VENDOR CODE OF CONDUCT

Lidl US, LLC

Lidl US, LLC (“Lidl US”) is committed to the highest standards of social and environmental responsibility and ethical conduct. Lidl US’s contractual parties (“Vendors”) must provide safe working conditions, treat workers with dignity and respect, conduct business in a fair and ethical manner, and use environmentally sustainable practices at all locations from which they supply products or perform services for Lidl US.

Lidl US has developed this Vendor Code of Conduct (the “Code”) to promote the goal of improving social and environmental standards practiced by its Vendors in various countries. The Code applies to Lidl US Vendors and their respective subsidiaries, affiliates and subcontractors, in each case, that conduct business with Lidl US. The Code outlines Lidl US’s requirements and is a fundamental basis for business relations between Lidl US and its Vendors.

Any violations of the Code by a Vendor may jeopardize the Vendor’s business relationship with Lidl US, resulting in possible termination of the business relationship and other action that Lidl US deems appropriate based on the nature of the violation.

1. Human Rights

All Vendors must respect human dignity as it is a fundamental requirement for human rights. Vendors must maintain at all times a workplace free of discrimination, harassment and abuse of any kind or nature in respect of its employees.

2. Discrimination

Vendors shall not discriminate against any worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, or any other characteristic protected by applicable law in hiring and other employment practices.

3. Prohibition on Child Labor

3.1 Vendors shall not use child labor, as defined by the conventions of the ILO and the UN, the International Standard SA8000 (the global social accountability standard for decent working conditions developed and overseen by Social Accountability International (the “SAI Standard”) or by applicable national laws and/or regulations, in supplying goods or rendering services for Lidl US.

3.2 Vendors may provide legitimate workplace apprenticeship programs for educational benefit that are consistent with Article 6 of ILO Minimum Age
Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

3.3 Youth, defined by the SAI Standard as being at least 15 years old but not yet 18, may only work outside of school hours, provided they do not perform work that might jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138. Under no circumstances, however, may a youth work more than eight hours per day or perform work during evening hours.

3.4 If Vendor engages in conduct prohibited by this Code, Vendor shall rectify the violation(s) through immediate action using documented strategies and procedures. Vendor shall provide to Lidl US copies of documents evidencing all such remedial action.

3.5 Lidl US expects Vendors to encourage and support children’s education.

4. **Prohibition on Forced Labor and Disciplinary Measures**

4.1 All forms of forced labor, including human trafficking, are prohibited.

4.2 Vendors shall not threaten workers with, or subject them to, harsh or inhumane treatment, including, but not limited to, verbal abuse and harassment, psychological harassment, mental and physical coercion or oppression, or sexual harassment.

5. **Working Conditions and Payment**

5.1 Vendors must comply with all applicable national labor laws and regulations.

5.2 Vendors shall clearly define on a regular basis their respective wages and other payments to employees and independent contractors. Vendors will not use wage deductions as a disciplinary measure. All wages and other payments by Vendors must meet applicable statutory provisions and/or mandatory local standards.

5.3 Vendors shall compensate workers for overtime hours as required by applicable law.

5.4 Vendors shall ensure that all workers receive at least the legally-mandated minimum wages and benefits.

5.5 Vendors shall consider the prevailing minimum wage in the jurisdictions in which they conduct business and endeavor to pay employees wages and/or benefits sufficient to meet the standard cost of living in the applicable jurisdiction.
5.6 Vendor shall encourage employees to maintain a productive work-life balance.

6. **Freedom of Association and Organization**

6.1 Vendors shall not restrict the right of workers to freely associate with others, establish and join (or refrain from joining) workers’ associations.

6.2 Vendors shall neither restrict the right to carry out collective negotiations in accordance with national laws and regulations nor discriminate against workers for exercising these rights.

6.3 In the absence of formal representation, Vendors must ensure that workers have a mechanism to report grievances and that facilitates open communication between management and workers.

7. **Compliance with Laws**

7.1 Vendors must comply with all applicable national, local and other relevant laws and regulations, including conventions of the International Labor Organization (“ILO”) and the United Nations (“UN”). Applicable laws and regulations may include, but are not limited to, the Fair Labor Standards Act, Occupational Safety and Health Act, Employee Retirement Income Security Act, Family and Medical Leave Act, Migrant and Seasonal Agricultural Worker Protection Act, Immigration and Nationality Act, Worker Adjustment and Retraining Notification Act, the Affordable Care Act, Title VII of the Civil Rights Act, the Sherman Act, the Clayton Act, the FTC Act, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and all amendments thereto.

7.2 Bribery, fraud and other forms of corruption are strictly prohibited.

   (a) This prohibited conduct includes, but is not limited to, offering to pay, paying, promising to pay, or authorizing the payment of money or anything of value to a foreign official in order to influence any act or decision of the foreign official in his or her official capacity or to secure any improper advantage in order to obtain or retain business.

