



# **Compliance Code of Conduct**

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# Our Compliance Declaration

## **Compliance is critical to our Company's lasting success and is a critical component of our corporate culture**

Lidl US, LLC (Lidl US) and its affiliates are clearly committed to the company principle:

"We comply with the applicable laws and with internal policies".

### **Why is compliance an indispensable component of our corporate culture?**

Acting in compliance with the law is not only a given, but also key to the long-term success of our organization. We ensure compliance with the law in all business processes in order to safeguard the business and prevent significant damage to the company. By doing so, we live up to our social responsibility and protect not only our team members but also our customers and business partners. We achieve this goal by systematically raising awareness within the company of compliance risks and developing the necessary measures to avoid them. Our Compliance Management System (CMS) focuses on critical areas:

- Anti-corruption/Anti-fraud
- Data protection
- Antitrust law
- Business partner compliance
- Supply chain compliance
- Product compliance
- Tax compliance
- Accounting compliance
- HR compliance

We endeavor to ensure that our business partners along the entire supply chain consistently act in compliance with the law, particularly when it comes to upholding human rights and environmental standards.

Potential compliance violations can be reported via our whistleblower system. Doing so does not expose the whistleblower to any retaliation. Every tip is treated with utmost confidentiality and is investigated. Appropriate disciplinary measures are imposed in response to every compliance violation ("zero-tolerance principle"). At Lidl we are jointly responsible for our actions and are called upon to actively assist in the implementation of compliance measures and ensure compliant conduct. The Compliance organization is there to assist us all, e.g., by issuing policies, providing mandatory training, and offering advice. Our clear commitment to a culture of compliance within the company strengthens the trust that our team members and customers have in Lidl and makes us a reliable business partner.

**The Executive Board of Lidl US, LLC**



## Our Corporate Principles

Compliance means adhering to the applicable laws and internal policies. At Lidl, this is established in the company principle, "**We comply with the applicable laws and with internal policies**".

Every team member at the company is called upon to ensure that, within their area of responsibility, the applicable laws and internal policies are adhered to and that legal risks are given due consideration. Lidl assists them in doing so through legal advice, training, and legal monitoring. Everyone is required to keep informed of the laws and internal policies that apply to their area of responsibility and to participate in the training offerings assigned to them. Every manager ensures that their employees participate.



# Our Code of Conduct

The following Code of Conduct applies to all in order to ensure that the company principle **"We comply with the applicable laws and with internal policies"** is adhered to:

## **3.1 Our actions are not influenced by conflicts of interest, and we reject corruption and fraud to achieve our goals**

In principle, the acceptance and granting of gifts, invitations, and other inducements to and from third parties is strictly prohibited. Exceptions are permitted only in accordance with the internal policies.

Employment at Lidl and decisions made in that capacity can only serve the interests of the company. Any actual or potential influence by private interests must be avoided. Everyone must be able to identify conflicts between their private interests and those of the company. If it is not possible to avoid or resolve a potential conflict of interest independently, the conflict must be disclosed to a Line Manager without undue delay. Such a disclosure must be made prior to assuming the relevant employment or making the relevant decision. If the situation changes, a new disclosure must be made. New employees are required to disclose existing or potential conflicts of interest to their line manager when they take up employment, at the latest.

## **3.2 We protect the personal data of our employees, customers and business partners and collect and process only relevant and necessary information**

Our team members, customers, and business partners trust that their data is in safe hands with us. We adhere to the principles of data minimization by which we limit the amount and types of personal data we collect. We limit data processing to the extent necessary, and for specified, explicit, and legitimate purposes. Technical and organizational measures ensure that data is protected against unauthorized access.

## **3.3 We engage in fair and free competition**

We set our business, market expansion, product range, and pricing strategy independently and do not collude with business partners or competitors. Nor do we exchange other sensitive business information, such as information about revenue, sales, and costs, with business partners or competitors.

We do not join in boycotts of other market participants. We do not abuse our negotiating power or market position over financially dependent business partners or third parties, for instance by making unilateral demands for additional services without consideration or selling merchandise below cost. We adhere to these principles regardless of whether we communicate in written or verbal form.



In accordance with our internal policies, we explicitly and immediately reject all impermissible attempts by business partners and other market participants to exert influence over Lidl US and its operations.

### **3.4 We provide safe food and products**

It is critical that we offer safe products to our customers. In isolated cases, our merchandise can expose consumers to risks, for example due to contamination with foreign substances, incorrect product declarations or changes in product characteristics caused by improper handling. We manage such risks by systematically performing analyses throughout our entire process chain and identifying possible risks and developing preventative measures to help ensure legal conformity. We do not hesitate to investigate indications of insufficient risk management, ensure that they are resolved without delay and review our processes to identify any room for improvement.

### **3.5 We respect company property as well as trade and business secrets**

We require our physical property (such as merchandise, store furnishings, and work tools) and our intellectual property (such as brands, patents, and know-how) in order to achieve our business success. Every one of us protects Lidl's property, treats it with care, and uses it exclusively for the intended purposes. Theft, waste, malicious damage, and unauthorized private use are not tolerated. Trade and business secrets must be kept confidential and safe. Confidentiality is enforced by contractual agreements.

