

2023/24

# Lidl GB Modern Slavery Statement

This statement is made by Lidl Great Britain Limited (Lidl GB) pursuant to section 54 of the Modern Slavery Act 2015 (the 'Act') and constitutes our slavery and human trafficking statement for the financial year ending 29th February 2024.





# Contents

- 01** Introduction
- 02** Organisation structure and supply chains
- 03** Partnerships
- 04** Policies
- 05** Risk assessment and management
- 06** Training
- 07** Measuring progress
- 08** Looking ahead

# Introduction

At Lidl, we're clear on our purpose: making good food accessible to everyone. This means doing what is right for our colleagues, customers and communities.

This ethos underpins the way we work to fulfil our brand promise of being 'Big on Quality, Lidl on Price'. By embedding ambitious, measurable goals and focussed programmes within our company, we strive to act in a way that is fairer, more responsible, and increasingly sustainable.

This is especially important in a world where human trafficking, forced labour and child labour continue to exist. As a business, we are fully committed to playing our part in eradicating these abhorrent practices.

We are conscious of the role played by ongoing global challenges including forced displacement, pressures on food and energy supply chains, labour shortages, and the cost-of-living crisis. In response to these issues, we are continuing to deepen our understanding of risks within our business. We are also strengthening our human rights due diligence processes to make improvements within our supply chains.

The 2015 Modern Slavery Act sets out a range of measures aimed at combatting slavery, human trafficking, servitude and forced or compulsory labour. As part of this legislation, UK companies with a global annual turnover of £36 million or more are required to state the actions taken to prevent, mitigate and remediate risks of modern slavery in their organisations and supply chains. Our eighth modern slavery statement outlines the work we have done over the financial year ending 29th February 2024.

During this period, we are pleased to have achieved the following:

- Conducted three new Human Rights Impact Assessments.
- Piloted a new grievance mechanism in the Indian shrimp sector.
- Signed a national banana living wage commitment.
- Completed a gender equality training pilot to our Kenyan tea supply chain.

This statement was approved by the Board of Directors of Lidl GB.

**Ryan McDonnell, Chief Executive Officer at Lidl GB**

**Date: 24.05.24**



# Organisation structure and supply chains

As a business, we strive to work in a way that benefits people, producers, and the planet:

- We're proud of the strong ties we have to our local communities.
- We take responsibility for the welfare of those we employ directly and across our supply chains, and sustainability is embedded to everything we do.

Our core promise is to offer high quality products at affordable prices and we'll never waver on this. As part of this commitment, it is important to us that our supplier relationships are built on long-lasting foundations.

## Great Britain

Since establishing ourselves in Great Britain in 1994, we have experienced continuous growth. In England, Scotland, and Wales, we have over 32,000 employees, over 960 stores and 14 distribution centres all ultimately serving millions of customers.

## International

Part of Schwarz Retail Group, Lidl is one of Europe's leading grocers. In 31 countries around the world, we have more than 376,000 employees. We operate approximately 12,200 stores and over 220 warehouses and distribution centres.



# 376,000

Employees in 31 countries around the world.  
We operate approximately 12,200 stores.

## Our supply chains and products

Thousands of local and international suppliers and partners produce our ingredients, raw materials, and finished products. These instrumental relationships help us to fulfil our mission of providing for our growing and loyal customer base.

Our products are negotiated by Buying teams based in our Lidl GB head office, at our international office in Germany and throughout our network of Lidl markets in Europe.

As a business, we understand our responsibility to improve living and working conditions wherever our products are manufactured. We take proactive steps to reduce the risk of modern day slavery.

Own-brand lines make up the majority of the products we offer our customers, so they are the primary focus for our modern slavery strategy and overarching human rights due diligence.

**32,000**  
employees

**960**  
stores

**14**  
distribution  
centres





# 1,362 suppliers

To offer our customers a diverse range of food and fresh produce, we source from 37 countries and 1,362 suppliers.

# Backing British

Our core range of fresh beef, poultry, pork, eggs, milk, cream, and block butter are 100% British.



# 1,631 suppliers

We source our non-food products from 1,631 suppliers across 16 countries.

## Food

To offer our customers a diverse range of food and fresh produce, we source from 37 countries and 1,362 suppliers, via our national and international buying teams.

Two thirds of our core product range come from British suppliers, including fresh meat, fish, poultry and a variety of locally produced fruit and vegetables. Our core range of fresh beef, poultry, pork, eggs, milk, cream, and block butter are 100% British.

## Food promotions

During themed weeks in our stores throughout the year, we sell limited offer food and drink products from a variety of countries. While these are not permanently listed in our stores, these items are expected to meet our responsible sourcing requirements.

## Non-food

As a group, we buy and retail non-food products – found in the ‘Middle of Lidl’ – including clothing, accessories, home textiles and hard goods. Within this category we source from 1,631 suppliers, across 16 countries.

Most of our non-food products are bought through our international business which manages Lidl Group’s global non-food ethical trading programme.

## Procurement

Our Procurement department purchases the goods and services used to run our business, managing over 600 supplier relationships to achieve this. Their orders span a range of items such as store, office and warehouse equipment – everything from desks, to computers, to store fittings and appliances.

As a business, we have intentionally embedded sustainability specialists in relevant departments across our business, including Procurement, to ensure that we comply with environmental and ethical guidelines.

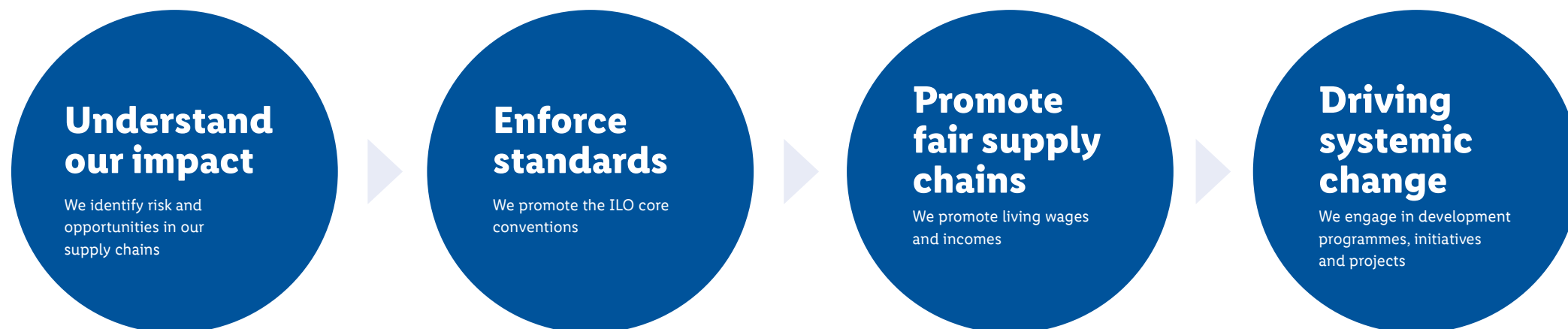
## Human rights and ethical trade

Our internal Responsible Sourcing team works from within our Buying department and supports the delivery of the priority topics linked to our supply chains, including plastics and packaging, sustainable agriculture, sustainable raw materials, sustainable diets, climate, and human rights.

