

# Human Rights in our Supply Chains

Progress Update 2024



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Our **responsibility**  
for human rights

## Our responsibility for human rights

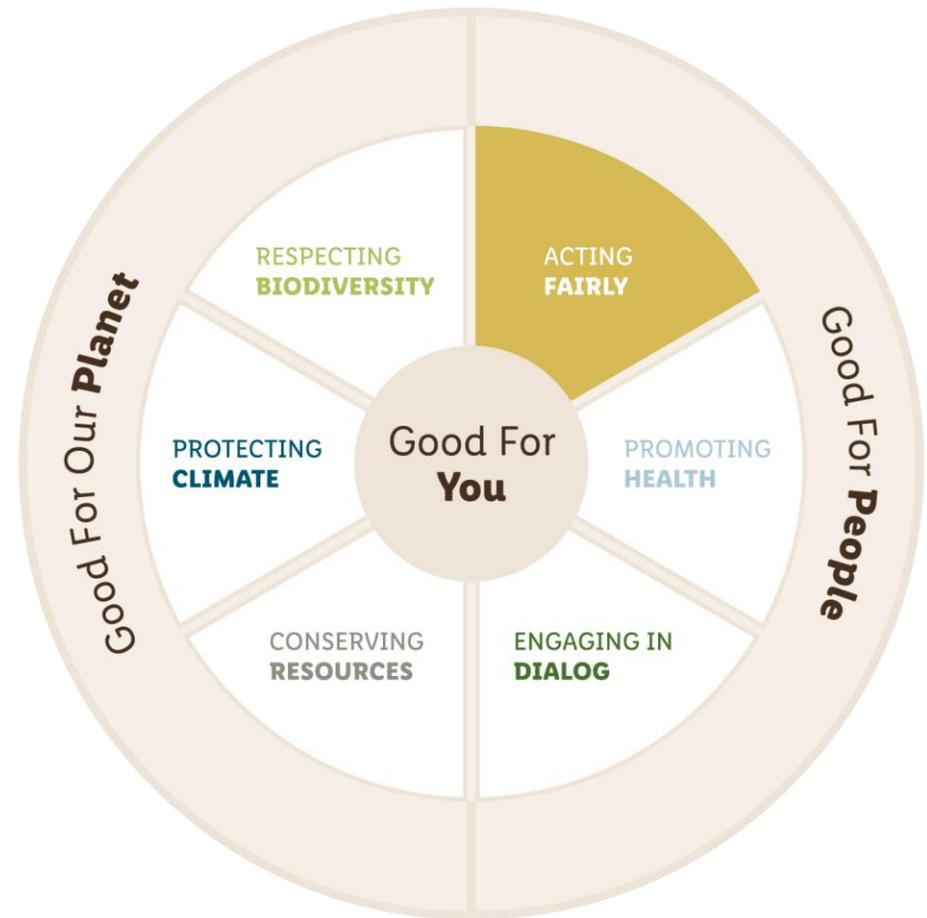
As a discount retailer, Lidl sells food, non-food and near-food products sourced throughout global supply chains. We are responsible for ensuring access to safe, decent working conditions and labor standards for individuals employed throughout the entire value chain and in our own business area. Our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

Since publishing our human rights purchasing policy in 2021 with an [update in 2022](#) we have been on a continued journey with our stakeholders to strengthen our approach.

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

Find [here](#) the progress report from 2023.



# Table of human rights commitments and progress

	Strategic column	Field of action	Commitment	Timeline	Status
<b>End of fiscal year 2022</b>	Safeguarding standards	General	Establishment of a risk-based approach on social auditing	2022	●●○○
	Safeguarding standards	General	Develop an overarching approach to improving labor standards beyond audits ("Beyond Auditing")	2022	●○○○
	Expanding fair trade	Living wages and incomes	Support small-scale farmers in accessing and using agricultural inputs to increase the efficiency of their yields and to diversify their products and thereby strengthen their resilience.	2022	●●●●
	Expanding fair trade	Living wages and incomes	Engage regularly with stakeholders to promote small-scale farmers	2022	●●●●
	Safeguarding standards	Non-discrimination/Gender equality	Promote equality between men and women and ensure the participation of both genders in order to minimize the gender pay gap.	2022	●●●●
	Expanding fair trade	Living wages and incomes	Support small-scale farmers in increasing their incomes, e.g. through access to financial resources, agricultural diversification programs and business administration training.	2022	●●●●
	Safeguarding standards	Living wages and incomes	Integrating the topic of fair pay into our annual risk analysis. In doing so, we take into account the different income situations of men and women.	2022	●●●●
<b>End of fiscal year 2023</b>	Expanding fair trade	Freedom of association	Supporting small-scale farmers to form an association	2023	●●○○
	Safeguarding standards	Communication	Informing and training of our business partners on the Lidl Human Rights Strategy	2023	●●●●
	Safeguarding standards	General	All Tier-1 producers in Cambodia and Bangladesh are members of ILO Better Work	2023	●●○○
	Safeguarding standards	Non-discrimination/Gender equality	Publication of gender-specific data for 3 high risk supply chains	2023	●●●●
	Keeping track of impacts	Non-discrimination/Gender equality	Publication of an action plan on decreasing the gender pay gaps in 3 risk supply chains and annual progress report	2023	●●●●
	Safeguarding standards	Non-discrimination/Gender equality	Support business partners in the implementation of occupational health and safety guidelines during pregnancy as well as maternity protection guidelines	2023	●●●●
	Safeguarding standards	Non-discrimination/Gender equality	Publication of a plan against gender-based violence (in accordance with ILO Convention 190)	2023	●●●●
	Safeguarding standards	Living wages and incomes	Empower buyers to identify and address high risk products for Living Wage/ Living Income gaps	2023	●●●○

