on site experts and resources to help streamline their approach and support the development of their own internal framework. We also evaluate their progress and share regular feedback and insights.¹

Ireland	Emissions (tCO ₂ e)			
	2017	2018	2019	2020
SCOPE				
Scope 1	10,225	13,615 [*]	12,004 [*]	13,341
Scope 2 (location-based)	37,788	34,575 [*]	32,287 [*]	29,393
Scope 2 (market-based)	34,508	0	0	0
Scope 3			1,687,787	1,912,546
Total Emissions (location-based)	48,012	48,190	1,732,077	1,955,281
Total Emissions (market-based)	44,732	13,615	1,699,790	1,925,888

¹ Reflect restatement figures as per 'Report Overview' page 72



SDG 13 – Climate Action
 We built our targets and are working closely with our suppliers to ensure we are driving SDG 13.3

Improve education, awareness raising and human capacity on climate change mitigation, adaptation, impact reduction.

Northern Ireland	Emissions (tCO ₂ e)			
	2017	2018	2019	2020
SCOPE				
Scope 1	1,948	1,837 [*]	2,446 [*]	2,948
Scope 2 (location-based)	5,574	4,734 [*]	4,398 [*]	4,203
Scope 2 (market-based)	4,756	0	0	0
Scope 3			371,905	423,028
Total Emissions (location-based)	7,522	6,571	378,705	430,479
Total Emissions (market-based)	6,704	1,837	374,352	426,276



¹ GRI 305-1, 305-2

OUR OPERATIONS ENERGY



As a growing retailer, our energy requirements increase year on year. Our dedicated energy efficiencies, initiatives and management systems ensure this increased requirement is minimised.¹



ACTION: We are committed to maintaining and reducing our total energy usage through our energy management strategies, renewable resources innovations in stores and warehouse, including our plans for the future. While we have expanded since our last report, we have still maintained our overall energy usage.

Ireland	FY 2017 kWh	FY 2018 kWh	FY 2019 kWh	FY 2020 kWh	Northern Ireland	FY 2017 kWh	FY 2018 kWh	FY 2019 kWh	FY 2020 kWh
Total Energy Consumption	105,230,164 [*]	106,815,465 [*]	116,956,882 ^Δ	116,653,767 ^Δ	Total Energy Consumption	21,574,491 [*]	23,452,887 [*]	24,692,012 ^Δ	25,307,664 ^Δ
Total Energy Consumption (electricity) [*]	78,724,701 [*]	79,119,327 [*]	86,098,696	90,552,817	Total Energy Consumption (electricity) [*]	15,986,193 [*]	16,902,585 [*]	17,207,964	18,027,831
			100% renewable electricity					100% renewable electricity	
Total Energy Consumption (heating) [*]	26,505,463 [*]	27,696,138 [*]	30,858,186	26,100,950	Total Energy Consumption (heating) [*]	5,588,298	6,550,302 [*]	7,484,047	7,279,834

^{*} Reflect restatement figures as per 'Report Overview' page 72

These results are down to the determination and ambition of our teams to meet our energy goals (see KPI table).

- Solar photolytic paneling** has been added to store specifications. 16 sites^{*} currently have solar panels, with at least 15 installations planned year on year to 2025. *Including stores, warehouses and offices*
- 100% green electricity** across all operations
- Energy Management Dashboard** enabling review, improvements and best practise
- ISO 5001 Certified Energy Management System (EnMS)** across all our operations.
- Refrigerant** we continuously change our refrigerant to alternatives with lower Global Warming Potential.
- Customer Chargers** at 32 stores and all our offices
- Electric Vehicles** – Our Northern Irish car fleet has converted to electric model cars with our Irish fleet consisting of electric model shared cars.
- LED lighting** upgrades include spotlights and fire exits

¹ GRI 302-1^A

OUR OPERATIONS TRANSPORT

While our operations are growing, we still ensure freshness and top quality products at the lowest possible prices across our entire store network.

ACTION: Efficiency is at the core of our operations. Our supply chain and logistics teams continuously measure logistical data for all store and warehouse deliveries, ensuring cost effective and efficient pallet planning for distribution. This management structure ensures all our trips and deliveries are well planned, with no trucks travelling half full or empty, minimising our carbon emissions through our transport and delivery system. For example, our delivery vehicles back-haul materials to our distribution centres for recycling purposes, making sure no journey is wasted. This 'Just-In-Time' operating model and activity is measured by stringent KPIs to ensure efficient vehicle utilisation and reduced fuel consumption, contributing to a better environment.

TARGET: Further increase truck utilisation to 95% by the end of 2021.



Our Customer Journeys



ACTION: We also want to support our customers in making environmentally friendly journeys to our stores. For this reason, we have been increasing our investment in the installation of Electric Vehicle Charge Points across the country, as well as growing our Cycle Bays. Lidl currently provides the largest network of electric vehicle chargers in the Irish supermarket sector, enabling customers to charge their electric vehicles free of charge whilst they shop. This initiative ensures all new suitable stores include two charging points for e-cars. In Ireland we offer 72 customer charging points across 32 stores, with charging points available to colleagues at our Head Office and distribution centres. In Northern Ireland, we offer 16 customer charging points across 8 stores. We also introduced a colleague charging point at every store and our distribution centre.

TARGET: Increase the number of e-car stations for employees and consumers.

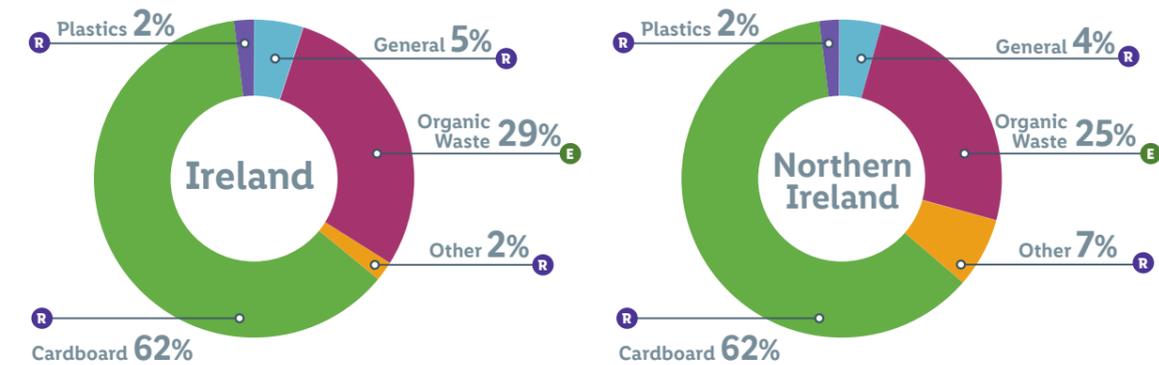
Bio-fuel

Over the last year we have been working with partners to launch a new circular solution for our waste and logistics. Our food waste will be converted to renewable bio-methane and used to fuel our fleets responsible for collecting waste from our stores and regional distribution centres! This country wide initiative reduces the carbon emissions per truck by up to 93% and is the first island-wide supermarket circular economy strategy. Partners will also take hard to recycle material (such as flexible plastic) and use it to create reusable items such as pallets, flower pots, garden furniture etc.



OUR OPERATIONS WASTE MANAGEMENT

At Lidl, we are committed to developing innovative ways to effectively manage our operational waste streams to ensure that we reuse, recycle or redistribute our surplus materials and maintain zero waste to landfill.



ACTION: Since our last report we have continued to work closely with packaging and waste experts to ensure we are as efficient as possible. Through collaboration we ensure an upkeep in our zero waste to landfill commitment and that our waste is being recycled or reused. Segregation is a key component to our waste stream management. We have increased our segregation opportunities across all areas of operation with updated messaging and guidelines for our stores and operations.

