

Supplier Information Pack

Big on quality
Lidl on price





Dear suppliers,

Welcome to Lidl. We're excited
to work with you.

This document is here to tell you about
our company, how we work with
suppliers and our goals for the future.

Ready? Then let's get started.



Ryan McDonnell, CEO, Lidl GB

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A 'Lidl' Bit About Us





What We Stand For

Our Vision

To enhance the lives of our customers, by providing quality products at market leading value, whilst ensuring that customer satisfaction is at the heart of everything we do.

Our Mission

To deliver outstanding customer satisfaction.

To ensure market-leading quality and value by constantly innovating and optimising our efficient processes, driven by technology and people.

To work with business partners in sustainable relationships, contributing positively to local communities.

To achieve long-term success by investing in the recruitment, training and development of our people.

What makes us different?

As one of the UK's fastest growing food retailers, our continued success is underpinned by one promise: being 'Big on Quality, Lidl on Price'.

We always start with the customer experience and work backwards and we work with suppliers that have the same drive to feed the nation with great quality products at everyday low prices.

Our History

Did you know Lidl started out in 1973?

Here's a timeline of some of our landmark moments:

Lidl International Expansion

Lidl opens in Great Britain, France, Italy, Spain, Hungary, Portugal, Netherlands, Austria, Greece, Ireland.



500th store opens

The 500th Lidl store opens in Great Britain.



Highest GB Market Share so far

Lidl reaches 6% Market Share in GB.

6%

1973



Lidl opens first store

First store opens in Ludwigshafen, Germany.

1990s

2000s



Further Expansion

Lidl opens in a further 12 countries across Europe.

2008

2017



USA launch

First stores open in USA.

2019

2023



Lidl GB to open 1000th Store

Lidl aims to reach 1000 stores by end of 2023.

Lidl International

We've come a long way in our 47-year story. Here are a few stats to show where we are today.

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We operate in 29 countries globally

200+

We have more than 200 Regional Distribution Centres (RDCs)

11,000+

Stores globally

31,000+

Colleagues worldwide

8 million

Customers that shop at Lidl every day*

* Data provided within this document is for information only. Data is accurate as of 01.11.2020, and may change with time. The release or publication of the information contained, without written consent by Lidl GB is prohibited. If you wish to use this information, please contact pressoffice@lidl.co.uk





Lidl GB & Ireland

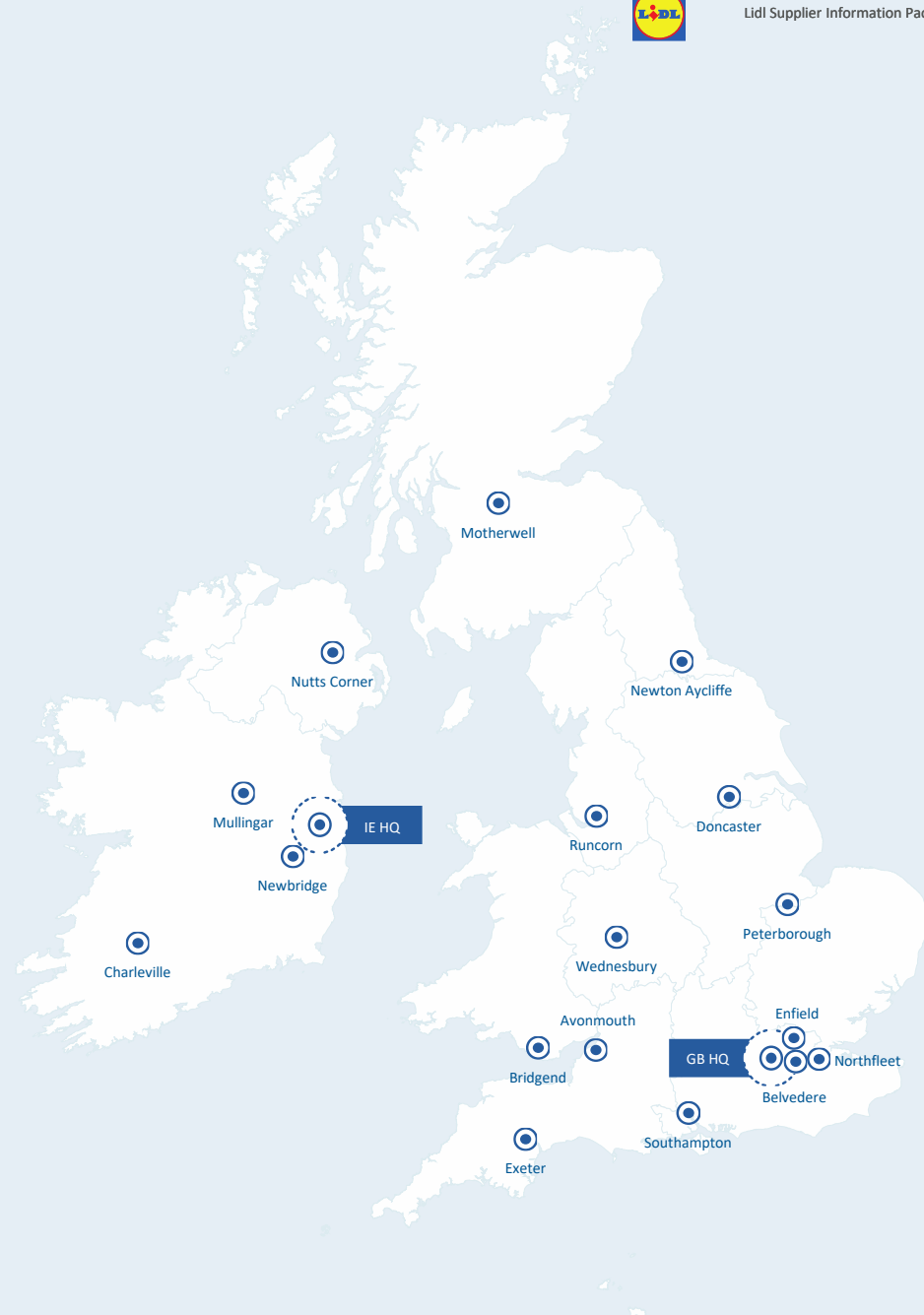
Closer to home, we have over 1100 stores across the UK and Ireland.

