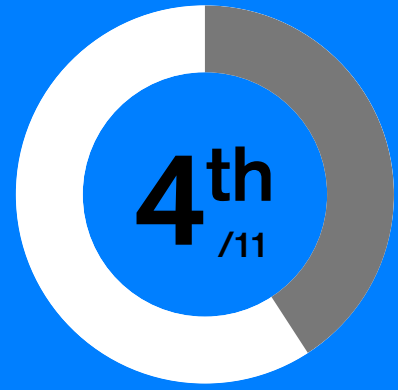




Lidl GB



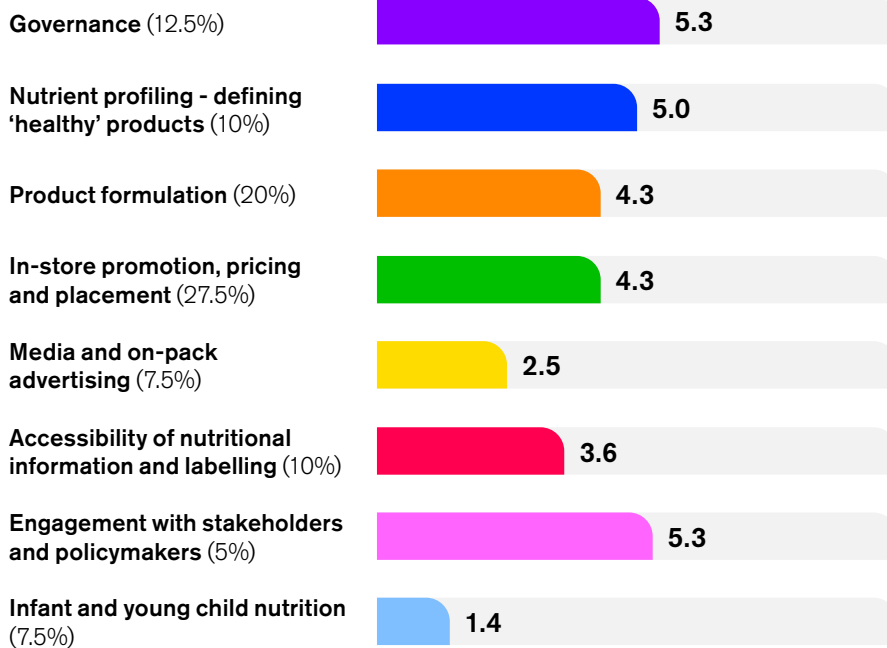
Estimated UK grocery retail value
(£ billion, 2021) 6.9

Number of employees
26,000

Headquarters
Germany

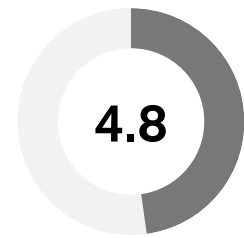
Type of ownership
Private

Score 4.1/10

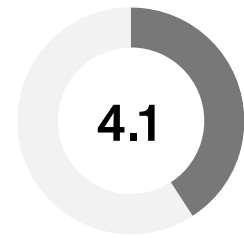


(%) Weight of a topic

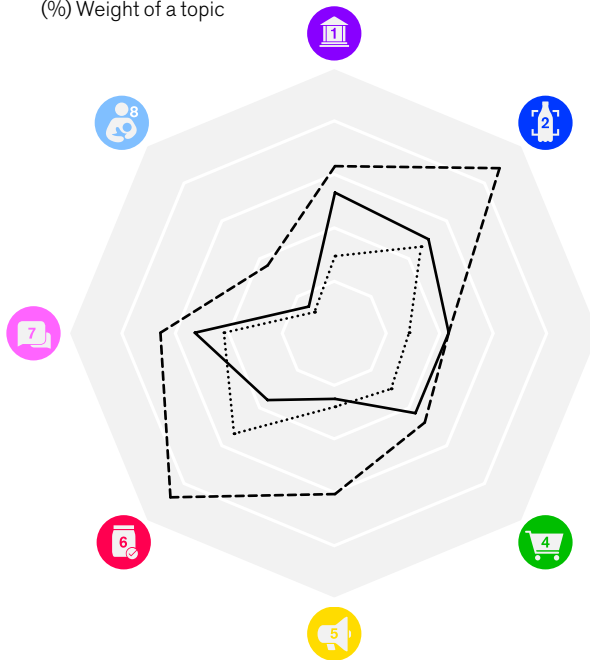
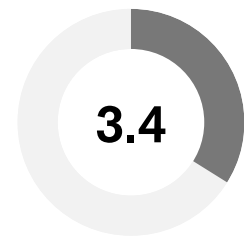
Commitment



