

Factsheet on conserving resources

Lidl Latvija

Financial year 2024



Introduction

About the company

The first Lidl Latvija store opened in 2021, by the end of the reporting period it operates 36 stores across the country (compared to 2023, 6 new stores were opened). The Lidl Latvija headquarters are located in the capital Riga, where it also has a logistics center. The highest Management body of Lidl Latvija is the Management Board, which is composed of internal employees. In this year's factsheet, Lidl Latvija is focusing on conserving resources, specifically fresh water, circular economy, and food waste.

Importance of sustainability

Sustainability is a core priority for Lidl Latvija, guiding how the company operates, sources products, and serves customers. By focusing on responsible supply chains, energy-efficient stores, waste reduction, and affordable sustainable choices for consumers, Lidl Latvija aims to reduce its environmental footprint while contributing positively to local communities. The company's commitment to long-term sustainability initiatives helps strengthen trust with customers and partners, ensuring that its growth supports both people and the planet.

Lidl's CSR strategy focuses on five key fields of action – protecting climate, respecting biodiversity, conserving resources, acting fairly, and promoting health – while engaging in dialog across all areas.

Lidl Latvija serves as a vital link in a global sustainability chain providing customers responsibly sourced and produced products. We translate ambitious international targets and commitments into everyday activities.

To achieve the set goals in each area we have set targets and measures, which allow us to track progress regularly and report transparently.



Conserving resources

Today, more and more of our planet's natural resources are being used. The world's population is growing, and with it, for example, the consumption of water and other natural resources, as well as the amount of waste. It is therefore our own responsibility to use them carefully and responsibly. At Lidl Latvija, we recognize that our planet's resources are finite but our potential for innovation is not. As a proud member of the Schwarz Group, we operate within a global ecosystem that views the "circular economy not as a distant goal, but as a daily business imperative. By this we mean obtaining them in a more environmentally friendly way, using freshwater carefully, responsibly and sparingly, increasingly acting in accordance with the circular economy model and avoiding food waste. That is why Lidl is committed to continuously conserving and using resources responsibly throughout its value chain.

For us, conserving resources is about more than just efficiency; it is about ensuring and securing the high-quality products our customers love for generations to come.

Circular Economy

Challenge

Rising consumption and the increased use of packaging materials are leading to increasing amounts of waste. The consequences of these developments particularly impact the environment. Companies therefore face the challenge of conserving resources. Lidl Latvija's business activities are directly linked to the use of resources, including various materials like plastic or paper.

Solution

PreZero, a division of Schwarz Group, closes loops through comprehensive waste and recycling management. We collaborate with this environmental service provider at certain sites and through projects to close our loops. We use an efficient resource and waste management system to ensure responsible resource use. We record the resource flows in our operational processes to follow the ideal of the circular economy. The efficient separation and proper disposal of the resulting materials enables the reuse or recycling of the resources used and minimizes the proportion of non-recyclable waste.

As part of our Road to Zero Waste project, waste is seen as the recyclable material of the future. With the help of our waste management system, we promote "positive" disposal methods (reuse, recycling, fermentation and composting) and minimize non-recyclable materials, such as residual waste.

The goal of Road to Zero Waste is as follows: by the end of 2030, we will reuse, recycle, ferment or compost at least 95% of the waste generated in the company in all Lidl countries, including Lidl Latvija. Certification is carried out by an independent organization in accordance with DIN SPEC 91436.*

*Definition according to DIN Spec 91436: material recovery measures: Reuse, recycling, fermentation and composting; prerequisite: Necessary infrastructural conditions available in the country.

In FY 2024, Lidl Latvija took steps to responsibly manage resources by:

-  **Collaborating with EcoBaltiaVide:** Partnering with the recycling company EcoBaltiaVide to manage electric appliances returned by customers during the guarantee period.
-  **Supporting Education:** Donating 20 used laptops, which were updated and all data securely wiped after being used by Lidl Latvija employees, to the SOS Children's Villages to support their educational initiatives.
-  **Lidl Latvija donated 490 electric appliances returned during their guarantee period and repaired by "EcoBaltiaVide" masters "Lab!" to SOS Children Villages.**

Organization

The Logistics department at Lidl Estonia is responsible for the flow of recyclable materials. Water consumption at the operational level is the responsibility of Facility Management.

