

## **Lidl Greenpeace Detox Commitment**

**DATE: 03 December 2014**

Lidl is aware of its responsibility for people and the environment.

In line with Lidl's long-term sustainability program Lidl recognizes the urgent need for eliminating industrial releases of all hazardous chemicals (2). According to its approach based on prevention (3) and the Precautionary Principle (4) Lidl is committed to zero discharges (5) of all hazardous chemicals from the whole lifecycle and all production procedures that are associated with the making and using of all apparel and footwear products Lidl produces and sells (6) by no later than 01 January 2020.

We recognize that to achieve this goal, mechanisms for disclosure and transparency about the hazardous chemicals used in our global supply chains are important and necessary, in line with the 'Right to Know principle' (7). In line with this principle we will deliver full public availability and transparency of our restricted substance list and audit process and will set up full public disclosure of discharges of hazardous chemicals in our supply chain.

Lidl also commits to fully and publicly support systemic (i.e. wider societal and policy) change to achieve zero discharge of hazardous chemicals (associated with supply chains and the lifecycles of products) within one generation (8) or less. This commitment includes sustained investment in moving industry, government, science and technology to deliver on systemic change and to affect system change across the industry towards this goal.

Lidl agrees to publicly support efforts to eliminate all global hazardous chemical use, and to fully integrate the precautionary principle and the public's right-to-know regarding all environmental aspects across our operations.

Lidl acknowledges our individual corporate responsibility to always operate with a strong system of environmental oversight of our suppliers and our operations.

Lidl's following Detox commitment, as well as a individual action plan - with the dates indicate, and the links to the complete detailed evidence supporting the delivery for all aspects of this commitment no later than the delivery schedule dates indicated within this commitment - will always be available to the global public via our main public webpages in each market we serve.

Lidl understands the scope of the commitment to be a long term vision – with ongoing ambitious practices to be defined by the following individual action plan:

### **Individual action plan**

#### **1. Supply-chain disclosure**

In line with Lidl's commitment to the public's 'right to know' the chemical substances used within its global supply-chain for all the apparel and footwear products it produces and sells (6), Lidl will be taking the following actions:

1. publish its updated Combined 'Restricted Substances List' (the same in detailed content and scope as per combined M-RSL) including detection limits (4) on the same date as the publication of this commitment document, and annually thereafter update this combined M-RSL to reflect our full implementation of the precautionary principle and always applying the best current technology – i.e. the lowest reporting limits technology can achieve.
2. adapt our supplier contract requirements to ensure that our suppliers begin full detailed public disclosure of discharges of hazardous chemicals (beginning with, at least, the 11 priority chemical groups as per endnote (9) and detection limits (as per combined M-RSL) and always applying the best current technology as per endnote (5) in

our supply chain via full facility transparency (i.e. detailed location and individual data of each facility) of individual facility level disclosure of chemical-by-chemical use and discharges data, to be achieved via an incremental process, beginning with the following actions:

- i) With the publication of this commitment, we will also commit to have full testing evidence published by at least 50 % of all our global wet process suppliers' facilities or affiliates producing all apparel and footwear (6) where hazardous chemicals are used, and their discharge data disclosed (as per full scope and content of combined M-RSL) by using an online platform via the Institute for Public and Environmental Affairs – Detox – platform\* and the data collection template (IPE Detox Platform) by no later than 30 June 2015.
- ii) By no later than 31 December 2015, 80% of our wet process facilities or affiliates producing all apparel and footwear (6) where hazardous chemicals are used (as per i) and ii) above), will be publicly associated to our company *or, we will ensure that we supply full public evidence that at least 80 % of all of our global wet process suppliers producing all apparel and footwear (6) are fully disclosing or are Detox committed companies.*
- iii) Lidl will publicize the link to all data as per above timelines via the IPE Detox platform – as per the most recent Corporate Discharge Disclosure Data Form.
- iv) Lidl agrees to always ensure the discharge data disclosure is fully credible and not misleading the public and that it will always disclose via the IPE Detox platform.

## **2. 11 priority hazardous chemical groups elimination policy**

Fully aligned with our implementation of the precautionary principle across all of our global environment-related operations for all apparel and footwear (6), we recognise the intrinsic, or potential intrinsic hazardousness of all 11 priority hazardous chemical groups (9), and therefore acknowledge it is our priority to eliminate their use across our global supply chain and our operations for all footwear and apparel (6). There are multiple supply-chain pathways for potential contamination (including chemical formulations) and we will enhance both training and auditing of our supply-chain and our operations, as well as ensure our suppliers have the latest information on the 11 priority hazardous chemical groups, highlighting where there is a risk that any of these chemicals may enter into the undocumented contamination of chemical supplier formulations.

