

Purchasing Policy

Deforestation-free supply chains

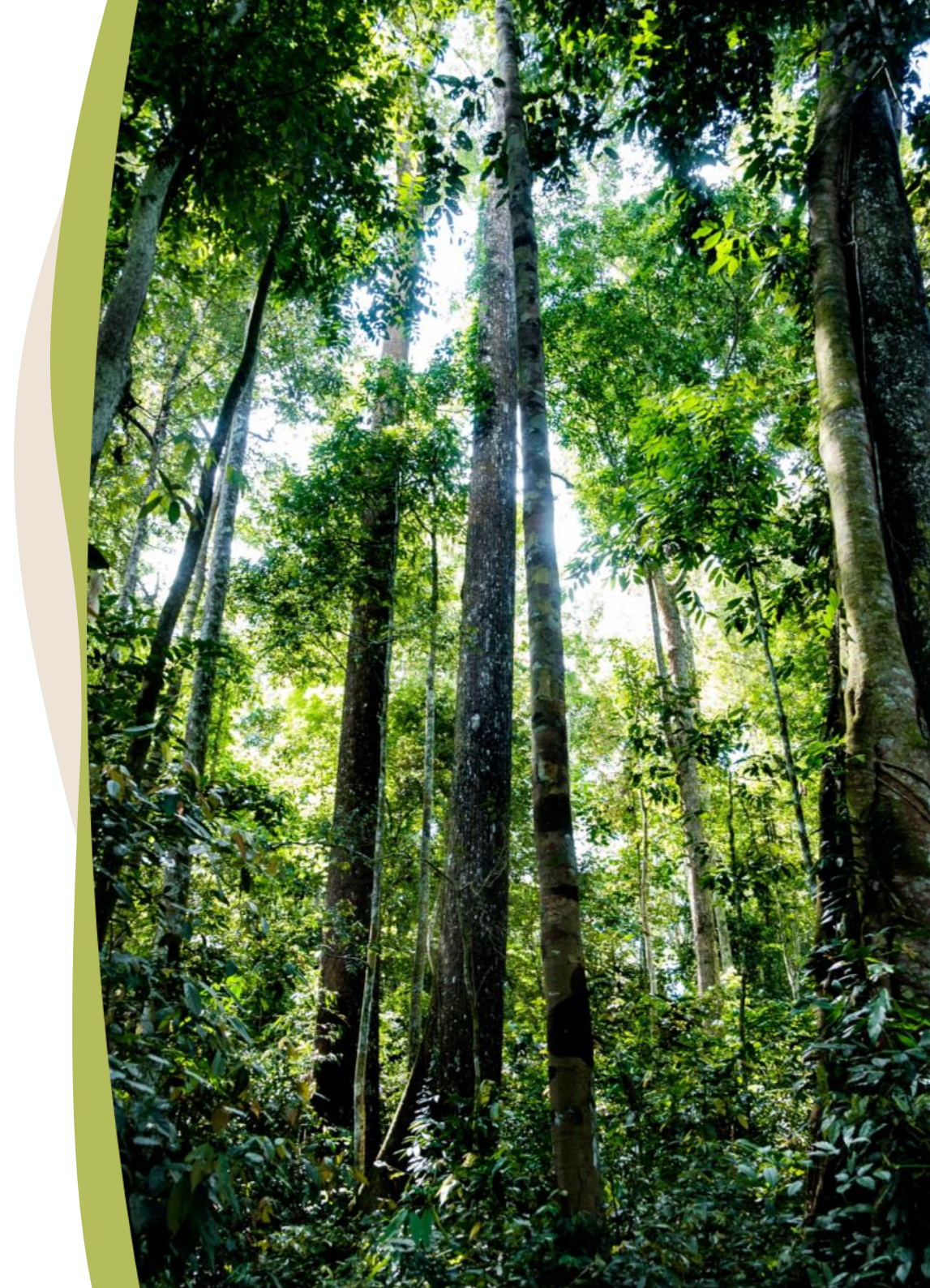
Lidl Ireland and Northern Ireland • Last updated 19/02/2025

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Forests are incredibly versatile ecosystems, acting as water reservoirs, providing protection against greenhouse gas emissions, and offering habitats to diverse animal and plant species. As a food retailer, it is our duty to help safeguard forests by sourcing our raw materials more sustainably, thereby preserving biodiversity and protecting the climate.

**Kevin Duffy | Chief Commercial Officer
Lidl Ireland and Northern Ireland**



Our responsibility to tackle **deforestation and conversion**



Our responsibility to tackle deforestation and conversion

At Lidl we believe that everyone should be able to shop sustainably. This means acting responsibly wherever our products impact people and the environment. This is intrinsically linked to our commitment to quality, and it is how we aim to ensure the best possible products for our customers as well as a sustainable future for our business.

With this aim in mind, we have developed our Sustainability strategy that covers all aspects of our business and supply chain. Our strategy addresses six strategic focus areas: conserving resources, protecting climate, respecting biodiversity, acting fairly, promoting health, and engaging in dialogue. Our Sustainability strategy wheel demonstrates how we understand and implement Lidl's responsibility for the environment, people and our customers.

Our responsibility for forests and their ecosystems

Many of the products in our assortment contain raw materials which are linked to deforestation and conversion, that put valuable ecosystems at risk to degradation and harms the rights of indigenous people or local communities. To mitigate these risks, we aim to source the high-risk raw materials from socially and environmentally sustainable sources. We are committed to promoting transparency and traceability of these raw materials within our supply chains – understanding where these raw materials are being sourced from means that we can identify their risk of being sourced from areas of deforestation or conversion. By taking a pragmatic approach to addressing deforestation and conversion, Lidl can make a positive contribution to the strategic focus areas of protecting climate, conserving resources, respecting biodiversity, and acting fairly.

For further information, please read our [> Raw Materials Policy](#)



Background



Background

Forests cover 31% of the world's land surface and are vital for life on earth. As the green lungs of our planet, they are essential for the air quality of our atmosphere, the forest floor stores and purifying 75% of the world's freshwater sources.¹

More than 1.6 billion people rely on forests for their livelihoods, and 80% of all terrestrial animals and plants can be found in these habitats.¹ Intact forests and natural ecosystems are crucial for biodiversity. They are the foundation of our food supply and are essential for our health. As trees absorb carbon dioxide, they also play a key role in limiting climate change.¹

Despite forests being vital for human life and our ecosystems, they are being destroyed at an alarming rate. In fact, the [> deforestation of ecosystems with a high conservation value \(HCV\)](#) and of [> forests with a high carbon stock \(HCS\)](#), particularly within the tropics, has reached a critical level of degradation.



31 %

of the global land area is covered with forest.



80 %

of all animals and plants living on land can be found in forests.

¹ WWF: Deforestation Fronts. Drivers and Responses in a Changing World. Summary, 2020.

More than one million square kilometres of the Amazon rainforest, in South America, has already been deforested and degraded. That is 17% of the entire Amazon rainforest and equivalent to the land area of Germany and France combined.² Worldwide, 420 million hectares have been lost between 1990 and 2020 –an area that is larger than the size of the EU.³

Agriculture is the main driver of deforestation and degradation. Within agriculture, the raw materials that have the greatest links to deforestation and conversion are timber, palm (kernel) oil, soy, cocoa, beef, coffee and rubber. The expansion of agriculture is estimated to have caused 90% of global deforestation, 38.5% of which is used for cattle grazing and 49.6% has been converted into arable land to cultivate raw materials⁴. This has a detrimental impact on biodiversity, as the areas that are being deforested and degraded are considered as some of the most functioning, stable ecosystems in the world.

We understand the significant contribution deforestation has to global greenhouse gas emissions and climate change, with nearly a quarter (22%) of emissions coming from agriculture, forestry and land use (FLAG).⁵³ To tackle this, Lidl has set its own climate and FLAG targets as part of the Schwarz group-wide climate strategy. These targets are based on the [>Science Based Targets initiative \(SBTi\)](#) methodology. We also welcome further initiatives outlined by the [>Science Based Targets Network \(SBTN\)](#).

