

Purchasing policy

Raw materials

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A BETTER
TOMORROW



Contents

Our responsibility for the raw materials in our products **3**

Background **5**

Our commitment **7**

Using risk analysis to gain a better understanding of our impact 11

Using certifications to make the purchasing of raw materials more socially and environmentally responsible 14

Promoting alternative, more sustainable raw materials 15

Setting targets for the certification and reduction of critical raw materials 16

Driving change together with stakeholders and initiatives 20

Glossary **21**

Sources and links **25**

Photo credits 28

Our responsibility for **the raw materials in our products**



Our responsibility for the critical raw materials in our products

Sustainability is one of Lidl's core strategic goals for a brighter future. Wherever our actions impact people and the environment, we are there to take responsibility. This is how we reaffirm our commitment to quality each and every day, thereby ensuring the best possible future for the Company.

It is against this backdrop that we have developed our CSR strategy, which gives us clear guidance in fulfilling our responsibility to act responsibly. Our joint and comprehensive understanding of sustainable conduct addresses six strategic focus areas: conserving resources, protecting the climate, respecting biodiversity, acting fairly, promoting health, and engaging in dialog. These describe how we understand and implement Lidl's responsibility for the environment, people and our customers.

Our responsibility for raw materials

Raw materials form the basis of our assortment. We therefore also have a responsibility to source them in a socially acceptable and environmentally friendly way. This is a prerequisite for having responsibly produced products. It means that we are making a contribution to our strategic focus areas of 'conserving resources', 'protecting the climate', 'respecting biodiversity' and 'acting fairly'.

Our international CSR strategy at Lidl



Background



Background to the cultivation and production of raw materials

Raw materials are the planet's natural resources and form the basis of nearly all commercial products. They are used in their natural form or processed after being harvested or extracted. In economic terms, raw materials are a basic requirement for value creation. Their cultivation or extraction is the starting point of global supply chains in countries that have the relevant raw material deposits or favorable growing conditions.

Depending on their origin, method of extraction or way they are processed, raw materials can have a negative impact on people and the environment. This particularly affects the more than 400 million people who earn a living from the cultivation of various agricultural commodities.¹ More than 10% of the world's population still live in extreme poverty, two-thirds of them work in agriculture.² Cocoa farming alone is the main source of income for over 5.5 million people and secures the livelihoods of more than 14 million people.³ At the same time, raw material production is frequently linked with inhumane working conditions and other human



**400
million**

people worldwide earn their living from the cultivation of agricultural commodities.

rights violations. The many entities in the supply chains involved in global trade make it difficult to trace raw materials right back to their source. Possible violations can therefore not be adequately investigated. At the same time, production of raw materials can also have an impact on the environment, if excessive quantities of pesticides and fertilizers are used, for example, or areas of forest are cleared to make space for farming. In Brazil in 2018, the cultivation of soy took up an area almost the size of Germany – and is still increasing.⁴ Biodiverse areas of rainforest are often converted for this purpose. This deforestation also accelerates the process of climate change.

In light of the challenges facing people and the environment in the cultivation and production of raw materials, it is important that companies know exactly where they are sourcing their raw materials from and what risks are involved. That is why transparency is so crucial in the supply chain of raw materials, as well as making targeted improvements.

¹ Initiative for Sustainable Agricultural Supply Chains: Factsheet, 2019.

² FAO: Ending Extreme Poverty in Rural Areas, 2018.

³ Fairtrade: Fairtrade Cocoa, 2021.

⁴ Our World in Data: Forests and Deforestation, 2021.

Our **commitment**



Our commitment to making the procurement of critical raw materials more sustainable

Putting corporate due diligence into practice

We are convinced that sustainable development is essential for achieving long-term success. Our motto “A better tomorrow” perfectly encapsulates this philosophy, symbolizing Lidl’s approach to corporate responsibility across all areas. As it moves towards an environmentally friendly and socially responsible way of doing business, awareness of its corporate due diligence is of key importance for Lidl.