Lidl Great Britain

- Established 1994
- 13 Regional Distribution Centres
- 925+ stores
- Aim to open 1,000th store by 2023
- New Head Office in London opened 2022

Lidl Ireland & Northern Ireland

- Established 1999
- 4 Regional Distribution Centres
- 200+ stores
- 225 stores by 2022
- Head Office in Dublin





Working With Our Teams



Say hello to the Buying Team

Our Great Britain Food Buying team is based in South-west London in the borough of Kingston upon Thames.

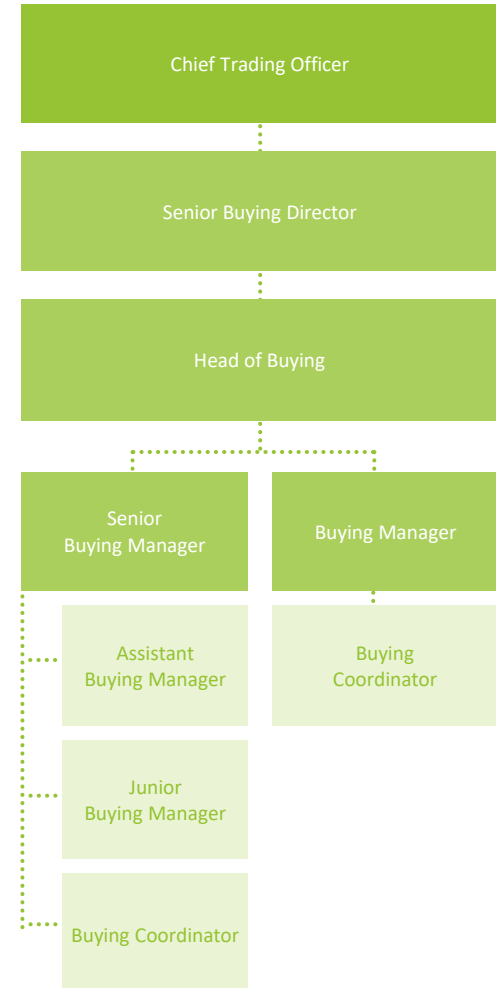
We also have a Regional Scottish Buying Team, who work from our Motherwell Distribution Centre.

Our Buying Managers are empowered to autonomously lead their categories, together with the vital support of their Coordinators. Get to know them! As a supplier, they will be your two integral contacts within Lidl.

To sum up, we form simple and transparent trading contracts to ensure there is clarity on all sides – for both Lidl and our suppliers.

"Our business is only ever as good as our suppliers, so our investments and commitments are key to ensuring that they can invest and expand with us."

Martin Kottbauer
Chief Trading Officer



Supplier Testimonial

We pride ourselves on working closely, collaboratively and efficiently with our supplier partners. But don't just take our word for it!

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"We have been supplying Lidl with British free range high welfare poultry since 2011. Over the years we have seen our business steadily grow with them and our products are now sold throughout the UK. Every year we are given opportunities to increase our business through existing products or by product development. Their ways of working are transparent and collaborative which allows us to continually build a good business relationship."



"With their commitment to quality at a great price, Burton's Biscuits Co is proud to partner with Lidl to bring delicious products to market. The Lidl team values open and clear communication and are always happy to pick up the phone to work collaboratively no matter what the circumstance. Lidl are easy to do business with!"



"We are continually impressed by Lidl's efficiency, flexibility and positivity as they pursue growth in Health & Beauty. Their teams are ambitious and trustworthy, which makes collaboration between our businesses uncomplicated."