For further information on our climate targets, please visit our [> better tomorrow website](#)

² WWF: Living Amazon Report, 2022.

³ FAO: Global Forest Resources Assessment 2020, 2020.

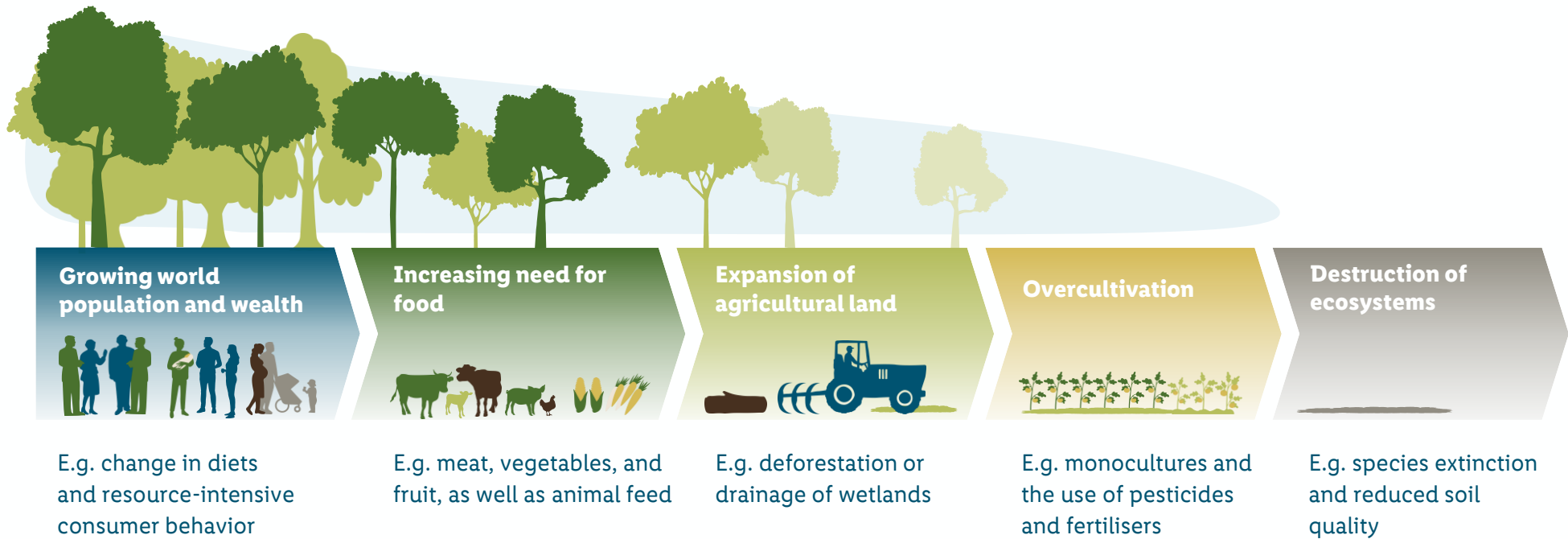
⁴ FAO: Remote Sensing Survey, 2020.

⁵³ SBTi: Forest, Land and Agriculture (FLAG), 2024

We understand that food retailers can have an influential impact on how the products they sell are produced, cultivated and sourced. We take our responsibility seriously and are committed to the responsible sourcing and use of raw materials within our value chain. We have embedded this responsibility in our sustainability strategy and made it our mission to ensure that our supply chains are free from deforestation and conversion.

16 %
of tropical deforestation is associated with EU imports.
After China, the European Union is thus the world's second largest agent of tropical deforestation.⁵

i Deforestation and conversion are driving degradation



⁵ WWF: Stepping Up: The Continuing Impact of EU Consumption on Nature Worldwide, 2021.

Our raw materials in the context of legislation

We have seen governments developing legislation to combat global deforestation and conversion by legally banning raw materials and/or products linked to deforestation or conversion from traded on their specific markets.

The European Union is committed to ensuring that products traded within the EU market are deforestation-free by developing the European Union Deforestation regulation (EUDR). The EUDR requires supply chain actors trading on the European market and in supply chains to comply with the provisions for specific raw materials and product groups. To adhere to the regulations, supply chain actors must prove that their products have not contributed to deforestation post 31st December 2020. Extensive risk management processes must be implemented at every stage of the supply chain to ensure this.⁶ The EUDR will expect all supply chain actors to comply with these requirements from 30th December 2025.

Lidl's aim is to implement measures in the raw material supply chains for our products that go above and beyond the legal requirements of the EUDR. For example, our sustainability requirements cover a broader product scope than stated in the EUDR. We engage in additional initiatives and with certification schemes on pilot or smallholder projects which address wider sustainability topics than just deforestation.

The EUDR requires companies to perform a risk assessment for each product in scope, starting with the country (or region) where the raw materials are produced. Based on the results of this risk assessment, supply chains may be moved to lower risk regions.

⁶ EUR-Lex: Fighting deforestation and forest degradation, 2023.

This could have a negative impact on the livelihoods of smallholder farmers. Lidl wants to avoid adverse impacts like this, therefore as part of our strategy we are working on a range of projects and solutions in collaboration with our partners, such as smallholders.

For further information on our see our [>Lidl Northern Ireland Annual Modern Slavery Statement](#) and our other human rights related policies and reports in the [>Publication Section of our Better Tomorrow Website](#).

In the UK, we understand that the government is also developing legislation - the UK Forest Risk Commodities Regulations - to ban raw materials and products linked to deforestation and conversion from entering the UK market. Lidl is supportive of the introduction of this type of legislation and encourages government to engage with the industry to ensure the legislation is practical and effective.

In order to address the issue of deforestation regarding climate targets, Lidl, as part of the companies of Schwarz Group, has formulated its own targets as part of the group-wide climate strategy. These targets are based on the methodology of the [> Science Based Targets initiative \(SBTi\)](#) and contribute to the climate targets formulated by the companies of Schwarz Group. We also welcome further initiatives pursued by the [> Science Based Targets Network \(SBTN\)](#).



Our **commitment**



Our commitment to forests and their ecosystems

Lidl understands its critical role in reducing deforestation and conversion in its supply chains. To achieve our goal of deforestation-and conversion-free supply chains, we have partnered with external stakeholders to develop a holistic strategy based on **three pillars**.

These strategic pillars focus on improving supply chain transparency, supporting certification standards and working with stakeholders to drive industry-wide change, all of which will help us to achieve our overarching goal.

Deforestation and conversion strategy

Our high-risk raw material supply chains will be deforestation-free by the end of 2025.*



Creating transparency

- Outline certification & sourcing requirements
- Conduct supplier mapping & data collection
- Externally & internally report progress towards targets



Establishing standards

- Benchmark standards & systems
- Support Monitoring & Verification systems for specific raw materials
- Engaging with certification organisations (e.g., Donau Soja, RSPO)



Driving change

- Participate in industry groups (e.g., Retail Soy Group)
- Collaborate with our supply chain
- Publish policies & commitments
- Deliver initiatives & projects
- Supporting dietary shift in line with the [> Planetary Health Diet](#)

Legislation (EUDR, UK FRC or similar**)

* The conversion of other natural ecosystems will also be stopped in high-risk supply chains in the future.

** Legislation means the implementation of EUDR requirements and similar regulatory requirements.

Our three-pillar strategy at a glance

Creating transparency

Once we have identified the critical high-risk raw materials, we conduct supplier mapping and data collection exercises annually. These exercises have two main aims:

- Firstly, to promote transparency within our supply chain, right the way back to the origin of the raw material.
- Secondly, to measure progress towards our defined KPIs and identify any non-conformities or best practice in high-risk supply chains.