REset Resources

REset Resources: The jointly developed holistic circular economy strategy of the companies of Schwarz Group. REset Resources shapes the resource management within Schwarz Group along the five action areas REdesign, REduce, REuse, REcollect and REcycle. Further information on REset Resources can be found in the [sustainability report](#) of the companies of Schwarz Group.

To achieve the set goals in each area we have set targets and measures, which allow us to track progress regularly and report transparently.

Targets	KPI	Status	Explanation: measures implemented and results in 2024	Planned measures
Proportion of recycle in the packaging by FY 2025	25%	11%	Proportion increased by 2 points in comparison to 2023	Increased focus to recycle and data sources
Recyclability of waste by 2030	95%	90%	Continuous improvement of management of material flow	Development of new partnerships supporting the increase of material flow

Materials used by weight or volume

Paper and plastic, in particular, are used as source materials at Lidl Latvija. Paper is used primarily in stores in the form of leaflets and in-store flyers, which are an integral part of our customer communication, including in the form of our checkout receipts. We save resources by using electronic price tags. Giving the customer the option of turning down paper receipts is planned to be introduced in FY 2026. Plastic is mainly used for our product packaging, shopping bags and produce bags, garbage sacks and stretch film.

Plastic 2024–2025

Plastic management at Lidl Latvija is evaluated from the standpoint of both recycling and packaging sustainability. Several positive trends were observed in 2024:

 **Reduction in plastic packaging:** we analyse the total plastic sales volume and average unit weight and in 2024 these indicators have significantly decreased compared to 2023. This trend is expected to continue in the coming years.

Lidl Latvija is actively working on optimizing its plastic flow by both increasing recycling volumes and reducing the use of plastic in packaging. These initiatives are closely linked to EU regulations, the company's sustainability goals, and cooperation with responsible suppliers.

In **2024 93,2%** and **83,3% in 2023** textile products were packed without plastic.

45,5% in 2024 and **42,8%** in 2023 of fruit and vegetables were sold without packaging inviting the clients to use their own reusable bags for shopping.



	2024	2023
Total plastic weight (t)	3 009,9	3 281,8
Primary packaging (private label)	2 950,9	3 236,1
SVP Fruit & Vegetables (O&G)	43,5	39,3
SVP Bakery	15,5	6,4
SVP Convenience/To-Go	0,1	-
Total paper consumption for advertising materials (t)	586,2	835,5
Advertising: fresh fibre	139,5	-
Advertising: recycled fibre	446,7	835,5
Total paper consumption for printer paper: fresh fibre (t)	5,6 (t)	4,2 (t)
Material recyclability	60,6%	55,0%
Recycled content in plastic packaging	11,1%	9,1%
Mircoplastic-free articles	99,9%	99,1%
Recycled content in household cleaning and personal care products packaging	19,6%	14,4%
Recyclability of household cleaning and personal care products packaging	77,7%	74,9%

Table 1. Use of plastic and paper



Recycled input materials used

At Lidl Latvija, we are increasingly using recycled materials as starting materials. For instance, leaflets, in-store flyers, bread bags, and printer paper are already partly produced from recycled paper. We are constantly working to increase the amount of recycled materials that we use.

Reclaimed products and their packaging materials

In compliance with applicable regulations, Lidl Latvija passes on goods that are still edible but are no longer fit for sale to not-for-profit organizations, which distribute this food to those in need. Since 2022, this has occurred in collaboration with Latvia's Samariešu apvienība project "Paēdušai Latvīai" and organization "Tavi Draugi".

Waste generation and significant waste-related impacts

The waste generated by Lidl Latvija is disposed of in accordance with requirements. At the same time, we are also working with our suppliers to reduce disposable and general packaging waste, and to make our customers aware of the responsible handling of waste.

Management of significant waste-related impacts

The business activities of Lidl Latvija are directly linked to the use of resources. We use an efficient water, resource and waste management system to ensure we use them responsibly.

We also record the resource flows in our operational processes. The efficient separation and proper disposal of the resulting materials enables the reuse or recycling of the resources used and minimizes the proportion of non-recyclable waste.

