

Factsheet on conserving resources

Lidl Eesti

Financial year 2024



Introduction

About the company

The first Lidl Eesti store opened in 2022. By the end of the reporting period, the company operates 17 stores across the country, having opened four new stores compared to 2023. The Lidl Eesti headquarters are located in the capital, Tallinn. The highest Management body of Lidl Eesti is the Management Board, which is composed fully of internal employees. In this year's factsheet, Lidl Eesti is focusing on conserving resources, specifically fresh water, circular economy, and food waste.

Importance of sustainability

Sustainability is a core priority for Lidl Eesti, 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 Eesti 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 Eesti 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 Eesti, 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 Eesti'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 Eesti. 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

Organization

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

REset Resources

REset Resources is 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 end of 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%	91%	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 Eesti. 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. Plastic is mainly used for our plastic bags, produce bags, garbage sacks, and stretch film.

	2024 (t)	2023 (t)
Total plastic weight	36,6	27,2
Plastic packaging for fruit & vegetables	18,6	16,4
Plastic packaging for bakery	5,5	2,5
Plastic packaging for To Go	-	0,2
Plastic waste bags	11,5	6,8
Plastic stretch film	1,0	1,4
Total paper consumption for advertising materials	247,8	388,9
Fresh fibre	61,2	-
Recycled fibre	186,7	388,9
Paper consumption for printer paper	1,5	0,8
Paper consumption for bakery packaging	20,9	19,4

Table 1. Use of plastic and paper in metric tons

Plastic 2024–2025

At Lidl Eesti, we evaluate our plastic management through the lenses of both recycling and packaging sustainability. Our latest data, which covers direct imports to Lidl Eesti, shows a slight increase in plastic volume



We analyze total plastic sales volume and average unit weight. Despite opening more stores in Estonia, these figures did not increase significantly in 2024. We anticipate this positive trend to continue.

Lidl Eesti 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.

Recycled input materials used

At Lidl Eesti, we are prioritizing circularity by increasingly sourcing recycled materials. For example, our in-store flyers, brochures, bakery bags, and office paper already incorporate recycled content. We are committed to continuously expanding the use of recycled materials across our operations



Reclaimed products and their packaging materials

In accordance with applicable regulations, Lidl Eesti donates surplus food that is safe for consumption but no longer fit for sale to non-profit organizations, which distribute it to those in need. In Estonia, our most significant partnership in this effort is with the Food Bank (Toidupank).

Waste generation and significant waste-related impacts

At Lidl Eesti, we manage our waste in full accordance with local regulations while working alongside suppliers to reduce packaging and single-use materials. Furthermore, we are dedicated to raising customer awareness regarding responsible waste disposal.

Management of significant waste-related impacts

As a retail leader, Lidl Eesti's operations are inherently tied to resource consumption. To manage this responsibly, we employ an integrated water, resource, and waste management system.

By meticulously tracking resource flows throughout our operational processes, we ensure that materials are efficiently separated and correctly disposed of, maximizing reuse and recycling while minimizing non-recyclable waste.

Changes in the flow of recyclable materials

In 2024, Lidl Eesti recorded minor fluctuations in the volume of recyclable materials. These shifts were driven by optimized operational processes, enhanced employee training, and the company's strategic expansion, alongside the implementation of more robust data management systems.



"The reduction in plastic volume (both transparent and colored) is the result of optimized packaging protocols at our logistics center, which have streamlined the use of stretch wrap.



Since the start of FY 2024, we have introduced a dedicated KPI to track deposit packaging returns via Lidl's reverse vending machines. This year, the initiative successfully recovered 232.2 tons of PET, 504.6 tons of glass, and 60.7 tons of metal for recycling.



Trends in Cardboard Volume: The volume of Paper, Carton, and Cardboard (PCC) recycled by Lidl Eesti saw a marginal increase of 14.9 tons compared to 2023. This minimal rise—achieved despite an expanding store network—is the result of a new efficiency protocol for PCC packaging.



Stores now repurpose banana boxes and other primary packaging to collect and transport secondary materials to processing sites.



This circular approach not only minimizes cardboard waste but also optimizes logistics and resource efficiency throughout our operations.

Lidl Eesti remains committed to optimizing material flow management, driving both environmental sustainability and operational efficiency. The growth in film recycling, the strategic reuse of cardboard, and the exploration of innovative solutions—such as repurposing waste into garbage bags—clearly demonstrate our proactive approach to resource efficiency.