Our external and internal reporting practices ensure accountability regarding our progress towards our targets and promote transparency within in the industry. By participating in scorecards and rankings, we aim to increase supply chain transparency across our supply chain. All of our sustainability targets are discussed with our buyers and suppliers, to ensure that they are integrated in our business relationships and are an integral part of our contracts. This means that our sustainability standards are an established part of our day-to-day buying practices and are requirements across the supply chain.

We have worked with external service providers to establish benchmarks that can be used to identify reliable certification systems. Reliable [> monitoring and verification \(M&V\) systems](#) must be aligned with the principles of the [> Accountability Framework initiative \(AFi\)](#) guidance.

Establishing standards

When it comes to product requirements, we view certification as an important tool to ensure our products meet a specific criteria. Certification schemes and their standards set strict requirements on areas such as no deforestation or conversion of peatland areas and other sensitive ecosystems, as well as respecting the rights of indigenous people, the local communities, and workers within the supply chain.

These requirements apply to the areas where raw materials are produced or cultivated and are associated with a high risk of deforestation and the conversion of ecosystems. We support and promote reliable certification systems in the market and request the most relevant, effective standards or certification systems is achieved throughout our supply chain.

We prefer that our raw materials are sustainably certified to segregated supply chains (see [> trading models](#)) because this model ensures traceability and monitoring back to the product origin. However, we understand that this is not always appropriate within particular supply chains and in these cases, we work with our suppliers to develop a pragmatic solution e.g., valid evidence documentation or Monitoring & Verification (M&V) systems.

In the light of the EUDR, Lidl has set targets for reliable M&V systems in its supply chains for beef, coffee, and rubber. To prove the deforestation-free origin of raw materials and products that do not yet have full sustainability certification, reliable alternative methods must be implemented by suppliers.

Wherever possible, we work with the industry to harmonise the certification systems and M&V systems, we use internationally and support the establishment of new standards where necessary.

Driving change

We engage in multi-stakeholder initiatives and projects with the aim of driving transformation, developing ambitious raw material strategies, and creating industry solutions in collaboration with stakeholders. Additionally, we look beyond our sustainability targets and drive the industry forward by helping to shape government regulation by contributing to public consultations and discussions.

By collaborating with the industry, we are promoting and supporting the transition to sustainable agricultural practices that prohibit cultivation on deforested or converted areas and provide incentives to preserve and restore forests or other valuable ecosystems. We are actively working to put measures in place on the ground by working with smallholder farmers and supporting traceability solutions for high-risk supply chains.

We are also actively working to put measures in place on the ground by implementing and supporting projects for smallholder farmers and traceability solutions for high-risk supply chains.

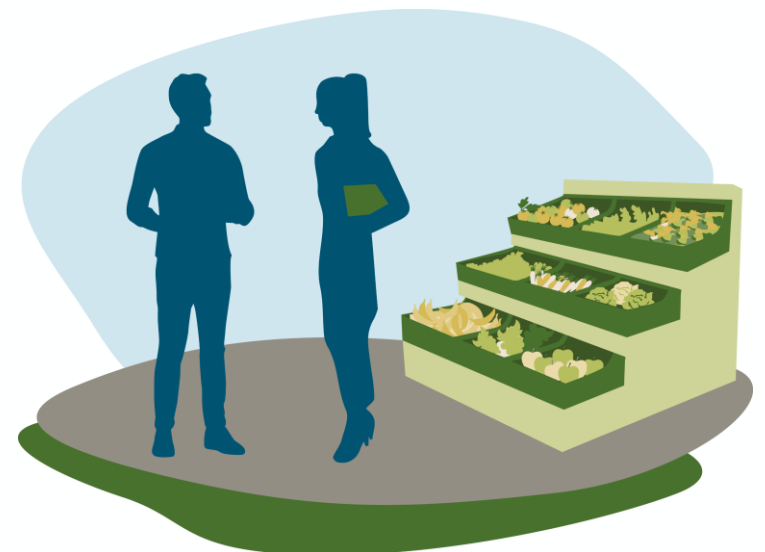
Our diets have an effect on the environment, the climate, and biodiversity as well as our health. Therefore, in addition to the certification of critical raw materials, we are aiming to prevent deforestation by implementing more sustainable and healthy alternatives for our customers. We base our international strategy on the [> Planetary Health Diet](#). This outlines how the growing global population can maintain a healthy diet within the environmental boundaries. For more information, please refer to our [> Conscious Nutrition Policy](#)

Our “Vemondo” own brand range

With our Vemondo products, we are making it easier for our customers who might choose to replace animal-based products with alternatives which are based on vegetables as well as pea, wheat, and soy protein. We use soy from certified sources to ensure that our supply chains are free from deforestation.

For the vegetarian and vegan meat alternatives in our Vemondo products we source [> soy from certified sources](#) to ensure that these supply chains are free from deforestation too.

As of December 2024, we have over 20 articles listed under our Vemondo brand.



Our standards for deforestation in the supply chain

We comply with the definitions of forest and deforestation in the countries of origin. However, we seek to apply more stringent guidelines throughout our supply chain. Our strategy and requirements are aligned to the principles outlined by the [> Accountability Framework initiative](#). This initiative has a variety of members, including the [> WWF](#) and [≥ Rainforest Alliance](#), who have helped shape the leading framework to prevent deforestation and conversion in global supply chains. The goal of the initiative is to create harmonised, internationally recognised definitions and requirements to protect natural forests and other ecosystems globally.

Each standard includes a cut-off date, after which no further deforestation for the cultivation of raw materials is permitted in a certain area. Certification systems differ in terms of area and cut-off date. [≥ ProTerra](#) has banned deforestation in certain areas post 2008,⁷ for example, whereas the Rainforest Alliance ban has been in place post 2014.⁸

Our deforestation-free policy, processes, and guidelines are aligned to a cross-standard cut-off date. In practice, this means that Lidl uses no raw materials cultivated on land that was converted or deforested after 31st December 2020. The requirement applies to both certified and non-certified raw materials. If an earlier cut-off date has been adhered to, for example by the certification systems referred to above, then that cut-off date applies to the relevant products and is accepted.



Lidl's commitment is aligned with the following AFi principles⁹:

1. Deforestation-free and conversion-free supply chains and land use change emissions: A guide to aligning corporate targets, accounting, and disclosure
2. Operational guidance on cut-off dates
3. Operational guidance on monitoring and verification
4. Operational guidance on respecting the rights of indigenous peoples and local communities
5. Operational guidance on free, prior and informed consent

⁷ ProTerra Foundation: ProTerra Standard V5 and the European Regulation on Deforestation-Free Commodities, 2023.

⁸ Rainforest Alliance: Rainforest Alliance tools for deforestation-free supply chains, 2024.

⁹ Accountability Framework: Operational Guidance, 2024.

Prioritising critical raw materials and preventing deforestation

We are committed to eliminating deforestation from our own supply chains and from the food retail industry as a whole. We have identified seven particularly high-risk raw materials that are the main drivers of deforestation and conversion. We were guided in this analysis by the [impact assessment conducted by the European Commission](#).

We have formulated approaches to preventing deforestation in each raw

material sector. We focus on timber harvesting (e.g. for pulp production), the cultivation of palm (kernel) oil, soy, rubber, coffee, and cocoa, and the creation of grazing land for cattle farming.

In the following sections, we explain how we are working to prevent deforestation and the conversion in the cultivation of critical raw materials as part of our three-pillar strategy:

Our critical raw materials in terms of deforestation and conversion



Palm(kernel)oil

This raw material is an ingredient of many fats, oils, and margarines. Its derivatives are also used in cosmetics, laundry detergents, and cleaning products.



Soy

As soy is used as animal feed, this raw material is mainly found indirectly in Lidl items such as sausage and meat products.



Cocoa

Cocoa is mainly used as an ingredient in Lidl products such as chocolate or in the form of cocoa butter in cosmetics.