TARGET: Maintain Zero Waste to Landfill year on year.



Zero waste to landfill
ACHIEVED and MAINTAINED



SDG 12 – Responsible Consumption and Production
Our surplus food strategy is dedicated to SDG 12.5
Substantially reduce waste generation through prevention, reduction, recycling and reuse.

OUR OPERATIONS WASTE MANAGEMENT

Food Waste¹

As a food retailer, we recognise the responsibility to take leadership for minimising food losses and effective food waste measurement systems.

ACTION: We are committed to and working hard towards **SDG Goal 12.3** and supporting the objectives of the Food Waste Charter.

Some of the ways we work to reduce food waste include:

Forecast Accuracy: Our buying teams cautiously forecast the quantities of fresh and perishable products throughout the year to minimise over-stock and ensure the freshest availability to our customers.

Best Before Dates: Fruit and vegetables are among the foods most frequently thrown away in the home and by not having 'best before' dates on the packaging it encourages customers to make their own decisions about the freshness of produce. Our store teams have regular quality checks in place throughout the day and rigorous stock rotation procedures to ensure our best quality, responsibly sourced and fresh produce offering at market leading value.

Food Redistribution: At Lidl, we take the issue of food poverty seriously and have been working with **FoodCloud** since 2017 to help redistribute over 2 million meals to our local communities across Ireland. FoodCloud are an Irish social enterprise with a vision for a world where no good food goes to waste. They connect food businesses with surplus food to charities and community groups around Ireland who can use it, reducing both the environmental and societal impact of food waste.



Food Recovery: For the food which can't be redistributed to charity or sold at a lower price, we use a process called Anaerobic Digestion where the food is converted into energy. For example, all of the food waste from our stores in Northern Ireland are used to produce bio-fuel for some of the trucks that deliver to our stores.

Communication: We want to also help our customers reduce food waste using our communication channels to share tips and tricks on avoiding the compost bin while also saving money. Using these platforms we can also amplify the voice of organisations effecting change in this space such as FoodCloud and StopFoodWaste.ie

TARGET: Donate 1.8 million meals by 2020 – ACHIEVED

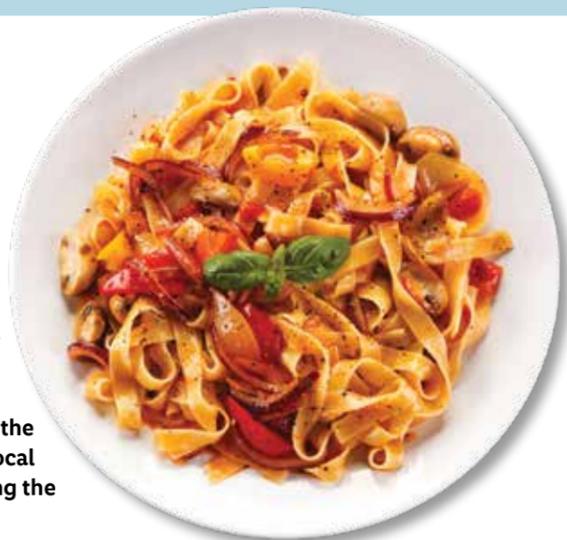
¹ Lidl Specific GRI

Since partnering with FoodCloud, we have donated over

2 million meals

through our charity linked store network helping to meet the growing demand for food from local charity and community groups.

This included a donation of €50,000 worth of essential food items through the Food for Ireland appeal, supporting local charities and community groups during the Covid-19 pandemic.



Total for Ireland and Northern Ireland FY19 and FY20				
Year	Kgs Donated ^Δ	Meals Donated	CO ₂ kg Saved	Equivalent Saved
HQ	3,559	8,449	11,388	€10,676.25
Stores	439,395	1,053,527	1,415,912	€1,327,417.65
Warehouses	95,773	228,474	306,474	€287,319.00



Waste Not

In 2019, we introduced Waste Not, an initiative wherein chilled products at best before dates (and perfectly safe to eat) receive a huge price reduction. This helps to reduce food waste while saving customers money. **Premium steaks sold at just €2.50!**

OUR OPERATIONS PLANNING & CONSTRUCTION



Newbridge

In November 2019, we opened our state-of-the-art, €100m investment, Distribution Centre in Newbridge, Co Kildare. This was our single largest investment made since we entered the Irish market in 2000. This new state of the art facility has delivered significant operational efficiencies, which we return to our customers in the form of cost savings. This new facility also created over 2,000 construction jobs, a further 100 new full-time roles, in addition to sustaining the 250 permanent colleagues moved over from the existing distribution centre. 58,000m² in size, energy efficiency was a key feature of the new distribution centre making it one of the most sustainable logistics facilities in Europe. We invested over €1m in its football-pitch-sized rooftop solar panel array – the largest rooftop solar array in the Republic of Ireland. The solar panels reduce the centre's carbon output by approx. 473 tonnes of CO₂ annually, which is the equivalent of taking 175 cars off the road every year or powering 240 homes. Over 25% of the new facility's energy requirements will now be generated by solar power. Large feature windows, window bands on the perimeter of the building envelope and roof lights maximise natural light entering the warehouse and therefore minimise the requirement for artificial lighting. It was also, the first distribution centre in Ireland to be awarded with BREEAM Excellent certification – the world's leading sustainability assessment for buildings.

TARGETS: Maintain ISO 50001 Energy Management across all buildings.



We have embedded ambitious sustainability criteria into our construction specifications for all stores and warehouses. These criteria include ISO50001 Energy Management, solar panels and LED lighting.

GRI 203-1

OUR OPERATIONS PLANNING & CONSTRUCTION



ISO 50001
Energy Management certified

Sustainably sourced roof
and wooden roof beams

Refrigerants
with less global warming potential

Solar Panels
now added to specifications

Lighting
LED Upgrades

BER A Rated*
Stores

Glazing
to the highest standard on the market

We ensure our new stores and upgrades are built to the highest standards with state of the art materials and equipment. This focus enables us to operate with market leading efficiencies.

9 INDUSTRY INNOVATION AND INFRASTRUCTURE
Industry Innovation & Infrastructure
 We are planning for the future and driving SDG 9.4
 Upgrade infrastructure & retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

*Building Energy Rating (BER) of A-rating for new stores representing high energy-efficiency

OUR OPERATIONS PLANNING & CONSTRUCTION

Other sustainability initiatives at our Newbridge Distribution Centre include:

- **ISO 50001 certification**, a globally recognised standard for best-practice energy management
- The warehouse utilises an **energy efficient system** for lighting and heating, including LED lighting, PIR sensor controls, and a building management system.
- **Airtight** values for the administration building and warehouse are much lower than required under the current building regulations.
- Enhanced sustainability measures include **heat recovery from refrigeration**, only natural refrigerants and a commitment to **'zero waste to landfill'**.
- Utilising the large collection area on the roof by installing a 46,000 litre underground **rainwater harvesting tank** for collecting rain water and redistributing it to the various toilet blocks located within the warehouse.

The centre also boasts several important biodiversity features:

As part of the BREEAM certification process, we partnered with **BirdWatch Ireland** to install **45 bird boxes** at our Newbridge RDC, to help maintain the natural wildlife habitat and enhance biodiversity. The installation comprises a mix of bird boxes catering to a broad scope of bird species with the addition of several bat boxes, which have also been installed at the Newbridge facility to support night-time pollination.

We've also included:

- 9,390 sq.m. **wildflower meadow** to promote pollinators & local biodiversity within the site
- 9,960 sq.m. **woodland area** with 5,700 native trees to Ireland
- **600 shrubs** native to Ireland
- Beehives, bat boxes and insect hotels



It is important for us that we ensure our buildings are future-proofed and that we are expanding sustainably. By investing at the scale that we have been, we've ensured that we have the ability to supply Ireland's growing population efficiently and consistently, long into the future.