Hazardous waste

On a monthly basis, each store accounts for damaged or non-conforming household chemicals. These volumes primarily consist of items with compromised packaging that are no longer suitable for sale.

To mitigate these write-offs and promote resource efficiency, we optimized our processes in 2024 to expand the range of products available for internal use. This initiative allows items unsuitable for retail to be repurposed for workplace maintenance and employee needs, significantly reducing waste.

Wood packaging management

Recycling of Damaged Wooden Pallets: In 2024, Lidl Eesti established a successful partnership for the sale and recycling of damaged wooden pallets. These units are either refurbished into new pallets or processed into wood chips. This initiative serves to:

- ① **Reduce waste accumulation:** Minimize the volume of redundant materials in our logistics centers.
- ② **Generate revenue:** Create additional income streams for the company.
- ③ **Promote sustainability:** Drive the circular use of timber resources in an environmentally responsible manner.

Supporting Local Farmers: Starting in 2025, Lidl Eesti plans to redistribute wooden fruit and vegetable crates to local farmers free of charge. This initiative aims to:

- ① **Empower local agriculture:** Provide tangible support to the domestic farming community.
- ② **Optimize operational costs:** Reduce Lidl's expenditures related to wooden packaging disposal.
- ③ **Foster community circularity:** Promote resource circulation while strengthening ties with the local community.

Growth of non-hazardous recyclable waste

In 2024, the volume of non-hazardous recyclable and reusable waste increased by more than 1,204 tons compared to 2023. This growth is primarily attributed to more comprehensive data tracking, including new entries for deposit packaging and other materials integrated into the recycling stream.

This category also encompasses expired beverages that are disposed of alongside their deposit packaging.



Waste generated

Despite our optimized processes, the generation of certain waste streams such as cardboard, stretch film, and wood remains inevitable. These materials are systematically collected and transferred to various specialized recovery and recycling channels to ensure they remain within the circular economy.

Material	2024 (t)	2023 (t)
Total waste	4 624,1	3 419,6
PCC (paper, carton, cardboard)	1 793,5	1 778,7
Organic waste	1 574,9	1 178,0
PET packaging	232,0	-
Plastics	42,0	67,8
Wood	7,8	8,0
Textiles	0,2	-
Residual waste	397,8	382,0
Glass	504,6	-
Scrap metal	60,7	-
Hazardous waste	5,0	5,1
Other non-hazardous waste	5,4	-

Table 2. Waste generated classified by material in metric tons

Waste directed to disposal

Despite our optimized processes, the generation of some non-reusable and non-recyclable materials remains unavoidable. Consequently, a portion of our waste volume was redirected for thermal treatment (waste-to-energy) or disposed of in landfills by Lidl Eesti.

Disposal route	Material	2024 (t)	2023 (t)
Reuse	Total waste	4 619,1	3 414,5
	Textiles	0,2	-
	Other non-hazardous waste	5,4	-
Recycling	Total	2 640,6	1 854,5
	PCC	1 793,5	1 778,7
	PET packaging	232,0	-
	Plastics	42,0	67,8
	Wood	7,8	8,0
	Glass	504,6	-
	Scrap metal	60,7	-
Fermentation	Organic	1 574,9	1 178,0
Thermal recovery	Residual waste	397,8	382,0
Landfill	Hazardous waste	5,0	5,1

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

Food Waste

Challenge

Annually, billions of tons of edible food are discarded or disposed of before reaching the consumer, with nearly half of the world's food production lost in this manner. This staggering level of food loss results in the wasteful consumption of scarce resources, such as water and fertile soil. Furthermore, the production and transportation of lost food generate avoidable emissions, contributing significantly to climate change.

Solution

Food waste occurs across the entire value chain from manufacturing and logistics to processing, retail, and final consumption. As a fresh food specialist, Lidl Eesti prioritizes high-quality standards while following a rigorous roadmap to minimize waste within our operations. Our strategy relies on a demand-driven scheduling system, an efficient supply chain with localized transport routes, strict cold-chain integrity, and proactive stock monitoring. Collectively, the Schwarz Group companies aim to reduce food waste by 50% by 2030.

Under the international 'Save Me' initiative, Lidl Eesti targets waste by discounting products nearing their best-before or use-by dates, as well as items with minor aesthetic imperfections that remain perfectly edible. A key innovation is the 'Too Good to Waste' bag, which offers a mix of fruits and vegetables that fall slightly below retail standards but are ideal for consumption with an attractive price tag. Successfully piloted in FY 2024 with positive customer feedback, this concept is set for a national rollout in FY 2025. This approach already extends to our day-old bakery selection.