Performance



Disclosure



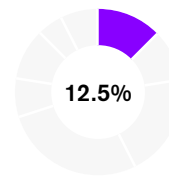
The bar graph to the left shows company scores across the eight Index Topics and scores are shown for each Topic. The circles provide an alternate view on the company's overall results, showing the score per indicator type.

Scores and ranks

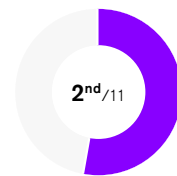
- Overall, Lidl GB (referred to throughout this scorecard as Lidl) ranks fourth in the UK Retailer Index, with a score of 4.1 out of 10 (the average across all retailers is 3.3).
- The company is ranked among the top three retailers for Governance, Product formulation, In-store promotion, pricing and placement and Engagement with stakeholders and policymakers, and has made significant improvements to reporting since the UK Supermarket Spotlight by publishing a policy on Health and Nutrition (August 2020).
- Lidl is mid-ranking in the topics on Nutrient profiling, Media and on-pack advertising, Accessibility of nutritional information and labelling and Infant and young child nutrition, where considerable improvements can be made – for example, by adopting and publishing a responsible marketing policy.



Governance



Topic weight



Score 5.3/10

Topic average 2.9

- Lidl has a strategy to grow through a focus on nutrition and health across the UK, stating 'As a leading food retailer, we are aware of our responsibility to help our customers to make healthier choices when they shop in our stores.' Lidl published a policy on Health and Nutrition in August 2020.
- Lidl has set and disclosed a target to increase sales of healthy products to 85% by 2025 against a 2019 baseline of 80%. This target applies to all own-brand products including permanent and promotional.
- Lidl publishes the percentage of sales generated by healthy products with respect to overall sales for the latest financial year on which it has reported, indicating that in the financial year 2019/20 73% of sales were defined as healthy and 7% of sales were defined as healthier.
- Lidl set a target to increase sales of fresh fruit and vegetables by 35% by 2026 and indicated it will report actual sales annually. Lidl provided evidence of some progress on increasing sales of fruit and vegetables since the previous year, though this is not publicly disclosed.
- Lidl is one of just two companies in the Index for which formal accountability for implementing Lidl's health and nutrition policies sits at the top of the organisation with the CEO.
- Lidl is the only retailer to reference business risks explicitly linked to rising rates of obesity and diet-related diseases in its risk register – although this is not publicly available.
- Lidl is one of three retailers in this Index that provided evidence of having used research that addresses the specific nutrition needs of priority population groups at higher risk of diet-related disease or food insecurity: working together with Brighton University and Brighton & Hove Council on a 'Veg on a Budget' research project.