Strategic column	Field of action	Commitment	Timeline	Status
Safeguarding standards	Non-discrimination/Gender equality	Revise requirements for suppliers with a specific focus on fairness and equal opportunity in the supply chain	2023	●●●●
Safeguarding standards	Non-discrimination/Gender equality	Sensitize buyers to responsible purchasing practices, including on the topic of gender sensitivity.	2023	●●●●
Keeping track of impacts	Non-discrimination/Gender equality	Include the topic of non-discrimination and gender equality into account in our annual risk analysis.	2023	●●●●
Expanding fair trade	Non-discrimination/Gender equality	Publish the gender pay gap of a high-risk supply chain.	2023	●●●●
Safeguarding standards	Living wages and incomes	Publication of a position paper on fair pay	2023	●●○○
Expanding fair trade	Living wages and incomes	Sensitize buyers in terms of living wages	2023	●●●●
Driving change	Communication	Engaging with trade unions on the challenges of freedom of association in order to better understand the opportunities and limitations. We place a particular focus on women-specific hurdles.	2023	●●○○
Expanding fair trade	Living wages and incomes	Engaging in multi-stakeholder initiatives to support collective bargaining	2023	●●●●
Safeguarding standards	Freedom of association	Including the issue of freedom of association as a requirement for suppliers in Code of Conduct and SPP	2023	●●●●
Expanding fair trade	Living wages and incomes	Implementation of 3 pilot projects to reduce the Living Income/ Living Wage gap in risk supply chains; consideration of women's wage situation	2023	●●●○
<b>End of fiscal year 2024</b>	Driving change	Revising guidelines for suppliers with a particular focus on gender-based violence in the supply chain	2024	●●○○
	Driving change	Support programs to promote educational and professional opportunities in selected high-risk supply chains, with a special focus on girls and women	2024	●●○○
	Driving change	Support increasing the proportion of women in trade unions and raising awareness of issues of gender-based violence and forms of oppression	2024	●○○○
	Driving change	Identify 3 high-risk supply chains and calculate the baseline for gender pay gaps	2024	●●○○
	Safeguarding standards	Sensitize buyers to responsible purchasing practices including the issue of gender pay gap	2024	●○○○

	Strategic column	Field of action	Commitment	Timeline	Status
	Keeping track of impacts		Identifying suitable measures together with expert organizations on the basis of the data collection, to reduce the gender pay gap in high-risk supply chains	2024	●○○○
	Safeguarding standards		Supporting workers in selected high-risk supply chains with access to a social security system	2024	●○○○
	Safeguarding standards		Training our suppliers in high-risk supply chains on promoting freedom of association.	2024	●○○○
	Safeguarding standards		Training workers in three high-risk supply chains on the topic of freedom of association, with a particular focus on women-specific hurdles in consultation with trade unions and local stakeholders.	2024	●○○○
	Safeguarding standards		Develop a program for school scholarships and provide support by providing information on training and career opportunities in selected high-risk supply chains.	2024	●○○○
	Safeguarding standards	Workplace safety	Support workers in selected high-risk supply chains in protecting their health	2024	●○○○
<b>End of fiscal year 2025</b>	Keeping track of impacts	General	Conduct and publish 3 HRIAs annually	2025	●●●○
	Safeguarding standards	Non-discrimination/Gender equality	Ensuring access to gender-sensitive health and safety systems	2025	●○○○
	Safeguarding standards	Non-discrimination/Gender equality	Ensuring access to gender-sensitive grievance mechanisms in high-risk supply chains	2025	●○○○
	Keeping track of impacts	Communication	Publish all high-risk supply chain tiers starting with 3 supply chains	2025	●●○○
	Safeguarding standards	Child labor	Implementing a training concept in high-risk supply chains for prevention/ remediation of child labor	2025	●○○○
	Expanding fair trade	Non-discrimination/Gender equality	Encouraging business with women-owned companies	on a continuing basis	●●●●
	Driving change	Freedom of association	Dialogue with labor unions to identify challenges	on a continuing basis	●●●●
	Driving change	Non-discrimination/Gender equality	Revising our requirements for suppliers with a specific focus on fair pay and equal opportunities in the supply chain	on a continuing basis	●●●●
	Safeguarding standards	General	Ensuring that purchasing practices are followed beyond Tier 1	on a continuing basis	●●●●
	Driving change	General	Actively participating in 3 multi-stakeholder initiatives	on a continuing basis	●●●●
	Safeguarding standards	Non-discrimination/Gender equality	Collaborating with women’s rights organization	on a continuing basis	●●●●

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

# Lidl **Human Rights Strategy** in supply chains

# Lidl Human Rights Strategy in supply chains

## Lidl Human Rights Strategy at a glance

### 1 Keeping track of impacts

We constantly determine the risks and potential of improvement.

### 2 Safeguarding standards

We promote compliance with international frameworks for the protection of Human Rights

### 3 Expanding fair trade

We promote living wages and incomes.

### 4 Driving change

We are active in development programs, initiatives and projects.





# Keeping track of impacts

1

# Keeping track of impacts

**We are committed to taking actions to mitigate the (adverse) impacts of our own business activities in relation to human rights. We continuously review the potential and actual risks in the production of our goods through:**

- Conducting Risk Assessments
- Conducting three Human Rights Impact Assessments (HRIAs) in high-risk supply chains per year
- Increasing transparency in our supply chains

Action area	Key information		Status
 <b>Risk Assessment</b>	Annually	<ul style="list-style-type: none"> <li>• Scope: in our own business area and for our direct business partners</li> <li>• Goal: identification of human rights and environmental risks in supply chains</li> </ul>	On a continuing basis
 <b>Event-Driven Risk Assessment</b>	In case of an potential risk	<ul style="list-style-type: none"> <li>• Scope: individual sectors or supply chain stages whose potential risks we have become aware of</li> <li>• Goal: identify further risks in the deeper supply chain</li> </ul>	On a continuing basis
 <b>Gender Assessment</b>	Annually	<ul style="list-style-type: none"> <li>• Scope: Non-Food supply chain</li> <li>• Goal: Identify gender specific risks in the deeper supply chain</li> </ul>	On a continuing basis
<b>From 2020 – 2022 we conducted 6 HRIAs with the goal to identify and mitigate specific Human Rights Risks</b>			
 <b>HRIA Tea</b>	Conducted 2020	<ul style="list-style-type: none"> <li>• Scope: Kenyan tea supply chain</li> </ul>	Published: <a href="#">Link</a>
 <b>HRIA Berries</b>	Conducted 2020	<ul style="list-style-type: none"> <li>• Scope: strawberry supply chain in Spain</li> </ul>	Published: <a href="#">Link</a>
 <b>HRIA Banana</b>	Conducted 2021	<ul style="list-style-type: none"> <li>• Scope: banana supply chain in Columbia</li> </ul>	Published: <a href="#">Link</a>
 <b>HRIA Canned tomatoes</b>	Conducted 2021	<ul style="list-style-type: none"> <li>• Scope: tomato supply chain in Italy</li> </ul>	Published: <a href="#">Link</a>
 <b>HRIA Wine</b>	Conducted 2022	<ul style="list-style-type: none"> <li>• Scope: wine supply chain in South Africa</li> </ul>	Published: <a href="#">Link</a>
 <b>HRIA Shrimp</b>	Conducted 2022	<ul style="list-style-type: none"> <li>• Scope: shrimp supply chain in India</li> </ul>	Published: <a href="#">Link</a>
 <b>HRIA Cashew</b>	Conducted in 2023	<ul style="list-style-type: none"> <li>• Scope: Cashew from Cote d'Ivoire</li> </ul>	to be published
 <b>HRIA Meat</b>	Conducted in 2023	<ul style="list-style-type: none"> <li>• Scope: Meat processing in Germany</li> </ul>	to be published

