

Human Rights Impact Assessment Bananas, Colombia | Action plan

In 2021, Lidl conducted <u>a Human Rights Impact Assessment (HRIA) in the Colombian</u> <u>Banana supply chain</u>. The report analyses the potential human rights impacts within the Colombian banana supply chain at all supply chain levels. Lidl has published the report in early 2022 in an effort to increase transparency about supply chain risks and help other actors to also learn from the findings.

Since the conclusion of the HRIA, Lidl has been evaluating the findings and has developed concrete actions with the aim of contributing to addressing the identified risks, which are for the main part of a structural nature. These actions focus primarily on its own operations as Lidl understands its responsibility to proactively minimize negative impacts identified throughout the HRIA and use its influence for positive change. At the same time, Lidl recognizes that many of the identified risks cannot be addressed by Lidl alone and understands that collaboration within the sector will be crucial to address systemic challenges.

Lidl will work with its suppliers to implement the following measures within their Colombian banana supply chain. At the end of 2023, we will report on the experiences and progress made. Constructive cooperation with other stakeholders, including civil society and social partners, will continue to play an important role in addressing challenges holistically.

1. Dialogue with standard setting bodies

Lidl relies to a large extent on the certification standard Rainforest Alliance and Fairtrade for its banana supply chains, paying a premium to ensure that social standards are upheld, and workers receive additional support to strengthen their income. Lidl will consult with Rainforest Alliance and Fairtrade on the identified risks with the aim of identifying potential avenues for addressing the risks and putting sustainable solutions into practice

2. Participation in a gender equality project

Gender equality was highlighted as a particular risk category within the Human Rights Impact Assessment. Lidl takes gender equality within its supply chains seriously and has recently published a supply chain policy on gender equality which is currently being translated into an action plan. Within the Colombian banana supply chain Lidl is committed to work with its suppliers to take part in a gender equality project.

3. Improving wages in the banana supply chain

Lidl considers fair wages a basic right and is working on approaches to improve wages along the supply chain, in particular at the farming level. As part of this commitment, Lidl has launched the ambitious project to pay the living wage reference price for all its sourced bananas sold in Germany. The living wage reference price represents the share of products that Lidl is sourcing from a particular supplier to close any independently assessed living wage gap.