In 2015, together with PreZero, the Group's internal waste disposal expert, Lidl initiated the company-wide "Valuing recyclables" campaign. As part of this, from the very beginning of operations, Lidl Latvija designed the disposal area in all of its logistics centers to enable the efficient collection and separation of materials generated and put in central recycling collection stations in place with systematic signage. The "Valuing recyclables" campaign also educates Lidl's employees on the disposable materials. This is enabling us to improve the quality of our separation and thereby increase recycling rates.

Changes in the flow of recyclable materials

In 2024, Lidl Latvija observed significant changes in the volume of recyclable materials, that can be attributed to improved processes, training, and company growth:



Only a slight increase in packaging stretch film volume due to:



An improved sorting process and targeted training in stores as well as data monitoring.



Increasing **turnover** – the greater the purchasing power, the more goods are unpacked, creating a larger volume of film.

Partnerships are being developed regarding the possibility of using recycled film in Latvia to produce garbage bags, which could be used for waste containers, thus promoting a closed material cycle.



Reduction in cardboard volume: The volume of cardboard recycling at Lidl Latvija has decreased by 194,3 tons. The reason for this reduction is a new process that allows for more efficient use of cardboard packaging:



- Stores use crates of bananas and other goods to store and transport scraps to processing sites.
- This approach not only reduces the amount of cardboard waste but also allows you **to save money** by optimizing logistics and packaging usage processes.

Lidl Latvija continues to improve the management of material flows, promoting both environmental sustainability and economic efficiency. The increase in film recycling, cardboard reuse, and the search for new solutions (for example, the production of garbage bags) are clear evidence that the company is actively working on the efficient use of resources.

Wood packaging management

Recycling of damaged wooden pallets: In 2024, Lidl Latvija concluded a successful cooperation agreement for the sale and recycling of damaged wooden pallets. The pallets are recycled either into new pallets or into wood chips. This initiative allows:



- Reduce the amount of unnecessary materials accumulated in warehouses.
- Generate additional income for the company.
- Promote the reuse of wood resources in a sustainable manner.

Support for local farmers: In 2025, we are actively working to ensure that wooden crates of fruit and vegetables can be donated to local farmers free of charge. This initiative:



- Supports local agriculture.
- Reduces Lidl's costs for the disposal of wooden packaging.
- Promotes resource circulation and cooperation with the local community.

Household chemicals

Each store writes off damaged or non-conforming household chemicals every month. These volumes are mainly formed by goods that cannot be sold to customers, for example, if product packages have been damaged.

To reduce write-offs and promote more efficient use of resources, processes in 2024 were being developed to expand the range of products available for internal use. This means that products that would not be suitable for sale could be used for employee needs in the workplace.

Growth of non-hazardous recyclable waste

In 2024, a significant increase in the volume of non-hazardous recyclable waste was observed by 3,537,4 tons compared to 2023. This increase is related to new data entries regarding deposit packaging and other materials entering the recycling stream via reverse vending machines, as well as a substantial increase in organic waste.

In addition to packaging and materials, this category also includes beverages disposed of, including with deposit packaging, after their expiration date.



Waste generated

Despite our best efforts with the processes, it is not possible to completely avoid waste from being generated (e.g., cardboard boxes, stretch film, wood, etc.), which is transferred to various reutilization channels.

Material (t)	2024	2023
Total waste	12 815,3	9 276,4
PCC/paper, carton, cardboard	3 973,7	4 168,0
Organic waste	3 251,6	2 409,4
PET packaging	768,4	-
Plastics	210,9	208,0
Wood	1 058,7	905,6
Textiles	21,1	20,1
Residual waste	1 498,8	1 512,0
Glass	1 756,0	-
Scrap metal	140,3	16,0
Hazardous waste	12,5	11,0
Other non-hazardous waste	123,4	26,3

Table 2. Waste generated classified by material in metric tons

Waste directed to disposal

Despite our best efforts with our processes, it is not possible to completely avoid non-reusable or non-recyclable materials from being generated. As a result, there was waste that had to be thermally treated or disposed of in a landfill by Lidl Latvija.