Action area	Key information		Status
 <b>Action Plan Tea</b>	Published 2020 alongside HRIA	<ul style="list-style-type: none"> <li>• Scope: tea from Kenya</li> </ul>	Published: <a href="#">Link</a>
 <b>Action Plan Berries</b>	Published 2022	<ul style="list-style-type: none"> <li>• Language: GER, EN, ES</li> <li>• Number of actions: 6</li> </ul>	Published: <a href="#">Link</a>
 <b>Action Plan Banana</b>	Published 2023	<ul style="list-style-type: none"> <li>• Language: EN</li> <li>• Number of actions: 3</li> </ul>	Published: <a href="#">Link</a>
 <b>Action Plan Canned tomatoes</b>	Published 2023	<ul style="list-style-type: none"> <li>• Language: EN</li> <li>• Number of actions: 5</li> </ul>	Published: <a href="#">Link</a>
 <b>Action Plan Shrimp</b>	Published 2024	<ul style="list-style-type: none"> <li>• Language: EN</li> <li>• Number of actions: 4</li> </ul>	Published: <a href="#">Link</a>
 <b>Action Plan Wine</b>	To be published 2024		to be published
 <b>Action Plan Cashew</b>	To be published 2024		to be published
 <b>Action Plan Meat</b>	To be published 2024		to be published
 <b>Publishing all first-tier food suppliers</b>	Annually	<ul style="list-style-type: none"> <li>• Scope: Food</li> <li>• Goal: increase transparency</li> </ul>	Published: <a href="#">Link</a>

## Risk Assessment 2024

### TROPICAL FRUITS



- Child Labour: India, Brazil, Türkiye
- Forced Labour: India, Brazil, Türkiye
- Fair Remuneration: India, Brazil, Türkiye
- Land rights: India, Ecuador, Columbia
- Occupational Health & Safety: India, Ecuador, Columbia
- Discrimination: India, Ecuador, Columbia
- Freedom of Association: India, Ecuador, Columbia

### SPICES



- Child Labour: India, Türkiye
- Forced Labour: India, Poland, Türkiye
- Fair Remuneration: India, Türkiye
- Land rights: India
- Occupational Health & Safety: India, Türkiye
- Discrimination: India, Türkiye
- Freedom of Association: India, Türkiye

### COFFEE



- Child Labour: Brazil, Vietnam, Honduras
- Forced Labour: Brazil, Vietnam, Honduras
- Fair Remuneration: Brazil, Vietnam, Honduras
- Land rights: Columbia
- Occupational Health & Safety: Brazil, Vietnam, Honduras
- Discrimination: Ethiopia
- Freedom of Association: Brazil, Honduras

### COTTON



- Child Labour: India, China, Pakistan
- Forced Labour: India, China, Pakistan
- Fair Remuneration: India, China, Pakistan
- Land rights: India
- Occupational Health & Safety: India, China, Pakistan
- Discrimination: India, Pakistan, Türkiye
- Freedom of Association: India, China, Pakistan

### COCOA



- Child Labour: Côte d'Ivoire, Ghana, Nigeria
- Forced Labour: Côte d'Ivoire, Ghana, Nigeria
- Fair Remuneration: Côte d'Ivoire, Ghana, Nigeria
- Land rights: India, Camerun
- Occupational Health & Safety: Côte d'Ivoire, Ghana, Nigeria
- Discrimination: Ghana, Nigeria
- Freedom of Association: India, Ecuador

### TEA



- Child Labour: China, India, Sri Lanka
- Forced Labour: China, India, Sri Lanka
- Fair Remuneration: China, India, Sri Lanka
- Land rights: India, Indonesia
- Occupational Health & Safety: China, India, Sri Lanka
- Discrimination: India, Sri Lanka
- Freedom of Association: China, India

### NUTS



- Child Labour: Vietnam, Nigeria, India, China, Cote d'Ivoire, Türkiye, Argentina
- Forced Labour: Vietnam, Nigeria, India, China, Cote d'Ivoire, Türkiye, Argentina
- Fair Remuneration: Argentina, Vietnam, China
- Land rights: India, Burundi, Indonesia
- Occupational Health & Safety: Argentina, Vietnam, China
- Discrimination: India, Nigeria, Türkiye
- Freedom of Association: China, India, Nigeria

### RICE



- Child Labour: China, Cambodia, Indonesia
- Forced Labour: China, Cambodia, Indonesia
- Fair Remuneration: China, Cambodia, Indonesia
- Land rights: Cambodia, Indonesia
- Occupational Health & Safety: China, Cambodia, Indonesia
- Discrimination: Cambodia, Indonesia
- Freedom of Association: China, Cambodia, Indonesia

### PLANTS & FLOWERS



- Child Labour: Ethiopia, Kenya, Türkiye
- Forced Labour: Ethiopia, Kenya, Türkiye
- Fair Remuneration: Ethiopia, Kenya, Türkiye
- Land rights: Costa Rica
- Occupational Health & Safety: Ethiopia, Kenya, Türkiye
- Discrimination: Türkiye
- Freedom of Association: Türkiye

### SUGARCANE



- Child Labour: Brazil, India, China
- Forced Labour: Brazil, India, China
- Fair Remuneration: Brazil, India, China
- Land rights: India
- Occupational Health & Safety: Brazil, India, China
- Discrimination: India, Pakistan
- Freedom of Association: Brazil, India, China

### PALM



- Child Labour: Indonesia, Malaysia, Papua New Guinea
- Forced Labour: Indonesia, Malaysia, Papua New Guinea
- Fair Remuneration: Indonesia, Malaysia, Papua New Guinea
- Land rights: Indonesia, Papua New Guinea
- Occupational Health & Safety: Indonesia, Malaysia, Papua New Guinea
- Discrimination: Indonesia
- Freedom of Association: Indonesia, Malaysia, Papua New Guinea

### FISH & SHELLFISH



- Child Labour: China, Ecuador, India
- Forced Labour: China, Ecuador, India
- Fair Remuneration: China, Ecuador, India
- Land rights
- Occupational Health & Safety: China, Ecuador, India
- Discrimination: India
- Freedom of Association: Ecuador, India

## Human Rights Impact Assessments (HRIAs)

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

Our HRIAs follow a systemic process to identify, prioritize and address the impact of business operations on human rights issues within prioritized supply chains. This includes direct engagement with stakeholders and rights-holders within the scope of the assessment. An important aspect of our approach is the mitigation and remediation plan, which includes time-bound actions to ensure salient human rights risks identified through the process are mitigated and addressed effectively. We are continuously working on our internal processes for HRIAs based on own insights and external recommendations such as the Oxfam report on meaningful HRIA ([Link](#)).