Kevin Duffy, Director of Central Services



OUR OPERATIONS EMPLOYEE RESPONSIBILITY

Team Lidl

Through our responsible business practises and dedicated people strategy, our objective is to encourage health and wellbeing, provide equal opportunities to all and develop our employees to reach their full potential. It is important to us that all our team members are proud of what we achieve together in Lidl.

With over 6,000 colleagues across the country, we have grown into a large team, operating different sites (stores, warehouses and offices), with different operational requirements, supporting colleagues in different roles, with diverse and varying needs and requirements. We need to ensure our people strategy caters for and supports all our colleagues in all they do.



ACTION: We prioritise colleague Health & Safety, Labour Rights, Internal Enabling and Life Balance.



Our dedicated #WeAreLidl people strategy embodies the principle that we are all one team. Built with all our colleagues in mind, it focuses on our core values, people development, colleague wellbeing, and consistent and transparent two-way communication.

Maeve McCleane, Director of Human Resources

Top Employer Award

Lidl Ireland and Northern Ireland joined global brands such as Puma, Heineken and PepsiCo in being awarded a **Top Employer for 2021** by the world-renowned Top Employers Institute. This achievement underlines our commitment to delivering best-in-class HR practises in People Strategy, Work Environment, Talent Acquisition, Learning, Well-being, Diversity & Inclusion and more. This award was received at the end of our 2020 financial year and was communicated to all colleagues with a third monetary bonus for all employees as a thank you for their continued hard work and dedication throughout the Covid-19 pandemic.



OUR OPERATIONS EMPLOYEE RESPONSIBILITY

Occupational Health & Safety



At Lidl, we are committed to ensuring our colleagues' health and safety is our top priority.

ACTION: Our Health & Safety department achieve this by:

- Conducting risk assessments on all our activities and ensuring adequate control measures are in place.
- Consistent audit, inspections, and compliance reviews.
- Collaborative Safety Forums and meetings ensuring employee involvement.
- Providing best practice training, supervision, and advice with all departments to ensure health and safety is embedded within all processes and procedures.
- Driving and promoting a positive safety culture within all departments.
- Reviewing and updating an effective EHS Management System in line with ISO 45001.

All of this is monitored through our Employee Health and Safety (EHS) Management System which highlights any potential risks or areas for concern. This system helps us to ensure our employee safety is managed effectively and areas for continuous improvement are identified.

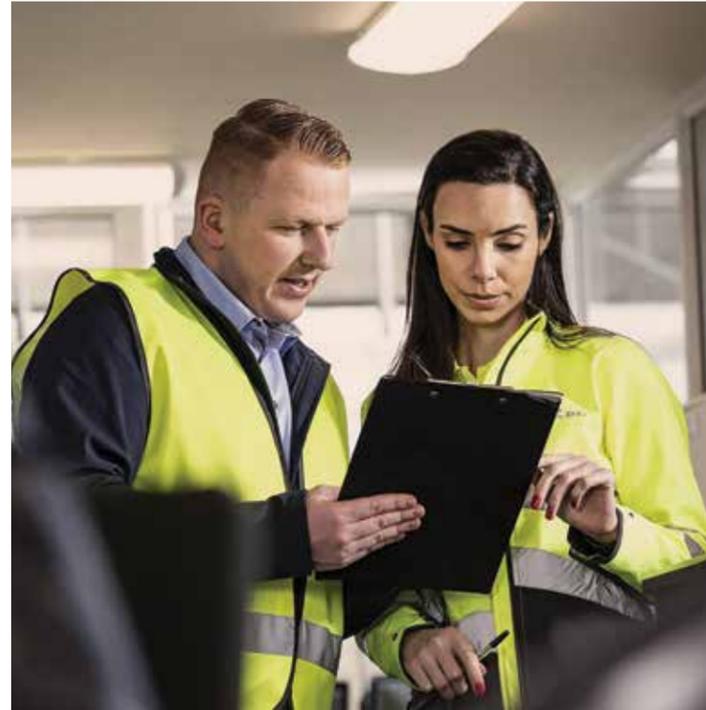
During 2020, this process was put to the test with the spread of corona virus, a global pandemic. Our stores became frontline services overnight and all existing measures had to be recalculated to ensure our colleague safety was maintained under new and threatening risks. The EHS department worked closely with Facilities, Procurement, Sales and Logistics to ensure COVID-19 risks were identified and adequate control measures were implemented. Risk assessments and COVID-19 response plans and procedures were developed quickly and effectively. We ensure our standards for the prevention of COVID-19 are at the highest standard possible.



Our goal is to work towards an incident free environment for employees and others in our Lidl Stores, RDC or Offices. While doing this we will embed a positive safety culture, ensuring the health of our employees and customer satisfaction is at the heart of everything we do.

Aisling Duggan, Head of Health and Safety

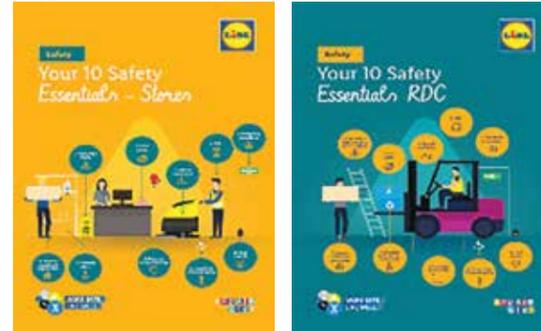
OUR OPERATIONS EMPLOYEE RESPONSIBILITY



Some other Health and Safety initiatives rolled out in 2020 included:

Lidl's Top Ten Safety Essentials

Our top ten safety essentials combine a total of ten really important safety topics. We focus on one of these topics each month and communicate it through our employee app, communication screens and safety notice boards. These essentials are now embedded in our management system and we will continue to promote employee health and safety to ensure the safety of everyone who enters a Lidl premises whether it be an employee, customer or contractor.



European Safety Week

We rolled out a Health and Safety campaign in October 2020 for European Safety Week. This involved communicating important information such as good manual handling practices and preventing incidents such as slips, trips and falls. The campaign also involved employees coming up with ideas/initiatives to improve safety in the workplace. These are now being reviewed by the sales department as part of our lean and clean project.

Online Health and Safety Training

The EHS department worked closely with our Learning and Development department to develop and roll out a number of online learning health and safety modules in 2020. We carried out a full review of our store, RDC and Head Office inductions and created very effective online modules. Some of the topics covered included general health and safety, food safety and fire safety.

TARGETS: Through continued collaboration, Lidl's aim is to always ensure our employees return home safely each and every day. We will continue to evolve our online training and develop modules at a higher level for Managers and supervisors.

8 DECENT WORK AND ECONOMIC GROWTH
Decent Work & Economic Growth
 We are Committed to **SDG 8.8**

Protect labour rights and promote safe and secure working environments for all workers.

OUR OPERATIONS EMPLOYEE RESPONSIBILITY

Labour Rights¹

We live in a changing world. At Lidl, we are committed to ensuring our colleagues feel secure and supported by us, their company, in all areas of the business.

ACTION: We are committed to total compliance with and ensuring of labour rights with regards to ILO core labour standards are strictly adhered to. In conjunction with this, our broad and comprehensive benefits offering has been developed to ensure that our colleagues are supported.