The Lidl Group has an overarching human rights strategy outlining clear human rights objectives, which we have adopted to reflect the human rights priorities of Lidl GB. This strategy was developed through comprehensive risk assessments and close engagement with specialist stakeholders, which identified the main risks facing workers across our business operations and global supply chains.

For further information about how we are delivering this strategy beyond modern slavery, please review our [Buying Policy for Human Rights in the Supply Chain](#).

## Lidl Human Rights Strategy at a glance:



## Governance

Overarching responsibility for upholding human rights due diligence sits with the CEO of Lidl GB. A set governance structure exists across all Lidl markets to ensure a robust chain of accountability. The Lidl GB board also formally monitors our progress on key human rights and modern slavery issues.



### Lidl Group

#### CEO

Accountable for corporate due diligence (including respect for human rights and environmental impacts)

#### Board Director

Responsible for the implementation of corporate due diligence at an international department level

#### CSR & Buying Departments

Enables strategy implementation at an international level and integrates within purchasing practices

### Lidl Great Britain

#### CEO

Accountable for corporate due diligence (including respect for human rights and environmental impacts)

#### Board Director

Responsible for the implementation of corporate due diligence at a national department level

#### CSR & Buying Departments

Enables strategy implementation at a national level and integrates within purchasing practices



# Partnerships



# Policies

**We are committed to developing and embedding policies which uphold human rights and protect workers throughout the Lidl Group and global supply chains.**

## For our business

We have established a range of policies to protect and enhance the wellbeing of the colleagues we employ, both directly and indirectly. These policies include our Anti-Harassment Policy; Grievance Policy; Eligibility to Work Procedure; Working Time Regulations Policy; Breaks Procedure and Equal Opportunities Policy.

Since 2018, we have had a wellbeing strategy called “Feel Good Five” focusing on the five ‘powers’ of social wellbeing, physical and nutritional health, mental health, learning and financial health. Through our dedicated Employee Assistance Programme, a range of free and confidential services are available for all employees, including counselling, cognitive behavioural therapy, and a confidential helpline.



## For our supply chains

We align our practices with internationally recognised frameworks listed below:

[International Bill of Human Rights](#)

[UN Guiding Principles on Business and Human Rights \(UNGPs\)](#)

[UN Convention of the Rights of the Child](#)

[UN Convention of the Elimination of All Forms of Discrimination against Women](#)

[OECD Guidelines for Multinational Enterprises](#)

[International Labour Organization Declaration on Fundamental Principles and Rights at Work](#)

[Paris Climate Agreement](#)

[Minamata Convention](#)

[Stockholm Convention](#)

[Basel Convention](#)

[The ten principles of the UN Global Compact \(UNGC\)](#)

To review all Lidl human rights and raw material policies, please see our [corporate website](#).

[The Schwarz Group Business Partners Code of Conduct](#) (CoC) is the foundation of our business relationships and we require our suppliers to uphold its clauses. The CoC outlines the minimum standards expected for all our supply chain partners and is included within our commercial agreements. The CoC outlines Lidl's zero tolerance approach to forced labour, involuntary prison labour and child labour.

This year, we have developed and implemented an additional contractual document – the Sustainable Purchasing Policy (SPP) – which delves into further detail on a variety of human rights topics. The SPP was developed to support our suppliers to embed the standards within their own business and supply chain. It includes responsible recruitment, protecting the rights of children and young people, grievance mechanisms and redress. This document was developed to support 100% of our own brand suppliers (across all categories of food, F&V, near-food & non food) to embed the CoC within their own business and supply chain.



# Risk Assessment & Management

**We structure our modern slavery strategy using a risk-based approach. This means systematically identifying and addressing the most adverse, actual, and potential risks within our business and supply chains as a matter of priority.**

Guided by the UN Guiding Principles on Business and Human Rights, we take accountability for the adverse impacts of our business and review opportunities for continual improvements. We do this by identifying key risks, developing tangible actions and implementing enhancements to our working practices and buying policies in collaboration with external partners.

For further information, please refer to our [Human Rights Due Diligence policy](#).

## Modern slavery strategy

The Lidl GB modern slavery strategy is structured into five focus areas, aiming to tackle risks across our business and supply chains.

### The pillars of the strategy are:

- Training and capacity building
- Responsible recruitment
- Supply chain programmes
- Effective grievance mechanisms
- Remediation



## Our Risk Assessment - raw materials, risks and country affiliation

### Bananas



#### Social Risks

- **Child labour:** Brazil, Ecuador, Philippines
- **Forced labour:** India, Indonesia
- **Workers' rights:** Brazil, China, Philippines
- **Discrimination:** India, Indonesia

### Cotton



#### Social Risks

- **Child labour:** Turkmenistan, Uzbekistan
- **Forced labour:** India, Pakistan, Uzbekistan
- **Workers' rights:** India, Pakistan, Uzbekistan
- **Discrimination:** India, Pakistan

### Plants & Flowers



#### Social Risks

- **Child labour:** Ethiopia, Kenya
- **Forced labour:** Ethiopia, Kenya, Thailand
- **Workers' rights:** Brazil, China, Malaysia
- **Discrimination:** Ethiopia, Kenya

### Fish



#### Social Risks

- **Child labour:** Philippines, Thailand, Vietnam
- **Forced labour:** China, Thailand, Vietnam
- **Workers' rights:** Indonesia, Thailand, Vietnam
- **Discrimination:** Morocco, Mexico, Indonesia

### Hazelnuts



#### Social Risks

- **Child labour:** Azerbaijan, Georgia, Turkey
- **Forced labour:** China, Georgia
- **Workers' rights:** China, Iran, Turkey
- **Discrimination:** Azerbaijan, Iran

### Coffee



#### Social Risks

- **Child labour:** Ethiopia, Colombia
- **Forced labour:** Ethiopia, Indonesia, Colombia
- **Workers' rights:** Brazil, Guatemala, Indonesia
- **Discrimination:** Ethiopia, Honduras, India

### Cocoa



#### Social Risks

- **Child labour:** Ivory Coast, Ghana, Nigeria
- **Forced labour:** Ivory Coast, Ghana, Indonesia
- **Workers' rights:** Brazil, Ivory Coast, Indonesia
- **Discrimination:** Ivory Coast, Ghana, Indonesia

### Palm Oil



#### Social Risks

- **Child labour:** Ivory Coast, Nigeria
- **Forced labour:** Indonesia, Malaysia, Thailand
- **Workers' rights:** Indonesia, Colombia, Malaysia
- **Discrimination:** Guatemala, Indonesia, Papua New Guinea

### Rice



#### Social Risks

- **Child labour:** Bangladesh, India, Vietnam
- **Forced labour:** India, Thailand, Vietnam
- **Workers' rights:** China, Thailand, Vietnam
- **Discrimination:** India, Indonesia, Myanmar