	Publication status	Action No. & Content	Progress
 <b>Tea</b>	Published 2021	1 Explore collaborative opportunities to increase positive impacts of certification schemes.	●●●●
	See detailed progress report here: <a href="#">Link</a>	2 Continue sourcing of certified black, green and rooibos tea and increase overall proportion of certified fruit and herbal teas.	●●●●
		3 Continue to engage with stakeholders, local partners and MSIs included within the HRIA and feedback learnings.	●●●●
		4 Engage in initiatives and projects with local stakeholders.	●●●●
		5 Strengthen buying practices to go beyond certification requirements.	●●●●
		6 Support mitigation of the impact of price volatility on rightsholders through business practices.	●●●○
		7 Continue to develop supply chain transparency.	●●●●
		8 Test specific interventions to mitigate risks associated with smallholder farmers and women.	●●●○
 <b>Berries</b>	Published 2022 <a href="#">Link</a>	1 Strengthening internal capacity to implement corporate due diligence.	●●○○
		2 Participating in the Spanish Ethical Trade Forum.	●●●●
		3 Conducting unannounced social audits.	●○○○
		4 Strengthening the monitoring of working conditions in cooperatives and producing companies.	●●○○

	Publication status	Action No. & Content	Progress
		5 Participating in the Stronger Together training program.	●●●●
		6 Participating in a Lidl pilot project to set up effective, on-site grievance mechanisms.	●●●●
 <b>Banana</b>	Published 2023 <a href="#">Link</a>	1 Dialogue with standard setting bodies.	●●●●
		2 Participation in a gender equality project.	●●●●
		3 Improving wages in the banana supply chain.	●●●●
 <b>Canned tomatoes</b>	Published 2023 <a href="#">Link</a>	1 Strengthen Lidl's Human Rights Due Diligence.	●●●●
		2 Striving for transparency.	●●○○
		3 Implementing new requirements.	●●○○
		4 Participating in the ETI Working Group.	●●●●
 <b>Shrimp</b>	Published 2024 <a href="#">Link</a>	1 Ensure ongoing feedback and redress	●○○○
		2 Share HRIA with the industry & establish collaborative mitigation or remediation measures	●○○○
		3 Strengthen responsible recruitment management systems, policies and practices	●○○○
		4 Enhance supply chain transparency and accountability	●○○○
 <b>Wine</b>	In progress		

Building on the Action Plans, further measures have been implemented for the HRIAs on berries and banana in the meantime. Our pilot project for a grievance mechanism in Huelva for the HRIA on berries was the starting point of the Multi Stakeholder Initiative Appellando, for which we are continuously providing insights from our pilot. The launch of Appellando in Spain is scheduled for 2024. It is planned to extend the grievance mechanism to further countries in the future.



# Gender Data in our Supply Chains

In 2021 we committed to start publishing Gender aggregated data. Here we would like to give an insight into 3 high risk supply chains focusing on the topics Gender Inequality, Women Empowerment and vulnerable groups:

## Gender Inequality: Women in cocoa production in Ghana

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

### Gender-specific challenges for women in cocoa farming

- **In Ghana, female cocoa farmer earn 25-30 % less than their male counterparts.**
- Women's labour is crucial for cocoa production as they are involved in almost all activities of cocoa production. They play a vital role in their cocoa farming communities, a contribution that often remains unseen, undervalued, and unpaid or paid less.
- Their contribution goes beyond farming activities and includes household and reproductive work, childcare or cultivation of other crops for domestic consumption (e. g. yam, cassava, plantains).

- Counting all those activities, women's working hours exceed those of men by almost 30 %.
- Still, most women do not own land and if they do, they tend to have smaller, more remote and less productive patches of land.
- Although the legislation in Ghana provides men and women with equal rights concerning land ownership and inheritance, in practice women face great difficulties when it comes to ownership of land and decision-making about it.
- Women often have less decision-making power in their household, community or district, and therefore have less influence on decisions concerning cocoa production or use and allocation of income.
- Women face greater difficulties when it comes to access to education and trainings, financing, farming inputs or participation in farming cooperatives.
- The Gender Inequality Index (GII), which looks at gender-based differences in reproductive health, education and parliamentary representation, and the labor market is 0.529 in Ghana, ranking it 130 out of 170 countries in 2021

## Method

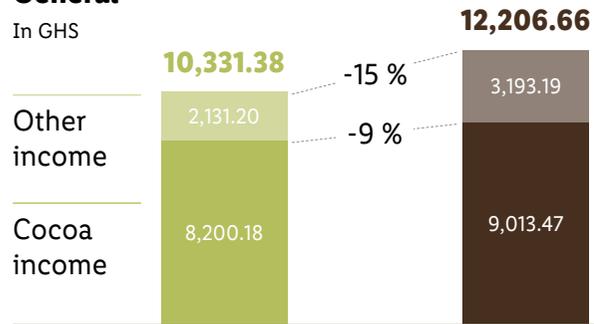
The data analyzed is aggregated data from the farm record keeping performed by 500 farmers (65 % male, 35 % female) **from the Konongo region** in the season October 2021 until September 2022 within the WayToGo Chocolate Program.

Overall in Ghana, **female cocoa farmers earn 25-30 % less** than their male counterparts. So the data suggest an improved situation for the female beneficiaries of the project.

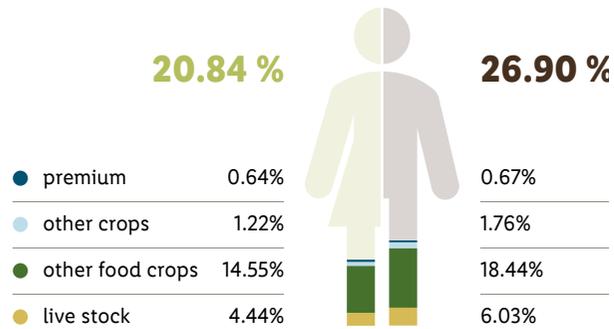


## Income General

In GHS



## from other sources (diversification ratio)



## Productivity

Kg cocoa sold per acre of land

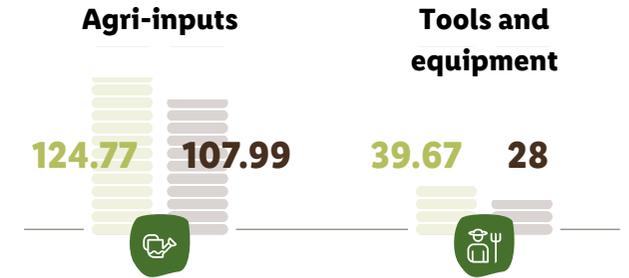


## Plot size in acres



## Investment

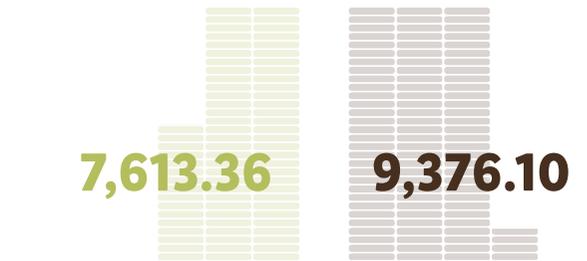
per acre, in GHS



## Hired Labour in GHS



## Profit in GHS



### **Income from other sources**

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

In future, the share of women generating income from other sources than cocoa could be addressed within the project through further sensitization on additional livelihood activities. This can encourage women to invest in them as well as men to support women to do income generating activities. Furthermore, the support to strengthen and empower women with information and resources to be able to manage money as it is done within the VSLAs could be expanded. Additionally, supporting women who are interested in investing in other livelihood activities with seed capital could be considered.