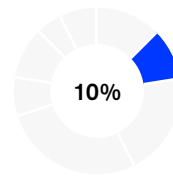


Areas of improvement

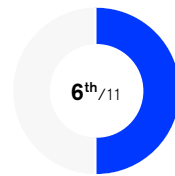
- It is recommended that Lidl further integrates nutrition considerations in its commercial business functions by developing and publishing a comprehensive multi-year plan for delivery of its nutrition strategy, including specific objectives and activities to improve nutrition and address malnutrition in all its forms, applicable across the whole company, and with a specific focus on helping customers to reach the UK dietary guidelines.
- Lidl reported some progress on its targets to increase sales of fruit and vegetables in its Sustainability Report in 2017, and the company is advised to include this level of granularity in updates to this 2017 report.
- Lidl can be more transparent in this area by reporting on:
 - the percentage of products in its portfolio that are healthy;
 - the ratio of sales growth of healthy products versus overall sales growth;
 - the ratio of sales growth on fruit and vegetables versus overall sales growth; and
 - the percentage of sales generated by fruit and vegetables.
- The company indicated that none of Lidl's own-brand drinks contain more than 5g of total sugar per 100ml and so are not subject to the Soft Drinks Industry Levy (SDIL). However, it is not clear whether the percentage of sales volumes of soft drinks (both own-brand and manufacturer-brand) subject to the SDIL decreased or not in the last financial year. Lidl is encouraged to publicly report on percentage of sales volume and value of soft drinks that are subject to the SDIL.



Nutrient profiling - defining 'healthy' products



Topic weight



Score 5.0/10
Topic average 4.6

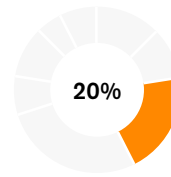
- Lidl indicates that its specialist nutrition team has developed an internal nutrient profiling model (NPM) to define healthy, healthier and least healthy products and has applied this to its entire permanent and promotional own-brand food range.
- Lidl uses the front-of-pack (FOP) traffic-light labelling system, which assesses levels of negative nutrients in products, to group products into 'healthy', 'healthier' and 'least healthy' categories according to the number of green, amber and red traffic lights. All products defined as 'healthy' and 'healthier' have no red traffic lights. 'Healthy' products can have a maximum of one amber and zero reds, 'healthier' can have two or more ambers and zero reds and 'less healthy' one or more reds.
- Lidl uses its internal NPM to guide its reformulation efforts for own-brand products.

Areas of improvement

- Lidl is advised to adopt the Food Standards Agency (FSA) 2004/5 NPM, which generates overall nutritional quality scores on a sliding scale, considering levels of both positive and negative nutrients in products, to inform its efforts to develop new healthy products, as well as to guide decisions on the stocking, pricing, positioning, promotion, marketing and labelling of healthy products.
- Lidl is encouraged to publish its internal NPM in full on its website, including scoring and criteria for its 'healthy', 'healthier' and 'less healthy' product categories, and where and how it is applied.



Product formulation



Topic weight



Score 4.3/10

Topic average 2.8

- Lidl has clearly disclosed commitments and targets, which address more nutrients (five) than any other supermarket in this Index: namely sugar, calories, salt/sodium, industrial trans fatty acids (iTFA), and fruit and vegetables.
- Lidl commits to the government's reformulation targets for sugar, salt and calorie reduction in all relevant product categories. Lidl has demonstrated some progress towards achieving its targets:
 - In 2020/21, Lidl indicates on its website that the government's 2020 sugar targets have been met in five product categories (sales-weighted average) out of the nine categories outlined by the government.
 - Lidl reports that calorie reductions have been made in four product categories.
 - Lidl has completely achieved the government's 2017 salt reduction targets and indicated that 85% of products meet the updated 2024 salt target.
- Lidl commits to an explicit limit of iTFAs to 2g per 100g of fats/oils, in line with the EU regulatory requirement and World Health Organization (WHO) recommendation and 'where possible, Lidl aims to remove trans-fatty acids altogether'.
- As part of its Peas Please pledge, Lidl commits to increase levels of vegetables in packaged products, with an explicit target that the company 'will ensure that all pre-prepared ready meals contain either an 80g portion of veg or an equivalent serving suggestion on pack'.
- Lidl is the only company in this Index that indicates that it has a clear comprehensive programme of portion reduction, stating that portion size is reviewed as part of product development processes, taking into account considerations from both the Institute of Grocery Distribution (IGD) and the government's Eatwell Guide for more composite products.

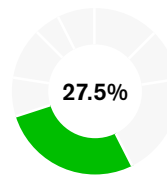


Areas of improvement

- Lidl is advised to set clear and timebound targets to reduce levels of saturated fat and to extend its commitment to increase fruit, vegetables and wholegrains in its own-brand products to all product categories.
- Public reporting on Lidl's programme of portion-size reduction would be welcome.
- Lidl is encouraged to engage in dialogue with brand manufacturers to increase the healthiness of products sold through its platforms, and publicly disclose a commentary on these efforts.