### Soya



#### Social Risks

- **Child labour:** India, Nigeria, Paraguay
- **Forced labour:** China, India, Ukraine
- **Workers' rights:** Brazil, India, Ukraine
- **Discrimination:** Bolivia, India

### Tea



#### Social Risks

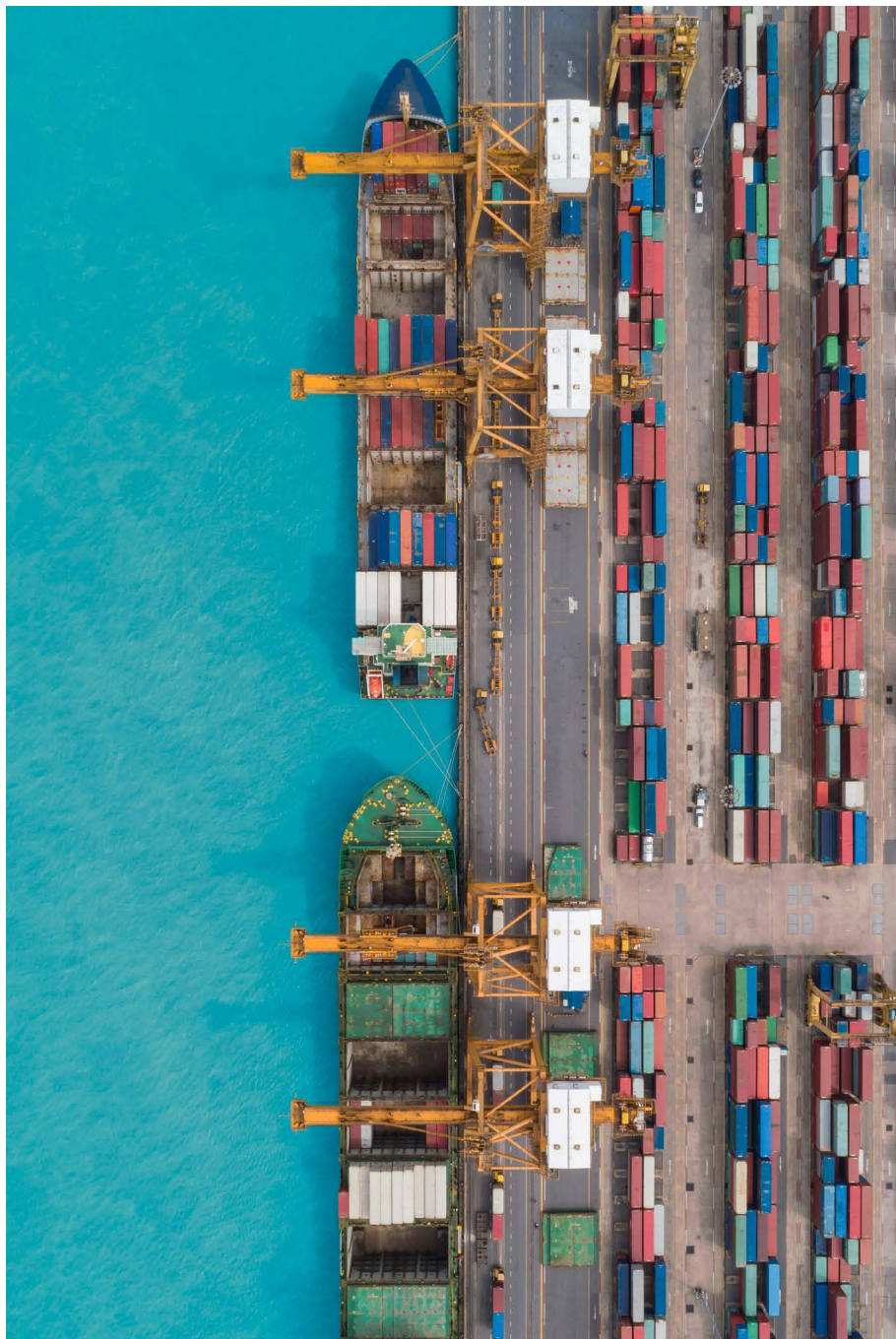
- **Child labour:** India, Kenya, Sri Lanka
- **Forced labour:** China, India, Sri Lanka
- **Workers' rights:** China, India, Kenya
- **Discrimination:** India, Kenya, Turkey

### Wood



#### Social Risks

- **Child labour:** China, Indonesia, Russia
- **Forced labour:** China, Indonesia, Russia
- **Workers' rights:** Brazil, China, Indonesia
- **Discrimination:** Brazil, Indonesia



## Supply chain transparency

Supply chain transparency remains an important pillar of our human rights strategy. By continuing to disclose the complex nature of our global sourcing, we are holding ourselves accountable for the impact we have within our food and non-food supply chains.

Our goal is to consistently build on these efforts. That's why since 2017, we have annually updated our tier one non-food and hardware supplier lists on our website. We have also expanded this to our tier one food supplier list; in January 2020 we were one of the first UK retailers to disclose our entire fruit and vegetable supplier list.

In 2021, we began publishing information 'beyond tier one'. This means disclosing the supply chain actors that we work with indirectly, starting with recognised high-risk product categories: bananas, tea and strawberries. For all of these supply chains, we have conducted and published a Human Rights Impact Assessment.

On a national level, we have disclosed our fish and seafood supply chain, including our fish feed suppliers. This is an extension of our long-term commitment to the [Ocean Disclosure Project](#) where we share both our farmed and wild-caught supply chains on an annual basis.



**Ocean  
Disclosure  
Project**

## Third-party certification schemes

Third-party certification schemes are a vital initial step in our human rights due diligence journey. They help to ensure that the sites we source from undergo regular external monitoring and operate in line with approved standards across environmental and social criteria.

We have committed to sourcing critical raw materials more sustainably by the end of 2025. For a full list of our identified critical raw materials and Lidl's corresponding targets, please see our [Raw Materials Policy](#).

## Fairtrade

Since 2006, we have partnered with leading independent certifier Fairtrade to support a fairer deal for the farmers and workers in some of our raw material supply chains, such as through freedom of association and working towards living incomes – in the case of our Way To Go! range.

We are proud to have grown our selection of Fairtrade certified products over the years. This can create greater security for farmers, from long-term contracts to safer working conditions. It can also mean more reliable income for producers, independent of fluctuating global market prices, through the set Fairtrade Minimum Price.

In 2023, Lidl GB continued to represent almost half (48%) of the UK retailer market for own-brand Fairtrade cocoa.

## We are the largest UK retailer of Fairtrade cocoa

We were the first UK retailer to introduce Fairtrade cotton store uniforms.



Close up of a cocoa pod ©Fairtrade/Mohamed Aly Diabaté



Suman Badri, Indian cotton farmer ©Fairtrade/Fabian Sturm

## Social compliance programme

The Lidl GB social compliance programme enables insight into the many suppliers we work with which grow, manufacture, and package all of our food products.