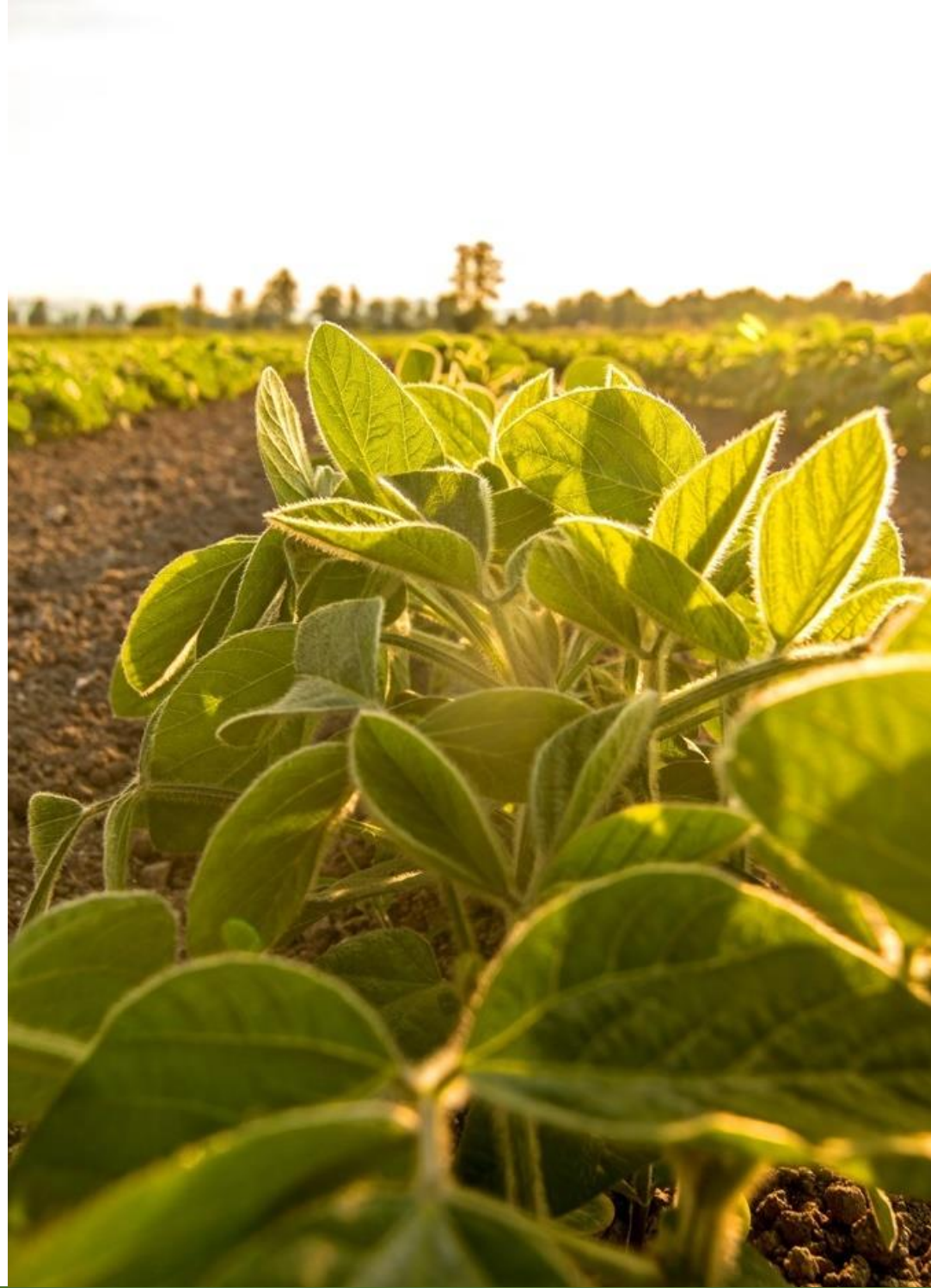
By having a comprehensive company-wide approach, Lidl can ensure compliance with its own CSR guidelines as well as any regulatory ones. That’s why we have established a comprehensive [> management approach to corporate due diligence](#) for all of the strategic focus topics featured in our CSR strategy, as well as for the procurement of critical raw materials. Each country can also include its own issues, objectives and measures.

Lidl’s raw materials strategy

Ensuring social and environmental awareness in our raw material supply chains is a key part of the sustainability strategy for Lidl’s Purchasing department. We are therefore committed to reducing the negative ecological and social impact of our primary products as much as possible – from the farming to the harvesting and the subsequent processing, and right through to the transportation to our stores. Specifically, we are committed to making the procurement of raw materials defined as critical more sustainable by 2025.

In this area, we are focusing our action on so-called critical raw materials ([> see graphic “Our critical raw materials”](#)). They are the result of systematic [> risk analysis](#) carried out in conjunction with experts. According to this analysis, they not only have the biggest impact on people and the environment, but are also extremely relevant to our assortment.