Disposal route	Material (t)	2024	2023
Reuse		1 135,2	938,8
	Textiles	21,1	18,0
	Organic	71,2	56,4
	Wood	980,9	841,4
	Other	62,0	23,0
Recycling	Total	7 034,1	4 459,3
	PPK	3 973,7	4 168,0
	Organic	93,6	-
	PET packaging	768,4	-
	Plastics	210,9	207,8
	Wood	77,8	64,2
	Glass (deposited bottles)	1 756,0	-
	Scrap metal	140,3	16,0
	Hazardous waste	4,3	-
Thermal recovery	Total	1 485,8	1 517,3
	Textiles	-	2,1
	Residual waste	1 485,8	1 511,9
	Other non-hazardous materials	-	3,3
Landfill	Hazardous waste	8,2	11,0
Fermentation	Organic	3 086,8	2 352,8

Table 3. Waste directed to disposal by disposal routes, in metric tons

Food Waste

Challenge

Billions of tons of edible food are thrown away every year or disposed of before they can be sold, with about half of the food produced worldwide being lost in this way. These high levels of food loss mean that scarce and valuable resources, such as water and soil, are being used unnecessarily, and production and transportation are causing avoidable emissions that damage the climate.

Solution

Food waste occurs throughout the value chain: in manufacturing, during transportation, processing, in retail stores, and by consumers. Offering top-quality fresh food is one of Lidl Latvija's top priorities. To tackle food waste, Lidl Latvija has set itself a roadmap for reducing food waste in its own operations. At Lidl Latvija, we utilize a demand-based scheduling system, an efficient supply chain with short transport routes, end-to-end adherence to cold chains, stock monitoring, and price reductions. The companies of Schwarz Group are jointly pursuing the goal of reducing food waste by 50 percent by 2030.

As part of the "Save me – working together to eliminate food waste" international concept, Lidl Latvija is taking a further stand against food waste and expanding the discount promotion under which Lidl Latvija specifically offers food that has reached its best-before date or use-by date or is slightly damaged or discolored, but is still edible. Another measure is the Lidl "Too good to throw away" boxes for fruit & vegetables that no longer entirely meet quality standards, yet are still suitable for consumption. These items can be sold as a mix in a box at a fixed price. This concept has been introduced and tested as a pilot project during 2024 in Lidl Latvija and has received positive feedback from customers. It is projected that the concept will be introduced nationally in FY 2025. The "Too good to throw away" already applies to our baked goods from the previous day.

Despite forward-looking quantity planning, foodstuffs have to be written off in the retail divisions. In compliance with applicable regulations, Lidl Latvija passes on goods that are still edible but are no longer fit for sale to not-for-profit organizations that distribute the food to those in need.



Organization

At Lidl Latvija, the topic of food waste is the responsibility of the Supply Chain and Sales department, in collaboration with the Purchasing department.

Organic waste volume

Lidl Latvija's organic waste volume has increased by more than 800 tons compared to 2023. This is mostly caused by increase of the total volume of goods turnover due to expansion of the store count. To fight it there have been several pilot solutions tested, including the "Too good to throw away" initiative.

According to new processes implemented in 2024, fresh produce orders are made using daily order planning to minimize their negative impact on the accumulation of excess goods and reduce the amount of written-off products.

Looking to the future

To reduce the amount of organic waste and improve sustainability, Lidl Latvija is already implementing several initiatives:

- ✔ **Cooperation with local producers:** Cooperation with local farmers and farms (F/F) is being sought and established to allow for more flexible adjustment of orders to real demand.
- ✔ **Circular economy solutions:** Cooperation will soon be launched with one of the suppliers, who is ready to accept the written-off products back for use in the production of agro-fertilizers and biogas. The energy obtained is used in the production of their products, thus completing a sustainable cycle.
- ✔ **Freshness quality requirements:** Opportunities are being evaluated in order to increase the store employees awareness on the requirements for freshness of fruits and vegetables in the stores and to reduce unnecessary write-offs.
- ✔ **Cooperation with food banks:** Products that are out of date or nearing the end of their shelf life will be redistributed to the Food Banks, thereby reducing food waste and at the same time providing support to the community.

Positive trends and sustainability initiatives

Despite the increase in organic waste, Lidl Latvija is actively seeking solutions to reduce food waste and promote sustainable resource use:

- ✔ **Products transferred to animal feed:** In 2024, 146 tons of written-off fruit, vegetables, and bread were transferred to animal feed.
- ✔ **Cooperation with NGOs:** 75 tons of dry goods were transferred from the warehouse to various non-governmental organizations, including SOS Children's Village and Tavi Draugi. In 2023, such contracts had not yet been signed, which indicates significant progress in the development of cooperation.