We require all GB negotiated food suppliers to:

- Connect on Sedex and provide full visibility
- Complete the Sedex self-assessment questionnaire (SAQ)
- Complete an annual audit (if identified as high-risk)
- Attend Stronger Together's 'Tackling Modern Slavery' workshop (UK-based suppliers only)

At the close of 2023/2024 financial year, 91% of our direct food suppliers were compliant to Lidl GB Sedex and tackling modern slavery requirements, an improvement of 1% compared to the last financial year. Further detail on our supplier ethical requirements can be found on our [corporate website](#).

Within the non-food supply chain, all tier one producers in identified high-risk countries must have a valid social (e.g.BSCI) and environmental (e.g. ISO 14001 or BEPI) audit. We also implement specific policies to promote responsible recruitment and tackle the root causes of forced labour and child labour.

## Supply chain audits

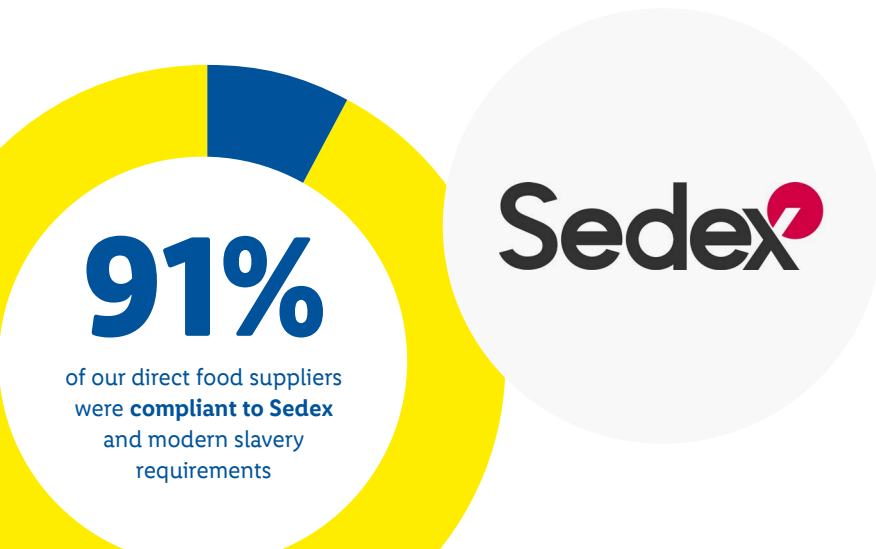
We use Sedex - a data platform for supply chain assessment – to understand key information about our supply base including the number, gender, and nationality of suppliers' employees, use of temporary/agency workers, the labour providers they use and what systems suppliers use to monitor labour providers.

Sedex risk assesses suppliers (ranking them low, medium, or high) based on several factors. This includes inherent risk based on country and sector, and information taken from their SAQ. We also use Radar, part of the Sedex platform, to review inherent country and sector risks within our supply chain.

We require suppliers who have been identified as high-risk to undertake an independent ethical audit. Ethical audits are closely monitored to ensure that corrective actions are closed off in the agreed timescales.

We understand the limitations of ethical audits - particularly their ability to only capture results at a moment in time and their limited capability to address the most adverse instances of labour exploitation, such as modern slavery. However, we consider audits a useful tool to understand suppliers' management systems and measure these against the expectations of our CoC.

In the last financial year, 28 Lidl GB direct food suppliers have been identified as high-risk on Sedex. In the same period, our supply base conducted 135 ethical audits.



## Human Rights Impact Assessments (HRIAs)

HRIAs are a form of human rights due diligence, typically conducted in high risk supply chains. Their fundamental purpose is to build a picture of where and how specific business and supply chain activities have the potential to impact internationally recognised human rights.

The Lidl Group has a target to complete three HRIAs a year until 2025. These assessments enable us to develop Lidl-specific action plans for each supply chain where we have conducted a HRIA, to address risks which are not typically identified through other forms of due diligence (e.g. social audits).

During this reporting period, we have kicked off three more HRIAs in new sourcing regions: meat processing in Germany, cashew nuts sourced from the Ivory Coast and palm oil from Malaysia.

We have also published an action plan following the farmed shrimp HRIA in India, conducted in 2022.

All of our HRIA reports, action plans and progress reports are available [online](#).



## Responsible recruitment

### Pay and contracts

Good pay plays a vital part in responsible recruitment, as it can reduce the need for employees to seek out supplementary work which is often more precarious. For this reason, we are committed to paying our direct employees industry-leading wage rates. In 2015, we were proud to become the first supermarket in the UK to pay the voluntary living wage as recommended by the Living Wage Foundation, something we have continued to align with or in some instances, exceed.

During the 23/24 financial year, we implemented two pay rises for colleagues - a £13 million investment effective as of March 2023, and a further £8 million investment into our store and warehouse colleague wages effective as of September 2023.

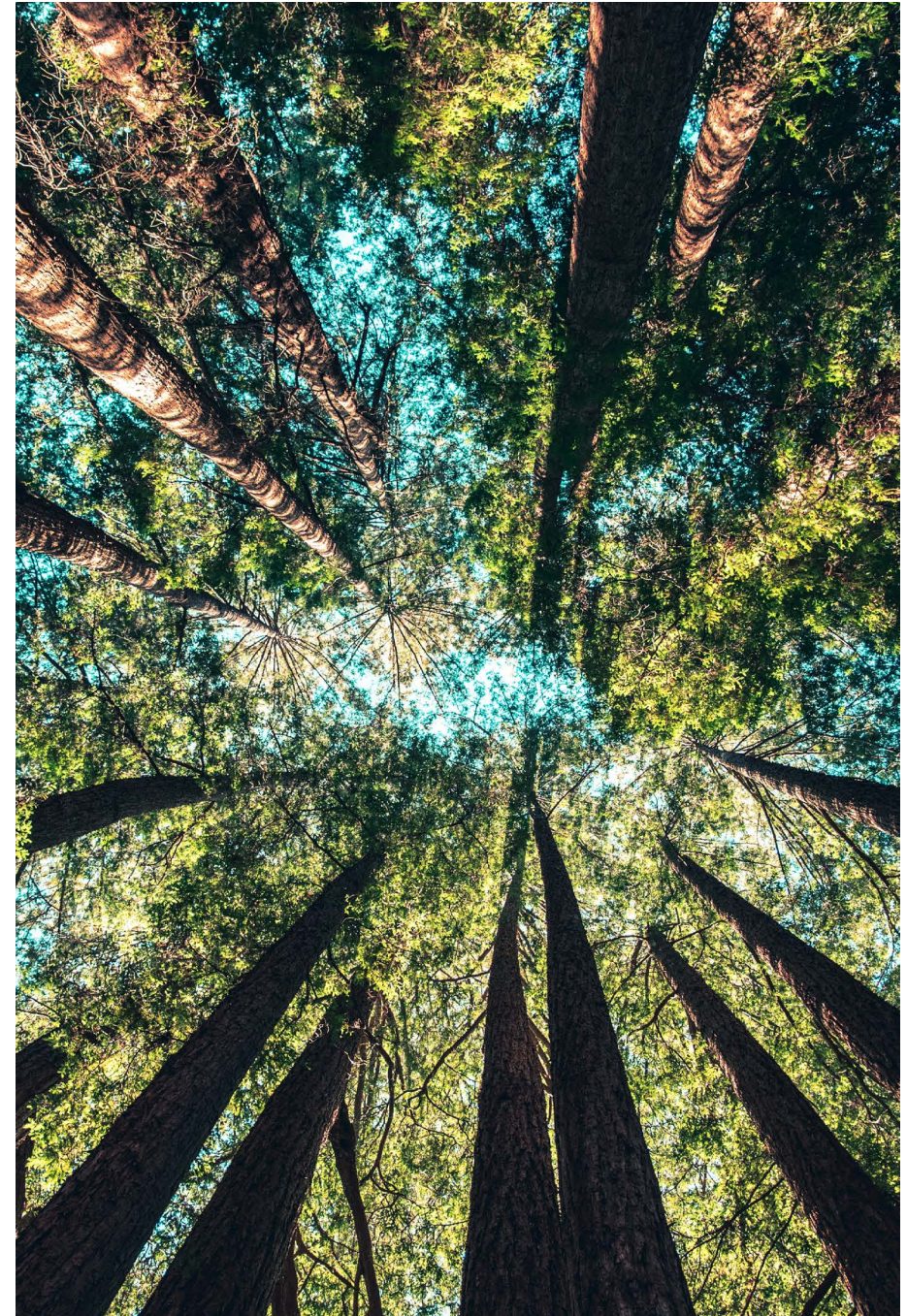
In February 2024, we also announced a third pay rise effective as of March 2024 - an investment of over £37 million including increases for hourly paid and salaried colleagues across the business.