Benefits Overview

- **Living Wage Rate**
- Minimum **30-hour contracts**
- **Tax Saver Schemes**
- **Pension Scheme** and matching
- **Healthcare** either discounted or paid
- Minimum **20 days annual leave**
- **Multiple leave options** such as: Sabbatical, Paid Sick Leave, Paid Marriage Leave, Paid Volunteer Day, including Maternity and Paternity top-up after 1 year's length of service
- Paid **Life Insurance**
- **Disability** cover
- **Subsidised activity groups**
- **Phone and fuel** discounts
- Annual **saving scheme**
- Annual **donation scheme**
- **Longevity** bonuses
- Company car or allowance
- Accredited **course and training** programmes
- External **education** support
- **Relocation support programmes** between international Lidl countries
- Free **Employee Assistance Program (EAP)**

Our definition of benefits includes various types of non-wage compensation provided to employees in addition to their normal wages or salaries. All of the benefits listed are available to full-time and part-time employees in Ireland and Northern Ireland.¹ Lidl does not offer shares or stocks as we are a private company.

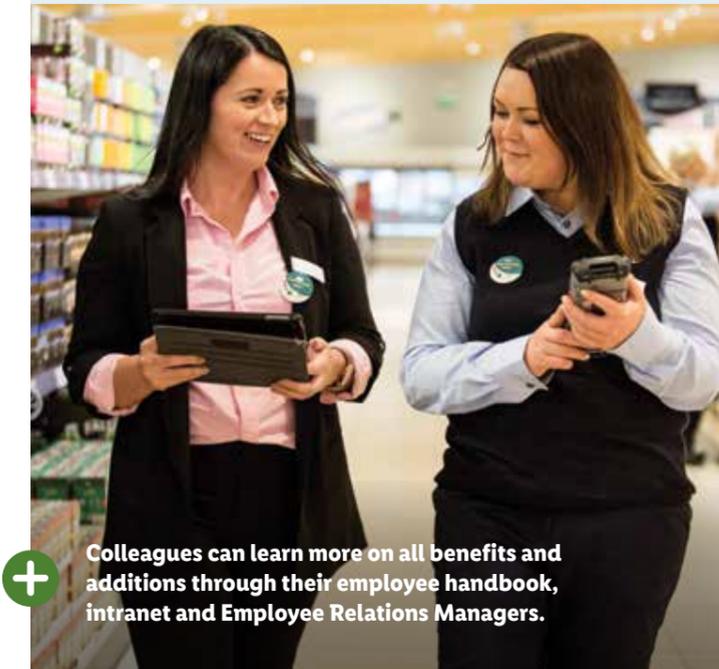
TARGETS: We aim to continue to deliver market leading benefits offering to all our colleagues. We commit to reviewing our benefits offering annually using market reports, benchmarking analysis and colleague feedback received from our annual employee surveys.

¹ GRI 401-2^A



+ €2 million

In January we committed to a **€2 million investment in an Employee Bonus for all employees on the island of Ireland.** The bonus was the third bonus offered to our colleagues to recognise the continued efforts of our team throughout the Covid pandemic.



+ Colleagues can learn more on all benefits and additions through their employee handbook, intranet and Employee Relations Managers.

OUR OPERATIONS EMPLOYEE RESPONSIBILITY

Internal Enabling

At Lidl, we believe in supporting and prioritising both personal and professional development.

ACTION: Our dedicated Learning & Development Team have further expanded the range of courses available from Resilience to LEAN Six Sigma to Logistics Management and much more. To us, colleague fulfilment is linked to confidence in yourself, your role, tasks and skillset. Our courses are designed to enable all colleagues throughout the entire business.



A total of **18,682** attendees across all 2020 training courses!

- **Ready for Work** - A Culture of Inclusivity in our Workforce. Ready for Work is an initiative which provides dedicated work placements for disadvantaged job seekers. This programme, developed in association with Business in the Community, provides for 12 placements annually in Lidl stores and warehouses in the Republic of Ireland. Aimed at those job seekers who may be more marginalised in our society, the programme provides meaningful work experience and a boost for employability skills.
- In 2018 we introduced **Apprenticeships NI**. An apprenticeship is a job with training that leads to a recognised National Vocational Qualification (NVQ) and Essential Skills qualifications (reading, writing, maths and computers). This new government backed initiative is aimed at new or existing employees who meet certain criteria. We currently have 41 completing a variety of apprenticeships including Customer Service Apprenticeship, Retail Apprenticeship, Team Leading Apprenticeship, Warehouse Apprenticeship and Business Administration Apprenticeship, and already 5 of those have been promoted.
- We have partnered with DCU's **Access to the Workplace** to provide Access Students from a socio-economically disadvantaged background a paid summer internship in our Dublin Head Office. This represents an investment of approximately €45,000 over 4 years.

		2019	2020
Training Hours	Ireland	83,288	83,516
	Northern Ireland	21,902	24,004
Courses	Ireland	69	96
	Northern Ireland		

In addition to our dedicated and bespoke courses, we also offer multiple development programmes to help everyone to fulfil their career potential:

- In 2018, we introduced our bespoke **'Feed Your Mind' Management Degree** Programme as part of a €2.1 million investment to provide operational managers with the opportunity to obtain a fully-funded degree whilst earning an attractive salary package and working in our stores and warehouses. Since then an additional 57 people have begun on the programme, with Cohort 4 starting during the summer this year.
- In 2016, we launched the **'Lidl Bursary'** in Northern Ireland, providing University of Ulster business undergraduates with direct funding to support their studies as well as a guaranteed placement at Lidl. Incorporating an investment amounting to around £359,000 for 14 students since launch.



OUR OPERATIONS EMPLOYEE RESPONSIBILITY

- The **Lidl Graduate Management Development Programme** is an 18-month programme, accredited by City & Guilds/ILM for recently graduated university students. Graduates on this development programme receive a bespoke training plan designed to help them get up to speed with every aspect of our business while also helping them to achieve their specific career goals and develop their unique skills. Since 2018 we have had 27 graduates complete the programme with a 78% retention rate.
- In 2020 we relaunched our **Internship Programme**. Internships are designed for current college students who wish to build their career in retail management. Internships vary in duration and start of the programme is dependent on academic requirements, however the majority of internships are between 12 weeks to 52 weeks. 5 students who completed internships in 2020 have been offered full time positions on completion of their degree.
- Our **'Get into Retail'** scheme with The Prince's Trust in Northern Ireland helps young unemployed people to develop employability skills within retail. We have supported 213 young people and 90 participants have been offered full time employment contracts on completion, with our length of service increasing to 2 years and 4 months. In addition to this programme we also provide for around 30 internships a year. Designed for candidates aged 18-30 years who are keen on in a career in retail and who are currently not in education, training or employment, it aims to support the employment and education of young people while at the same time recognising the needs of those who do not pursue further education or who perhaps do not have this option.

- We have also recently launched our **Director Development** and our **Executive Development** programmes. The Director Development Programme has been designed to continue to support our senior leaders in their personal and professional journey. This programme has a core focus on leadership and how senior leaders impact both the success of the business and the success of their people. The Executive Development Programme will further develop executive leaders to build on previous development initiatives to challenge themselves to change specific behaviours to influence effectively as a leader and create a culture of inclusion, appropriate control, openness and trust.
- TARGET:** We plan to continue to build on these programmes and to look to increase our programme uptake (where applicable) by 5% year on year.



Our courses are designed to enable all colleagues throughout the entire business.



OUR OPERATIONS EMPLOYEE RESPONSIBILITY

Life Balance

Work Safe. Live Well - Wellbeing Programme

ACTION: Launched on National Workplace Day in 2016, our 'Work Safe.Live Well.' programme embodies our overarching health and wellbeing agenda. Holistic in its approach, it focuses on physical safety, health and wellness, and financial well-being.