Our critical raw materials at a glance



To ensure that we proceed in a structured and targeted way, Lidl has developed a comprehensive raw materials strategy that is based on the **four pillars** shown here. Implementing this strategy will ensure that we take a systematic approach to achieving our raw material targets.

We have also defined [> sustainability targets for specific raw materials](#) used in our own brand products.

We will make the procurement of critical raw materials more sustainable by the end of 2025

1 Understanding impacts

We are identifying risks in our supply chains and are creating transparency.

2 Establishing standards

We have our critical agricultural raw materials certified.

3 Promoting alternatives

We are promoting the use of more sustainable alternatives in our assortment and reducing the procurement of critical raw materials.

4 Driving change

We are participating in multi-stakeholder initiatives and projects.

Awareness and communication – Successfully implementing Lidl’s raw materials strategy

We also want to have an ongoing dialog with our stakeholders – internal and external – on the subject of raw materials. At Lidl itself, this particularly involves our buyers. To drive sustainable change, we want to empower and enable them to be consistent in applying the individual guidelines in their purchasing decisions. To do this, we are improving their understanding of social and environmental issues. We teach them about the key role of sustainability at Lidl and other relevant topics during training sessions focused on specific target groups and product groups. Clear, mandatory CSR purchasing guidelines are communicated in our internal CSR Purchasing Manual, right down to ingredient level, to ensure more sustainable purchasing practices, which will then contribute directly to improvements in our supply chains.

Lidl uses various channels to keep its external stakeholders informed, such as its sustainability reports, its website or bilateral discussions. Here, procurement practices, plus the formulated targets and actions for making the purchasing of raw materials more sustainable, are openly disclosed and made more transparent. Our purchasing policies for critical raw materials, such as cocoa, are also an important means of communication. These are publicly available on [our website](#). Lidl thereby meets its own requirement to disclose its procurement practices in a transparent way and also provides in-depth information about its sustainability activities in purchasing and for certain raw

materials. By being transparent in this way, we also enable our customers to make more responsible purchase decisions.

Using risk analysis to gain a better understanding of our impact

The first step towards developing a viable raw materials strategy is to have a proper understanding of the impact you are having. Regular, comprehensive risk analysis helps us to explore the opportunities and risks in our business, including those involved with raw materials. This also forms the basis for our approach to corporate due diligence, enabling us to minimize our risks when sourcing raw materials.

This detailed risk analysis used six indicators to examine which raw materials have the biggest impact on people and the environment. We used an analysis tool that statistically collects and evaluates the environmental costs and social risks involved in the cultivation of agricultural commodities. We also took the quantities of the raw materials sold by Lidl into account. The result was a selection of raw materials that we can classify as critical, are relevant for our business and can therefore be prioritized.

We also identified the relevant risks and most heavily affected countries for each raw material. The graphic entitled [> Our risk analysis](#) gives an overview of the critical raw materials we identified and their associated social and environmental risks.

All of the results are helping us to manage the purchasing of raw materials more effectively, to set priorities, determine responsibilities, focus on the main issues, define targets and take action. This means that we will be able to systematically reduce and avoid risks in the long term. The risk analysis also serves as the starting point for deeper examination of supply chains for critical raw materials.

In addition to analysis of our risks, it also provides maximum transparency about the origin, tonnage, certification status, processing and packaging of the critical raw materials.

In line with the **first pillar** of our raw materials strategy, we are determining the ecological and social risks associated with our supply chain:



Our risk analysis – raw materials, risks and country affiliation

BANANAS



Social risks

- Child labor: Brazil, Ecuador, Philippines
- Forced labor: India, Indonesia
- Employee rights: Brasilia, China, Philippines
- Discrimination: India, Indonesia

Environmental risks

- Biodiversity: Ecuador, India
- Climate vulnerability: India, Philippines
- Land use and deforestation: Brasilia, Ecuador, Indonesia
- Water risks: Brasilia, India

COTTON



Social risks

- Child labor: India, Turkmenistan, Uzbekistan
- Forced labor: India, Pakistan, Uzbekistan
- Employee rights: India, Pakistan, Uzbekistan
- Discrimination: India, Pakistan

Environmental risks

- Biodiversity: India, Turkey, USA
- Climate vulnerability: India, Pakistan, USA
- Land use and deforestation: Brasilia, China, India
- Water risks: China, India, USA

FLOWERS & PLANTS



Social risks

- Child labor: Ethiopia, Kenya
- Forced labor: Ethiopia, Kenya, Thailand
- Employee rights: Ethiopia, China, Malaysia
- Discrimination: Ethiopia, Kenya