In-store promotion, pricing and placement



Topic weight



Score 4.3/10
Topic average 3.0

- Lidl is one of three retailers with a commitment to address the affordability of its healthy products not only for the general consumer but also, specifically, for low-income groups, stating: 'We want to make healthy food accessible to everyone, that's our goal, especially for those families on a budget where we know the challenges can be greater.'
- Lidl commits to using pricing and price-based promotions to drive sales of healthy products, with the specific goal to drive sales of fruit and vegetables. Lidl's Pick of the Week range offers six fruit and vegetable items on a weekly basis at a price equivalent to a 25–60% discount, and the range has seen an increase in sales compared to the retailer's non-promotional lines in the past.
- Lidl is committed to increasing the number/percentage of healthy products in more prominent locations, with the specific goal to drive sales of fruit and vegetables, along with healthy snacks offered at checkouts.
- Lidl has stopped selling sweets and sugary treats at checkouts and is the first retailer nationwide to do so since 2014. These have been replaced with more nutritious options such as dried fruits and nuts, seeds, fresh fruit and fruit juices. An informal policy within the business outlines for stores to avoid any sugar or chocolate confectionery lines from being placed directly onto the checkouts. All other product types are currently allowed; however, this will be subject to change following the HFSS regulation.
- Lidl commits to use in-store marketing and other promotional techniques to drive the sale of healthy products. This includes 'health events', which occur regularly throughout the year, and the use of in-store product cues, called the Healthier Swaps initiative, which signpost a range of healthier alternatives that are easy to make, do not necessarily require customers to alter meal plans, and that are available at the same price or less than the original product.
- Lidl aims to increase consumption of fruit and vegetables, especially in children, through messaging and promotion – it has developed a 'fun-sized range' to make vegetables attractive and appealing to children.
- Lidl uses a reward app, Lidl Plus, to incentivise the sale of healthy products.



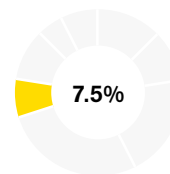
- Lidl publishes information explicitly on whether or not the use of marketing and promotional techniques have increased the sales of healthy products – for example, efforts to promote fruit and vegetables in store ‘resulted in an increase of 20% in fruit and veg sales between 2017 and 2019’.

Areas of improvement

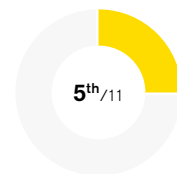
- Lidl is encouraged to provide evidence of the impact of its commitment to address the affordability of healthy products for low-income groups.
- Lidl is advised to introduce a ‘price promise’ to ensure that healthy options will never be more expensive than less healthy options, as some of the other retailers have already done.
- Lidl is encouraged to commit to stocking healthier variants for all products for which such variants exist and with as many facings as the original products.
- Lidl is encouraged to use the FSA 2004/05 NPM to guide product positioning in its stores, and to engage with brand manufacturers on product positioning.
- Lidl could be more transparent on the impact of promotions and in-store campaigns, including regularly reporting on targets for the promotion of healthier products and providing data on the impact this has on prices and sales.
- Lidl is advised to commit not to run any in-store promotional campaigns/activities directed at children that involve any HFSS products.
- Lidl is encouraged to extend its commitment to end sales of energy drinks from children under the age of 16 to children under the age of 18, and to provide evidence of having implemented this, for example by indicating that Lidl staff receive training on the issue.



Media and on-pack advertising



Topic weight



Score 2.5/10
Topic average 2.8

- Lidl has not published a responsible marketing/advertising policy for all consumers including children.
- Lidl has made some efforts to restrict the usage of child-oriented characters on own-brand products by removing cartoon characters from breakfast cereals.
- Lidl commits to advertising more fruit and vegetables, including using social media to promote fruit and vegetable consumption, indicating that they ‘significantly increased the number of social media posts promoting veg’. Lidl also commits to post an ‘appealing mention of veg on social media’ at least once a month, as part of its Peas Please pledge.
- Lidl is the only company in this Index to provide some evidence on its efforts to put more emphasis on advertising healthy products, specifically fruit and vegetables, by increasing its marketing spend on promoted fruit and vegetable lines between 2019 and 2020.