Coffee

We mainly sell coffee directly as roasted beans or ground coffee (also in capsules and pads). It can also be used as an ingredient (e.g., in ice cream).



Wood/cellulose

Lidl uses cellulose in items such as packaging, hygiene articles, and wooden furniture.



Natural rubber

Products such as household gloves, doormats, and swimwear can contain natural rubber.



Beef

Lidl sells beef as a separate product such as steaks and as an ingredient of ready meals.

Strategy for palm (kernel) oil

Oil palms are an extremely efficient crop because they require little land or water. For comparison, to obtain the same amount of oil from soy or coconut, you would need up to ten times as much land.¹⁰ However, these excellent cultivation properties have led to substantial global demand, meaning that more and more land is being cleared and used to grow oil palms.

The large-scale production of palm (kernel) oil is contributing to climate change and a loss of biodiversity. This is caused not only by the scale of the land used for cultivation, but also by the methods used to obtain this land. Palm (kernel) oil plantations are often created using slash and burn methods on virgin forests and other valuable ecosystems. Palm (kernel) oil production is responsible for more than 8% of the global deforestation and conversion of endangered tropical ecosystems, particularly in Indonesia and Malaysia.¹¹

We are working hard with our supply chain partners to continuously improve transparency in our palm (kernel) oil supply chains. We perform an annual data collection exercise, known as supplier mapping, to monitor whether our suppliers are adhering to our sustainability requirements for palm (kernel) oil and to track our progress. We collect data on the exact quantities, the certification status, and – where possible – the countries of origin of the palm (kernel) oil in our supply chain. This gives us an overview of which palm (kernel) oil is not meeting our standards and enabling us to address our suppliers directly. The identified palm (kernel) oil quantities from our supplier mapping are aggregated by type and [> trading model](#) in an annual report.

¹⁰ WWF: 8 things to know about palm oil, 2024.

¹¹ BBC: What is palm oil and why is it thought to be bad?, 2018.

- Since the end of FY 2017, the palm (kernel) oil in food and near-food items** is required to be certified to RSPO Segregated standard at a minimum.
- Since the end of FY 2022, palm (kernel) oil fractions and derivatives in food and near-food items are required to be certified to RSPO Mass Balance standard at a minimum.
- Since the end of FY 2023, the palm (kernel) oil in non-food items is required to be certified to RSPO Segregated standard at a minimum.
- Since the end of the FY 2023, palm (kernel) oil fractions and derivatives in non-food items are required to be certified to RSPO Mass Balance standard at a minimum.

*FY: March 1 to February 28/29 **excluding USA



i Our participation in the Roundtable on Sustainable Palm Oil

Lidl Stiftung & Co. KG has been a member of the [> Roundtable on Sustainable Palm Oil \(RSPO\)](#) since 2012 and has been actively involved in the RSPO Shared Responsibility Working Group since 2023. The aim of this cooperation is to minimise the negative environmental impact of raw material production.

i Our work in the Forum for Sustainable Palm Oil

Lidl Stiftung & Co. KG is a member of the [> Forum for Sustainable Palm Oil \(FONAP e. V.\)](#) and represents the Lidl countries of Germany, Austria, and Switzerland in this forum. As part of our work in FONAP, we are participating in a smallholder farmer project in Indonesia. This project supports training on environmental aspects and crop technologies for smallholder farmers, as well as collecting geolocation data, the active development of alternative sources of income for farms, and the empowerment of women in the industry.



Strategy for Soy

Soy is an important plant-based source of protein and is predominantly used in feed for animals such as chickens. In fact, 80 % of soybeans harvested worldwide are used for animal feed.¹² As wealth increases and the global population continues to grow, so does meat consumption and, in turn, the demand for soy as animal feed. However, if soy production continues to grow at the same rate, 16million hectares of savannah and 6million hectares of rainforest are at risk of deforestation – that is equivalent to five times the size of Switzerland.¹² Many of these endangered areas are found in some of the most species-rich ecosystems in the world, such as the Amazon Basin, the Cerrado, and the Atlantic Forest on the eastern coast of Brazil.

We are working with suppliers and traders to improve transparency in our soy supply chains. As part of these efforts, we map the direct (as a product ingredient) and indirect (as animal feed) soy volume that is used our supply chains each year. We also focus on collecting data on certification and the countries of origin of our soy volumes. This enables us to identify where there are potential deforestation risks within our supply chain and address our suppliers directly.

From 2018 to 2023, Lidl purchased RTRS certificates annually through the ‘Book and Claim Direct Trade’ approach to cover 100% of its soy footprint. We are now working with our suppliers to transition to verified deforestation-and conversion-free soy by 2025. Our target is to source soy used within animal feed from certified sources, from low-risk regions or from areas that are verified to be deforestation-and conversion free. We support sustainability certifications; Donau Soja RTRS, ISCC+ or ProTerra. Our full list of accepted certifications or evidence is outlined to suppliers during our commercial processes and documentation.

If soy is not certified to a certification standard, we require our supply chains to source deforestation-and conversion-free soy as animal feed. This can be verified using the [> ZDC methodology](#) developed by the NGO [> Earthworm Foundation](#) or the [> ProTerra MRV solution](#), for instance.

From 2028 – or earlier if the market situation allows – only these particularly reliable means of verification will be used to fulfill the requirement for 100 % deforestation-free soy in feed. If soy from these systems is not available on the market, our suppliers must use their own [> monitoring and verification \(M&V\) systems](#) in accordance with the [> Accountability Framework initiative](#).

Where soy is used directly as an ingredient in our meat, dairy, and yogurt substitute products, Lidl will procure soy exclusively from Europe by the end of the 2024 financial year. The aim of this measure is to protect rainforests in South America and Southeast Asia. For meat and sausage substitutes and soy drinks, in addition to a European origin, we will also require binding certification in accordance with Donau Soja/Europe Soy (preferred), ProTerra, ISCC+, RTRS, or organic standards by the end of the 2025 financial year. This additional certification ensures that the soy production processes are monitored and verified in accordance with environmental criteria.

¹² WWF: Soja als Futtermittel [Soy as feed], 2024.

i Working together toward more sustainable Soy

Lidl Stiftung & Co. KG is a member of the [> Round Table on Responsible Soy \(RTRS\)](#) and so has the opportunity exert a positive influence on the organisation and the further development of the RTRS standards.

As a member of the Executive Board at [> Donau Soja](#), Lidl also supports the responsible cultivation of soy in Europe. We are therefore helping to increase the market share of sustainably grown soy and expand the use of European soy in our supply chains. We support the Donau Soja initiative because they are a strong position to effectively tackle the social, environmental, and economic challenges associated with the production and use of soy.

We welcome the work being done by initiatives such as the [> Responsible Commodities Facility \(RCF\)](#) in important ecosystems like the Cerrado in Brazil, where financial incentives are being created for the farmers themselves to encourage the production of deforestation-free and conversion-free soy, which then helps to protect biodiversity in the area around their farms. As well as protecting forests, we believe that there is an urgent need to protect other ecosystems such as [> other wooded lands](#).

In 2024, we also launched a pilot project in conjunction with soy traders and the [> Earthworm Foundation](#) to support deforestation-free soy deliveries from Brazil to Germany and the UK. The [> ZDC methodology](#) was used to verify that the soy comes from a deforestation-free source. This method ensures that soy imported as part of this project does not come from ecosystems that were deforested or converted after 1st January 2020.

Strategy for Cocoa

Cocoa farming is a significant driver of areas of the rainforest being cleared in certain key sourcing regions, which jeopardises the local ecosystem and drives climate change.