Environmental risks

- Biodiversity: Ethiopia, Ecuador, Kenya
- Climate vulnerability: Kenya, Thailand
- Land use and deforestation: Ecuador, Colombia, Malaysia
- Water risks: Ethiopia, China, Kenya

FISH



Social risks

- Child labor: Philippines, Thailand, Vietnam
- Forced labor: China, Thailand, Vietnam
- Employee rights: Indonesia, Thailand, Vietnam
- Discrimination: Morocco, Mexico, Indonesia

Environmental risks

- Biodiversity: China, Indien, USA
- Climate vulnerability: Indien, USA
- Land use and deforestation: Brasilia, Malaysia, Vietnam
- Water risks: Chile, China, India

HAZELNUTS



Social risks

- Child labor: Azerbaijan, Georgia, Turkey
- Forced labor: China, Georgia
- Employee rights: China, Iran, Turkey
- Discrimination: Azerbaijan, Iran

Environmental risks

- Biodiversity: Georgia, Turkey, USA
- Climate vulnerability: USA
- Land use and deforestation: Azerbaijan, China, Georgia
- Water risks: Azerbaijan, China, Iran

COFFEE



Social risks

- Child labor: Ethiopia, Colombia
- Forced labor: Ethiopia, Indonesien, Colombia
- Employee rights: Brasilia, Guatemala, Indonesia
- Discrimination: Ethiopia, Honduras, India

Environmental risks

- Biodiversity: Indonesia, Honduras, Vietnam
- Climate vulnerability: Brasilia, India, Vietnam
- Land use and deforestation: Brasilia, Indonesia, Colombia
- Water risks: Brasilia, Indonesia, Vietnam

COCOA



Social risks

- Child labor: Ivory Coast, Ghana, Nigeria
- Forced labor: Ivory Coast, Ghana, Indonesia
- Employee rights: Brasilia, Ivory Coast, Indonesia
- Discrimination: Ivory Coast, Ghana, Indonesia

Environmental risks

- Biodiversity: Ivory Coast, Ghana, Indonesia
- Climate vulnerability: Dom. Republic, Nigeria
- Land use and deforestation: Brasilia, Ecuador, Ivory Coast, Ghana
- Water risks: Brasilia, Ghana, Nigeria

PALM OIL



Social risks

- Child labor: Ivory Coast, Nigeria
- Forced labor: Indonesia, Malaysia, Thailand
- Employee rights: Indonesia, Colombia, Malaysia
- Discrimination: Guatemala, Indonesia, Papua New Guinea

Environmental risks

- Biodiversity: Ecuador, Indonesia, Papua New Guinea
- Climate vulnerability: Indonesia, Malaysia, Thailand
- Land use and deforestation: Indonesia, Malaysia, Thailand
- Water risks: Indonesia, Nigeria, Thailand

RICE



Social risks

- Child labor: Bangladesh, India, Vietnam
- Forced labor: India, Thailand, Vietnam
- Employee rights: China, Thailand, Vietnam
- Discrimination: India, Indonesia, Myanmar

Environmental risks

- Biodiversity: China, India, Vietnam
- Climate vulnerability: India, Myanmar, Vietnam
- Land use and deforestation: China, India, Vietnam
- Water risks: China, India, Vietnam

SOY



Social risks

- Child labor: India, Nigeria, Paraguay
- Forced labor: China, India, Ukraine
- Employee rights: Brasilia, India, Ukraine
- Discrimination: Bolivia, India

Environmental risks

- Biodiversität: Argentinia, China, Indien
- Climate vulnerability: India, Canada, USA
- Land use and deforestation: Bolivien, Brasilia, Paraguay
- Water risks: Brasilia, China, India

TEA



Social risks

- Child labor: India, Kenya, Sri Lanka
- Forced labor: China, India, Sri Lanka
- Employee rights: China, India, Kenya
- Discrimination: India, Kenya, Turkey

Environmental risks

- Biodiversity: China, India, Kenya
- Climate vulnerability: India, Kenya, Vietnam
- Land use and deforestation: China, India, Indonesia
- Water risks: China, India, Vietnam

CELLULOSE



Social risks

- Child labor: China, Indonesia, Russia
- Forced labor: China, Indonesia, Russia
- Employee rights: Brasilia, China, Indonesia
- Discrimination: Brasilia, Indonesia