We recognise that workers may be more vulnerable to exploitation if they lack employment stability and decent pay. Therefore we ensure that, where possible, people employed by Lidl are recruited on permanent contracts and temporary workers are only used for periods of high demand, or as a temporary measure until permanent workers can be recruited.

# £8 million



in May 2023 in raising hourly rates, benefitting over 24,500 colleagues.



## Monitoring labour providers

Poor recruitment practices can drive modern slavery, with significant risk where vulnerable workers are in desperate need of employment and/or have emigrated for work. Internal hiring managers across the business have a yearly refresher around recruitment practises to ensure consistent fairness and compliance.

Risk of exploitation rises where we work with labour agencies to help manage peaks in labour demand, so we have put in place procedures to mitigate this:

- We require 100% of our labour providers to be certified by the Gangmasters and Labour Abuse Authority (GLAA).
- We assess our processes to ensure that the labour providers we work with at our RDCs meet our ethical and responsible recruitment requirements and have access to industry-leading modern slavery training.
- We continue to recommend additional due diligence measures to ensure that we only work with responsible labour providers.
- As part of the government Seasonal Workers Scheme (SWS), we have been working with the SWS Taskforce to pilot a new Responsible Recruitment Progress Assessment - more on this on page pages 23 and 24.

## Recruitment fees

As a member of the BRC's 'Better Retail Better World' initiative, we are pushing for collective action across the retail industry to address global challenges. This includes tackling recruitment fees, which wrongfully see workers pay to secure employment.

At a Group level, we actively support the Employer Pays Principle (EPP) to help tackle the issue of workers potentially falling into debt bondage and exploitation.

This states: 'No worker should pay for a job – the costs of recruitment should be borne not by the worker but the employer'.

As members of the FNET Responsible Recruitment working group, we're constantly learning how to put this commitment into practice. We are also part of the SWS Taskforce, which is specifically looking at addressing EPP commitments in the UK horticulture sector.



## Grievance mechanisms

### In our business

We operate a confidential Lidl Whistleblowing Hotline and online reporting system which can be accessed by colleagues, business partners and the public. When notified of allegations or indicators that breaches of our policies have taken place, we take a victim-centred, efficient, and collaborative approach to our investigations.

### In our supply chains

Ensuring that workers have access to an effective grievance mechanism in global supply chains is an essential part of corporate due diligence, as this enables human rights risks and potential rights violations to be uncovered and addressed. This is a key element of our CoC.

We recognise ‘effective grievance mechanisms’ as defined by the UNGPs, meaning that they are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning and based on engagement and dialogue.

When it comes to ensuring that grievance mechanisms are impactful, we know that considering the specific context of the industry, country, and site is crucial. Furthermore, we are conscious that access to grievance mechanisms may be more limited for women, migrant workers, and smallholders.

In instances where we have worked to improve practices and remain unable to confirm adequate protection of human rights, we reserve the right to withdraw our business in a responsible manner.

## Whistleblowing & reports in financial year 23/24

Whistleblowing and grievance cases related to labour exploitation or modern slavery indicators can come through various channels, internal or external, including through our close industry peers and business partnerships.

Through this open dialogue we are able to support collaborative remediation where possible. In the last financial year, the following cases were reported through the following channels:

Reporting channel	Number of reports linked to Lidl supply chain in financial year 23/24	COO of reports
Lidl GB internal whistleblowing channel	0	
ETI	5	UK, China, Turkey
Media	3	UK, Kenya
Retailer	2	UK, Indonesia
SEA Alliance	1	China
Tier 1 supplier	3	UK, Ireland
SWS Taskforce	1	UK

# Case Study:

## Piloting grievance mechanisms in high-risk supply chains

### Farmed shrimp, India

In 2022, Lidl collaborated on a HRIA with two US retailers and the consultancy LRQA (previously Elevate). The grievance mechanism (GM) – ‘Ungal Kural’ or ‘Your Voice’ in Tamil – was set up as an extension of this collaboration, following initial findings from the HRIA.

Already known in the textile sector in India, this pilot introduced the helpline to the aquaculture sector in Andhra Pradesh. The Helpline had to be adapted to the industry, region, culture and stakeholders for which it was intended. This involved hiring Telugu speaking operators, adaptation and translation of promotional materials and comprehensive operator training.

In phase two, the local operating partner, INNO, conducted awareness raising and training workshops to workers across seven farms and processing sites. Promotional materials about the helpline were distributed, and posters were introduced to the workplace. In total, 923 workers received the training for Ungal Kural.

The helpline provides workers with a simple, predictable, and safe platform to escalate issues without fear of reprisal and connect with local resources and emergency services. It also allows companies to gain greater visibility of their supply chain workplace conditions, identify new or emerging issues early on, and assess the effectiveness of remediation actions.

The pilot took place over a six-month period, where it received in total 66 calls from workers across participating sites. Ten cases reported through the helpline were categorised as high-risk and therefore investigated immediately among the multi-stakeholder group. These high-risk reports relate to withholding of wages, sexual harassment, and restriction of movement.

Spot checks carried out by INNO found that, in some instances, posters and information cards were removed from workplaces and taken from workers following the helpline training. This has since resulted in refresher training for suppliers and site management, as well as the re-distribution of information among workers.