### **Farm Size and age**

Within the project, women's access to land could be strengthened through sensitization among community leaders, traditional leaders and the land owners. This is for instance addressed within the Fairtrade program 'Women school of leadership'.



### **Hired Labour**

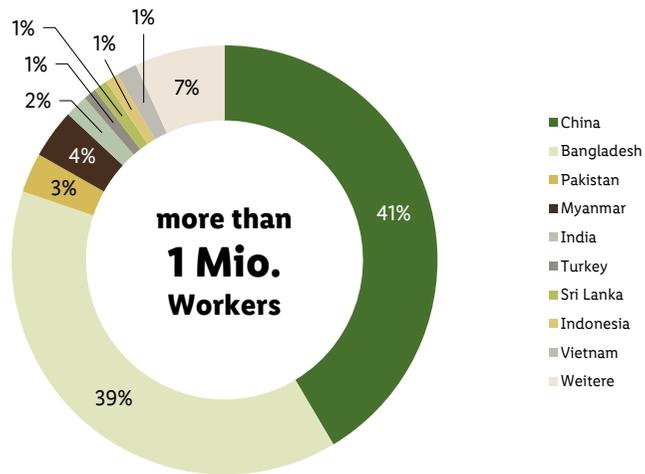
However, considering that female farmers in general have 23 % less farm size than their male counterparts, the cost of hired labour may indicate that they have less capacities to work on their farms themselves due to other (family related) responsibilities.

→ Actionplan Gender Pay Gap: [Lidl België](#)

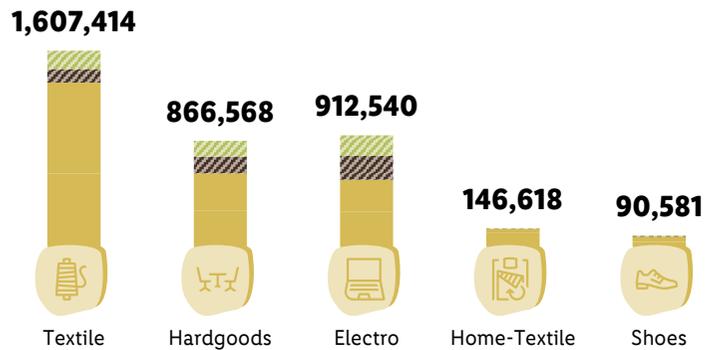
# Vulnerable Groups in our Non-Food Supply Chains

## Distribution of workers...

### ... in our most important production markets

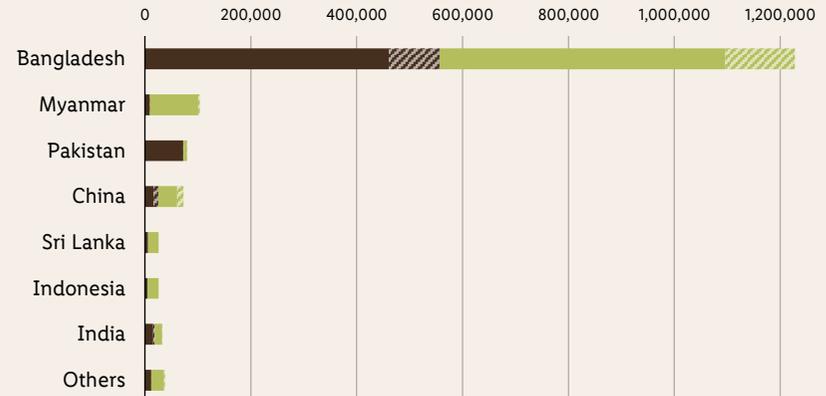


### ... in product categories

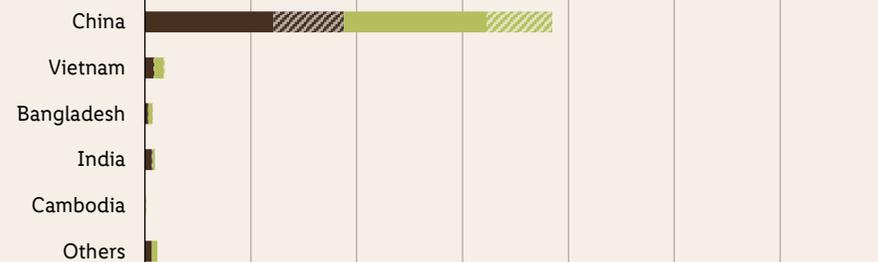


### ... in Supply Chains

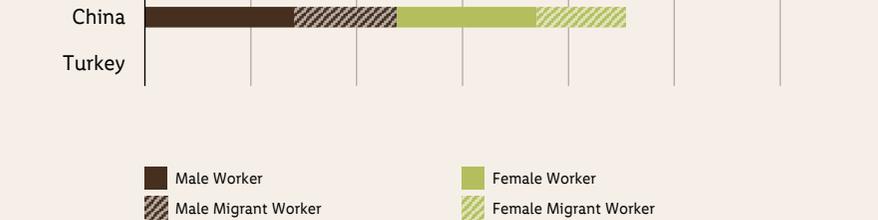
#### Textile



#### Hard-goods



#### Electro



# Safeguarding standards

2

# Safeguarding standards

**We promote measures to strengthen and comply with the ILO core labor standards. The Code of Conduct describes the fundamental principles for cooperation with business partners: [Link](#)**

Focus Area:

- Setting social standards through projects in high-risk supply chains
- Access to effective grievance mechanisms
- Sustainability requirements for suppliers

**We commit our self to human rights and environmental obligations in trade and in our own organization: [Link](#)**

**We commit our self to the compliance rules of Conduct: [Link](#)**

Our Code of Conduct describes the fundamental principles for cooperation with business partners

