

Sustainability Methodologies

Lidl Great Britain | January 2026

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Introduction

Sustainability is central to Lidl GB's strategy, informing how we expand our business, create long-term value across our entire value chain and support our stakeholders. Our latest sustainability report 'Beyond the Basket,' which can be found [here](#), provides a comprehensive overview of our progress against our sustainability strategy.

This document outlines the methodologies for the sustainability Key Performance Indicators (KPIs) in our sustainability report 'Beyond the Basket', which underwent a limited assurance engagement performed independently by Forvis Mazars LLP. Forvis Mazars' assurance statement for these KPIs can be found on page 100 of the 'Beyond the Basket' report.



Key Performance Indicators (KPIs)



Backing British

Goal: By 2025, we will invest £21bn into the British Food and Farming industry (vs. 2021)

KPI: £ invested into British food & farming since FY2020

Methodology Notes:

- A 'Goods-In' report is generated. Suppliers that are not based in the UK, and are therefore out of scope, are removed from the report. The total 'goods-in' value of all suppliers in scope of the commitment is calculated for each financial year/period and added together to generate a total £ invested figure.
- This KPI is calculated on an annual financial year basis.
- British supplier is defined as a supplier with a head office based in Great Britain.

Goal: 2/3rds of sourced products from the Lidl GB assortment to be sourced from British suppliers each year

KPI: Proportion (%) of British sourced products

Methodology Notes:

- A 'Purchase Value' report is generated which covers the purchase value of all products (including branded, own brand, listed and promotional) sourced by Lidl GB within a defined period (e.g. Financial Year). The KPI is calculated as a percentage of 'purchase value of products sourced from British suppliers' over 'total purchase value'.
- This KPI is calculated on an annual financial year basis.
- British supplier is defined as a supplier with a head office based in Great Britain.



Animal Welfare

Goal: 100% shell eggs from cage-free sources by end of FY2025

KPI: % Shell Eggs from cage-free sources

Methodology Notes:

- A 'Goods-In' report of shell eggs units sold over a financial year period is generated. Unit sales are multiplied by pack size (egg number) to get total egg number. This KPI is calculated as a ratio of sold cage free vs caged egg.
- Cage free eggs are classified as eggs from a Barn, Free range or Organic production system. Eggs classified as Golden Yolk are at minimum free range and counted in cage free. All other eggs are classified as caged.
- This KPI is calculated on an annual financial year basis.



Labour and Human Rights

Goal: By 2025, Lidl will strengthen human rights due diligence in 15 high risk supply chains through the implementation of 15 Human Rights Impact Assessments (HRIAs).

KPI: Number of HRIAs underway or completed

Methodology Notes:

- The Lidl Group select a supply chain to conduct a HRIA, based on known high-risk raw materials and origins. Annual risk assessments are published in the [Lidl Human Rights in the Supply Chain Policy](#).
- Supply chains are selected during internal meetings and are based on importance of commodity and/ or country of origin.
- Lidl report on the number of assessments conducted in the year - based on when the HRIA begins and the majority of the project takes place.
- Final HRIA reports are written and published on the Lidl corporate website. These reports contain details about the assessment conducted, overall findings and recommendations for follow-up actions.
- Based on these recommendations, the Lidl Group develop HRIA action plans.
- These action plans outline timebound steps Lidl plan to take to mitigate and/ or remediate the risks identified in the HRIA.
- All final HRIAs and action plans are published on the [Lidl GB corporate website](#).
- This KPI is calculated on an annual, financial year basis.



Healthy and Sustainable Diets

Goal: Increase sales of fresh fruit and veg by 35% by 2026

KPI: Sales increase (%) of fresh fruit and vegetables since FY2021

Methodology Notes:

- A sales report is generated that lists all fresh fruit and vegetables sold in the reporting period and the corresponding number of units sold.
- $\% \text{ change} = ((\text{number of units in reporting year} - \text{number of units in baseline year}) / \text{number of units in baseline year}) \times 100$
- All unprocessed fresh fruits and vegetables, both loose and packaged are included in the scope of the KPI.
- This KPI is calculated on an annual financial year basis.

Goal: Increase sales, based on tonnage, of healthy & healthier products, to at least 80% by 2025

KPI: Sales increase (%), based on tonnage, of healthy & healthier products

Methodology Notes:

- A sales report is generated that lists all products sold in the reporting period and the corresponding number of units sold. The tonnage is calculated based on the pack size and the number of units sold. For the purpose of the calculation, 1ml = 1g and 1l = 1kg.
- Nutrition information is added at a product level using an internal database.
- The Food Standards Agency's 2004/05 Nutrient Profiling Model (NPM) calculations are then applied to the nutrition information in order to determine the score of the product.
- To align with FSA's definition, as well as those adopted wider within the government for legislative use (for example, the Food (Promotion and Placement) (England) Regulations 2021), any food scoring less than 4 points and drinks scoring less than 1 point are classified as healthy. We understand that not all products can achieve a 'healthy' classification and are keen to provide our customers with better alternatives where possible. It is for this reason that we have classified any food scoring between 4 and 6 points and drinks scoring 1 to 3 points as healthier products.
- Foods scoring more than 6 points and drinks scoring more than 3 points are classified as least healthy.
- Where there is any cause for doubt on the score of a product, the product will be classified as '3 – Least Healthy' to ensure a worst-case approach is taken.
- The percentage of healthy and healthier products = $[(\text{healthy tonnage} + \text{healthier tonnage}) / \text{total tonnage}] \times 100$. This is the reporting percentage against the commitment.
- This KPI is calculated on an annual financial year basis.