



Lidl Ireland and Northern Ireland

Position Paper on the Sustainable Sourcing of Cocoa



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1. Our Understanding

Lidl Ireland and Northern Ireland (we) are committed to being a responsible retailer and upholding economic, social and environmental responsibilities in all of our daily activities. Through this position paper, we support a sustainable approach to the sourcing of cocoa and the development and improvement of social and working conditions for farmers and growers.

Our areas of focus in the sustainable production of food are outlined below:

1. Resources, Climate, Environment and Biodiversity

We ensure that the procedures and methods used in agricultural production have maximum efficiency whilst minimising the harmful effects on water, air, soil, biodiversity and human health. This is to ensure that the natural environment is affected as little as possible.

2. Food Security:

We aim to ensure that the basic nutritional needs of today's generation, and future generations, and the further production of agricultural products is maintained.

3. Social Factors:

We aim to ensure long-term employment, better income and dignified and equal living and working conditions for all who work in the agricultural supply chain.

2. Our Objective

Our transparent, publicly accessible position paper on the sustainable sourcing of cocoa covers the entire own-brand range of Lidl.

We realise that our customers have expectations for higher standards in the cultivation of cocoa, therefore, we have made it a priority to address this expectation. In cooperation with our stakeholders, we want to make our contribution to environmentally and socially compatible farming. To achieve this we have laid down foundations for the purchase of responsibly sourced cocoa in this position paper. This paper will be revised on a regular basis in line with our customer's expectations and market fluctuations.

We have developed our own Code of Conduct which stipulates the minimum social standards which form the foundation of collaboration between ourselves and our business partners. We also require our suppliers and business partners to implement this Code of Conduct, based on the International Labour Organisation (ILO) core labour standards, which includes important objectives such as the prohibition of forced and child labour. The overarching goal is to protect the people and their labour rights in the cultivation of cocoa.

We actively promote and support actions that go above the statutory minimum requirements, such as our successive expansion of own-brand products with ingredients from certified, sustainable sources. Our buyers are required to purchase cocoa only in accordance with this position paper.

3. Our Position

We are committed to sourcing 100% of the cocoa used in all of our own-brand products certified to Fairtrade, UTZ or Rainforest Alliance standards and/or certified as organic by the end of 2017.

The following is a list of areas in which we are focusing our efforts in the sustainable production and responsible sourcing of cocoa:

- 3.1 Responsible Assortment
- 3.2 Origin, Transparency and Traceability
- 3.3 Cultivation
- 3.4 Impacts on the Environment
- 3.5 Further Development of Standards

3.1 Responsible Assortment

As a retailer we are aware of our ecological and social responsibilities and would like to offer our customers products that are sustainably sourced and certified to recognised standards such as those set by Fairtrade, UTZ and the Rainforest Alliance and/or certified as organic. An important component of our commitment is to work with these internationally recognised organisations and to support them in their efforts, which ensures that basic standards that are also important to us are implemented.

We are committed to continuously expanding our product range in support of these organisations and in line with our customers' expectations and preferences.

Our commitment is relevant for both local and international suppliers. We expect all of our suppliers to source certified cocoa for use in their products and we encourage them to aim towards fully sustainable supply chains.

3.2 Origin, Transparency and Traceability

It is our goal to offer our customers greater transparency regarding the traceability and origin of our products. Our objective is to provide clear, legible and understandable information on the packaging of our own-brand products, where possible, therefore supporting our customers with their product selection.

All certified items will carry the relevant certification logo on pack and our customers are encouraged to find out more information about the work of these standard setting organisations through website addresses that are also printed on pack - a Fairtrade code is printed on the packaging of all of our "Fair Globe" own-brand, certified products allowing consumers to trace the Fairtrade ingredients back to their origin and research the impact that Fairtrade Premiums have on developing communities in cocoa growing regions.

3.3 Cultivation

We advocate good environmental and social practices in the cultivation of agricultural products, through cooperation with labeling organisations.

In collaboration with the GIZ (Gesellschaft für Internationale Zusammenarbeit GmbH), the Lidl group have funded the expansion and operation of the agricultural school "PROCACAO" for more sustainable cocoa production in Ivory Coast. Since 2012 thousands of farmers in Ivory Coast have been trained to pass on their newly acquired knowledge to their fellow cocoa farmers. During the training more sustainable and environmentally friendly farming practices are emphasised through good agricultural practice and business knowledge. These training sessions take place on agricultural demonstration fields so that the farmers have the opportunity to put their learnings into practice. The aim of the centre is to develop these cocoa farmers to improve their living conditions and to promote the cultivation of cocoa for future generations. Through these courses and classes more than 18,000 cocoa farmers will benefit from agricultural training in the coming years.

3.4 Impacts on the Environment

Impacts on the environment such as the disproportionate use of pesticides in the production of agricultural products are to be minimised. Furthermore, we dissociate ourselves from illegal logging and/or fire clearance to acquire new agricultural acreage.

By passing the independent audits required to achieve certification to Fairtrade, UTZ and Rainforest Alliance standards, farmers learn how to reduce their impact on the environment by producing in a sustainable manner. The knowledge required to implement good practices in cocoa growing regions is disseminated by these international sustainability organisations and farmers are supported in their efforts to produce cocoa with minimum environmental impact.

3.5 Further Development of Standards

To maintain the expectations of a broad range of shoppers we aim to source our products from sources certified to Fairtrade, UTZ and Rainforest Alliance standards. It is our objective to encourage sustainable consumer behaviour through increasing our customers' awareness of products from more sustainable cultivation.

In addition to supporting the work of the above mentioned organisations, the Lidl group are also members of the Sustainable Cocoa Forum. Together, with 70 other members from industry, civil society, politics and commerce, we are committed to improving the livelihoods of cocoa farmers in producing countries through this initiative.