



Lidl Ireland and Northern Ireland

Position Paper on the Sustainable Sourcing of Coffee



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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 coffee 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 coffee covers the entire own-brand range of Lidl.

We realise that our customers have expectations for higher standards in the cultivation of coffee, 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 coffee 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 coffee.

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 coffee products only in accordance with this position paper.

3. Our Position

We are committed to sourcing 50% of our own-brand coffee certified to Fairtrade, UTZ or Rainforest Alliance standards and/or certified as organic by the end of 2020.

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

- 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 as organic and/or certified to internationally recognised standards such as those set by Fairtrade, UTZ and the Rainforest Alliance. An important component of our commitment is to work with these organisations and to support them in their efforts.

Over the years we have successfully expanded our range of certified coffee. Currently, we offer numerous Fairtrade certified coffee products and all of our own-brand coffee capsules carry a sustainability mark. A number of these items are also certified as organic.

We have been actively supporting the UTZ programme since 2011 by using sustainably grown coffee beans in many of our coffee products. We have also been working together with the internationally recognised organisation, the Rainforest Alliance since 2011. The Rainforest Alliance Certified™ mark on the front of our packaging means that the coffee comes to us from certified farms. The Rainforest Alliance is working with coffee farmers to improve their living conditions and the health and well-being of communities.

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

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 informed about the work of the certification body through a website address which is also printed on our packaging. 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 as well as seeing what Fairtrade means locally for the producing countries through examples of projects that have already been funded by Fairtrade Premiums.

3.3 Cultivation

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

Our business partners manufacture our own-brands using raw coffee mainly from plantations in Central and South America. Within this framework, it is possible to trace our certified products back to their origin. The mixtures and their origins can vary depending on the season and harvest quality. All of our coffee roasters are awarded by the Higher Level IFS and must undergo regular unannounced inspections.

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.

A particular focus is on combating the effects of climate change. The effects are already visible in the coffee growing industry and affect the livelihood of many small farmers. The coffee farmers have long struggled with long-lasting periods of rain and high temperatures which has a negative effect on coffee yield. Small producer groups generally have less coffee reserves and are hit relatively hard by unpredicted low crop yield.

In order to make the affected Fairtrade coffee smallholders resistant, adaptation projects have been developed. The Fairtrade coffee farmers learn effective strategies for adaptation to climate change. Moreover, Fairtrade coffee farmers learn to identify adaptation measures and implement these measures in their local communities and farms.

3.5 Further Development of Standards

To maintain the expectations of a broad range of shoppers we aim to source our products from organic ranges or 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.

Lidl supports the work of the Common Code of Coffee Community (4C) Association. This non-profit organisation works for basic social, economic and environmental standards in the coffee sector. The 4C standard, for many coffee producers, is the first step towards more extensive certification standards such as those set by Fairtrade, UTZ and the Rainforest Alliance.