In addition to these actions, Lidl will work towards a ban on the 11 priority hazardous chemical groups (APEOs, PFCs, Heavy Metals, Phthalates, Brominated and chlorinated flame retardants, Azo dyes, Organotin compounds, Chlorobenzenes, Chlorinated solvents, Chlorophenols, and Short chain chlorinated paraffins) with the following actions:

- i. publish the results of an investigation into the current compliance to this requirement, reporting the findings to the public and simultaneously strengthening our supplier contract language to ensure only chemical formulations free of at least these 11 priority hazardous chemical groups are utilized and also publish the full testing evidence supporting our delivery of this commitment of full elimination of any use of at least these 11 priority hazardous chemical groups
- ii. work with our supply chain and other global industry leaders, to ensure the most current technological limits of detection are reflected via the lowest detectable limits within our testing regimes.
- iii. publicly document how at least 2 priority hazardous chemical groups have been substituted by safer alternatives and publish these case studies via the online Subsport.org platform by 31 Dec 2015.

### **3. PFCs - Perfluorocarbon / Polyfluorinated Compounds (10) elimination policy**

Consistent with the precautionary principle and the potential intrinsic hazardousness of all PFCs, Lidl commits to eliminate any PFCs used in any of the apparel and footwear (6) products Lidl produces and/or sells. The elimination of all PFCs used by any of the products we produce or sell will be supported by:

- i. Across our global supply-chain, eliminate all PFC use by no later than 01 July 2017;
- ii. document how PFCs have been substituted by safer alternatives and publish these case studies via the online Subsport.org platform by no later than 01 July 2017;
- iii. a rigorous system of control to ensure that no traces of PFCs find their way into our supply chain in line with the above;
- iv. work in partnership with our supply chain and other global industry leaders to accelerate the move to non-PFC technologies.

### **4. APEOs elimination policy**

Consistent with our full implementation of the precautionary principle across all our operations related to all apparel and footwear (6) for any affect on the environment, and the potential intrinsic hazardousness of all APEOs, Lidl therefore acknowledges it is a priority to eliminate any APEOs use across our global supply chain and our operations for all apparel and footwear (6). There are multiple supply-chain pathways for potential APEOs contamination (including chemical formulations) and will enhance both training and auditing of our supply-chain and our operations, as well as ensure all of our for all apparel and footwear (6) suppliers have the latest information on APEOs, highlighting where there is a risk that APEOs may enter into the undocumented contamination of chemical supplier formulations.

In addition to these actions, Lidl will work towards an APEOs ban on any products we produce and/or sell with the following actions:

- i. Initiate an investigation into the current compliance to this requirement, reporting the findings to the public by the end of 1 July 2016;
- ii. Strengthening our supplier contract language to ensure only APEOs-free chemical formulations are utilized by the end of 1 July 2016; and
- iii. Work with our supply chain and other global industry leaders, to ensure the most current technological limits of detection are reflected via the lowest detectable limits within our testing regimes.
- iv. Publicly document how APEOs have been substituted by safer alternatives and publish these case studies via the online Subsport.org platform by no later than 01 July 2016.

### **5. Targets for Other Hazardous Chemicals**

As an important part of our implementation of the precautionary principle across all our apparel and footwear (6) operations, Lidl commits to regularly review the list of chemicals used in our operations and our global supply-

chain. Lidl apply the latest scientific findings to periodically update our chemical policy, at least annually, to further restrict or ban chemicals, as new evidence on their impact becomes available.

Lidl commits to support and reinforce a credible sectoral chemical inventory and hazardous substance list (combined M-RSL), aiming to establish this inventory based on a credible (11) intrinsically hazardous screening methodology, by no later than 01 July 2016. This public detailed hazardous chemical-by-chemical schedule will be updated annually.

The individual actions covered above will be reassessed by Lidl at regular intervals – at least annually.

## **6. Responsible Design via closed-loop operations across global supply-chain and product life**

6-1. We recognize our actions must support responsible environmental outcomes via EPR (Extended Producer / Product Responsibility) that actively progresses responsible production and consumption (1) across all of the apparel and footwear products we produce and / or sell (6). Lidl will work towards an EPR process via supporting an academic programme. Our support will progress the achievement of two main environmentally-related goals: 1) Design improvements of products – the EPR system should provide incentives for manufacturers to improve products and systems surrounding the lifecycle products. 2) High use of product and material quality through effective collection and re-use or recycling – this goal can be sub-divided into three sub-divided into three sub-goals, which are a) effective collection, b) environmentally-sound treatment of collected products and c) high use of products and materials in the form of re-use and recycling. Lidl6-2. Lidl will raise global “sustainable consumption” awareness to encourage its customers to purchase more sustainable products and thereby reduce consumption of unnecessarily “disposable” products we produce and / or sell by no later than 31 December 2015

## **7. Self-reporting on this Detox Commitment**

Summary of the core responsibility principles for delivering this commitment:

7-1. Lidl is aware of its responsibility to people and the environment.