Environmental risks

- Biodiversity: Indonesia, Canada, Russia
- Climate vulnerability: Japan, Canada, USA
- Land use and deforestation: Brasilia, China, Indonesia
- Water risks: Brasilia, China, USA

Using certifications to make the purchasing of raw materials more socially and environmentally responsible

We have the opportunity to consider and promote internationally recognized certifications when purchasing our raw materials. Working with certified suppliers and labeling organizations, the use of certified production sites and the addition of labeled products to our assortment are key tools in addressing the social and environmental risks in our supply chain. These certifications can help, for example, to ensure that the purchased raw materials come from more socially and environmentally acceptable cultivation practices or that suitable complaints mechanisms are in place for workers. Seeing the label on packaging also helps our customers to make more sustainable purchasing decisions.

Our choice of labels focuses on the most relevant and effective standards and certifications. We carried out detailed analysis to determine what the specific priorities, strengths and weakness of the individual labels are. We then used this as the basis for identifying the certifications that we want to use now and in the future.

Lidl is also committed to increasing transparency in its raw material supply chains, including improving the traceability of raw materials back to their source. In light of this, for example, we support the certification of palm (kernel) oil according to the RSPO segregated

We have our critical agricultural raw materials certified in line with the **second pillar** of our raw materials strategy.

trade option. This is distinguished by the fact that the purchased, certified palm (kernel) oil can be traced back to the certified oil mills and is also ultimately physically contained in the end product.

When purchasing certified raw materials, such as soy or palm oil, a choice is made between the following trade options, as there are different requirements involved in terms of the traceability of the raw material and its use in the end product.

Certified raw material not found or only partially found in the end product:

- **Book & Claim:** no traceability
- **Mass Balance:** no traceability, but partially found in the end product

Certified raw material physically contained in end product:

- **Segregated:** Traceability to certified producers
- **Identity Preserved:** Traceability to individual certified producers

Promoting alternative, more sustainable raw materials

We not only focus on certifications, we are also promoting the use of more sustainable alternatives in our assortment and are reducing our procurement of critical raw materials when these cannot be sourced in a more sustainable way. For example, we are increasingly replacing soy from overseas with certified soy from Europe in products such as our Vemondo vegan burgers. We are following a similar path with other critical raw materials. Integrating sustainable alternatives into our assortment gives us leverage to drive change in the industry as a whole.

If there are no sustainable alternatives available, we may check on a product by product basis whether we can dispense with particular raw materials in the future; like angora wool, for example, which we no longer use. We have defined transnational guidelines to cover this.

We also want to make customers aware that they are supporting environmental protection in producing countries when they make their purchase decisions and helping to secure the livelihoods of the farmers there. We therefore keep them informed about appropriate alternatives in our assortment – and place clearly visible information on our own brand packaging. Lidl also shares background information about the

more sustainable procurement of raw materials through its weekly leaflets, the website > www.lidl.com.mt and our other online activities.

In line with the **third pillar** of our raw materials strategy, we are promoting the use of more sustainable alternatives in our assortment and reducing the procurement of critical raw materials.

Setting targets for the certification and reduction of critical raw materials



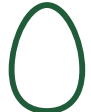
We work continuously to reduce the negative impact of our critical raw materials. As part of our [management approach to corporate due diligence](#), we are developing mandatory company-wide CSR guidelines for our purchasing department and for our business partners. This also includes our international raw material targets. These define clear CSR requirements for the purchasing of critical raw materials and set a specific timescale for implementation. This involves specific certification and reduction targets for the critical raw materials in our own brand products.

We have certified our critical agricultura raw materials and promote more sustainable alternatives in our assortment in line with the **second and third pillars** of our raw materials strategy.



These are transnational guidelines, which the Lidl Malta implements for each raw material within the following timeframe and can supplement with its own targets as necessary. The following table shows the certification and reduction targets we have set for our critical raw materials.

An overview of our targets for critical raw materials

Raw material	Product	Certification and reduction targets	Target deadline	
Cotton 	Textiles, hard goods, more sustainable cotton	GOTS, OCS, CmiA	100 % (promotional items)	2022
		Organic Cotton GOTS, OCS	20 %	2025
Flowers & plants 	Flowers, plants	GLOBALG.A.P. plus GRASP, Fairtrade	100 %	2021
	Potting soil	Reduction of peat, with maximum 50% peat content (we eliminate peat completely where possible and use substitutes)	100 %	2022
Egg 	Fresh egg products	Eggs from deep litter barns as a minimum	100 %	2018
	Items containing egg	Eggs from deep litter barns as a minimum	100 %	2019

