



Sourcing Our Cocoa Responsibly



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

Cocoa is already one of the most important resources worldwide and continues to gain popularity. It is grown primarily on small farms in Western Africa and is the main source of income for millions of families in many developing countries. To prevent crop failures caused by plant diseases and pest infestations, pesticides are used that compromise the environment and workers. There are numerous international initiatives that fight against child labour and for fair wages and sustainable farming methods such as mixed cultures, appropriate crop rotation, and erosion protection - Lidl collaborates among others with UTZ, Fairtrade and the Rainforest Alliance.

Cocoa is a crucial ingredient for many of our products so it is important for us, our customers and those that work across the supply chain that they are sourced in a way that promotes sustainable production, improves working conditions and tackles wider social challenges.

What does responsible cocoa sourcing mean at Lidl?

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

- **Recognised accreditation –**

We are ambitious. We have set truly sector leading targets and commitments to ensure all the cocoa in our own brand products is from certified sustainable sources which set minimum environmental and social standards. This includes all products that contain cocoa including but not limited to chocolate, cakes and pastries, confectionary, biscuits, flavoured milk, cereals, spreads and ice cream. For us, responsibly sourced cocoa is defined as accredited under either UTZ, Fairtrade or Rainforest Alliance.



Our commitment:

To ensure that 100% of the cocoa in our own brand products is certified as sustainable by end of April 2017.

Across all entire product range we aim to continually increase the number of own brand items produced with ingredients sourced from certified farms and other sponsored projects that improve sustainable production practices and working conditions.

- **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 on the

packaging of our own branded products.

The accreditations we have committed to employ traceability mechanisms making transparency in the supply chain possible. We wish to make the transparency of the origin and production of our products more accessible to consumers by widely promoting information about certified cocoa cultivation in our stores, leaflets and external channels whilst supporting our partners initiatives such as, Fairtrade Fortnight.

- **Collaboration -**

An important cornerstone of our policy is collaboration. At an international and national level we have been working closely with internationally recognised standard holders, such as Fairtrade, UTZ and Rainforest Alliance. By focusing on certified cultivation of cocoa, we are sending a clear message of support for more sustainable and future-oriented cocoa cultivation.

In collaboration with the GIZ (Gesellschaft für Internationale Zusammenarbeit GmbH), Lidl is financing the construction and operation of the "PROCACAO" agricultural school to support more sustainable cocoa production in Côte d'Ivoire. 2,000 trainers have been trained over the last two years more sustainable and environmentally compatible cultivation methods.

- **Sustainable production -**

As our cocoa derives from certified sources it means that the farmers and workers exceed the social and ecological criteria of the standard. To become certified, the farms must prove to independent auditors their successful implementation of targeted measures. For example. Rainforest Alliance measures include reforestation, water protection, protection of indigenous and wild flora & fauna, integrated pest control and responsible use of natural resources as well as labour law compliance and health care and continuing education for farmers.

As part of certification, producers receive training on minimising environmental impact and avoiding unnecessary pesticides on the basis of good agricultural practices and conservation of the existing biodiversity.