7-2. Lidl will always proactively provide the public regular updates of our delivery of this Detox commitment (e.g. chemical testing via the use of the combined M-RSL disclosed on the IPE Detox Platform).

7-3. Lidl is responsible to proactively, publicly and transparently communicate all of the deliverables of this Detox commitment, and to effectively resolve any issues as soon as possible.

By 31 Dec 2015, Lidl will publish:

- Case studies of past hazardous chemical substitutions, and the steps we will take to develop a further number of substitution case studies (e.g. where we are currently substituting any of the 11 groups of hazardous chemicals as per below (9), with more non-hazardous chemicals) via the online Subsport.org platform.
- The steps outlining how we will take forward and lead on the development of the intrinsic hazards screening methodology (11).

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(1) Definition of responsible closed loop whole lifecycle design and production is comprehensive integrated operating processes that result in significant (>90%) reduction or complete elimination comprehensively all significant aspects of “negative” environmental impacts throughout the complete lifecycle from product creation to end-of-life reuse and recycling. Responsible design includes a comprehensive holistic process identifying all aspects of capturing the most responsible design, production, product use and closed-loop whole life reuse and recycling, regardless of the application. All aspects of this whole lifecycle are optimized for responsible environmental (e.g. energy, toxicity) and responsible socio-economic production value (e.g. the production working conditions) outcomes. This so called Extended Producer / Product Responsibility (EPR) is an emerging practice that considers the entire life of a product, from design to disposal, to identify opportunities for resource conservation and pollution prevention.

(2) All hazardous chemicals mean all those that show intrinsically hazardous properties: persistent, bioaccumulative and toxic (PBT); very persistent and very bioaccumulative (vPvB); carcinogenic, mutagenic and toxic for reproduction (CMR); endocrine disruptors (ED), or other properties of equivalent concern, (not just those that have been regulated or restricted in other regions). This will require establishing – ideally with other industry actors – a corresponding list of the hazardous chemicals concerned that will be regularly reviewed.

(3) This means solutions are focused on elimination of use at source, not on end-of-pipe or risk management. This requires either substitution with non-hazardous chemicals or where necessary finding non- chemical alternative solutions, such as re-evaluating product design or the functional need for chemicals.

(4) This means taking preventive action before waiting for conclusive scientific proof regarding cause and effect between the substance (or activity) and the damage. It is based on the assumption that some hazardous substances cannot be rendered harmless by the receiving environment (i.e. there are no ‘environmentally acceptable’/ ‘safe’ use or discharge levels) and that prevention of potentially serious or irreversible damage is required, even in the absence of full scientific certainty. The process of applying the Precautionary Principle must involve an examination of the full range of alternatives, including, where necessary, substitution through the development of sustainable alternatives where they do not already exist.

(5) Zero discharge means elimination of all releases, via all pathways of release, i.e. discharges, emissions and losses, from our supply chain and our products. “Elimination” or “zero” means ‘not detectable, to the limits of the best current technology’, and only naturally occurring background levels are acceptable.

(6) This means the commitment applies to the environmental practices of the Lidl company for all apparel and footwear products (including all home textiles) produced and sold (“private label / own brands”) by Lidl. This includes all its contracted suppliers or facilities horizontally across all owned brands as well as vertically down its supply chain.

(7) Right to Know is defined as practices that allow members of the public access to environmental information – in this case specifically about the uses and discharges of chemicals based on reported quantities of releases of hazardous chemicals to the environment, chemical-by-chemical, facility-by-facility, at least year-by-year.

(8) One generation is generally regarded as 20-25 years.

(9) the 11 priority hazardous chemical groups are : 1. Alkylphenols 2. Phthalates 3. Brominated and chlorinated flame retardants 4. Azo dyes 5. Organotin compounds 6. Perfluorinated chemicals 7. Chlorobenzenes 8. Chlorinated solvents 9. Chlorophenols 10. Short chain chlorinated paraffins 11. Heavy metals such as cadmium, lead, mercury and chromium (VI).

(10) Polyfluorinated compounds, including fluorotelomers which can serve as precursors that degrade to form perfluorinated carboxylic acids (e.g. PFOA), and mixed halogenated polyfluorinated compounds.

(11) Any screening methodology that would meet the following necessary requirements is considered to be credible:

- i. The full criteria and methods applied and full data behind results must be open to public scrutiny
- ii. The screening methodology approach must take account of the hazards of accessory chemical and/ or breakdown products) which are generated through the use or release of any one particular chemical ingredient.
- iii. The screening methodology must recognize the importance of physical form e.g. nanomaterials, polymers and whole products where applicable
- iv. Where there are legitimate reasons for concern regarding the intrinsic hazards of a chemical, even if information is insufficient to verify those hazards, action must be taken to obtain sufficient information to enable adequate assessment of the chemical.