

Lidl GB

Policy on the Sustainable Sourcing of Palm Oil

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Our Position

At Lidl, we are dedicated to offering the highest quality at the best price. This means that not only are our products great tasting 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 to a variety 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 social 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 to achieve the same overall volume. Where palm oil remains the preferred ingredient, we ensure stringent ecological and ethical requirements are set and imposed.

Our Scope

This policy is applicable to all Lidl GB own-brand products that contain palm oil as an ingredient.

Our Actions

Recognised 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:

We source 100% palm (kernel) oil for our own brand food products, from RSPO certified segregated sources.

We source 100% palm oil fractions & derivatives for our own brand food products, from RSPO certified mass balance sources.

For our non-food products, we use 100% of palm (kernel) oil from RSPO certified mass balance supply chains, 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 a member of 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 the suppliers that use palm oil as an ingredient in our products. Palm (kernel) oil quantities are aggregated according to palm (kernel) oil type and RSPO supply chain model. We use this information to monitor compliance to this policy.

Social requirements

All Tier 1 Sites

All Tier 1 sites to Lidl GB must meet the Lidl GB ethical compliance KPIs outlined in the *Lidl GB Supplier Social Compliance Guidance*, namely:

- a) Visible, complete Self-Assessment Questionnaire (SAQ) shared on Sedex for all tier 1 sites and updated every 6 months
- b) Accountable person identified for ethical sourcing (communicated via Sedex)
- c) Visible, in-date ethical audit shared with Lidl on Sedex for designated high risk sites
- d) Post-audit compliance at audited sites

Definition: A Tier 1 site is a production site where goods are finished, ready for supply to, or sale by, the end company.

Agents/traders etc. who purchase finished goods from Tier 1 sites assume responsibility for their compliance against this policy.

Tier 1 UK Sites

Modern slavery

- A senior manager must attend a Stronger Together training workshop
- Suppliers with a turnover greater than £36 million must share the link to their latest modern slavery statement with Lidl on an annual basis

Worker accommodation

- All UK sites that provide caravan accommodation for temporary workers must complete the online training modules hosted on the *Sedex website*. Exemptions may be provided if suppliers can demonstrate that they already provide industry leading standards of caravan accommodation.

Responsible recruitment

- All suppliers who engage labour providers to source and/or supply workers must meet the conditions outlined in the Lidl GB Responsible Recruitment in Supply Chains Policy. This can be found [here](#).