West Africa produces 75% of the world's cocoa, with Côte d'Ivoire and Ghana the biggest producers. These two countries have lost the majority of their forest areas in the past 60 years – approximately 94% and 80% respectively¹³ – and around one third of this loss is attributed to cocoa farming. In 2018, both of these countries also recorded the highest increase in primary forest loss out of all tropical countries.¹⁴ In 2020, a further 47,000 hectares of forest was lost in the cocoa growing regions of Côte d'Ivoire.¹⁵ What is more, cocoa beans are primarily grown in monoculture plantations. The cultivation practices and the increasing use of fertilisers and pesticides endanger biodiversity.

In collaboration with our supply chain partners, we are committed to improving transparency in our cocoa supply chains. We request data on the country of origin, certification status, and quantities contained in a product for each item in our supplier systems.

Since the end of 2017 financial year, all items that contain cocoa* are required to be certified in accordance with Fairtrade, Rainforest Alliance, or organic standards.

*excluding USA

Our membership of the German Initiative on Sustainable Cocoa

Our membership of the multi-stakeholder [German Initiative on Sustainable Cocoa \(GISCO\)](#) gives us an insight into the market and provides the opportunity for collaboration with other members of the supply chain. Together, we want to improve the living conditions of cocoa farmers and their families, conserve natural resources, and increase the production and marketing of cocoa certified in line with sustainability standards. As part of the initiative, we are committed to twelve specific goals aimed at conserving natural resources and protecting biodiversity in cocoa producing countries. This includes ending deforestation caused by cocoa production and contributing to the conservation of forests and biodiversity, and to reforestation. Lidl Germany took over the membership in a representative capacity in 2024.

¹³ WWF: Cocoa, 2024.

¹⁴ World Resources Institute: The World Lost a Belgium-sized Area of Primary Rainforests Last Year, 2019.

¹⁵ Reuters: Ivory Coast lost 47,000 hectares of forest to cocoa production in 2020, environmental group says, 2019.

Strategy for coffee

Coffee is one of the most important export products for many developing countries, particularly Brazil, Colombia, Vietnam, and Indonesia. Coffee contributes to the economic livelihood of 25 million farming households in over 50 countries around the equator. As a result of climate change, the land used to grow coffee is migrating to ever higher mountainous regions, with forests being cut down to create the space required. This means that coffee cultivation is associated with a high risk of deforestation.¹⁶

The effects of climate change on coffee cultivation can already be seen today and are impacting the existence of a large number of smallholder farmers. Coffee farmers are increasingly having to deal with lengthy rainy seasons and high temperatures, which have a negative impact on the coffee yield. Small producers' associations tend to have less of a reserve and are heavily affected even by short downtimes.

Approximately 130,000 hectares of forest have been lost to coffee cultivation each year over the past two decades, resulting in an estimated 45 million metric tonnes of CO2 emissions annually.¹⁷ This deforestation also results in a significant loss of biodiversity and the degradation of natural habitats.

We are continuing to work with suppliers and traders to improve transparency in our coffee supply chains. At the start of 2024, we launched a project with one of our main suppliers in Peru aimed at making coffee cultivation by smallholder farmers more transparent and supporting compliance with the EUDR.

Suppliers of Lidl own brands source green coffee predominantly from plantations in Central and South America and Vietnam. Traceability all the way back to the country of origin can be ensured using certification systems, which primarily work with the Segregated or Identity Preserved trading models. Coffee blends and their origin can vary depending on the season and harvest quality.

By the end of financial year 2024, our coffee pods and drinks will be fully certified to Fairtrade, Rainforest Alliance, or organic standards. For roasted coffee products, as well as coffee capsules and instant coffee, certification requirements have been mandatory in selected Lidl countries including Lidl Ireland and Northern Ireland since the end of financial year 2022.

All coffee must be verified as deforestation-free. Coffee growers can prove this using reliable [monitoring and verification \(M&V\) systems](#), which must meet a minimum standard in accordance with [AFi Operational Guidance on Monitoring and Verification](#). Using this verification, we can be assured that our coffee is traceable and is from a deforestation-free origin.

¹⁶ Südwind Institut: Auf ein Tässchen – Die Wertschöpfungskette von Kaffee (For a cup of coffee – the coffee value chain), 2020.

¹⁷ Ethos Agriculture: Coffee Barometer, 2023.



i Our commitment to deforestation-free coffee supply chains

Since 2024, Lidl has been working with a major coffee supplier and specialist coffee producer in Peru to make coffee supply chains, which tend to be dominated by smallholder farms, free from deforestation.

The EUDR may be challenging for smallholders in less developed regions to implement. They need to have knowledge of the European requirements, must record and share data upstream of their supply chain, and adapt their logistics. This project aims to close those gaps and ensure that smallholder coffee farmers can continue to participate in the European market in the future.



Strategy for wood and cellulose

Forests clean our air, alleviate droughts and protect against flooding and soil erosion, but the existence of many forest ecosystems is currently under threat. Every four seconds, an area of forest the size of a football pitch disappears. Around 70 million trees are felled every year to produce wood-based cellulose fibres. This figure could double over the next 20 years owing to the growing textile industry.²¹

Cellulose is a flexible and adaptable raw material found in items such as clothing, books and paper products. We also have products made from wood in our Lidl stores, such as wooden toys, tools, and furniture.

We have made it our goal to improve transparency in our wood and cellulose supply chains, and that includes communicating to our customers about these products. For our charcoal products, we state where the wood that was sourced comes from, and this is labelled on the packaging.

All timber and wood-based products and packaging used by Lidl Ireland and Northern Ireland are sourced from certified sources where technically possible. By the end of 2025, all wood-based fibres will come from either recycled materials or from certified sources. Where possible, we will use recycled wood-based fibres, but any virgin fibres used will be FSC or PEFC-certified. .

The products covered by our sustainability target for wood and cellulose range from paper and napkins to wooden toys, wooden furniture, and grilling charcoal. Our assortment even includes clothing made from wood fibres(viscose).

By ensuring that our fresh fibre products are FSC® and PEFC certified, we are giving equal consideration to social, environmental, and economic aspects. The criteria of the FSC® forest standard include the protection of indigenous people, the prohibition of clear-cutting, the preservation of biodiversity in forests with a high conversation value, and a ban on the use of genetically modified organisms. Different FSC® or PEFC labels are used depending on the amount of certified cellulose content or recycled content in a product.

We have also set ourselves the target of switching at least 15% of the kitchen paper and toilet tissue products in our fixed listings to contain recycled materials (including hybrid paper) by the end of financial year 2025. We have been labelling the country of origin and wood type on the packaging of our charcoal products since 2022.

Since the end of financial year 2020, we have been sourcing viscose more sustainably, from Lenzing, EcoVero or LIVAECO certified sources.

²¹ Fibre2Fashion: Fashionable fabrics leading to deforestation, 2014.



Conserving the natural resource of wood is the best way to protect forests and makes a real difference in efforts to reduce our impact on the climate. That is why limiting the use of virgin wood, cellulose, and paper in our own-brand items and packaging is a priority for us. Recycled material is used for cellulose/paper/cardboard wherever possible, as this is far more resource efficient. However, when deciding whether to use recycled material, any specific quality requirements must be considered.

i Our membership of the FSC® Initiative

Lidl Stiftung & Co. KG is a member of the [> Forest Stewardship Council \(FSC®\) Germany](#). Membership of the multi-stakeholder organisation FSC® allows us to cooperate with other stakeholders in the wood supply chain. We benefit from this dialogue and work with the other members of the organisation to support sustainable forestry.



Strategy for natural rubber

Rubber is an important elastic, shaping natural material that is used in our Lidl products. It is sometimes found in food products like chewing gum but is mainly used in non-edible items like rubber gloves and swimwear.

The rubber tree is originally from South America. It is a spurge plant that produces a milk that is harvested from the living tree and then processed into various products.¹⁹ Up to 30 million people are either partially or entirely dependent on rubber cultivation for their livelihood, and this natural material is mainly grown on small farms in Asia.²⁰ Natural rubber is mostly grown in monocultures, and natural tropical forests are often cleared to make way for these farms.²¹ China imports the majority of rubber, followed by the EU and India.²⁰

We are working to improve the transparency in our rubber supply chains. To do this, we are in direct communication with our suppliers about their products and the origin of the raw materials used.