Focus Area	Objective	Status
<b>CSR Requirements for suppliers</b>		
<b>Sustainable Purchasing Policy</b>	Contractual determinations for Lidl business partners on social and environmental conditions	Rollout in progress
<b>Grievance mechanisms</b>		
<b>ABKMS</b>	Access to grievance mechanism for all actors in our supply chains	Rollout in progress
<b>International ACCORD</b>	Access to grievance mechanism for workers in T1-factories for Textile-producers in Bangladesh	Rollout in Pakistan
<b>ACT dispute resolution mechanism</b>	Access to grievance mechanism for workers in T1-factories for Textile-producers in Bangladesh	Currently no further rollout planned
<b>Amfori BSCI Speak for Change (S4C)</b>	Access to grievance mechanism for workers in BSCI-certified factories in Bangladesh, Vietnam, India, Türkiye	Further rollout in Cambodia and Pakistan, Pilot in China
<b>Wovo-App by Labour Solutions</b>	Access to grievance channel for workers in T1-factories for Textile-producers in Myanmar	Rollout in progress
<b>Appellando</b>	Access to grievance mechanism for workers in fruit, vegetable, and plant supply chains in Spain	Rollout in progress
<b>Pilot projects for setting social standards</b>		
<b>Pilot Child Rights in the hazelnut supply chain in Türkiye (with Save the Children)</b>	Strengthening the rights of children in the hazelnut supply chain in Türkiye	Complete <a href="#">LINK</a>
<b>ILO Better Work Rollout</b>	Enabling of textile factories in Cambodia and Bangladesh to comply with ILO standards	In progress
<b>OHS &amp; Gender in Colombian banana supply chain</b>		Complete

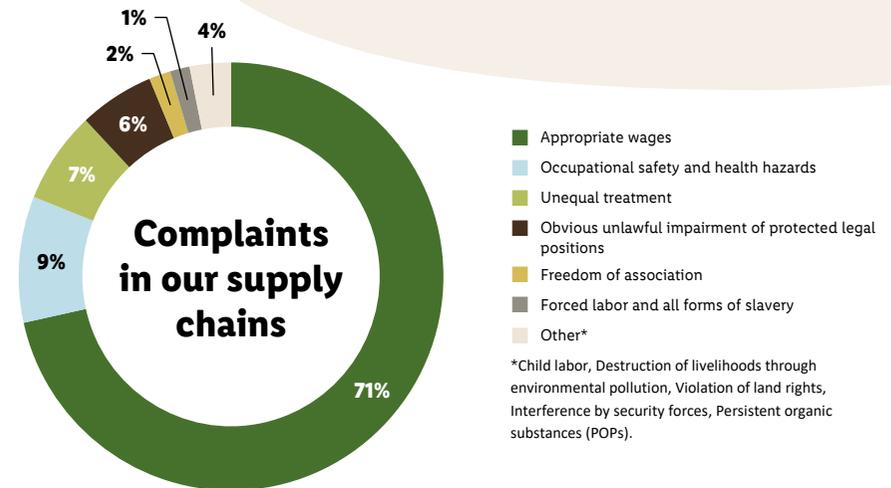
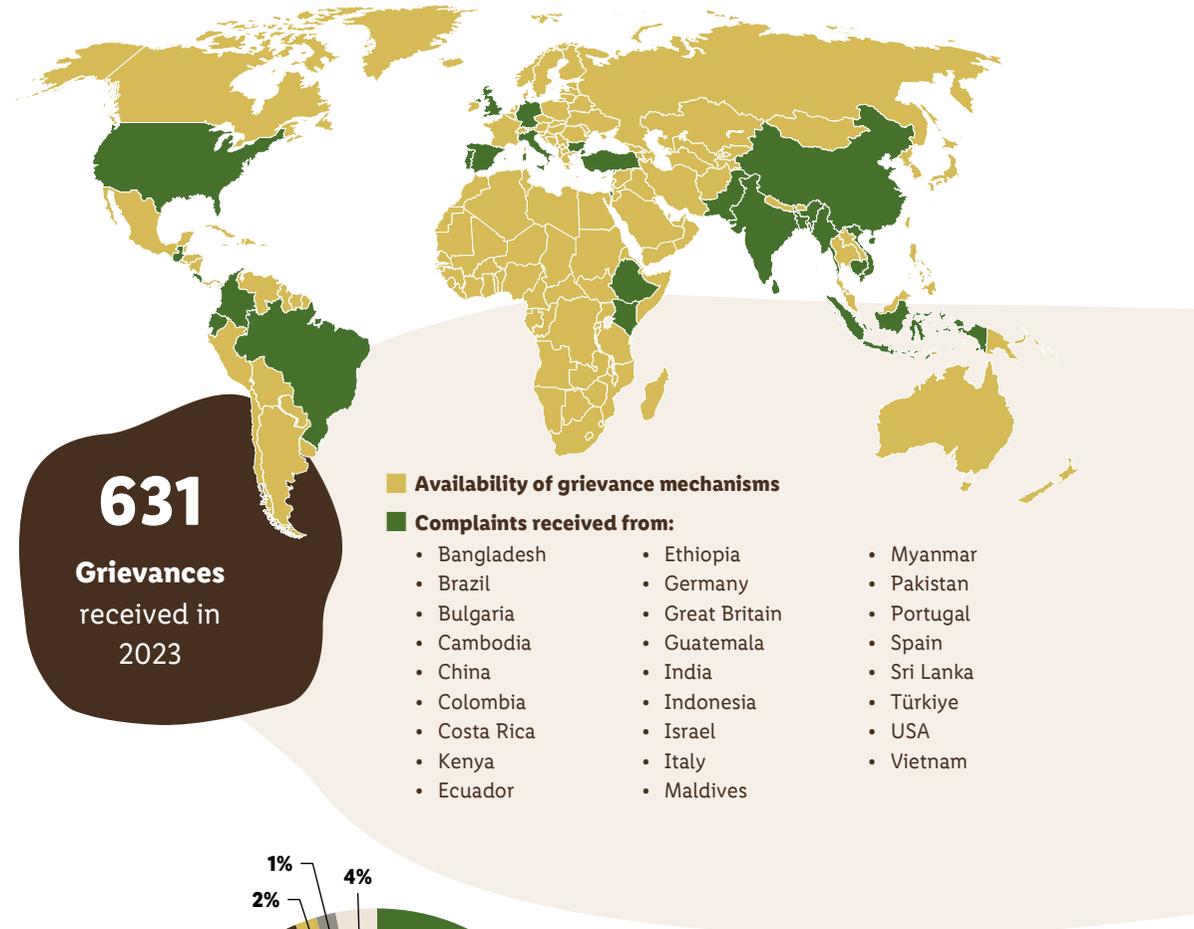
# Grievance mechanism

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

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

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

By assuming its responsibility to ensure access to effective grievance mechanisms, Lidl has not only organized multi-stakeholder initiatives to establish industry-wide grievance mechanism but also introduced an online grievance mechanism which is based on the BKMS Reporting



system. Through BKMS, stakeholders can report grievances, as well as find information about the procedure and confidential data treatment.

