



Sourcing Our Palm Oil Responsibly



At Lidl, we are dedicated to offering the highest quality at the best price. This means that not only are our products taste great and available at low prices but importantly they are sourced responsibly and sustainably. This starts with our key ingredients.

Oil palms are highly productive and a key ingredient of products, which is why palm oil is the most important vegetable oil worldwide. The majority of palm oil is grown in Malaysia and Indonesia and used as an ingredient for food, as well as personal care and cleaning products. The intensive cultivation of oil palms presents a series of serious challenges both socially and environmental, such as the deforestation of rainforest and poor working conditions. However, as other oils and fats are less productive they would require many times the area of land. If palm oil remains the preferred ingredient we believe stringent ecological and ethical requirements are set and imposed.

What does responsible palm oil sourcing mean at Lidl?

In defining what 'responsibly sourced' palm oil means we follow a clear set of policies:

- **RSPO sustainable certification –**

All the palm (kernel) oil in our food and non-food products are sourced from Roundtable for Sustainable Palm Oil (RSPO) certified supply chain. RSPO sets a global standards for the entire supply chain of sustainable palm oil and present a viable mechanism for us to source palm oil responsibly. The certification standard does not permit the deforestation of rainforest or protected areas for the cultivation of certified palm oil. It also requires that the basic rights of indigenous land owners, local communities, farming operation employees, small farmers and their families are respected. To become certified, the growers must prove to independent auditors the successful implementation of targeted measures.

Since 2015, Lidl has exclusively used palm (kernel) oil for its own brand products that is certified from at least mass balance and increasingly from segregated supply chains.

Our commitment:

For our food products, to use 100% palm (kernel) oil our own brand products from RSPO certified segregated sources by the end of 2017. For our non-food products, to use 100% of palm (kernel) oil from RSPO certified mass balance supply chains by the end of 2017, where technically possible.

For us, achieving RSPO certifications represents a minimum standard for the sustainable production of palm (kernel) oil and further development is required to continue to improve performance.

- **Origin, transparency and traceability -**

We know our customers expect greater transparency and traceability of products to their origin. To support the buying decisions our customers make we aim to provide clear information of the origin of our products on the packaging.

The RSPO certification standard employs traceability mechanisms providing greater transparency

across the supply chain.

- **Collaboration -**

An important cornerstone of our policy is collaboration. As a multi-stakeholder initiative, we see the potential for RSPO to adopt more rigorous and extensive criteria for palm (kernel) oil cultivation. As member in RSPO at an international level, we promote and seek opportunities for engagement with companies, non-governmental organisations and European initiatives to develop partnerships for initiating improvements.

We conduct an annual survey of our palm oil suppliers. Palm (kernel) oil quantities are aggregated according to palm (kernel) oil type and RSPO supply chain model in a general report for Lidl UK.