   (b) Vendors shall not communicate with any foreign governmental agency or official on behalf of Lidl US without Lidl US’s prior written consent.

8. **Safety and Health in the Workplace**

8.1 Vendors must ensure that the workplace is safe, clean and not harmful to the health of its employees and independent contractors. Any working conditions at the workplace or on the Vendor’s premises that violate applicable law and/or regulation are prohibited.
8.2 Vendors shall train their employees on a regular basis regarding health and safety in the workplace.

8.3 Vendors shall provide workers with job-related, appropriately maintained and required personal protective equipment and instruction on its proper use.

8.4 Vendors shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, engineering controls, and/or administrative controls.

8.5 Vendors shall have a system for workers to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports.

8.6 Vendors shall implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate workers’ return to work.

8.7 Lidl US may require the Vendor to appoint a member of the Vendor’s team to ensure the health and safety of employees and to be responsible for introducing and complying with applicable health and safety standards in the workplace.

9. **Environmental Protection**

9.1 Vendors shall comply with environmental and safety laws and regulations on handling waste, chemicals or other dangerous materials or substances and shall train workers about proper handling of dangerous materials and substances.

   (a) Vendors shall obtain, keep current, and comply with all required environmental permits and shall comply with the reporting requirements of applicable permits, law and regulations.

9.2 Vendors shall, as practical based on their business, implement a systematic approach to identify, manage, reduce and responsibly dispose of or recycle both hazardous substances and non-hazardous waste.

9.3 Vendors shall, as practical based on their business, implement a systematic approach to reduce wastewater produced by its operations and prevent contamination of storm water runoff.

9.4 Vendors shall, as practical based on their business, identify, manage, reduce and responsibly control air emissions emanating from their respective operations that post a hazard to the environment.
9.5 Vendors shall, as practical based on their business, identify, control, monitor, and reduce noise generated by their respective facilities that affect boundary noise levels.

9.6 Vendors shall, as practical based on their business, reduce energy, water, and natural resource consumption by implementing conservation and substitution measures.

9.7 Vendors shall, as practical based on their business, minimize hazardous substances consumption by implementing reduction and substitution measures.

10. **Animal Welfare**

10.1 Vendors shall treat animals humanely, including minimizing pain and stress. Animal testing should be minimized and alternatives used whenever possible.

11. **Vendor Implementation**

11.1 To promote implementation, monitoring and support of the aforementioned social standards, Vendors shall have in place an internal corporate social responsibility strategy and appropriate internal procedures.

11.2 A responsible individual shall be appointed to oversee programs related to their social and environmental responsibility strategy.

   (a) Such representatives shall work with their respective Vendors to develop standards, performance objectives, targets, and implementation plans, including periodic assessments of the performance against those objectives.

   (b) Vendors shall develop and maintain a process to identify labor and human rights, health and safety, environmental, and legal compliance risks associated with its operations; determine the relative significance of each risk; and implement appropriate procedures and controls to manage the identified risks.

11.3 Vendors shall perform periodic evaluations of their facilities and operations, and the facilities and operations of their subcontractors and next-tier Vendors to ensure compliance with the standards set forth herein.

11.4 Vendors shall maintain documents and records to ensure and document compliance.

11.5 Vendors’ internal procedures should include a system for reporting violations of the Code.
(a) Workers who file reports must not be disciplined, disadvantaged or retaliated against for doing so. Vendors are prohibited from retaliating or taking adverse action against anyone for raising or helping to resolve a legal and/or ethical compliance concern or any other issue related to the Code.

(b) Vendors shall have a process for timely correction of any deficiencies or violations reported by workers or identified by an internal or external audit, assessment, inspection, investigation, or review.

11.6 Every Vendor doing business with Lidl US shall declare its intent to implement and uphold the Code in its company and to hold any subcontractors, agents or other third parties who act on behalf of Lidl US accountable to the Code.

(a) Every Vendor further agrees to report any violations of the Code to Lidl US.

(b) Vendors agree that Lidl US or an independent inspector appointed by Lidl US can verify implementation of the Code at any time.

11.7 Vendors must use their best commercial efforts to be dedicated and committed to responsible environmental and social stewardship. Vendors will post, if available, at their respective Vendor locations documents evidencing Vendors’ efforts to maintain responsible environmental and social stewardship.

11.8 In the event that a Vendor is subject to a more restrictive law in the conduct of its business than is set forth in this Code, the Vendor must comply with those higher standards in the conduct of its business.

Lidl US, LLC

Vendor

By:___________________________ By:___________________________

Name:_________________________ Name:_________________________

DATE _______________________
Supplier:_______________________