By the end of financial year 2024, By the end of FY 2024, we will source products in our assortment that contain natural rubber from deforestation-free, sustainable sources. This means that we will source at least 50% of household gloves from FSC®-certified or PEFC-certified sources. We will increase this target to 75% by the end of financial year 2027.

In addition to increasing the proportion of certified material in products, we work with organisations such as FSC®, Rainforest Alliance, GPSNR, and AFi on how we can implement and improve reliable, robust Monitoring and Verification (M&V) solutions for deforestation-free rubber.

If natural rubber is not certified, from the end of 2025, it must be verified as deforestation-free using appropriate M&V solutions. These solutions must be rated as good by the [> Global Platform for Sustainable Natural Rubber \(GPSNR\)](#), WWF, FSC, or Rainforest Alliance, or must have verifiably been established in accordance with the [> AFi Operational Guidance on Monitoring and Verification](#).

¹⁹ Pflanzenforschung.de: Kautschukbaum (Rubber tree), 2024.

²⁰ European Tyre & Rubber Manufacturers' Association: Natural rubber, 2024.

²¹ WWF: Naturkautschuk (Natural rubber), 2024.



Strategy for beef

Beef is often produced in the areas of the most important ecosystems in the world; grazing land for cattle can be found in the Amazon in Brazil, in the savannahs of South Africa, and in the great plains of North America. The increase in the global population and rising income levels across the southern hemisphere are resulting in exponential growth in the demand for beef. Today, beef production already accounts for 25% of global emissions from agricultural land use and land-use change which includes the conversion of the Amazon rainforest in Brazil. ²²

In Lidl Ireland and Northern Ireland, if sourced from Ireland - 100% of our own-brand listed Fresh Meat & Poultry, Fresh Milk & Dairy and Shell eggs are required to be certified to the equivalent Bord Bia Sustainability Assurance Scheme. If sourced from Northern Ireland the equivalent Red Tractor, Farm Quality Assurance Scheme or British Lion Standard are required.

As part of the schemes, farmers are audited against a range of standards from animal health and welfare to traceability, as well as farm safety and environmental management.

In Ireland, Lidl was the first supermarket retailer to launch an innovative sustainability support programme for Irish beef farmers in collaboration with Bord Bia find out more on our website: [> The Lidl Sustainable Beef Programme](#). Goals of this programme include reducing carbon emissions, Improving water quality and promoting biodiversity.

²² WWF: Beef. Overview, 2024.

We require evidence that beef from high-risk regions comes from a deforestation-free and conversion-free sources with a cut-off date of 31st December 2020. This proof must be provided using strong > **M&V solutions** that are recognised by the > **Global Roundtable for Sustainable Beef (GRSB)** or have been established in accordance with the > **Accountability Framework initiative**.

Monitoring and Verification (M&V) solutions for beef ensure that the meat comes from a deforestation-and conversion-free source where there are no land use rights abuses. This is verified by third parties as part of a reliable verification process.

i Our membership of the Global Roundtable for Sustainable Beef

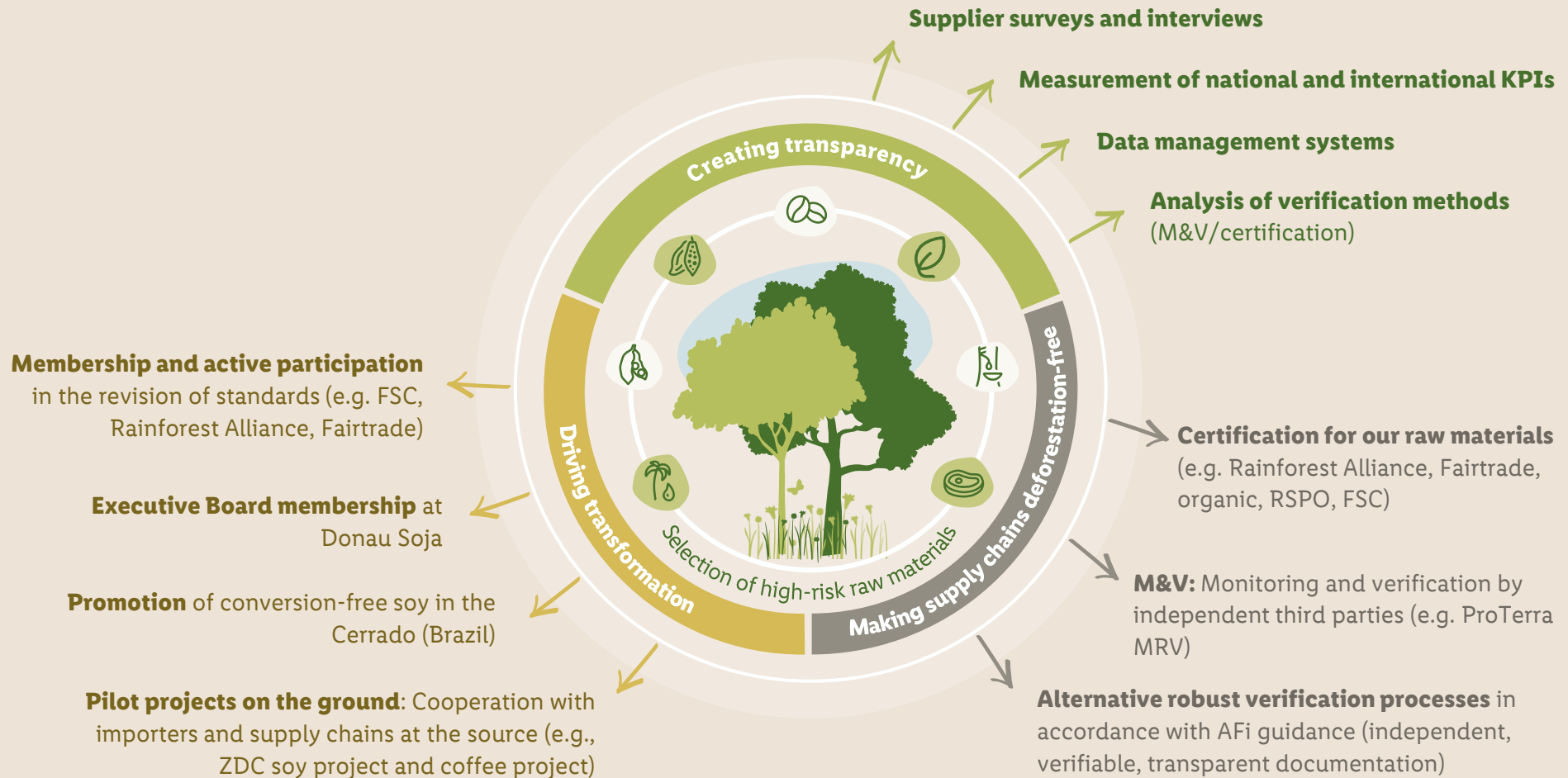
Lidl Stiftung & Co. KG has been a member of the > **Global Roundtable for Sustainable Beef** since 2023. We are actively involved in GRSB, keen to drive forward robust M&V solutions for beef from South America and promote other important sustainability aspects alongside deforestation.



Our commitment to forests and ecosystems

Systematic protection of forests

With these measures, we ensure that our supply chains are deforestation-free



Additional **key actions**



Dialog with all stakeholders

Lidl works with a variety of stakeholders across the food industry, such as non-profit organisations, industry experts and local communities. To ensure cultivation of raw materials is deforestation-free, and conversion-free we require engagement from the local communities and indigenous people in particular.