When write-offs are unavoidable despite precise planning, Lidl Eesti adheres to regulatory guidelines by donating edible surplus to non-profit organizations, such as the Food Bank, to support those in need.



Organization

At Lidl Eesti, 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 Eesti's organic waste volume increased by over 400 tons compared to 2023. This rise is primarily attributed to a higher total inventory turnover resulting from the expansion of our store network. To mitigate this trend, we have tested several pilot solutions, most notably the 'Too Good to Waste' initiative, aimed at maximizing resource recovery.



Network Expansion: Our store network continues to grow steadily. In 2024, we opened four new locations in Estonia. Naturally, a larger operational footprint leads to a higher total volume of goods handled, which consequently increases the potential for inventory write-offs.



Precision Ordering: To counteract this, fresh produce orders are calculated daily based on actual demand. This precise planning minimizes the accumulation of surplus stock and actively reduces the volume of potential waste.

Looking to the future

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



Local Sourcing & Partnerships: We are actively expanding our cooperation with local farmers and producers. These partnerships allow for greater flexibility, enabling us to align our orders more closely with real-time demand.



Freshness Standards & Training: We are continuously evaluating ways to enhance store employees' awareness of fruit and vegetable freshness standards. By improving handling and quality control, we aim to eliminate unnecessary write-offs.



Partnership with Food Banks: Products that are no longer for sale but remain safe for consumption are donated to Food Banks. This initiative directly reduces food waste while providing essential support to the local community.

Positive trends and sustainability initiatives

Despite the increase in organic waste, Lidl Eesti is proactively seeking solutions to minimize food loss and promote sustainable resource management. This includes ongoing partnerships with NGOs such as the Food Bank (Toidupank) across our store network and Fudloop at our Tallinn head office.



In FY 2024, dry goods with a total retail value of **€93,373.86** were redistributed to the National Food Bank to support those in need.



Fresh water

Freshwater is a vital thread connecting every product on Lidl Eesti's shelves. Although Estonia is a water-rich nation, both our global supply chain and local operations rely on this finite resource—from cultivating the produce we sell to maintaining our rigorous hygiene standards. As part of the Schwarz Group's 'REset Resources' strategy, freshwater management is treated as a strategic priority at Lidl Eesti.

Challenge

Approximately 70% of global water consumption is attributed to agricultural production, placing immense pressure on this vital resource. The challenge is twofold: global water withdrawal is increasing by nearly 1% annually, while availability is being diminished by shifting rainfall patterns and prolonged droughts. We are already observing the impact of these trends across our supply chains and sourcing regions.

To ensure the long-term availability of freshwater, every actor along the supply chain must contribute. Especially in high-risk regions, the focus must remain on legal procurement, responsible usage, pollution reduction, the protection of aquatic ecosystems, and collaborative management within river basins.

In contrast, while Estonia faces a low risk of water scarcity, the focus shifts toward water quality. Key concerns include eutrophication — where nutrient runoff from agriculture and wastewater triggers harmful algal blooms and oxygen depletion — as well as the rising detection of microplastics and pollutants in Estonian waters, particularly near urban centers.

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

Solution

We are convinced that enduring success is only achievable through sustainable development. 'On the road to tomorrow' encapsulates this mindset, representing our commitment to corporate responsibility across every facet of Lidl's operations. Through a holistic, company-wide framework, we ensure compliance with both internal benchmarks and external CSR regulations.

To this end, we have established an overarching management approach to corporate due diligence across all strategic pillars of our CSR strategy—including the responsible stewardship of freshwater resources.

Lidl fresh water strategy:

For Lidl, the sustainable management of water is not a task for the future, but a critical priority of the present. We are committed to protecting and responsibly managing freshwater resources across our entire value chain through targeted, measurable actions. Our water strategy is built upon four fundamental pillars:

1 Understanding the impact: Gaining deeper insight into our environmental footprint through risk analysis

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 across the entire supply chain.

2 Establishing standards

We require our suppliers to adhere to leading international certifications. For general sourcing, we mandate compliance with the Rainforest Alliance, specifically its water stewardship criteria. Fruit and vegetable producers must comply with GLOBALG.A.P. IFA or an equivalent benchmark. In our textile sector, suppliers must be certified under recognized sustainability frameworks, such as Cotton made in Africa (CmiA), the Organic Content Standard (OCS), or the OEKO-TEX® STeP standard.