Reinforcing our core values this programme is designed to:

- Embed a culture of wellbeing
- Deliver healthy lifestyles initiatives – Be Well . Be Fit . Be Mindful
- Promote safety at work
- Increase benefits up-take

Guided by colleague feedback, aligned with key business objectives and designed to promote work-life balance, we have expanded the programme over the last 2 years to include:

- Lupilu Family Leave launch
- Laya 1:1 Parent Consultations Lupilu
- Mental Health I'm Fine Campaign
- Healthy Eating Cookbook
- Promotion of EAP
- Digital Wellbeing Studio - digital gym and wellbeing webinars
- National Walking Day
- European week of Sport
- Alcohol Awareness
- Cervical Cancer Awareness
- Men's Health – International Mens Day
- Cold, Flu and Covid Awareness
- Mindscore – A holistic health and wellbeing tool



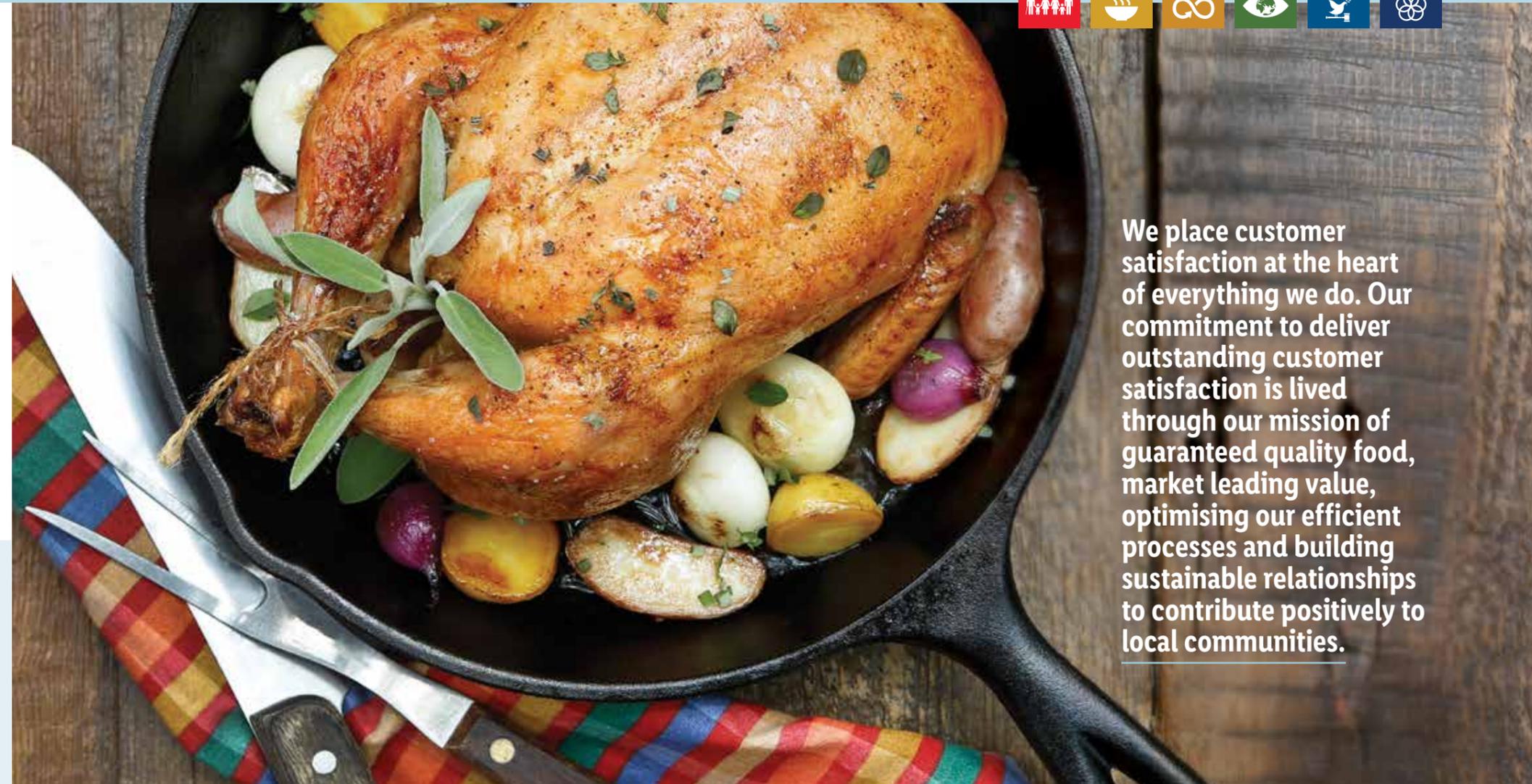
TARGET: We are committed to ensuring we continue to improve and grow every area in this programme to ensure our initiatives are felt long into the future:

- Increasing annual colleague participation in wellbeing initiatives as co-ordinated by the Engagement Team under the Work Safe. Live Well. programme.
- Continue to increase our annual Health Factor score - Health Factor is the difference in the total number of sickness hours divided by the total number of contracted hours x 100. We have achieved our internal targets year on year, increasing this ambition annually.
- Delivering an annual increase on mental health awareness initiatives – we have set internal targets for this linked to Mindscore. Mindscore is an online mental health assessment used to identify and educate around possible mental health issues.



In 2020, our HR team won two awards at the HR Leadership and Management Awards! 'Best Change Management Programme' and 'Overall HR Excellence'. These awards showcase Human Resources teams and initiatives that demonstrate innovation in their approach to people management across a range of businesses.

CUSTOMER



We place customer satisfaction at the heart of everything we do. Our commitment to deliver outstanding customer satisfaction is lived through our mission of guaranteed quality food, market leading value, optimising our efficient processes and building sustainable relationships to contribute positively to local communities.

CUSTOMER RESPONSIBLE PRODUCTS

High Quality Products and Product Safety

We continue to ensure rigorous quality and safety testing in our own branded products.

We recognise the inherent risks in product production such as microbiological, chemical and biological contamination of foodstuffs.

ACTION: We take pride in committing to the highest quality at the lowest prices making sure leading safety standards are always met.

Safe food from the start

- Careful **selection** of suppliers
- **Certifications** reviewed
- Unannounced **supplier audits** conducted regularly by independent accredited auditors
- **Quality tested** - we also work with independent consumer panels to review our products on a regular basis to ensure that our customers are happy with our products.
- **Safety tested** - in addition to the quality testing we do, we also work closely with experts in independent, fully accredited testing laboratories, to ensure that all of the products you and your families consume are the safest they can be.
- This process is followed by our colleagues for all **international suppliers** too.

This process is ALSO followed for all our near food products such as household, cosmetics, pet food etc, making sure all our products are tested and commit to the highest safety and quality standards.

Working with governing agencies

We work very closely with our Lead Environmental Health Officer (EHO) on all product related queries or potential concerns. This relationship is established on regular two-way communication. Our Lead EHO advises on all product related topics relating to safety and quality, while also acting as an resource for any queries we might have.

We comply with and support all governing food safety related agencies and authorities, such as the **Food Safety Authority of Ireland**, the **Food Standards Agency Northern Ireland**, the **Competition and Consumer Protection Commission** and the **Department of Food, Agriculture and the Marine**.



We guarantee high quality food through a rigorous product development and quality control process.

Aoife Noonan, Head of Quality Assurance



CUSTOMER RESPONSIBLE PRODUCTS

High Quality Products and Product Safety

Over **7,400** tests commissioned



incidents of non-compliance^Δ



Ongoing testing

In the past 2 financial years we have conducted more than 7,400 tests across our own brand range and fresh fruits and vegetables. We found the most prevalent issues related to internal chemical or microbiological limits. Like our previous report, we had 0 incidents of non-compliance with regulations and/or voluntary codes^{*} resulting in a fine, penalty or warning during this reporting period.^Δ This was due to our rigorous internal processes, compliance with relevant standards and overall commitment to our product quality and safety.



TARGET: We aim to continue to have zero non-compliances year on year.