Not only are these groups the most dependent on agricultural raw materials, but they are also our greatest allies when it comes to fighting deforestation. A report published by the [World Resources Institute \(WRI\)](#) shows that forests in areas where indigenous people have legal rights to the land are at much lower risk of deforestation.²³ By partnering with the relevant stakeholders, we aim to holistically and effectively tackle the causes and systemic factors that drive deforestation, conversion and the destruction of natural ecosystems.

We recognise that direct measures are needed to counteract ongoing deforestation and destruction. However, we are not be able to tackle the complex relationships or drivers that cause and facilitate deforestation alone and especially, without aligning with the industry. For this reason, we are committed to going beyond the action in our own supply chains described in this policy by working to promote raw material-specific initiatives, certification systems, and standards within in the industry.

Alongside our partners, we are also active in the areas of environmental protection, reforestation, and governance to systematically combat forest clearance and conversion. Working closely with all stakeholders, our aim is to ensure that supply chains are free from deforestation and conversion.

Robust governance measures at global, national, and regional level are the only way to stop global deforestation and conversion. We will therefore leverage our relationships with national and regional governments as well as international NGOs in countries and regions that are currently deforestation and conversion hotspots.

If private and public stakeholders work together, we can curb deforestation and conversion as well as protect and restore degraded forests. We view the European Union Deforestation regulation (EUDR) as an important step in the right direction and a major incentive for transforming high-risk supply chains.

Lidl Northern Ireland encourages the introduction of similar legislation from the UK Government to support a market transformation within the UK and to ensure the legislation is practical and effective.

²³ World Resources Institute: 5 Maps Show How Important Indigenous Peoples and Local Communities Are to the Environment, 2017.



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Accountability Framework initiative (AFi)	The Accountability Framework initiative (AFi) is a collaborative program to protect forests, other natural ecosystems and human rights by making ethical production and trade the standard. In order to achieve this crucial change, the AFi promotes and supports implementation of the Accountability Framework, a detailed roadmap for the definition of targets, the implementation of measures, and progress reporting on the path to ethical supply chains. The initiative is led by the AFi Coalition: a group of environmental and human rights organisations from around the world that developed the Accountability Framework and work to drive positive impact in the agriculture and forestry sectors. ²⁴
AFi Operational Guidance on Monitoring and Verification	This Operational Guidance elaborates norms and good practices on monitoring and verification (M&V) related to company commitments on topics within the scope of the Accountability Framework. It focuses on the environmental and social consequences associated with raw material production and processing. The general guidance applies across a wide range of commodities and contexts and can be modified by the development or adoption of context-specific M&V systems, tools and processes. ²⁵
Donau Soja	Donau Soja is a European, multi-stakeholder, non-profit membership organisation that participates in the European protein transition with a particular emphasis on GM-free soy production. ²⁶
Earthworm Foundation	The Earthworm Foundation is a non-profit organisation that collaborates with its members and partners to turn value chains into drivers of prosperity for communities and ecosystems. Earthworm provides support in the definition of policies that establish what companies want in terms of their products, as well as support on transparency, traceability, grievance management, monitoring and verification. It also engages with suppliers and supports better practices all the way to critical procurement regions. ²⁷

Deforestation	Loss of natural forest through conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation. This definition refers to no-deforestation supply chain commitments, which generally focus on preventing the conversion of natural forests. Severe degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use. Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal. The AFi definition of deforestation signifies “gross deforestation” of natural forest where “gross” can be used in the sense of “total; aggregate; without deduction for reforestation or other offset.” ²⁸
EU Deforestation Regulation (EUDR)	The EUDR entered into force on June 29, 2023. The aim of this regulation is to combat deforestation in raw material production. The EUDR covers the raw materials palm oil, soy, cattle, cocoa, coffee, rubber, and wood, as well as a variety of products that are made from these raw materials such as chocolate bars, copy paper, and coffee capsules. One aspect of the regulation is to provide geolocation details identifying the plot of origin for raw materials throughout the entire European processing supply chain so that satellite images can be used to verify whether deforestation took place after the cutoff date of December 31, 2020. ²⁹

²⁴ Accountability Framework: Home, 2024.

²⁵ Accountability Framework: Operational Guidance on Monitoring and Verification, 2024.

²⁶ Donau Soja: About us, 2024.

²⁷ Earthworm: About us, 2024.

²⁸ Accountability Framework: Forest, 2024.

²⁹ EUR-Lex: Fighting deforestation and forest degradation, 2023.

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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 community projects, regulated working conditions and the promotion of environmentally friendly farming. In 1997, development aid organisations from different countries joined forces to form the umbrella organisation 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 organisations, 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).³⁰

Forest Stewardship Council (FSC) The FSC® was founded in 1993 and is an independent organisation 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.³¹

*FSC® N001585

Forest Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10%, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations. For the purpose of implementing no-deforestation supply chain commitments, the focus is on preventing the conversion of natural forests.⁵⁰

German Initiative on Sustainable Cocoa In the German Initiative on Sustainable Cocoa, the federal government, represented by the German Federal Ministry for Economic Cooperation and Development (BMZ) and Federal Ministry for Food and Agriculture (BMEL), the German confectionery industry, food retail, and civil society have all joined together. Together in a multi-stakeholder initiative, they pursue the goal of improving the living conditions of cocoa farmers and their families, preserving and protecting the natural resources and biodiversity in the cocoa growing countries, and increasing the production and marketing of cocoa certified according to sustainability standards. The members of the initiative are committed to working closely together with the governments of the cocoa-producing countries.³²

Forum for Sustainable Palm Oil (FONAP) The Forum for Sustainable Palm Oil (FONAP) is a multi-stakeholder partnership of over fifty companies, associations, non-governmental organisations, the German Federal Ministry for Food and Agriculture (BMEL), and the Federal Ministry for Economic Cooperation and Development (BMZ). The FONAP secretariat is based at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH [German Society for International Cooperation]. FONAP's aim is to promote sustainable agricultural supply chains with a focus on palm oil. Since its foundation in 2015, FONAP has been committed to more sustainable palm oil cultivation in the countries of origin. The aim is to increase the purchase of certified sustainable palm oil in food products, animal feed, and chemical products and to safeguard human rights along the entire supply chain.³³

Global Platform for Sustainable Natural Rubber (GPSNR) The GPSNR is an international, multi-stakeholder, voluntary membership organisation with a mission to lead improvements in the socioeconomic and environmental performance of the natural rubber value chain.³⁴

³⁰ Fairtrade: Was ist Fairtrade? (What is Fairtrade?), 2024.

³¹ FSC: Forest Stewardship Council, 2023.

³² German Initiative on Sustainable Cocoa: About us, 2024.

³³ Forum for Sustainable Palm Oil: Portrait FONAP, 2024.

³⁴ GPSNR: About GPSNR, 2024.

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Global Roundtable for Sustainable Beef (GRSB) The GRSB mission is to advance, support, and communicate continuous improvement in the sustainability of the global beef value chain through leadership, science, and multi-stakeholder engagement and collaboration. GRSB members include organisations, roundtables, and individuals from over 24 countries. The initiative was founded in 2012 and emerged from the Global Conference on Sustainable Beef held in Denver in 2010.³⁵

Trading models When purchasing certified raw materials, such as soy, cocoa, or palm oil, a choice is made between several trading models, 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, as non-certified raw material is mixed with certified raw material while tracking the proportion of certified goods

Certified raw material physically contained in end product:

Segregated: Traceability to the certified producer group

Identity Preserved: Traceability to individual certified producers.³⁶

High carbon stock (HCS) The amount of carbon and biodiversity stored within an area of land varies according to the type of vegetative cover. The HCS Approach categorises the vegetation in an area of land into six different classes using analyses of satellite data and ground survey measurements. These six classes are: High Density Forest, Medium Density Forest, Low Density Forest, Young, Young Regenerating Forest, Scrub, and Cleared/Open Land. The first four classes are considered potential high carbon stock forests.³⁷

High conservation value (HCV) HCV is a Forestry Stewardship Council designation that describes forests with a high conservation value. One of the following values must be present for a high conservation value to exist:

HCV 1 – Species diversity: Concentrations of biological diversity including rare, threatened, or endangered species that are significant at global, regional, or national levels.