Fresh water

Freshwater is a vital thread that runs through every product on Lidl Latvija's shelves. While Latvia is water-rich, our global supply chain and local operations depend on this finite resource for everything from growing the produce we sell to maintaining our high hygiene standards.

As part of the Schwarz Group's "REset Resources" strategy, freshwater is treated as a strategic priority at Lidl Latvija.



Challenge

Around 70% of global water consumption is attributable to agricultural production, putting increasing pressure on this vital resource. The challenge is twofold: human water withdrawal is growing by almost 1% per year, and water availability is often reduced by lower rainfall and periods of drought. Both of these trends are expected to continue in the coming decades, and we are already experiencing the effects in our supply chains and growing regions.

To ensure the long-term availability of fresh water, all players along the supply chain must play their part. Particularly in regions with high water risks, the focus should be on key measures such as proven legal water procurement, responsible water use, reducing water pollution, protecting water-adjacent ecosystems, and cooperating with stakeholders within river basins.

Yet in Latvia, while there is a low risk of scarcity based on volumes, the quality of open waters and freshwater is often emphasized. Concerns particularly relate to eutrophication, where excess nutrients from agriculture and wastewater cause algal blooms and oxygen depletion, as well as microplastics and pollutants which are increasingly detected in Latvian waters, especially near urban areas.

¹ Organization for Economic Cooperation and Development: Water and agriculture, 2024.

Solution

We are convinced that lasting success can only be achieved through sustainable development. "On the road to tomorrow" describes this attitude and represents our commitment to corporate responsibility across all areas of Lidl. Through a holistic and company-wide approach, Lidl ensures compliance with its own and regulatory CSR requirements. For this reason, we have established an overarching management approach to corporate due diligence in all strategic focus topics of our CSR strategy, including the responsible handling of freshwater resources.

Lidl fresh water strategy:

For Lidl, a more sustainable use of water is not a task for the future, but a core issue of the present. We have set ourselves the goal of protecting and responsibly using freshwater resources along the entire value chain through targeted measures. Our strategy in the area of water is essentially based on four pillars:

1

Understanding the effects: Understanding our impacts better with risk analyses

Through comprehensive and regular risk analyses, we examine the opportunities and risks of our business activities. Systematic risk analyses at the (sub-)product group level enable us to identify the effects on water consumption and pollution along the entire supply chain.

2

Establishing standards

Main standards that we ask our suppliers to comply with are the Rainforest Alliance, specifically its water-related requirements. For producers of fruit and vegetables, we require compliance with GLOBALG.A.P. IFA or an equivalent standard. For textiles, suppliers must be certified according to a recognized sustainability standard, such as Cotton Made in Africa, Organic Content Standard, or the OEKO-TEX® STeP standard.

3

Promoting alternatives

1

Plastic

Our water resources are increasingly put at risk by the accumulation of non-biodegradable plastics. We eliminate solid and liquid microplastics in all Lidl private label cosmetics and personal care products. By the end of 2025, we aim to achieve several goals for our own-brand packaging: using 10% less virgin plastic, reducing overall plastic use by 30%, incorporating an average of 25% recycle into our plastic packaging, and making 100% of our packaging maximally recyclable.*

*The companies of Schwarz Group: REset Plastic, 2024

2

Reduce food waste

A lot of water is used and polluted to produce our food. However, studies have found that a great deal of all food produced worldwide never makes it onto a plate. By 2025, we aim to reduce organic waste within our business operations by 30%. To achieve this, Lidl Latvija launched a pilot phase for the "Too Good to Waste" initiative in several stores in 2024, which has been very well-received by customers. This initiative helps reduce food waste by selling perfectly edible, though not cosmetically perfect, fruits and vegetables at a heavily discounted price. We plan to launch the initiative countrywide by the end of FY 2025.

3

Increase the proportion of plant-based alternative products

The production of animal products, such as meat, uses significantly more water than it takes to produce plant-based food products. We are increasing the proportion of plant-based protein sources in our range to 20% by 2030. Further information on this can be found in Lidl's [Conscious Nutrition Purchasing Policy](#).