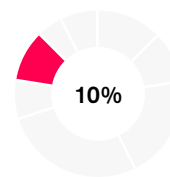
- Lidl, along with the other retailers, provides evidence of sponsoring initiatives promoting children and/or adults' healthy eating: it is one of the retailers on the Child Food Poverty Task Force of the #EndChildFoodPoverty campaign started by British football player Marcus Rashford during the COVID-19 pandemic.

Areas of improvement

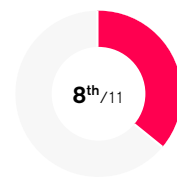
- Lidl is strongly encouraged to develop and publish a clearly articulated responsible marketing/advertising policy, covering all consumers including children (defined as being those aged under 18), including all marketing communication channels and applied to all products and all stores.
- Lidl should publicly commit to go beyond the UK Code of Non-Broadcast Advertising and Direct & Promotional Marketing (CAP Code) by extending its commitment not to use child-oriented characters on cereals to all HFSS products, on pack or in store/online.
- Lidl is advised to go beyond the UK Code of Broadcast Advertising (BCAP Code) by committing not to advertise HFSS products at all, on any forms of media on which it markets to children.
- Lidl could commit not to sponsor materials, people or activities popular with children and/or adults unless in conjunction with healthy products or products low in sugar/calories/salt/fat.
- Lidl is encouraged to report on the impact of the initiatives it sponsors.
- Lidl is encouraged to commit to market its products using appropriate portions, as specified in products' on-pack nutritional information.
- Lidl is advised to commit to increase the proportion of advertising spend on healthy products relative to overall advertising spend and publish a commentary outlining the changes to the company's advertising spending in support of healthier eating.



Accessibility of nutrition information and labelling



Topic weight



Score 3.6/10
Topic average 5.4

- Lidl provides evidence of using colour-coded front-of-pack (FOP) labels on its own-brand products, providing energy, fat, saturated fat, sugar and salt content alongside reference intakes where possible.
- Lidl indicates FOP labels are added to the majority of monolingual packaging, where packaging space allows, but due to other legal requirements outside of the UK it is not applied on multilanguage packaging.

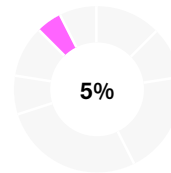


Areas of improvement

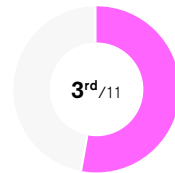
- This is the Topic where Lidl received the lowest rank. There is scope for significant improvement in Lidl's transparency about its nutrition labelling practice. It is generally unclear to which products Lidl's policies on FOP labelling apply and it is recommended Lidl provides clarification on the criteria for exemption from FOP labelling and the percentage of its portfolio that is compliant.
- Lidl does not sell products online, although there are products available to view on the company's website. The FOP labels for products online are displayed only on the image of each product - images that are of low quality and difficult to read. It is recommended that Lidl ensures that both back-of-pack (BOP) and FOP nutrition information is clearly provided online for all products.
- Lidl is encouraged to commit to not placing a health claim on a product unless it is healthy, as defined by the FSA 2004/5 NPM.



Engagement with stakeholders and policymakers



Topic weight



Score 5.3/10

Topic average 4.2

- Lidl is one of only two companies in this Index to explicitly state on its website that it 'welcomes regulatory measures aimed at tackling the obesity crisis in the UK'.
- Lidl engages with several initiatives that aim to address nutrition challenges in the UK including a Peas Please pledge and the Veg Power campaign. Lidl also committed in 2020 to increasing the value of Healthy Start Vouchers in its stores by £1.15, from £4.25 to £5.40.