As a key part of the Lidl GB farmed shrimp HRIA action plan, Lidl will review the effectiveness of this pilot and adjust processes according to the learnings which have taken place. In the next financial year, there will be an opportunity to extend the pilot for a further 12 months and promote it among other brands and retailers sourcing from the Indian aquaculture sector in Andhra Pradesh. By increasing collaboration over this helpline and working with the wider sector, we hope to raise further awareness of systemic issues highlighted in our HRIA and help address these effectively.

### Phase 1

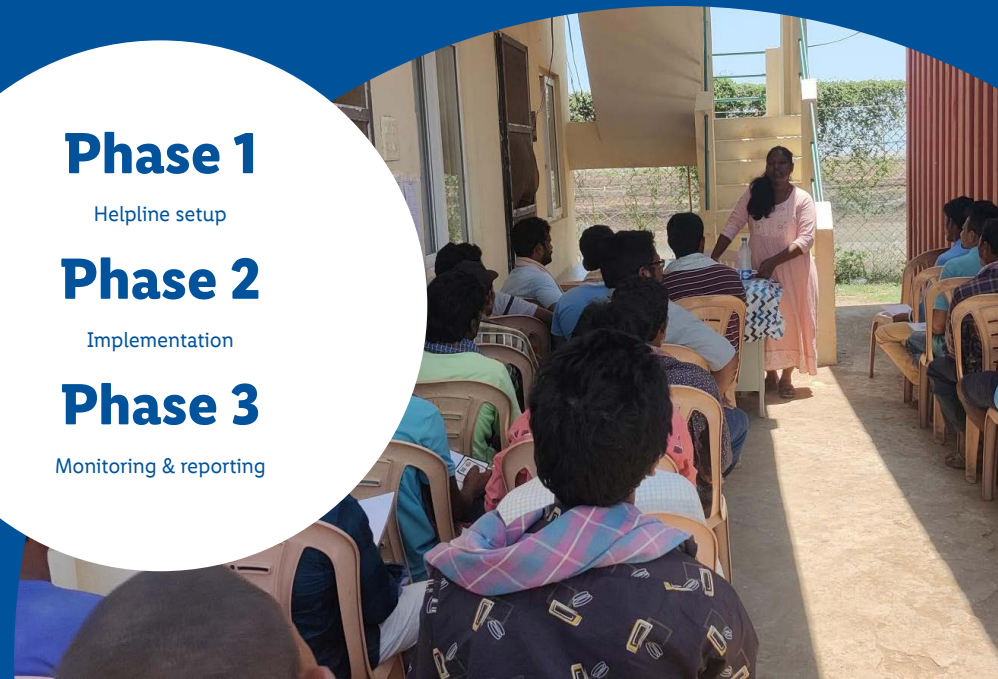
Helpline setup

### Phase 2

Implementation

### Phase 3

Monitoring & reporting



## UK agriculture

In March 2023, the Seasonal Worker Scheme (SWS) Taskforce was formed following the multi-stakeholder roundtables conducted in the previous year. These roundtables were set up to understand and address escalating reports surrounding recruitment and employment practices of migrant workers as part of the UK government Seasonal Workers Scheme.

The Taskforce formalised five working groups, developed as a direct outcome of the roundtables. It aimed to establish actions that would identify, prevent, mitigate, or remediate the risks and cases that were being reported, from recruitment fees to poor working and living conditions.

The SWS Taskforce has a mission of “working collaboratively to develop and implement tangible actions to help safeguard and ensure access to workers’ rights in the UK Seasonal Worker Scheme and wider UK horticulture.”



## SWS Taskforce Working Groups

### Education, information, and grievance mechanisms

The Just Good Work (JGW) app is a free multi-language app that gives workers critical information about living and working in the UK and how to access support via the app’s SWS portal. Over the last financial year, the majority of SWS scheme operators promoted the app as part of their global recruitment and onboarding.

### Due diligence & good practice during recruitment

The Responsible Recruitment Progress Assessment (RRPA) was developed to support continuous improvement of overseas recruitment by scheme operators. Based on Stronger Together’s Responsible Recruitment Toolkit, the RRPA was piloted in its first year by Pro-Force, with the view to be rolled out across other operators in the next season.

### Due diligence & good practice on farm

Grower roadshows were introduced to provide Scheme updates for growers, share good practice examples to support improvement of workers’ experience on farm and minimise risks as part of the scheme. In total, seven in-person roadshows took place and three online webinars, with 132 attendees from Lidl GB growers (over 380 attendees overall).

A survey of roadshow participants revealed that 96% of respondents found it useful for their business. Meanwhile, 82% of growers reported feeling very confident about managing seasonal workers after the workshop compared to 59% beforehand.

## Improving worker finances

This group focuses on improving overall finances of workers as part of the SWS, with the aims to eliminate worker-paid recruitment fees and maximise workers retained earnings.

A deep dive into legal vs ethical recruitment standards and the Employer Pays Principle in the context of the SWS was conducted, as well as a comparison of similar recruitment and labour schemes in other countries against the ILO definition of recruitment fees and costs.

## Policy, enforcement, and stakeholder engagement

This group takes learnings from all other working groups, with the aim to connect with government and share insights to support SWS policy development and improvement. The Taskforce set up a meeting with the UK Home Office, UK Department for Environment Food & Rural Affairs (DEFRA), and Gangmasters and Labour Abuse Authority (GLAA), all of which it continues to proactively engage with.

Lidl GB became a member of the SWS Taskforce at its inception and we continue to be proactive participants in multiple working groups, while supporting and funding key projects across all of the groups. This membership is set to continue into the next financial year where the Taskforce looks to roll out further Grower Roadshows including a supervisor training segment, further development of the Just Good Work app and expand the roll out of the Scheme RRPA.



## Fish and seafood

Human rights apply at sea as they do on land, but monitoring and enforcing rights in this environment can be challenging. In recent years, multiple reports have been published outlining exploitation taking place within UK waters, including indicators of forced labour such as payment of recruitment fees, excessive working hours, physical violence and intimidation or threats.

These findings are exacerbated at sea where there is an inherent restriction to freedom of movement onboard fishing vessels and accessing support or legal protections can be limited or restricted. A significant number of migrant workers on board vessels in UK waters experience further vulnerabilities to exploitation due to language barriers or lack of understanding of their rights.

In this financial year, Lidl contributed to the Change on the Water Fund. This project, implemented by fisher welfare organisations ITF and Stella Maris, creates training and information materials in workers own languages, focussing on rights at work and grievance processes. The project also looks at topics including recruitment practices, diversity, and anti-discrimination, ultimately working towards ensuring decent work at sea.

Working with SEA Alliance, Lidl is keeping close to the Worker Driven Social Responsibility pilot taking place in the Scottish seafood sector over the next couple of years. Through this pilot, workers are involved in all stages of establishing, monitoring, and enforcing their own rights which aims to address power imbalances between employers and workers. The entire supply chain remains accountable to upholding the code of conduct through contractual agreements which incentivise compliance and ongoing improvements.