Fish & shellfish



Caught wild, except tuna	MSC, if product availability and certification standard are given	100 % (Fixed listing)	2022
		50 % (Promotional items)	2022
Aquaculture	ASC (preferred), organic (preferred), GLOBALG.A.P., BAP; if product availability and certification standard are given	100 % (fixed listing)	2022
		50 % (Promotional items)	2022
Frozen goods, convenience, except tuna	MSC (not tuna), ASC (preferred) organic (preferred), GLOBALG.A.P., BAP; if product availability and certification standard are given	100 % (Promotional items)	2022
Canned tuna	Cans (only tuna) MSC, Fishery Improvement Project (FIP), FAD free, pole&line	100 % (Fixed listing)	2022
Cat food	MSC, ASC for "fish" variety of cat food	100 %	2022

Coffee



Capsules, instant coffee / cappuccino	Fairtrade, Rainforest Alliance, organic	100 %	2022
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Cocoa



Items containing cocoa	Fairtrade product mark, Fairtrade Sourced Ingredients mark, Rainforest Alliance, organic	100 %	2022
Chocolate bars	Fairtrade product mark, Fairtrade Sourced Ingredients mark	100 % (Fixed listing)	2022

Nuts



Establish supply of certified nuts; Fairtrade, Rainforest Alliance, organic	2025
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Fruit & vegetables



GLOBALG.A.P. plus GRASP or equivalent, e.g., Bioland, Biopark, Naturland, Fairtrade	100 %	2021
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Palm (kernel) oil



Items containing palm (kernel) oil components (incl. derivatives & fractions) RSPO, trade option: Mass Balance 100 % 2022

Items containing palm (kernel) oil as ingredient **Food** RSPO, trade option: Segregated 100 % 2018

Items containing palm (kernel) oil as ingredient **Near-food** (cosmetics, detergents/cleaning agents/cleaning products) RSPO, Trade option: Segregated 100 % 2018

Items containing palm (kernel) oil as ingredient **Non-food** (candles) RSPO, trade option: Segregated 100 % 2023

Rice



Pilot project to add certified rice products to the assortment; Sustainable Rice Platform, Fairtrade, organic (Fixed listing) 2025

Soy



Vegetarian/vegan meat substitute products European soy, preferred with certification by Donau Soja/Europe Soya 100 % (fixed listing) 2022

Feed for animal products, excl. convenience Certificates: Donau Soja/Europe Soya, RTRS, ProTerra, ISCCPlus, BFA, CRS, SFAP Non Conversion 100 % 2022

Tropical Fruits



Banana Preferably Fairtrade or Rainforest Alliance; option: Organic 100 % (West) East: Expansion 2022

Pineapple Preferably Fairtrade or Rainforest Alliance; option: Organic Origin Costa Rica: SCS 100 % 2022

Mango	Preferably Fairtrade or Rainforest Alliance; option: Organic Origin Israel: Spring (oe) Dom.Rep./Costa Rica: SCS	100%	2022
Avocado	Preferably Fairtrade or Rainforest Alliance; option: Organic Origin South Africa: SIZA Dom.Rep./Columbia: SCS	100 %	2022
Grapes	Fairtrade, Rainforest Alliance, Organic, SIZA	Expansion of certified products	2025
Tea	Green, black & rooibos tea Fairtrade, Rainforest Alliance, UTZ, organic	100 %	2022



Herbal & fruit tea	Fairtrade, Rainforest Alliance, UTZ, organic, if product availability and certification standard are given	75%	2022
Juice	Refrigerated orange juice from overseas	Fairtrade, Rainforest Alliance, organic	100 % 2021
Wood/Cellulose	Packaging and items containing cellulose	Recycled material preferred, otherwise FSC if fresh fiber is used, PEFC in exceptional cases	100 % 2025
Kitchen paper & toilet tissue products	Increase recycled content (hybrid paper also possible)	15 % (Fixed listing)	2025
Charcoal/Briquettes	Declaration: Country of origin and type of wood on packaging	100 %	2021

Charcoal/ Briquettes	FSC (preferred), PEFC, Nordic Swan (preferred, if supply chain is FSC-certified), SFI, purchased as part of the Earthworm Project	100 %	2022
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Driving change together with stakeholders and initiatives

We are working with key players in the industry, with governments, non-profit organizations, standard setters, scientists and local communities to drive industry-wide change, develop standards and to support initiatives seeking to make improvements. We do this because sustainable production of raw materials requires the participation and support of numerous different stakeholders along global supply chains. Particular focus is placed on those groups that are heavily affected by negative social and environmental impacts, such as those in countries cultivating the raw materials.