### **3.6 We ensure proper accounting and comply with our tax and customs obligations**

We adhere to the principles of completeness and accuracy in our bookkeeping, accounting, and tax returns. Our processes are organized in such a manner as to ensure that all relevant data is reported accurately and in due time to Accounting as well as in tax returns and customs declarations. We do not tolerate any deliberate manipulation or misstatements.

### **3.7 We take all necessary measures to prevent money laundering and to avoid partnering with any party on an international sanctions list**

If money laundering\* is suspected, for instance in case of unusually large cash payments, we refuse the transaction and report the suspicion to the responsible authority via the Compliance Officer. We also carefully check the identity of our business partners and compare these against national and international sanctions lists.

*\* Money laundering is understood to be the introduction of monies or assets acquired through criminal means into the legal economy.*



### 3.8 We respect human rights

Entrepreneurial trade/action can lead to human rights violations. We are aware of our social responsibility and know the impact we can have through responsible decision making. We respect the human rights not only of our employees but also those of people affected by our business activities. The Lidl team is made up of a large number of team members worldwide. We do not tolerate **child labor, forced labor, or slavery**.

**Occupational safety** serves to prevent work-related accidents and health hazards for employees. We are constantly working to minimize hazards, train employees and managers, and further develop our safety culture.

We attach great importance to the **equal treatment** of our team members. This applies from the time of application for a position, through employment and development, up to leaving our company. We have a zero-tolerance policy when it comes to discrimination, bullying, and sexual harassment. We pay our employees a **competitive wage** combined with comprehensive benefits. When we build and operate stores, warehouses, and other facilities, we protect our communities by treating land, forests, and bodies of water responsibly.

When Lidl, US engages **security personnel** to protect our properties and assets, we direct those third-party contractors that there must be no inappropriate treatment of people in any Lidl facility. We ensure this through clear communication to the third parties providing security personnel as well as through appropriate training and monitoring of the security personnel.

### 3.9 We conduct our business while respecting the environment

As a company, our objective is to conduct our business in such a manner that we establish a balance between economic and ecological interests. We ensure that we act responsibly anywhere our business affects the environment.

### 3.10 We also expect responsible, compliant conduct on the part of our business partners and parties throughout our entire supply chain

At Lidl, we are aware of our responsibility throughout the supply chain. We integrate our responsibility to respect human rights and comply with social and environmental standards into our relationships with partners. Our Business Partners' Code of Conduct sets out the basic principles governing cooperation with business partners. That Code of Conduct is available at: <https://www.lidl.com/code-of-conduct>.

The principles established in this Code of Conduct are minimum standards for our business relationships. In accordance with the internal policies, any time a new business relationship is entered into or an existing one is significantly expanded, a risk-based assessment of the business partner must be performed to identify compliance risks.

In addition, our business partners are subjected to annual and ad hoc risk analyses to identify human rights risks and certain environmental risks.



# Suspicion, Reporting and Consequences of a Compliance Violation

The unbiased investigation of potential compliance violations helps us to limit any potentially arising harm and to prevent potential future violations. We therefore adhere to the principle of "look closely, don't look away". Whenever an employee learns of a potential compliance violation, they can help us investigate it by bringing it to our attention. Whistleblowers will not suffer any disadvantages as a result of their report. All reported information is treated sensitively and will remain confidential in accordance with applicable law. The following reporting channels are available:

- A team member's Line Manager or other member of management can be the first point of contact for reporting potential compliance violations. They will then contact HR and/or the responsible Compliance Officer so that they can take the necessary measures.
- Employees can also report compliance violations directly to the responsible **Compliance Officer or the Compliance department**. Reports can be sent by e-mail to [compliance@lidl.us](mailto:compliance@lidl.us).  
<mailto:compliance@lidl.com>
- Employees can also utilize the Compliance Helpline reporting tool, which is available 24 hours a day, seven (7) days a week and is operated by an independent, third-party provider. This enables customers, employees, and business partners to provide information in an anonymous and secure manner. This information is immediately forwarded to the Compliance team, while protecting the reporter's anonymity. All information received is recorded and then examined to determine whether there are grounds for suspicion that necessitate further action or an investigation.
- The Compliance Helpline provides a web-based reporting option as well as a toll-free telephone-based service:  
**Online:** [www.lidlus.ethicspoint.com](http://www.lidlus.ethicspoint.com) **Phone:** 844-202-0076
- Employees who, in good-faith, report compliance violations through any of the channels above are protected from any retaliation as a result of a such reporting.
- In addition, our **online reporting system (BKMS)** is also available. Anonymous reports can also be submitted there.  
<https://www.bkms-system.net/lidl>



Compliance violations can have severe consequences for Lidl US, such as monetary fines, reputational damage, and other financial losses. In accordance with its zero-tolerance policy, Lidl US investigates every report of compliance violations. Compliance violations are not tolerated and, depending on their nature and severity, appropriate disciplinary measures are taken. When required by law, the violations are reported to the proper authorities. This can entail potential disciplinary action up to and including termination.



## Contact

The Compliance Officer and the Compliance department are available to answer any questions about compliance and the relevant internal policies.

Additional contact details, specifically the number for the Compliance Hotline, are published on Lidl.com under “Compliance” and on the intranet under Employee/HR & Corporate Compliance.

Lidl.com - Compliance

[Intranet – HR & Corporate Compliance](#)