Through an Outlaw Ocean investigation and publication, Lidl was made aware of potentially widespread forced labour within the Chinese seafood processing and fishing sector. Since being notified of these allegations, the Group has conducted a transparency exercise across all relevant suppliers to identify where links to this supply chain may be and work with suppliers to understand current due diligence practices. Lidl GB continues to collaborate with the SEA Alliance and its members to learn about forced labour risks within the Chinese context and establish appropriate due diligence measures.

An investigation into the Northern Irish fishing sector in 2023 disclosing allegations of serious physical injuries sustained through fishing activities, poor living and working conditions and poor treatment of migrant workers. Lidl, along with other SEA Alliance members, commissioned an independent review into these allegations. A third-party consultant interviewed a range of stakeholders and conducted on-site and desk based research to gather evidence and further understanding of these allegations. This investigation has led to a set of recommendations for the commissioning businesses to review and address collaboratively.



## Gender equality

There are multiple potential indicators that may impact an individual's vulnerability to exploitation and modern slavery. Data suggests that gender alone can be a particularly strong factor. Across the world, women and girls are disproportionately affected by forced labour and child labour.

At Lidl GB, we have two gender equality programmes underway in key commodity supply chains: bananas and tea. Within both of these supply chains, negative impacts on gender within the workplace and community were identified through HRIAs. We are working with our key suppliers within each of these commodities to pilot and embed training programmes to educate and empower women workers on a variety of topics. These programmes are intended to strengthen agency through skills development, improve workplace wellbeing through addressing adverse social norms and ensure legal protections.

Within our banana supply chain, we have been working with key supplier Fyffes since 2020 to develop and roll out BSR HERessentials digital training. The initial pilot was kicked off in Costa Rica and Belize in 2021 and has since expanded to plantations in Colombia and Ecuador. The project has now trained over 3,000 workers in Fyffes and Lidl's joint supply chain. In the last financial year we have committed to redeveloping the training based on new learnings since the programme's inception.



In 2022, Lidl kicked off a similar pilot within the tea supply chain. In the last financial year, over 1,000 workers on one tea estate participated in peer-to-peer training which covered topics including:

- Nutrition
- Personal Hygiene
- Menstrual Hygiene
- Family Planning
- Maternal Health
- HIV/AIDS
- NCD's
- Health Equitable Attitude
- Communication
- Violence in relationships
- Author of my story
- Supporting Each Other
- Positive Gender Attitude
- Ergonomics

Baseline and endline surveys were conducted to monitor and report on the shifts in awareness and actions across all these modules. Some positive findings include:

- Significant shift in attitudes towards workplace behaviour and leadership, particularly regarding non-tolerance of verbal abuse, gender stereotypes, and acceptance of female leadership.
- Data revealed a positive shift in women's willingness to report sexual harassment, with 100% of women indicating they would utilise the workplace grievance mechanism.
- 57% of women now strongly agree with their ability to confidently reject unacceptable situations, signifying a growing sense of personal agency.
- While challenges remain, there have been improvements in awareness related to multiple hygiene practices.
- Data suggests a generally positive gender attitude within the workforce, with an absence of the belief that gender equality threatens men's status. However, it also reveals ongoing discussions and variations in opinions regarding traditional gender norms, particularly in the context of household responsibilities.

While the data as a whole represents a decrease of negative workplace and cultural perceptions following this training, it is clear that there are embedded norms that still exist and need to be addressed. In the coming financial year, following the completion of this pilot, Lidl will work with the supplier to establish next steps within the tea supply chain.

## Living wages

Fair remuneration is a fundamental human right enabling workers to secure a dignified standard of living for themselves and their families. Since 2006, we have advocated this in our CoC.

We were the first discounter to join the Action Collaboration Transformation (ACT) initiative, a global agreement striving for collective bargaining for higher wages in the countries where goods are produced. After carrying out a survey of over 3,000 production facilities, we developed an internal strategy aimed at implementing responsible purchasing practices by 2025 based on the principles of ACT. This involves working with our business partners to better enable wage increases in textile production.

In March 2023, supported by IDH and alongside other major UK retailers, Lidl GB signed up to a living wage commitment in the banana supply chain: 'As a coalition of UK retailers, we will strive for workers in our banana supply chains to receive a living wage by the end of 2027.'

This initiative involves collecting and measuring wage data from within our supply chain using the IDH Salary Matrix, analysing our company processes and procurement practices, and working with other retail initiatives, suppliers, producers and stakeholders. The coalition is also working closely with certification bodies Fairtrade and Rainforest Alliance.

Further details on this commitment and the Principles of Engagement are available [here](#).

In year one of making this commitment, Lidl GB continued to collect supply chain data using the IDH Salary Matrix, to help build a picture within the banana supply chain:

- 159 Salary Matrices were completed by producers in Lidl GB's supply chain in 2023. The data collected was based on the 2022 calendar year
- The completed Salary Matrices represented 18,942 employees
- Just over 10,000 of these employees are paid below the living wage gap (54%)
- The average living wage gap across four sourcing countries was 13.6%
- The average living wage gap for men was 13.4%, while women's gap was slightly higher at 15.2%

The data above is based on self-reported information from the producers in our supply chain. To ensure the data gathered is accurate the retail group have initiated an audit of 10% of the salary matrices submitted. The results will be available in the next financial year and will help us to identify challenges to data quality and find ways to scale auditing of this data.

### Other actions completed in 2023:

- Salary Matrix training in Fairtrade supply chains
- Promotion of IDH 'super user' training
- Participation in Better Together meetings and learning sessions with other European retailers
- Engagement and learning with producers through World Banana Forum events

Lidl has also been piloting an approach to pay voluntary contributions within the supply chain through a new pilot project conducted in 2023. This pilot involved training suppliers, collecting data (including through salary matrices and a new Lidl/IDH tool), auditing 100% of data and developing action plans with suppliers to identify the most appropriate method of payment to workers where gaps were identified.

Through this process, Lidl was able to calculate and close the exact share of the wage gap (according to volumes sourced), for each individual supplier and plantation involved in the pilot. We plan to expand this project in the coming years and begin an approach to close the gender pay gap.

## Prevention of child labour

The ILO and the United Nations Children's Fund (UNICEF) estimate that worldwide, 160 million children aged between 5 and 17 are currently in child labour.

This is unacceptable. Throughout all of our supply chains, we are committed to preventing child labour and safeguarding children. We work closely with suppliers to achieve this and resolve any instances found connected to our business.

Since 2017, in partnership with the NGO Save the Children, we have run training courses for our non-food suppliers on the prevention and remediation of child labour. The project is operational in Bangladesh, Turkey, Myanmar, China, Pakistan, and Vietnam.

In collaboration with Save the Children and the German Federal Ministry for Economic Cooperation and Development, we launched an initiative to protect children's rights in the Turkish hazelnut supply chain. This project is designed to be scalable and transferable to other agricultural supply chains.



Save the Children



In 2023, The Ethical Trading Initiative informed member companies of base code violations at a selection of carnation farms in Turkey. Lidl GB was actively sourcing from one of the farms (via a tier one supplier) where child labour was considered high risk, particularly among migrant workers and their families.