In high-risk supply chains we are carrying out studies on their human rights impact. These provide us with information about the actual impact of our business activities. These provide us with information about the actual impact of our business activities. We can also find out whether our actions are effective and our processes are good enough, plus what the best remedial action is when a problem has already occurred. In Kenya, for instance, our plans include getting more involved in initiatives and projects with local stakeholders.

Our company-wide raw material targets were also the result of ongoing dialog with our stakeholders. This process involved intensive consultation and discussion with the purchasing organizations in other Lidl national companies, strategic suppliers and relevant NGOs.

In accordance with the **fourth pillar** of our raw materials strategy, we are driving change by participating in a range of initiatives and projects.



Glossary



Glossary

Aquaculture Stewardship Council (ASC)

The ASC was developed in 2009 following a dialog initiated by WWF in 2004 regarding environmentally friendly aquaculture. The ASC is now a broad-based, independent organization. It is supported in an advisory capacity by various stakeholder groups, including the fishing industry, companies, governments, researchers, and environmental organizations from all over the world. This ensures a balanced view and prevents individual interests from becoming dominant. It sets standards for the sustainable farming of fish, with different criteria depending on the species. In principle, any intervention in local ecosystems should be kept to a minimum and no prophylactic treatment carried out using medication. There are also specifications for the fish feed (e.g. limits for wild fish in feed) and minimum working standards.⁵

Best Aquaculture Practices (BAP)

The BAP standards are set and monitored by the Global Aquaculture Alliance GAA), which was founded in 1997 and is based in the USA. BAP works along the entire value chain and issues species-specific and general standards for four stages of the value chain (represented by four stars on the label): feed production, hatcheries, breeding farms and processors. Products can be certified at individual levels. The BAP standards cover aspects of animal welfare, such as the stunning of the fish prior to slaughter, as well as sustainability, such as water conservation, and other issues like traceability and food safety.⁶

Better Cotton Initiative (BCI)

The Better Cotton Initiative is a combination of environmental and human rights organizations and companies from the textile industry. Its aim is to improve the environmental and working conditions in cotton farming. The growers have to meet entry criteria and are required to prove any improvements made. The BCI label not only represents ecologically grown cotton, but also “more sustainable” cotton and is based on the principle of mass balance. The initiative originates from a Roundtable program by the WWF.⁷

Book & Claim

In the Book & Claim option, physical products are mixed and sold as non-sustainable. The right to claim “sustainable procurement” is traded in a separate market in the form of certificates of sustainability. A central supply chain authority monitors the sustainability claims made by brands and retailers and ensures that they match with the number of credits issued and traded.⁸

Cotton made in Africa (CmiA)

Cotton made in Africa is an initiative for improving the social, economic, and ecological conditions in cotton production in Sub-Saharan Africa. It is an initiative of the Aid by Trade Foundation, founded in 2005 by Michael Otto, Chair of the Board of the Otto Group. The development of an alliance of textile companies which specifically demand sustainably produced cotton and sell it using the “Cotton made in Africa” label, enables textiles to be produced that are more sustainable, but without a significant increase in production costs. Cotton produced under Cotton made in Africa improves the prospects of African smallholders and protects the environment, as fewer pesticides are used during farming and fewer greenhouse gases are generated than in the farming of conventional cotton.⁹

⁵ WWF: Das Fisch-Gütesiegel Aquaculture Stewardship Council (ASC), 2023.

⁶ BAP: Who we are, 2023.

⁷ Better Cotton Initiative: Who we are, 2023.

⁸ Forum for Sustainable Palm Oil: Trade options, 2023.

⁹ Utopia: Cotton made in Africa: Das steckt hinter der nachhaltigen Baumwolle, 2023.

Fairtrade

Fairtrade is committed to improving the working and living conditions of smallholders and workers in Global South countries. Fairtrade agrees stable minimum prices including a Fairtrade premium for collaborative projects, regulated working conditions and the promotion of environmentally friendly farming. To this end, development aid organizations from various countries came together in 1997 under the umbrella of FLO (now known as Fairtrade International) and merged their individual standards to create one common standard. The Fairtrade label was introduced in 2002. It is underpinned by general standards (for smallholder organizations, plantations or contract farmers), product standards, which set out product-specific regulations, and a trader standard, which contains rules for traders and producers (including regulations for payment methods or mixed products).¹⁰

Forest Stewardship Council (FSC)

The FSC was founded in 1993 and is an independent organization that promotes the environmentally friendly, socially beneficial and economically viable management of forests. The FSC label therefore identifies wood and paper products that satisfy criteria such as the protection of indigenous groups, the preservation of biodiversity and forests with high conservation value or a ban on the use of genetically modified organisms. FSC awards different labels depending on the proportion of certified cellulose in the product or the use of recycled materials.¹¹

¹⁰ Fairtrade: What is Fairtrade?, 2023.