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

Following significant progress in the non-food sector, Lidl is now focusing on improving the access to grievance mechanisms and particularly as part of multistakeholder-approaches for other assortments, for example the fruit & vegetables, and plants supply chains. An initial step is to engage in industry-wide working groups as well as initiating pilots within high-risk supply chains.

## Appellando

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

Based on the success of the pilot, Lidl initiated engagement with other, mainly Germany retailers to establish a sector-wide grievance mechanism for the fruit, vegetable, and plant supply chain. Now under the lead of the EHI Retail Institute, the sector-wide initiative, called “Appellando” kicked off in June 2023. Since then, the retailers and

some major suppliers regularly work together to develop the mechanism and prepare for a rollout in Spain.

The mechanism not only brings together the German retail but is designed as a multistakeholder-approach, involving local trade unions, certification standards, and other important stakeholders and organizations, as well as opening a dialogue for integrating existing local initiatives for grievance handling. Furthermore, the initiative also covers needs assessments of potential users of the mechanism and hence is designed for inclusiveness, effectiveness and greatest possible impact while balancing legal requirements.

The grievance mechanism will first be rolled out in Spain. Further scale-up to other countries such as Italy, Peru and Ecuador is intended.

More information on the initiative can be found on the website of the initiative (<https://www.appellando.org/>).



### **Compliance case example – processing and remediation:**

We received a media request from a journalist concerning vegetable cultivation in southern Spain and extensive violations of labor rights and health protection regulations as well as environmental pollution at one of our suppliers.

In line with our standard investigation procedure, we requested a statement from our direct business partner in the first step. Once received, we reviewed the statement and requested the necessary evidence.

We then initiated an unannounced audit according to the social compliance certification standard Global G.A.P. Grasp to further investigate the allegations, many of which were not validated in this process. Since the Global G.A.P. standard has faced recent criticism for not disclosing violations, a second unannounced audit was therefore initiated by another independent auditing company. This could not confirm the allegations either but resulted in other findings with regards to violation against occupational safety and health standards.

To gather more information for our investigation, we also initiated a dialog with a local trade union that represented some of the affected workers. Unfortunately, they did not provide any further information or evidence and left the allegations unsubstantiated.

A Corrective Action Plan was then defined and agreed with the supplier to remedy the issues, which was fulfilled within the specified period. The implementation of the measures was continuously monitored by us, and the corresponding evidence was reviewed and evaluated.

After the appropriate remediation measures had been taken, a concept for monitoring of the measures as part of a preventative approach has been developed for this supplier.

To ensure that the preventative measures are being implemented properly in the long term, another audit has been scheduled for later this year, which will also include worker interviews to check whether the implemented remediation measures are still in place.

## Milestones in gender equity

- **2021**
  - EKP Gender Equality
  - HRIA & Action plan Bananas from Colombia
  - Lidl signed the Women Empowerment Principles
- **2022**
  - EKP Gender Equality (Update)
  - Action Plan Gender Equality
- **2023**
  - 1 Project OHS & Bananas
  - 2 **Supply Chain Data**
    - Gender Pay Gap (Bananas | Columbia)  
> Actionplan Gender Pay Gap ([Lidl België](#))
    - Women Empowerment (Way To Go)
    - Risk for Discrimination in Non-Food Supply Chains
  - 3 Concept for **gender mainstreaming** / incorporating key figures into projects
  - 4 Aktionsplan **Gender Based Violence and Harassment** ([Lidl België](#))



# Occupational Health and Safety & Gender in the Banana Supply Chain in Columbia

Gender equality and Occupational Health and Safety (OHS) were highlighted as particular risk categories within the Human Rights Impact Assessment on Bananas in Columbia in 2021. The work in the field is highly physically demanding. While protocols are in place, they were not always adhered to with the risk to negatively impacting workers' Occupational Health and Safety. While the workforce in the field is predominantly male women tend to represent a larger proportion of the workforce in packing houses. Packing roles are generally paid less. With the result that women earn less due to the job roles they are able to perform on the plantations.

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

## Development of a national OHS Manual

The Banana Occupational Health and Safety Initiative (BOHESI) annual on health and safety in the banana industry has been adapted to the Colombian context, considering national laws and requirements on OHS and aligning the manual to international OHS standards and conventions. The manual also integrates a gender perspective to OHS, based on the guidelines and recommendations presented in the WBF resource, Guidelines for the healthy and safe employment of women workers in the Latin American banana industry.

## World Banana Forum (WBF)



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

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

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

## Scaling up: Promoting the Manual & Training

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

### Manual content

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



## Project results: Columbia



**3 Plantations**



**59 Participants**



**33 %**  
Woman



**75 %**  
Success Rate



## Expanding **fair trade**

3

# Expanding fair trade

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

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

Program	Supporting ...
 <b>Living Wage Banana Project (GER, UK, BL)</b>	... workers in the Lidl banana supply chain towards a living wage
 <b>ACT</b>	... workers in the textile supply chain towards a living wage
 <b>Way To Go</b>	... small-scale farmers towards a living income
 <b>Cotton made in Africa</b>	... small-scale farmers towards a living income

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

The Way To Go concept has been jointly developed by Lidl and Fairtrade in order to improve incomes for small-scale farmers in Lidl's food supply chains. The starting point for each project is a thorough assessment with the cooperatives that focusses on local needs and challenges. A local implementation team then accompanies the project of the producer's organization then accompany the project during the implementation of the activities. Fairtrade, Lidl and the implementation team engage in bi-annual meetings to ensure close cooperation, working carefully to ensure balanced decisions in the best interest of all stakeholders. Annual reporting is in place to monitor progress on the project activities.

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

Lidl plans to expand the scope and scale of the project to other supply chains to achieve an even greater impact.





## Empowerment of small-scale farmer households for a sustainable income improvement

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



## Secure Incomes

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

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

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



## Transparency

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With Way To Go we further increase transparency in our supply chains. We distinguish between creating transparency in our **supply chains** through traceability of our raw materials and **transparent project management** via regular reporting, analyses and assessments.