Middle aisle tested

All our middle aisle products are also quality tested to the highest standards. Working with reputable third-party institutes, we ensure these standards are maintained e.g. clothing is chemically tested by Oeko-tex and quality testing by Hoehenstein Institute, whereas electrical is tested by TÜV. Lidl are committed to eliminating the emission of harmful chemicals in the production of both clothing and footwear by 2020 in line with the Greenpeace Detox Commitment.



Going above and beyond

The European Union (EU) has established statutory limits for many undesirable substances. These limits are set based on a number of factors, including the effect on humans and the frequency of consumption. A further safety margin is then factored in so that consumers will not be exposed to any health risk if the limits are complied with. We continue to comply with even stricter requirements than EU law through our rigorous testing and often more stringent criteria e.g. our fruit and vegetables may contain no more than one third of the maximum level permitted by law.



¹ GRI 416-1, GRI 416-2⁴

CUSTOMER TRANSPARENCY AT POINT OF SALE

Ingredients and Nutritional Information

Healthy Diets

Our Health and Nutrition Policy outlines our strategy for reducing the sugar, salt and fat content in our own brand products in response to 'Healthy Ireland' – an Irish Government-led initiative and the Obesity Action Plan which highlights customer demand for healthier food choices.

Our target is to reduce the sales weighted average content of added sugar & added salt by 20% across our own branded products by 2025.*

Reducing added sugar by 20%** by 2025, focusing primarily on foods that are popular with and consumed by children.

Reducing added salt* by 20%** by 2025, focusing on food categories that are consumed on a regular basis.



* These targets were updated & extended to 2025 due to delays in new product development progress as a result of Covid-19.
 ** The reduction of sugar focuses primarily on foods that are popular with children. Therefore, the primary focus is on food categories such as breakfast cereals, spreads, sauces, and sweet confectionery.
 *** The reduction of salt first focuses on food categories that are consumed on a regular basis and generally make up a large share of the daily salt intake including ready meals, soups, pizzas, crisps, cakes and meat products.



Reduced pester power!

To support this ambition we stopped displaying cartoon characters on our own-brand cereal ranges from Spring 2020, to help parents tackle pester power in the supermarket aisles and to help make healthy and informed choices. Cartoons were removed from the packaging of the following items, introducing new, cartoon-free branding:

- Crownfield Honey Nut Flakes
- Crownfield Honey Hoops
- Crownfield Choco Rice
- Crownfield Rice Snaps
- Crownfield Frosted Flakes
- Crownfield Choco Hoops
- Crownfield Choco Shells



CUSTOMER TRANSPARENCY AT POINT OF SALE

At Lidl, we are dedicated to sourcing the highest quality products, and we work closely with our suppliers to ensure this commitment.

We are very proud to have been recognised in a number of prestigious awards across our entire product range – from wines and spirits to everyday essentials and more.

Over the last two years we have been awarded 558 awards for our products and ranges! In 2019 we received a total of 348 awards for our own brand products. Most notably, we received **22 awards in the prestigious Blas na hÉireann Awards**, **33 products were awarded at the renowned UK Great Taste Awards** and **39 products were awarded at the Irish Quality Food Awards**. In 2020, although multiple awards were cancelled due to the pandemic, we were honoured to receive a total of 210 awards for our own brand products. We received **22 awards in the Blas na hÉireann Awards** and **22 products were awarded at the UK Great Taste Awards**.

558 Awards

for own-brand products in 2019 and 2020



Special Diets

We have also continued to expand our product range for alternatives diets such as vegan options and catering for intolerances such as lactose or gluten. Our dairy range now includes products with a lower lactose content. We also added a number of gluten-free and vegan products to our everyday range. Our special weekly offers that focus on healthy eating and special diets are also met with a very positive response every time we run them.

We currently have **23 vegan food products** in our everyday range & we expect to double that by the end of 2021.



CUSTOMER SOCIAL VALUE CREATION

JIGSAW
Young people's health in mind

Our objective is to be a good neighbour by positively contributing to the communities in which we live and operate.

We place the customer at the heart of everything we do. We believe it is our responsibility to offer the best for our customers, suppliers, communities and the environment. Building a successful, sustainable future, not just for Lidl, but for all those we impact. Operating in over 200 local communities, we aim to deliver our proposition while also supporting what matters to them most.

ACTION: We have established multiple partnerships, initiatives and programmes to help support our communities in areas that matter to them most.



Corporate Citizenship¹

Jigsaw – The National Centre of Youth Mental Health

We are proud to partner with Jigsaw – The National Centre for Youth Mental Health. Through this partnership, we have pledged to raise €1.25 million and grow national awareness for youth mental health.

Over the course of this partnership we have been committed to delivering meaningful impact for Jigsaw and those we reach each and every day. Through continued collaboration, commitment and leadership, we have introduced community programmes, developed tailored resources and material (both print and digital) as well as developing multiple national campaigns reaching millions of people across the country through multiple platforms, educating communities on how we can all support youth mental health.

VOICE
EVIDENCE
HOPE
INNOVATIVE
YOUTH-LED COMMUNITY
EMPOWERING
LISTEN



Target: €1.25 million!

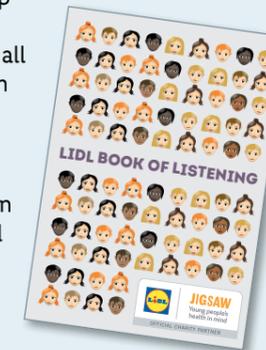


CUSTOMER SOCIAL VALUE CREATION

JIGSAW
Young people's health in mind

Our progress to date:

- Over €1,000,000 raised to date through colleague fundraising and community support.
- Our funding directly supports Jigsaw's **One Good School™** programme which has seen over 900 areas of activity, rolled out across 80 post-primary schools with 17,308 school participants.
- We launched Lidl's **One Good Club™** is a five-step youth mental health awareness programme developed in partnership with the Ladies Gaelic Football Association (LGFA) and Jigsaw.
- **Awareness messaging** added to everyday products such as milk, tea, eggs etc. bringing the Jigsaw message directly into over 70,000 households
- **National campaigns** have extended across the country on national TV, radio, digital and social, reaching families nationwide and providing information on youth mental health and where to go for support
- Additional information – we developed a **bespoke booklet for adults** on how to help support their young people. This was made freely available across all stores and included a redemption code for tea to support starting conversations.
- We have observed Jigsaw's **awareness statistics** grow year on year, with increased referrals and numbers accessing support.



NSPCC Northern Ireland

The NSPCC Northern Ireland is the leading children's charity fighting to end child abuse. Over the course of this partnership, we aim to raise vital funds which will help ensure the charity reaches children across Northern Ireland with crucial services, support and advice on how to stay safe from abuse.



Our progress to date:

Over £500,000 raised to date, contributing to all their services. This is equivalent to:

125 new Childline volunteers, delivering 83 in-depth counselling sessions per year

Speak Out, Stay Safe programme reaching 66,600 primary school children in over 340 schools

8,000 hours of trained practitioners time, working on our services that support children recover from abuse and work with parents and families in caring for their children



Target: £600,000!



CUSTOMER SOCIAL VALUE CREATION



Ladies Gaelic Football Association

We launched our sponsorship with the Ladies Gaelic Football Association in 2016 and since then have invested over €5m into the partnership.

A crucial part of this is our investment at grassroots level which has included supporting over 450 schools and juvenile teams nationwide, donating more than 11,000 jerseys, balls and equipment sets and providing over 300 clubs with cash donations. In February 2021, we launched our biggest initiative yet that saw Lidl commit to investing up to a guaranteed €5,000 for every single club in the country that collected the required amount of stamp cards on the Lidl Plus app while also providing a top prize of €20,000 to the club in each province that collected the most stamp cards.

