

LIDL GB - WRITTEN EVIDENCE (FDO0125)

Background to Lidl GB

Since establishing itself in Great Britain in 1994, Lidl GB has experienced continuous growth and today has over 32,000 employees, over 960 stores and 14 distribution centres across England, Scotland and Wales. We are the sixth-largest supermarket in the UK, with the latest Kantar data showing an 8% market share in the 12 weeks ending 14th April 2024.

We take pride in providing our customers with the highest quality products at the lowest possible prices throughout Great Britain, from Kirkwall to the Isle of Wight. Social responsibility and sustainability are at the heart of everything we do, and we place a strong emphasis on the positive changes we can make for people, society, and the environment. Lidl GB is passionate about working with British producers and sources two thirds of its products from British suppliers.

Our approach to promoting healthy diets

We are dedicated to providing our customers with access to healthy, affordable food. Our continual investment in keeping our prices low means that customers shopping at Lidl can always expect to pay the lowest possible prices for the fresh fruit and vegetables, healthy cupboard staples, and nutritionally- balanced foods needed to eat a healthy and balanced diet.

Our commitment to price keeps the cost of eating a healthy diet as low as possible for consumers. And this doesn't just benefit Lidl customers. A Competition and Markets Authority investigation into food prices in 2023 found that the presence of discounters like Lidl in the UK market limited the capacity of other supermarkets to push up prices. The review found that increased competition and the discounters gaining market share coincided with a decline in the major supermarkets' operating margins from 4.4% in 2013/14 to 2.8% in 2020/21.

As well as our long-standing commitment to low prices, we also have specific initiatives in place which promote healthy products to our customers. We've increased the accessibility and visibility of healthy foods through our 'Pick of the Week' promotion which sees us cut prices on six fresh produce lines each week, with the fruit and vegetables on offer rotating from week to week. We were also the first supermarket to also offer 'Too Good to Waste' boxes, which offer 5kg of fruit and vegetables that are damaged, discoloured or deteriorated – but still perfectly good to

eat – for just £1.50. These boxes are incredibly popular with our customers and have the added benefit of cutting food waste.

Our approach to responsible marketing

We take a responsible approach to marketing our produce, and we do not directly market least healthy food (either branded or own-brand) to children. In 2014, we led the supermarket sector in introducing our “healthy checkouts”, removing least healthy products from our checkout areas. In 2020, we removed cartoon characters from our own brand cereals and since spring this year we expanded this to all unhealthy own brand products aimed at children.

We also explore ways to encourage our customers to select healthier products. In 2021, in collaboration with the Institute of Grocery Distribution (IGD) and the University of Leeds, we designed and delivered an extensive nudge-based campaign to highlight and inspire healthier food choices. The four-week trial ran across all our British stores, using shelf-edge labels to flag eight healthier product alternatives. We defined healthier as containing fewer calories, less fat, saturated fat or sugar, or more fibre. All swaps were the same price or cheaper and for a recognisably similar product, meaning customers wouldn’t need to adapt their meal plans.

We found a mixture of results during the trial. Sales of the healthier swap option for cereals and coleslaw increased significantly, rising by 32% and 71% respectively, whereas for chicken, tuna and granola, the trial had no impact on sales of the healthier option.

With no definitive outcome, our trial suggested that clear signposting of healthier products may help in some cases, but more research is needed to understand why the results appeared to vary by product. We will continue to examine ways that we can encourage customers to pick healthier products in future.

Our approach to tracking healthy sales

As part of our commitment to supporting our customers in having health diets, we track the proportion of our sales, in tonnage, from healthy, healthier and least healthy products. We aim to shift sales of least healthy products to healthy and healthier alternatives to support alleviating the prevalence of obesity rates and other diet related outcomes that over-consumption of foods that are higher in fat, salt and sugar is linked to.

We follow standard industry practice in aligning with the Food Standards Agency’s 2004/5 Nutrient Profiling Model. The NPM reviews energy, saturated fat, total sugar, sodium, fruit, nut and vegetables, fibre and

protein contents of products, producing an overall score. We classify healthy food as those scoring less than four points and drinks scoring less than one, as well as all single-ingredient products. We've also defined healthier as foods scoring four to six points and drinks scoring one to three points. Least healthy foods and drinks are those scoring more than this.

77% of our food sales in 2022 were healthy or healthier products under this model, and we have a clear target of at least 80% of our sales being healthy or healthier products by 2025.

Our [Healthy & Sustainable Diets Policy](#) outlines even more steps we'll be taking to help improve our healthy or healthier food sales, ranging from own-brand recipe changes intended to reduce salt, sugar, and calorie levels, to additional changes around how we market products. Lidl GB also works with the Food Data Transparency Partnership and we have fed into the Health Working group at the recent industry engagement meeting to ensure the data from our food supply chain is helping facilitate a more sustainable and healthier food system.

9 April 2024