HCV 2 – Landscape-level ecosystems and mosaics: Intact forest landscapes and large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional, or national levels and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.

HCV 3 – Ecosystems and habitats: Include rare, threatened, or endangered ecosystems, habitats, or refugia.³⁸

Monitoring & verification systems (M&V) Monitoring & verification systems are strategies to combat deforestation, conversion, and human rights violations in supply chains. Monitoring is the ongoing collection of data to assess and document progress, performance, and compliance. Monitoring systems enable companies to track and control the performance of their operational processes and supply chains in terms of their own targets and other market, legal, and regulatory obligations. Verification is important for assessing and validating compliance and performance with respect to freedom from deforestation and conversion and the safeguarding of human rights. It is used to validate the results of monitoring to ensure that this information can be trusted. Verification should be performed by means of an independent and transparent external process.³⁹

Other wooded land Other wooded land is land with a canopy cover of 5–10 % of trees able to reach a height of 5 m in situ; or a canopy cover of more than 10 % when smaller trees, shrubs, and bushes are included.⁴⁰

³⁵ GRSB: Who we are, 2024.

³⁶ Forum for Sustainable Palm Oil: Certification of Palm Oil, 2024.

³⁷ High Carbon Stock Approach: What is the High Carbon Stock Approach?, 2024.

³⁸ HCV Resource Network: Common Guidance for the Identification of High Conservation Values, 2017.

³⁹ Accountability Framework: Monitoring and Verification, 2023.

⁴⁰ The Forest Resources Assessment Programme: 2.3 Other wooded land, 2024.

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Palm oil derivatives	Palm and palm kernel oil can be altered by complex chemical conversion processes. This results in derivatives that are used, for example, as surfactants or emulsifiers in cosmetics and cleaning agents. Emulsifiers make it possible to mix two fundamentally immiscible liquids such as oil and water. Surfactants are detergent substances. ⁴¹
Planetary Health Diet	In 2019, the EAT Lancet Commission issued its Planetary Health Diet (PHD) as the scientific basis for global dietary change. Led by Prof. Johan Rockström, the PHD was developed by 37 scientists from 16 countries with backgrounds in various disciplines, including nutrition, human health, sustainability, agriculture, and politics. According to the study, if everyone were to follow a balanced, plant-based diet, around 10 billion people could be fed healthily in 2050 without overburdening the planet. ⁴²
Programme for the Endorsement of Forest Certification (PEFC)	PEFC is the world's largest independent certification system for sustainable forestry. Wood and paper products with the PEFC label have been verifiably sourced from forests that are managed in an environmentally, economically, and socially sustainable way. ⁴³
ProTerra MRV solution	The ProTerra MRV standard provides a systematic approach to assessing and verifying an organisation's due diligence obligations and supports reporting on supply chain due diligence and deforestation-free aspects. It is based on reviewing a company's management system for compliance with sustainability requirements in its supply chain through audits by independent third parties. The economic operators that are verified according to this standard commit to developing an economically and environmentally sustainable and socially responsible supply chain. ⁴⁴

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 labour, as well as environmental standards, such as the protection of water and biodiversity. In 2018, the RA merged with the UTZ certification program. ⁴⁵
Responsible Commodities Facility (RCF)	The Responsible Commodities Facility (RCF) is an initiative designed to promote production and trade with responsible soy in Brazil, by creating a financially sustainable tool that provides an incentive for farmers and helps cover the growing international demand for supply chains without deforestation. ⁴⁶
Roundtable on Sustainable Palm Oil (RSPO)	The RSPO is a global organisation that was formed in 2004 by founding members including the WWF with the aim of making the palm oil industry more sustainable. Since then, the organisation has developed a set of environmental and social criteria that companies must comply with to produce RSPO Certified Sustainable Palm Oil (CSPO). These measures help minimise the negative impact of palm oil production on the local environment, wildlife, and communities. ⁴⁷
Round Table on Responsible Soy Association (RTRS)	Founded in 2006 in Zurich, Switzerland, the RTRS – Round Table on Responsible Soy Association – is a non-profit organisation that promotes the growth of the production, trade, and use of responsible soy. The RTRS works with the various players in the soy value chain, from production through to consumption. This collaboration is achieved through a global platform for multi-stakeholder dialog about responsible soy and the development, implementation, and verification of a global certification standard. ⁴⁸

⁴¹ Forum for Sustainable Palm Oil: About Palm Oil, 2024.

⁴² EAT Lancet Commission: Food, Planet, Health, 2022.

⁴³ PEFC: Was ist PEFC? (What is PEFC?), 2024.

⁴⁴ ProTerra Foundation: ProTerra Monitoring and Verification (MRV) Standard and the European Regulation on deforestation-free commodities, 2024.

⁴⁵ Rainforest Alliance: About Us, 2023.

⁴⁶ Sustainable Investment Management: Responsible Commodities Facility, 2024.

⁴⁷ RSPO: Who we are, 2024.

⁴⁸ RTRS: About RTRS, 2024.

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Science Based Targets initiative (SBTi)	The Science Based Targets initiative (SBTi) is a nonprofit organisation that enables companies and financial institutions worldwide to play their part in combating the climate crisis. It defines and promotes best practice in emissions reductions and net-zero targets in line with climate science. The standards, tools, and guidance developed by the SBTi enable companies and financial institutions to set science-based targets in line with the latest climate science. These targets set by companies and financial institutions are assessed and validated by the SBTi. ⁴⁹
Science Based Targets Network (SBTN)	The SBTN is building on the momentum of the Science Based Targets initiative (SBTi). It is a network of over 45 organisations – including some of the same organisations as SBTi – that are developing methods and resources for Science Based Targets (SBTs) for companies and cities. ⁴⁹
Cutoff date (related to no-deforestation and no-conversion commitments)	The date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion commitments, respectively. ⁵⁰
Conversion	Conversion is the change of a natural ecosystem to another land use or the profound change in a natural ecosystem’s species composition, structure, or function. Deforestation is one form of conversion (conversion of natural forests). Conversion includes severe degradation or the introduction of management practices that result in profound and sustained change in the ecosystem’s former species composition, structure, or function. Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal. ⁵⁰

Forest	Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10%, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations. For the purpose of implementing no-deforestation supply chain commitments, the focus is on preventing the conversion of natural forests. ⁵⁰
World Resources Institute (WRI)	WRI is a global research organisation with more than 1,000 experts in 60 countries that works with companies to preserve natural resources. Its work focuses on seven critical issues at the intersection of environment and development: climate, energy, food, forests, water, cities, and the ocean. ⁵¹
ZDC methodology	The Zero Deforestation and Conversion (ZDC) methodology developed by the NGO Earthworm is a deforestation and conversion risk assessment protocol applied in the soy supply chain. It verifies that a physical flow of soy from the production area to the cargo ship meets the ZDC criteria. To meet these criteria, there must not have been any deforestation or conversion of natural ecosystems, whether legal or illegal, after the cutoff date of January 1, 2020. The ZDC method involves traders in the process, maps grinders, tracks the flow of soy from a load back to the supplying communities, assesses information, and ultimately verifies a load if it has been proven to be from a deforestation-free source. ⁵²

⁴⁹ Science Based Targets Network: Who we are, 2024.

⁵⁰ Accountability Framework: Forest, 2024.

⁵¹ World Resources Institute: Our work, 2024.

⁵² Earthworm: Zero Deforestation and Conversion Methodology, 2024.

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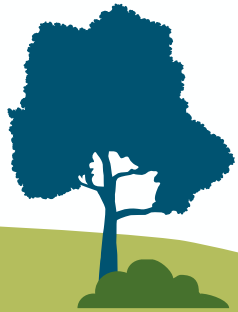
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