## Way To Go Cocoa

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



**October  
2019**

Launch of the  
Way To Go  
chocolate bar

### Key facts about the project

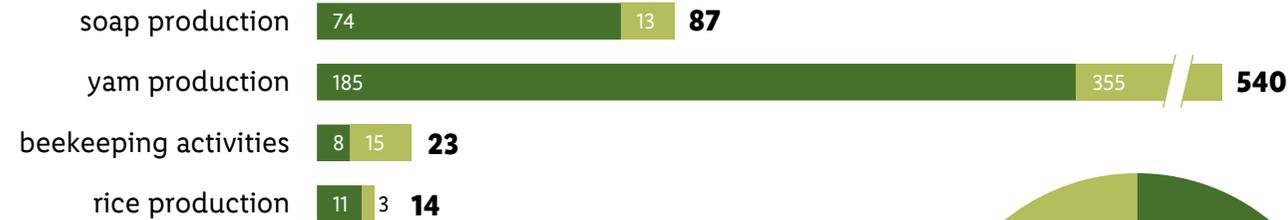
- **100 % physically traceable cocoa** from the Kuapa Kokoo Farmers Union (KKFU) – Konongo and Juaso Societies and the Kukuom Cooperative Cocoa Farmers and Marketing Union
- **Payment of Income Improvement Premium** for each ton of raw cocoa on top of Fairtrade Minimum Price and Fairtrade Premium. The IIP is composed of direct payment to improve individual farmers' incomes as well as financing of project activities to achieve long-term income improvement for the farmers specifically target women, youth and low-income members.
- **Increasing resilience** against price shocks, effects of climate change or any other challenges with their cocoa harvests as important part of

raising incomes by diversifying income sources, thus reducing dependency on cocoa

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

## Key achievements since project start

### Farmers involved in...



female  
male

More than  
**2,200 farmers**

benefitted from spraying and pruning services

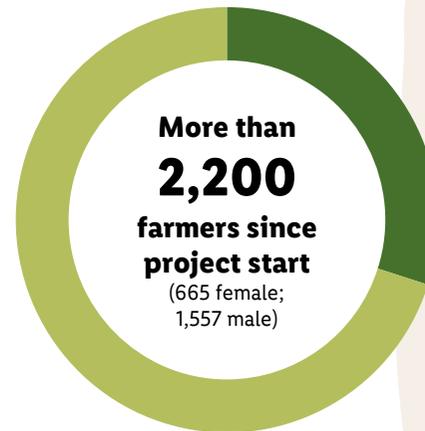
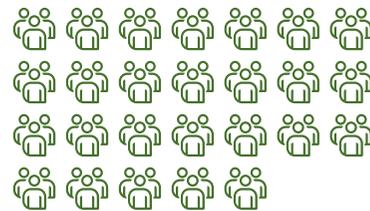
Data collection, validation and analysis conducted for

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

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

More than  
**3,300 farmers**

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



**26 communities** with GPS mapping of farms (3,343 farmers)

**419,000 cocoa seedlings**

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



**90,350 tree seedlings**

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



## Way To Go Coffee

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



### August 2022

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



### Key facts about the project

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



## Key achievements since project start

Fairtrade coffee sourced from female farmers of APROCOMSA producer organization:



# 178

### female coffee farmers from APROCOMSA

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



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



## 57 farmers

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



## 30 women

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



## 46 women

have participated in **trainings on reproductive health**



## 57 women

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

# Way To Go Cashew

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

## Key facts about the project

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

## Key achievements since project start

### The first cashew cooperative (UWAMI)

**2022** registered as an Agricultural Marketing Cooperative Society (AMCOS)



improved to collect cashew nuts



improved to enter into trade contracts on behalf of its members



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

**Two additional cooperatives** have already been onboarded



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

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

# Way To Go Oranges

In 2024, a new project is starting in the Way To Go program, integrating orange juice and orange-mango nectar into the range of products. In addition to the minimum price and the Fairtrade premium, orange producers in Brazil receive the Lidl Income Improvement premium, which finances accompanying project activities such as training courses and direct payments to the cooperative. This way, Lidl aims to help establish living incomes, improve social framework conditions and enable more farmers to cultivate in a more environmentally friendly way adapted to climate change. The Way To Go oranges are grown by the cooperative Cooperativa de Produtores de Comércio Solidário – Coopsoli in the Paraná Region, Brazil.



## The cooperative:

**2018**

**registered** as Coopsoli – Cooperativa de Produtores de Comercio Solidario



**7/36**  
**members**  
**are women**

**2020**

**Fairtrade certified**

## Key facts about the project

- **100% physically traceable oranges** from Cooperativa de Produtores de Comércio Solidário – Coopsoli
- **Payment of Income Improvement Premium** for the oranges on top of Fairtrade Minimum Price and Fairtrade Premium. The IIP is composed of direct payment to improve individual farmers' incomes as well as financing of project activities to achieve long-term income improvement for the farmers.
- **Increasing resilience** against price shocks, effects of climate change or any other challenges with their orange harvests as important part

of raising incomes by diversifying income sources, thus reducing dependency on oranges.

- **Rollout of gender inclusive** project activities to target male and female producers, taking into account additional hurdles for female farmers.

**Driving** change

4

# Driving change

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

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

## Living Wage Banana Project

**Lidl in Germany** launched its Living Wage banana project in 2022 and **successfully closed its living wage gap** by voluntary contributions. Through this it has expanded its Living Wage/ Income engagement beyond the Way To Go program. This project applies to all bananas sourced from 200 plantations in Colombia, Ecuador, Dominican Republic and Guatemala (including organic and conventional bananas from Fairtrade, as well as conventional Rainforest Alliance certified bananas).

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

### Lidl – Living Wage Gap closed for



**200 plantations**



**+ 10,000 workers**



#### **4 Countries:**

Ecuador  
Columbia  
Dominican Republic  
Guatemala

## Process

In 2022, Lidl worked with all affected business partners, Fairtrade, and the Fairtrade certification company FLOCERT to develop a process to verify the data in the IDH Salary Matrix. This is designed to ensure that plantation workers receive the correct living wage payment from Lidl and its business partners.

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The process essentially comprises four steps:

- 1 Empowerment**

The first step is to train all relevant business partners, their upstream suppliers and the producers in how to use the IDH Salary Matrix. This ensures that the existing pay reality is depicted as accurately as possible.
- 2 Data capture**

The data necessary to calculate the wage gap and calculate the premium is documented in the IDH Salary Matrix and provided to Lidl and FLOCERT for review.
- 3 Data verification**

The audits (specifically developed for Lidl) are carried out by specifically trained FLOCERT auditors. These audits ensure that the wage data from the plantation operators is complete, consistent and accurate. As part of the audit, documents are manually compared with the wage data available at the plantations.
- 4 Payment**

Lidl's share of the wage gap and the premium for the living wage are calculated specifically for the relevant plantations and producers. The producers and suppliers then select and implement suitable means of payment to close Lidl's share of the wage gap through premiums.

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

Lidl succeeded in closing its share of the wage gap for Lidl Germany's bananas by taking action and further developing its project cycle in 2023.



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



## Contact

Lidl België  
Guldensporenpark 90 J  
9820 Merelbeke

[csr@lidl.be](mailto:csr@lidl.be)