4

Driving change

Lidl has been an active member of the Agricultural Working Group (AWS) since 2018. Additionally, in the non-food sector, Lidl is a member of the Leather Working Group (LWG), the Alliance for Sustainable Textiles, and Cotton Made in Africa (CmiA). Lidl has defined three main goals in the textile sector concerning water:

1

Promoting the safe handling of chemicals;

2

Reduction in the use of energy, water, and chemicals;

3

Environmentally friendly disposal of waste and adequate wastewater management.





Organization

At Lidl Latvija, the Purchasing department is responsible for the topic of fresh water in the supply chain.

Interactions with water as a shared resource

We are constantly working to reduce our water consumption in our stores, logistics centers, and offices. We use water-saving sanitary objects and fittings in our existing and new buildings in our real estate portfolio, including special taps and washbasins with optoelectronic controls and self-closing taps that use optimized time settings to avoid unnecessary water consumption.

To assess water risks, we analyze individual relevant sub-product groups on an annual basis. In the reporting year, for example, we did this for fruit and vegetables. For this analysis, we use the Water Stress Index developed for the agricultural sector by the World Resources Institute (WRI) at the country level, alongside data from the Water Footprint Network (WFN) to determine the products' water footprint. The combination of both approaches enables us to consider the water risks from both a product and a country perspective.

Management of water discharge related impacts

Having joined the Alliance for Water Stewardship (AWS) in 2018 Lidl is particularly heavily involved in the agriculture working group and has been collaborating in AWS implementation projects in river basins in global water hot-spots of agricultural production, such as Spain and Peru, since 2022.

As part of the mandatory participation in the GLOBALG.A.P. standard, all our agricultural partner companies document their expertise in terms of good agricultural practices. This also includes checking whether production at a location may pose risks to water availability or quality, and how these risks can be minimized. For example, flowers and plants are exclusively procured from operations that follow the GlobalG.A.P. Chain of Custody.



Fruits, vegetables, flowers & plants

By no later than the end of the 2025 fiscal year, 100% of our fruit & vegetable producers from Spain, Portugal, Italy, Greece, Egypt, South Africa, Morocco, Israel, and Chile must be certified based on recognized water standards (AWS Standard, Global G.A.P. SPRNG, On the way to PlanetProof, Fairtrade Standard, Rainforest Alliance Agriculture Standard, SIZA Environmental Standard, SCS Sustainably Grown Standard).

We are also consistently reducing the use of pesticides in our fruit, vegetables, flowers, and plants assortment in line with our strategic list of active substances, which can be found in the [Lidl position paper on fruit, vegetables, flowers, and plants](#).



Textiles

We are also particularly focused on the application of minimum standards in the textile sector. Lidl has defined three main goals:

- Promoting the safe handling of chemicals;
- Reducing the use of energy, water, and chemicals;
- Environmentally friendly disposal of waste and adequate water management.

All our textiles that contain cotton must be certified based on a recognized sustainability standard, such as Cotton Made in Africa, Better Cotton Initiative, Fairtrade, or Organic Content Standard.



Microplastics

Another key issue is the pollution of water caused by microplastics. In response, we worked with our cosmetics and personal care product suppliers to set a goal of completely eliminating the use of solid and liquid microplastics in our own-brand cosmetic formulations by 2021. Due to technical challenges, we have not fully achieved this goal. To date, all items for which alternative formulation components already exist have been redesigned. We are continuing to work on further changes together with our suppliers, some of which first require market-developed solutions.

Water withdrawal

The same care is applied to our use of water as a resource. Our aim is to continuously reduce water demand and water consumption in our operating units across Lidl Latvia.

In the reporting year, total water consumption at our own business premises was 21,115.6 m³ (compared to 18,311.5 m³ in 2023). This consumption is primarily limited to social and sanitary rooms as well as cleaning processes, which is why we use water-saving sanitary facilities and taps at our business premises. The resulting rainwater and wastewater at our premises is disposed of in accordance with the connection terms of the municipal water disposal company.

Contacts

For more information about Lidl Latvia sustainability goals, projects, and achievements, please visit [Corporate Lidl Latvia website](#) or contact csr@lidl.lv.