Our progress to date

- Over **€5 million** invested in the partnership since 2016.
- Over **450 schools** supplied with jerseys, balls and training equipment.
- Over **300 clubs** have already received cash funding.
- Fundraising initiative** devised and introduced via our Lidl Plus where all clubs in Ireland can raise up to a guaranteed €5,000 in cash funding with a grand prize of €20,000 to be won by a club in each province.
- 30 clubs participated/participating in pilot and year 1 of the Lidl **One Good Club** initiative developed in conjunction with Lidl charity partner, Jigsaw – the programme encourages positive mental health and better mental health awareness in the clubs and communities based on Jigsaw’s ‘5-a-day for your mental health’ framework.
- 30 schools participated/participating in pilot and year 1 of the **Serious Support for Schools Athlete Mentor** programme devised in conjunction with Youth Sport Trust – the programme sees senior inter county ladies Gaelic footballers go into secondary schools to deliver multiple sessions on building resilience and positive mental health through participating in ladies Gaelic football with a long term goal of decreasing the drop out rate among secondary school students.



450 schools
received jerseys & equipment

300 clubs
received cash funding

Fundraising Initiative
via Lidl Plus

€5 million
invested since 2016

RESOURCES

Protection of Ecosystems Animal Welfare Standards

SUPPLY CHAIN

Environmental Protection: Supply Chain Employment Related Human Rights Supplier & Market Development

OPERATIONS

Corporate Environmental Management Employee Responsibility

CUSTOMER

Responsible Products Transparency at Point of Sale Social Value Creation Responsible Communication

CUSTOMER SOCIAL VALUE CREATION

Lidl Community Works

1 in 4 local young people struggle with their mental health in Northern Ireland, a very worrying statistic for any parent or guardian to hear.

Taking part in sport has been shown to have both physical and mental benefits for children. Participating in sports and playing in teams provides children with a life-long support system of friends and mentors and can improve their social skills, self-esteem, body confidence, and ability to deal with peer pressure. That’s why we introduced the Lidl Community Works Sport For Good programme. Our mission is to encourage young people to make the most of the physical and mental benefits of taking part in sports so they can have a healthy body and mind.

Our progress to date:

Over **£150,000** invested in sports equipment across 40 sports clubs in Northern Ireland in FY19.

£120,000 invested in sports equipment for 40 secondary schools across Northern Ireland in FY20.



RESOURCES

Protection of Ecosystems Animal Welfare Standards

SUPPLY CHAIN

Environmental Protection: Supply Chain Employment Related Human Rights Supplier & Market Development

OPERATIONS

Corporate Environmental Management Employee Responsibility

CUSTOMER

Responsible Products Transparency at Point of Sale Social Value Creation Responsible Communication

Autism Aware Quiet Evenings

Between the bright lights, crowded spaces, noise and sensory overload, grocery shopping can sometimes be a very stressful task for people with autism. With this in mind, we have organised “Autism Aware Quiet Evenings” in each of our stores to help people and families who may struggle with the weekly shop run. These Autism Aware Quiet Evenings take place weekly, on Tuesdays from 6pm to 8pm, offering our customers a more comfortable shopping experience.

- Reduced lighting
- No music or announcements
- Lower till scan sounds
- Priority queuing and additional assistance
- Always welcome assistance dogs



Our progress to date (Across all stores since 2018)

- Sensory map for all stores designed & available online
- Autism Assistance Dogs sponsored for two families
- Educational / awareness building material created
- Dedicated annual sensory toy promotion – including ear defenders and weighted blankets
- We joined the Valuable 500! This is a global movement putting disability on the business leadership agenda. Joining this network of businesses, we are committing to bringing disability inclusion to the fore of our board agenda.
- First Irish Retailer to become **JAM Card Friendly**, we want to welcome all JAM Card users to shop at ease in our stores and are supporting our colleagues to recognise the card to make our customers’ shopping experience as stress-free as possible.



Just a minute



SDG 17 – Partnerships for the Goals
Through a broad range of partnerships we aim to support SDG 17.6

Enhance the global partnership for sustainable development, complemented by multi stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

CUSTOMER RESPONSIBLE COMMUNICATION

Responsible communication is very important to us at Lidl. Our stakeholders are central to all we do. We make it our priority to ensure constant, effective and impactful communication is maintained between ourselves and all our stakeholders. From information regarding store opening times, to details on our new products, to providing regular updates on our sustainability progress.

Our sustainability progress is regularly communicated through all our varied channels. We link this content to our bespoke CSR websites www.lidl.ie/CSR in Ireland and www.lidl-ni.co.uk/CSR in Northern Ireland, where customers and stakeholders can keep up to date on all our initiatives, policies and progress. We are keen to inform customers about our progress but also provide engaging information about sustainability topics. A recent example of this was our 'Bag for Life' shopping bags, where we opened a national colouring competition to feature a winning design under the theme "Reduce, Reuse and Recycle". The competition saw engagement from right across the country and over 3,000 entries!

Over **3,000** entries
in our Bag for Life colouring competition



CUSTOMER RESPONSIBLE COMMUNICATION

Our Communications Response

As an essential retailer at the forefront of the COVID-19 pandemic, we built an integrated communications campaign designed to support the public, our customers, employees, and suppliers. This involved tactical media relations, a series of strategic announcements and all our communications channels - our PR, social media, traditional and digital advertising channels as well as in-store communications and internal communications.

Two examples of our approach for responsible communication internally and externally include:

Customers

In response to recent restrictions, Lidl would like to remind our valued customers to observe social distancing and be mindful of others when shopping. In this way you can assist us in continuing to make sure that our stores are a safe environment for all. Thank you.

More reassurance for you.

- Periscope till guards
- Hand sanitizers
- 9-11 Elderly shopping hours
- Social distancing
- Automated queue management

Please respect Social Distancing.

Over the last year, more people turned to social media as a source of information. During 2020, we used social media to communicate reassurance and information such as the details for our elderly hours, in-store safety measures, traffic light queue management systems, WhatsApp chat bot for store quiet times and much more. Our priority was to ensure customers could feel safe when visiting their local store. We were also the first retailer to begin hosting virtual engagements on our social media channels.



Colleagues

Our Internal Communications strategy during this period focused on minimising fear, involving our teams and celebrating our colleagues' resilience. A cross-functional response approach was adapted which included daily informative updates combined with community information and support. At all stages, two-way communication was embraced and feedback from colleagues welcomed. With the #WeAreLidl people strategy in mind, we also developed a 'Lidl Lotto' virtual event in October 2020 to thank all colleagues for their hard work and commitment during an extremely challenging year. Every colleague was included through a virtual live stream and over 5,000 winners and over **€250,000 worth of prizes** given out! The Lidl Lotto was awarded Best Online Internal Event at the Covid Comms Awards 2021.

About This Report

This report has been prepared in accordance with the GRI Standards: Core option.¹ The GRI is an independent international organisation, whose standards represent global best practise for reporting on a range of economic, environmental and social impacts. This is Lidl Ireland's and Lidl Northern Ireland's second report in accordance with GRI Standards.² One restatement is included in this report.³

1. **Carbon Footprint** – Data accuracy is very important. During our financial year 2019 carbon footprint data collection, data recording improvements were identified for our Scope 1 and Scope 2 data sets. These enhancements resulted in an increase (>5%) in our previously reported carbon footprint totals. A 'significant threshold' of difference. Although this report defines our new base line and progress, we have included these updated figures for transparency and accuracy.

Design and Scope

This report was designed to achieve the following objectives:

- Communicate Lidl's efforts to benefit society through our products, services, and community initiatives
- Track Lidl's progress across our programmes, initiatives, goals and commitments
- Share Lidl's plans going forward, including sustainability targets and ambitions

Reporting Period

The reporting year for Lidl Ireland and Lidl Northern Ireland is March to February each year. All figures disclosed will be reported based on the Lidl financial years. This report is the second report and is reported in two year cycles.⁴

Reporting Reach

This report will disclose data collected for all Lidl stores, distribution centres and head office. All indicators reported will specify where the data was collated from for clarity.