An initial 'rapid assessment' was conducted through third party specialist organisations The Centre for Child Rights and Business and Ethica. A range of desk research, worker interviews, focus groups and document reviews took place to gather further understanding of the potential risk within the workplace setting.

Initial findings revealed that although no child labour was identified through this assessment, workers disclosed that children had been seen on nearby farms and therefore this remained a significant risk in the local context. The assessment also identified areas where internal practices and polices could be tightened to further reduce the likelihood of child labour occurring within this facility and farm.

The commissioning businesses developed and agreed upon an action plan to fund and address the findings through the following overarching deliverables:

- Strengthen management systems, policies, and practices
- Develop farm level awareness and attitudes regarding children
- Create child-safe environments
- Address wider needs and access to services

# Training

Another important element of tackling modern slavery is raising awareness across our internal departments and among our colleagues.

## Head office, stores, and Regional Distribution Centres (RDCs)

In 2021, we developed our first internal 'Modern Slavery Awareness' eLearning, aimed at ensuring that all colleagues understand what modern slavery is, how to spot indicators of potential exploitation and where to report concerns. The training was based on insights from expert organisation Stronger Together. Key information from this eLearning, including details of specialist services e.g., modern slavery hotlines, are permanently available on our internal Lidl intranet platform.

The initial launch of this new eLearning in 2021 was targeted at desk-based colleagues across head office and RDC departments. In 2022, we met our promise to extend this to all store colleagues, who are the frontline of our business and critical to support in the identification of potential indicators in their store and community environment.

Operational colleagues working in our RDCs received key content from this training via a leaflet in their weekly team meeting with their team manager. We plan to expand the scope of the eLearning to operational RDC colleagues in the third and final phase of the roll out.

The timing of this annual training going forward will now change to enable more time and engagement from colleagues in stores and RDCs. This eLearning has previously been rolled out in the pre-Christmas period and will now take place annually in July. Therefore, there was no eLearning in this financial year. In June 2024, the eLearning will roll out across the business again with updated training modules and case studies for interactive engagement and training of colleagues.

stronger  
together

## Modern Slavery Awareness



As a responsible employer we must do everything we can to protect our colleagues and everyone who works to support our business.

### What is modern slavery?

- Modern slavery refers to situations where a group or individual has taken away another person's rights and freedoms.
- This may be the freedom to live or work where they choose, the freedom to refuse certain work, or even to stop working altogether.
- Forced labour is any work or service people are forced to do against their will, under threat of punishment.

### What are the signs to look out for?

- **Few or no personal belongings:** no identification documents (e.g. passport), no money or bank card, little or no food and drink, few personal items.
- **Isolation or control:** someone speaks on their behalf, limited interaction with other colleagues, gets picked up and dropped off at work every day.
- **Psychological signs:** not able to make eye contact, rejects help, appears nervous or scared.
- **Physical appearance:** malnourished, tired, etc.

## Buying

Our Buying department interacts with multiple external businesses and agrees contracts with supplier partners on a regular basis. To ensure that buyers understand the potential risk within their specialist category, Lidl GB's CSR team trains the department as part of the annual range review cycle, sharing the human rights challenges and topics related to each product, raw material, or source country. This training also includes the actions we are taking as a business to address human rights risks, with the intention for buyers to feel comfortable making informed decisions and discussing these issues with our suppliers.

The Lidl group has also rolled out a CSR Buying eLearning, introducing key responsible sourcing topics to buyers. This eLearning shares guidelines on how Lidl buyers can minimise negative impacts and make a positive difference by adopting responsible purchasing practices, enhancing supply chain transparency, increasing product certification, and introducing specialised development programmes.

All of our UK-based, tier one food suppliers must attend Stronger Together's 'Tackling Modern Slavery in UK Businesses' training as part of CSR Buying requirements. We also recommend this workshop for our external labour providers and procurement suppliers.



# Measuring Progress

By setting clear action-orientated goals and key performance indicators (KPIs), we are able to measure our progress over time and ensure that we are on target to meet our commitments to tackling modern slavery in our business and supply chains.

KPI	Goal	FY21/22	FY22/23	FY23/24
Tier one suppliers attending Stronger Together's 'Tackling Modern Slavery in UK Businesses' training (total since the start of the sponsorship)	Full disclosure	551	605	693
Current tier one suppliers attending Stronger Together's 'Tackling Modern Slavery in UK Businesses' training	100%	97%	462** 97%	341 96%
Buyers trained on human rights issues as part of the range review process	100%	40 100%	43 100%	35 100%
Employees trained through Modern Slavery Awareness eLearning	100%	2,669* 99%	22,155 99%	<i>New timing of annual roll out</i>
Current tier one suppliers compliant to Lidl GB's Sedex requirements	100%	89%	447** 94%	345 92%
Tier one suppliers identified as high risk on Sedex	Full disclosure	52	59	28
Supplier audits in the last financial year	Full disclosure	215	217	135
HRIAs underway or completed	15 by 2025	6 40%	9 60%	12 80%

\*In this FY, only desk-based colleagues participated in the eLearning.

\*\*new methodology used to report number of suppliers. Previously, supplier numbers were duplicated where suppliers worked across multiple food categories.

Progress on plans outlined in previous statement	Status	
Conduct and publish three more HRIAs, based in identified high-risk supply chains, in-line with our commitment to publish three HRIAs a year until 2025.	Page 18	
Publish HRIA action plans for the Indian farmed shrimp and South African Wine HRIAs conducted in 2022.	Page 18	
Pilot a grievance mechanism in the Indian farmed shrimp sector, following findings from the recent HRIA.	Page 22	
Continue to actively engage in the UK SWS workstreams and pilot additional approaches to ensure safe work for seasonal migrant labour in the UK.	Page 23	
Collaborate with the fishing sector on identified risks within the UK.	Page 25	
Publish an action plan outlining our approach to tackling gender-based violence in accordance with ILO convention 190, as well as gender-specific data for three high-risk supply chains..	In progress	
Integrate non-discrimination and gender equality into our annual human rights risk analysis.	Complete	
Finalise and begin implementing the UK retailer banana living wage commitment.	Page 27	

# Looking Ahead

## 2024

### In 2024, we will:

- Extend the grievance mechanism pilot in the aquaculture sector of Andhra Pradesh, India and encourage other brands or retailers working in the sector to participate.
- Expand the pilot of the Banana Living Wage Project across additional Lidl markets.
- Continue membership and participation in SWS Taskforce and working groups, aiming to tackle identified risks to migrant labour in the UK agriculture sector.
- Develop programmes providing female and male workers in our high-risk supply chains with access to effective, gender-sensitive grievance mechanisms. We will also develop a scholarship program and highlight vocational opportunities for women across these supply chains.
- Re-develop the gender training programme in the Fyffes and Lidl banana supply chain and establish next steps following the pilot in the tea supply chain.
- Roll out our updated Modern Slavery Awareness eLearning, aiming to make the content more relatable and engaging for colleagues across all departments.





# Thank you

Lidl GB Modern Slavery Statement