¹¹ FSC: Forest Stewardship Council, 2023.

¹² GLOBALG.A.P.: GLOBALG.A.P. History, 2023.

GLOBALG.A.P.

GLOBALG.A.P. was created in 1997 by EUREPGAP, an initiative by retailers. GLOBALG.A.P. includes standards and programs for good agricultural practice in three product areas: plants, farmed animals, and aquacultures. The main standard, IFA (International Farm Assurance), includes requirements for food safety, as well as some sustainability criteria. These standards are supplemented with so-called GLOBALG.A.P.+ add-ons such as GRASP (Risk Assessment on Social Practice) or SPRING (Sustainable Program for Irrigation and Groundwater Use). A single label "GGN" (GLOBALG.A.P. Number) identifies all products certified by GLOBALG.A.P.¹²

GLOBALG.A.P. GRASP

GLOBALG.A.P. GRASP is an additional standard at operational level as part of GLOBALG.A.P. certification. GRASP is not certification of compliance with human rights criteria, it is an open risk assessment, which could also have the result of "non-compliant". It helps producers, retailers and traders to assess the human rights risks in their businesses. The standard addresses issues such as health and safety at work, correct wages and compliance with working hours.¹³

Global Organic Textile Standard (GOTS)

GOTS certification is seen as the world's leading standard for the processing of textiles (clothing, home textiles and textile hygiene products) made from organically produced natural fibers. The GOTS label identifies textiles that meet the relevant environmental standards, such as a ban on problematic additives in the entire textile supply chain, plus the respecting of human rights based on the core labor standards of the International Labor Organization (ILO).¹⁴

Human Rights Impact Assessments (HRIA)

A human rights impact assessment (HRIA) is a process applied to systematically identify, predict and respond to the potential human rights implications of a business operation, government policy or trade agreement.¹⁵

¹³ GLOBALG.A.P.: What is GRASP?, 2023.

¹⁴ GOTS: Global Organic Textile Standard, 2020.

¹⁵ The Danish Institute for Human Rights: Introduction to human rights impact assessment, 2023.

Marine Stewardship Council (MSC)

The MSC is an international non-profit organization that was founded by Unilever and the WWF in 1997. The MSC is now an independent organization. It is supported in an advisory capacity by various stakeholder groups, including the fishing industry, companies, governments, researchers, and environmental organizations from all over the world. This ensures a balanced view and prevents individual interests from becoming dominant. Its aim is to combat overfishing worldwide and to use sustainable fishing to maintain global fish stocks. The MSC label identifies products and businesses that ensure fished stocks are kept at an acceptable level, by-catching is minimized, fishing gear is used responsibly, and the habitats of fish and other marine animals is preserved for the long term.¹⁶

Near Food

Cosmetics, detergents, cleaning agents, pet food, paper, films, hygiene products, tobacco, household goods (batteries, coal, candles, lighters, lubricants, carrier bags)

Non Food

Textiles, hard goods,

Programme for the Endorsement of Forest Certification Schemes (PEFC)

PEFC was founded in 1998 by European forest owners and representatives from environmental organizations and the timber industry. The PEFC is an independent system for monitoring sustainable forestry based on national standards. It is also a consumer label and identifies wood and paper products that come from sustainable production.¹⁷

Rainforest Alliance (RA)

The Rainforest Alliance (RA) was founded in 1987 and is committed to maintaining biodiversity and promoting ecologically sustainable and socially fair practices in agriculture and forestry in over 60 countries. It awards its consumer label, featuring a green frog, on the basis of the Rainforest Alliance Sustainable Agriculture Standard. Behind this are human rights criteria, such as access to education or the banning of child labor, as well as environmental standards, such as the protection of water and biodiversity. In 2018, the RA merged with the UTZ certification program.¹⁸

¹⁶ MSC: Our history, 2023.

¹⁷ PEFC: PEFC – International, 2023.

¹⁸ Rainforest Alliance: About us, 2023.

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