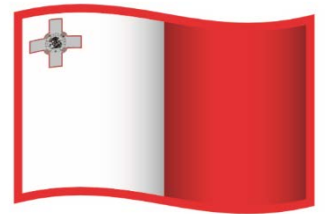


Position Paper on the Responsible Sourcing of Eggs





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1. Our Vision

“Our everyday actions are shaped by a sense of responsibility from an economic, social and environmental viewpoint.”

With this corporate principle, Lidl Malta expresses its own responsibility toward man and nature.

Through this *Position Paper on the Responsible Sourcing of Eggs*, Lidl Malta supports a responsible approach toward laying hens and is committed to promoting rearing practices inspired by “Brambell’s Five Freedoms” adopted by the British Farm Animal Welfare Council (1979):

1. Freedom from hunger, thirst and poor nutrition;
2. Freedom from discomfort in the environment;
3. Freedom from pain, injury and disease;
4. Freedom to express normal behavior, appropriate to the species;
5. Freedom from fear and distress.

“A better tomorrow” is the motto that Lidl Malta uses to support principles of sustainability, which is understood as looking after today’s resources to safeguard the future. This vision also incorporates the principles for the responsible rearing of laying hens, with the aim of promoting good practices among producers and awareness among customers.

2. Our Position

Lidl Malta is committed to exercising its influence to promote much more sustainable rearing of laying hens, thereby contributing to a definite change in the market. Lidl Malta favors the sourcing of eggs that comply with the requirements of this position paper.

The *Position Paper on the Responsible Sourcing of Eggs* drawn up by Lidl Malta is transparent and freely available to the public. It applies to all Lidl Malta’s permanent assortment of trademark products and fresh eggs, and is periodically updated.

For Lidl Malta, the position paper is binding both within the company and on suppliers. It is Lidl Malta’s intention to continue developing this position paper, enhancing it with possible new goals. To this end, Lidl, together with its suppliers, will monitor all progress achieved, developing and setting up, if necessary, new mandatory measures to be adopted. If we find we are moving away from our objectives, we will have to prescribe corrective actions.

Lidl Malta also seeks advice from specialist non-profit organizations with regard to the implementation of this *Position Paper*.

Currently in Malta, there are four different types of egg production, each distinguished by a code:

0 = Eggs from organic farming

1 = Eggs from free-range production

2 = Eggs from barn production

3 = Eggs from cage production.

Lidl Malta intends to remove eggs from caged hens (code 3) from its permanent assortment of own-brand products, within the period of time needed to make adjustments to production and no later than 2025.

3. Our Goal

3.1 A Responsible Structure for our Assortment

Lidl Malta, as a retail company aware of its social responsibilities, would like to offer its customers products that reflect the following goal:

- Offer a permanent assortment of own-brand products without using eggs from caged hens, gradually replacing them with barn, free-range and organic eggs (100% by the end of 2025). This goal covers both fresh eggs and products containing eggs.

3.2 Origin, Transparency and Traceability

With an approach for continuous improvement, Lidl Malta requires its suppliers to systematically provide comprehensive information about the origin of eggs and type of production and, if necessary, it puts corrective measures in place. Such information helps to ensure greater transparency for consumers.

3.3 Breeding and Feeding

Lidl Malta favors suppliers that are committed to making egg production increasingly sustainable. To this end, the company asks its suppliers to sign the Lidl Code of Conduct and to comply with a series of specific requirements in line with the provisions of this document.

Lidl Malta also has a preference for suppliers that use plant-based feed, guaranteed through specific analytical inspections.

3.4 Use of Medication on Animals and their Living Areas

Lidl Malta is committed to requiring that its suppliers take a responsible approach to breeding practices in order to prevent disease and parasitic infestation, without the preventive use of antibiotics.

Lidl Malta also supports initiatives that allow animals to live in line with the principle of “Brambell’s Five Freedoms” (see ‘Our Vision’) and is proposing to ask its suppliers to avoid, where possible, practices that can cause pain to animals.

3.5 Development of the subject and relations with organizations

Lidl is committed to promoting the spread of good practices in the supply chain, such as its decision only to use eggs from hens that have not been caged.

The company has also set itself the goal of promoting much more responsible rearing practices for laying hens by offering benchmark organic certification and more awareness when it comes to the choice of egg by informing customers through its communication channels.

Furthermore, Lidl continues to engage in constructive dialog with its suppliers and third-sector organizations which raise public awareness and help to promote conscious consumption decisions to ensure a sustainable future.