¹ GRI 102-54, ² GRI 102-48, GRI 102-49, ³ GRI 102-51, ⁴ GRI 102-50, GRI 102-52

Independent Assurance Statement

to Lidl Ireland GmbH and Lidl Northern Ireland GmbH

Scope

We have been engaged by Lidl Ireland GmbH and Lidl Northern Ireland Limited ('Lidl') to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Lidl's selected subject matter information marked with the symbol Δ (the "Subject Matter") in the Lidl Sustainability Report ("the Report") for the reporting period 1 March 2019 - 28 February 2021.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Lidl

In preparing the Subject Matter, Lidl applied the GRI Standards, and their own internally developed criteria ("the Criteria"). Such Criteria were specifically designed by Lidl to guide the measurement and reporting of the Subject Matter. As a result, the Subject Matter may not be suitable for another purpose.

Lidl's responsibilities

Lidl management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements ISAE 3000 Revised Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), and the terms of reference for this engagement as agreed with Lidl on 03 March 2021. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report.

The Subject Matter has been evaluated against the following criteria:

- ▶ **Completeness:** Whether all material data sources have been included and that boundary definitions have been appropriately interpreted and applied.
- ▶ **Consistency:** Whether the Lidl scope and definitions for the Subject Matter Information have been consistently applied to the data.
- ▶ **Accuracy:** Whether the data has been accurately collated by Lidl management, and whether there is supporting information for the data reported by operations to Lidl management.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed 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 procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Interviewed management to understand the key processes, systems and controls in place for the preparation of the Subject Matter.
- ▶ Performed a review of the data management systems, reviewed alignment with the Criteria and conducted analytical review procedures over the Subject Matter.
- ▶ Undertook a remote desktop site visit with Lidl to understand the process of data collection and reporting from store level to head office.
- ▶ Agreed sample selection to supporting documentation and re-performed calculations.
- ▶ Assessed the appropriateness of the Criteria for the Subject Matter.
- ▶ Reviewed the Report for the appropriate presentation of the Subject Matter, including the discussion of limitations and assumptions relating to the data presented.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the 1 March 2019 - 28 February 2021 reporting period, in order for it to be in accordance with the Criteria.

Ernst & Young

19 August 2021, Dublin, Ireland

GRI Standard	Disclosure	Page
General Disclosures		
Organisation Profile		
GRI 101 Foundation 2016		
GRI 102 General Disclosures 2016	102-1 Name of the organization	04
	102-2 Activities, brands, products, and services	06
	102-3 Location of headquarters	06
	102-4 Location of operations	06
	102-5 Ownership and legal form	07
	102-6 Markets served	06
	102-7 Scale of the organization	06
	102-8 Information on employees and other workers	10
	102-9 Supply chain	08
	102-10 Significant changes to the organization and its supply chain	08
	102-11 Precautionary Principle or approach	20
	102-12 External initiatives	22
	102-13 Membership of associations	26
Strategy		
	102-14 Statement from senior decision-maker	02
	102-15 Key impacts, risks, and opportunities	02
Ethics & Integrity		
	102-16 Values, principles, standards, and norms of behavior	07
	102-17 Mechanisms for advice and concerns about ethics	40
Governance		
	102-18 Governance structure	23
	102-19 Delegating authority	23

 For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Standard	Disclosure	Page	Comments
General Disclosures			
Governance <i>continued</i>			
102-20	Executive-level responsibility for economic, environmental, and social topics	23	
102-21	Consulting stakeholders on economic, environmental, and social topics	24	
Stakeholder Engagement			
102-40	List of stakeholder groups	26	
102-41	Collective bargaining agreements		<i>Lidl Ireland and Northern Ireland do not operate with trade unions. This is why there is no reference to collective bargaining agreements in the report.</i>
102-42	Identifying and selecting stakeholders	24	
102-43	Approach to stakeholder engagement	25	
102-44	Key topics and concerns raised	25	
Reporting Practice			
102-45	Entities included in the consolidated financial statements		<i>Lidl Ireland and Northern Ireland are the only entities included in the consolidated financial statement</i>
102-46	Defining report content and topic Boundaries	25	
102-47	List of material topics	24	
102-48	Restatements of information	72	
102-49	Changes in reporting	72	
102-50	Reporting period	72	
102-51	Date of most recent report	72	
102-52	Reporting cycle	72	
102-53	Contact point for questions regarding the report	72	
102-54	Claims of reporting in accordance with the GRI Standards	04	
102-55	GRI content index	74	
102-56	External assurance	73	

GRI Standard	Disclosure	Page	
Material Topics			
Resources			
RESPONSIBLE SOURCING			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	28
	103-2	The management approach and its components	28
	103-3	Evaluation of the management approach	13
Lidl Specific GRI (NEW)	Responsible sourcing practices	28	
BIODIVERSITY			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	28
	103-2	The management approach and its components	29-30
	103-3	Evaluation of the management approach	29-30
GRI 304 Biodiversity 2016 (NEW)	304-2	Significant impacts of activities, products, and services on biodiversity	29-30
	Supply Chain		
PRODUCT PACKAGING			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	34
	103-2	The management approach and its components	35
	103-3	Evaluation of the management approach	35
Lidl Specific GRI	Product packaging	36	
HUMAN RIGHTS IN SUPPLY CHAIN			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	37
	103-2	The management approach and its components	38
	103-3	Evaluation of the management approach	39
GRI 409 Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	38
	GRI 412 Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments
GRI 412 Human Rights Assessment (NEW)		412-2	Employee training on human rights policies or procedures

GRI Standard	Disclosure	Page	Comments
Material Topics			
Operations			
CLIMATE PROTECTION			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	44
	103-2	The management approach & its components	44
	103-3	Evaluation of the management approach	45
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	46
GRI 305 Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	46
ENERGY			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	47
	103-2	The management approach & its components	47
	103-3	Evaluation of the management approach	47
GRI 302 Energy 2016	302-1	Energy consumption within the organization ^Δ	47
	<i>Energy consumption figures exclude lease holder consumption for one store and back up diesel generator consumption. These volumes were subject to the de minimus rule.</i>		
FOODWASTE			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	50
	103-2	The management approach & its components	50
	103-3	Evaluation of the management approach	50
Lidl Specific GRI	FoodWaste management ^Δ	50	
LOCAL DEVELOPMENT			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	51
	103-2	The management approach & its components	51
	103-3	Evaluation of the management approach	53
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	53

GRI Standard	Disclosure	Page	
Material Topics			
Operations			
EMPLOYEE LABOR RIGHTS			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	57
	103-2	The management approach and its components	57
	103-3	Evaluation of the management approach	57
GRI 401 Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees ^Δ	57
Customer			
HIGH QUALITY PRODUCTS & PRODUCT SAFETY			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	62
	103-2	The management approach and its components	62
	103-3	Evaluation of the management approach	63
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	62
GRI 416 Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services ^Δ	63
LOCAL SOURCING			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	08
	103-2	The management approach and its components	08
	103-3	Evaluation of the management approach	09
GRI 204 Procurement Practices 2016	204-1	Proportion of spending on local suppliers	09
CORPORATE CITIZENSHIP			
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	66-69
	103-2	The management approach and its components	66-69
	103-3	Evaluation of the management approach	66-69
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	66-69

^Δ Audited by EY

SUSTAINABILITY REPORT

2019 AND 2020

Thank you for reading our sustainability report. If you have any feedback, please contact us:
Email: CSR@lidl.ie www.lidl.ie/CSR and www.lidl-ni.co.uk/CSR