Areas of improvement

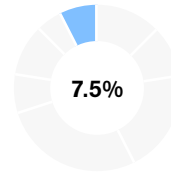
- The company should extend its current 'fraud and bribery prevention policy' to be a clear and comprehensive lobbying policy in line with the [Responsible Lobbying Framework](#), in which it commits to:
 - only engage with government, political parties, policymakers and policymaking bodies in support of measures to improve health and nutrition, aligned with public-health interest as identified by government;
 - only engage in lobbying activities that support an evidence-based approach to policymaking, with the emphasis on independent, peer-reviewed science; and
 - ensure that its lobbying activities respect UK public policy frameworks and standards.
- Lidl is encouraged to disclose its policy position on government consultations on issues relating to nutrition or of relevance to supermarkets.
- It is recommended that Lidl strengthens its transparency on lobbying practices by disclosing a comprehensive list of its memberships of industry and trade associations and its lobbying positions on key nutrition topics.



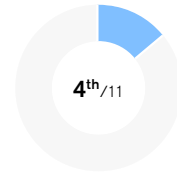
- Lidl is also encouraged to engage with stakeholders (including nutrition experts) in developing its nutrition policies/programmes and to disclose the consequences of this engagement for company strategy.



Infant and young child nutrition



Topic weight



Score 1.4/10

Topic average 1.1

- Lidl manufactures and sells complementary foods and sells (but does not manufacture) breast-milk substitutes (BMS: infant and follow-on formula and growing-up milk, also known as toddler milk) for infants and young children under three years of age. Although during company engagement, Lidl explicitly stated its compliance with UK regulations on infant and follow-on formula, it has not published any policies around the marketing of these products.
- Lidl is committed to improving the nutritional quality of its commercially available complementary foods within its wider healthy sales commitment and currently has a 'Nutrition Guide' that provides nutritional thresholds, labelling and portion size requirements for products within its Lupilu complementary foods range. Lidl's standards are based on existing government guidance for foods aimed at infants and young children and include criteria for sugar and salt content of Lidl's complementary foods.
- Own-brand complementary foods from Lidl do not have added sugar or salt.

Areas of improvement

- Lidl should put policies and procedures in place that comply with WHO's International Code on the Marketing of Breast-milk Substitutes and subsequent World Health Assembly resolutions, which also provide guidance on the marketing of complementary foods, going beyond national regulations covering the marketing of infant and follow-on formula (which include only the advertising, point-of-sale promotions and labelling of infant formula, and include some labelling requirements for follow-on formula¹).
- Lidl is advised to follow WHO guidance in restricting the marketing of all snacks high in sugar, sweets/confectionery, fruit drinks and juices, and sweetened milk to all children aged under three years. This should apply not only to own-brand products but also to those made by other companies and sold by Lidl.
- As a manufacturer of complementary foods, Lidl is encouraged rigorously to comply with government guidance (including forthcoming government guidance), but also strive to follow WHO/Europe recommendations relating to the nutritional composition and labelling requirements of foods aimed at older infants and young children. Lidl is also encouraged to commit to continuously improving the nutritional quality of its complementary foods in line with the most updated and relevant local, regional, and international guidance.

¹ Lidl does not manufacture BMS products but should ensure that product it sells adhere to the requirements set by the Code and local regulations, either by selecting those brands that comply and/ or by engaging with manufacturers of branded products to align on labelling.

General disclaimer

This company scorecard has been based on research carried out by ATNI based on publicly available data and company engagement between March and August 2021. Any action taken by the retailer after 29 August 2021 has, therefore, not been included in the scoring. The findings of this Index regarding retailers' performance rely to a large extent on information shared by the companies themselves, additional to information available on the company's website. Several factors beyond the retailers' control (such as the COVID-19 pandemic) may have impacted their capacity to collate and share the information (publicly or directly with ATNI) that is needed for this Index. Particularly where retailers have been involved in only limited or no engagement, this Index may not represent the full extent of these companies' efforts.

As a multistakeholder, collaborative project, the findings, interpretations and conclusions expressed in the report may not necessarily reflect the views of the retailers, of members of the different stakeholder groups consulted for this research (including the Expert Group, industry associations and investors) or the organisations they represent, or of the funders of the project.

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