3 Innovation and assortment

1 Combating Plastic Pollution

Our water resources are increasingly jeopardized by the accumulation of non-biodegradable plastics. To address this, we have eliminated solid and liquid microplastics from all Lidl private-label cosmetics and personal care products. Looking ahead to the end of 2025, we have set ambitious targets for our own-brand packaging: a 10% reduction in virgin plastic, a 30% decrease in overall plastic usage, an average of 25% recycled content (recyclate) across all plastic packaging, and ensuring that 100% of our packaging is designed for maximum recyclability.*

*The companies of Schwarz Group: REset Plastic, 2024

2 Reducing Food Waste

The production of food requires and impacts vast quantities of water. Alarming, research indicates that nearly half of all food produced globally is lost or wasted. To address this, we aim to reduce organic waste within our own operations by 30% by the end of 2025. A key driver for this is the 'Too Good to Waste' initiative, which we successfully piloted in several Lidl Eesti stores during FY 2024. By offering perfectly edible, though aesthetically imperfect, fruits and vegetables at a significant discount, we have received overwhelming customer support. We are now preparing for a nationwide rollout of this initiative by the end of FY 2025.

3 Expanding Plant-Based Alternatives

The production of animal-based products, particularly meat, consumes significantly more water than the cultivation of plant-based alternatives. To address this, we are committed to increasing the proportion of plant-based protein sources in our assortment to 20% by 2030. Detailed insights into our strategy can be found in [Lidl's Conscious Nutrition Purchasing Policy](#).

4 Driving change

Lidl has been an active member of the Alliance for Water Stewardship (AWS) since 2018. In the non-food sector, we are committed to sustainable sourcing through memberships in the Leather Working Group (LWG), the Partnership for Sustainable Textiles, and Cotton made in Africa (CmiA). To further strengthen our commitment, Lidl has established three primary water-related objectives within the textile sector:

- 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 Eesti, the Purchasing department is responsible for the topic of fresh water in the supply chain.

Interactions with water as a shared resource

Management of water discharge related impacts

Since joining the Alliance for Water Stewardship (AWS) in 2018, Lidl has played a particularly active role in its agriculture working group. Since 2022, we have been collaborating on AWS implementation projects within river basins in global agricultural water 'hot-spots,' such as Spain and Peru, to address critical water management challenges at their source.

As part of our mandatory compliance with GLOBALG.A.P. standards, all our agricultural partners must document their adherence to Good Agricultural Practices. This assessment includes evaluating whether production at a specific site poses risks to water availability or quality, and implementing measures to mitigate those risks. For example, we source our flowers and plants exclusively from operations that maintain GLOBALG.A.P. Chain of Custody certification.



Fruits, vegetables, flowers & plants

By the end of the 2025 fiscal year, 100% of our fruit and vegetable producers from high-water-risk regions — including Spain, Portugal, Italy, Greece, Egypt, South Africa, Morocco, Israel, and Chile — must be certified under recognized water stewardship standards. Acceptable certifications include the AWS Standard, GlobalG.A.P. SPRING, On the Way to PlanetProof, Fairtrade, Rainforest Alliance, SIZA Environmental, and the SCS Sustainably Grown standard.

Furthermore, we are systematically reducing pesticide use across our fruit, vegetable, and floral assortment. This is managed through our strategic list of active substances, detailed in the [Lidl Position Paper on Fruits, 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 containing cotton must be certified based on a recognized sustainability standard, such as Cotton made in Africa, the Better Cotton Initiative, Fairtrade, or the Organic Content Standard. These certifications ensure that the cotton in our products is sourced from farms that prioritize responsible water management and reduced environmental impact.



Microplastics

Another key issue is water pollution caused by microplastics. In response, we collaborated with our cosmetics and personal care suppliers to eliminate the use of solid and liquid microplastics in our own-brand formulations by 2021.

Due to technical challenges, we have not yet fully achieved this objective. To date, all items with available alternative components have been reformulated. We continue to work with our suppliers on further transitions, some of which require newly developed market solutions.

Water withdrawal

The same care applies to our management of water as a resource. We aim to continuously reduce water demand and consumption across our operating units in Estonia. In the reporting year, total water consumption at our premises was 4,692.3 m³ (down from 4,857.5 m³ in 2023).

This consumption is primarily limited to social and sanitary facilities and cleaning processes, which is why we utilize water-saving fixtures and taps. Resulting rainwater and wastewater are managed in strict accordance with the connection terms of municipal disposal authorities.

Contacts

For more information about Lidl Eesti sustainability goals, projects, and achievements, please visit corporate.lidl.ee/et/ettevotte-sotsiaalne-vastutus or contact csr@lidl.ee.