"Joseph Heler have successfully worked with Lidl for over 10 years. Our collaborative and joined up ways of working have seen both our business flourish and growth. From starting to supply Lidl GB our partnership has developed into now supplying over 20 countries included the USA. Working with Lidl has allowed Joseph Heler to invest for the future and expand into new areas."



"Lidl have been, and continue to be a fantastic business partner. Having supplied Lidl for many years we have developed an open and honest relationship that has flourished through collaboration and understanding of both business's needs, not only with trading but across all functions, resulting in significant business growth for both parties."



"The Griffiths family have been working with Lidl for over ten years and they have grown together as a team. The business originally started delivering a handful of products into one depot, on weekly pricing, we are now on a long term contract supplying a number of depots across a wide range of products. We have been able to meet Lidl's growth over the last decade, becoming a strategic partner and continue to work together on a number of exciting future projects. We share the same values and commitment to protect the environment and ensure the highest welfare standards are achieved at all times."



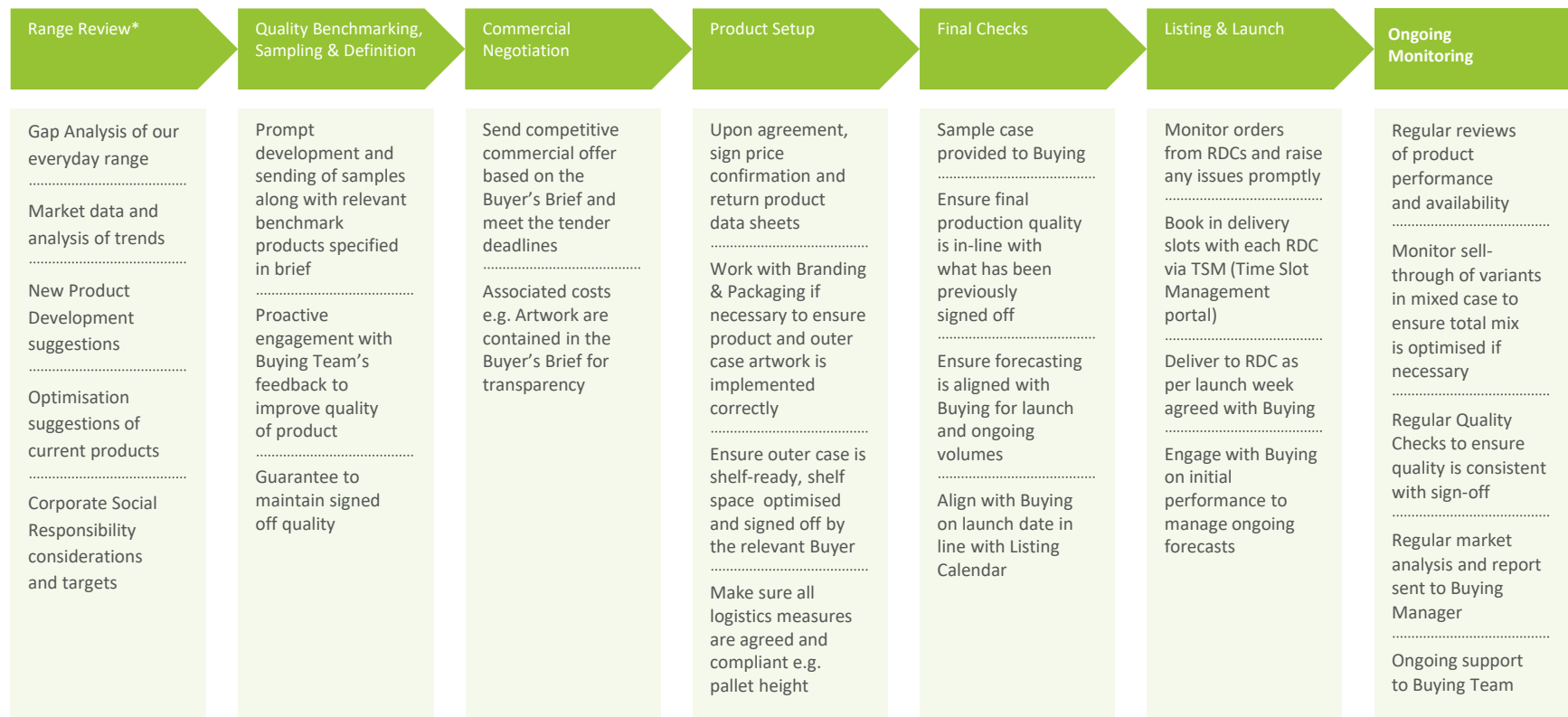
Your role in our Product Lifecycle

Our seven-step process shows how we can work together – efficiently and effectively

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*Range review dates are available on request

Branding and Packaging Requirements

The four stages of our branding and packaging processes

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Initiation Stage



When Lidl engages a supplier, we request that the following documents are completed and returned to us:

- Declaration form
- Nutritional form
- Cutter guides in editable format with dimensions (primary and outer case)
- Print spec (primary and outer)

Please also provide additional information where applicable:

- Print lead times
- File to print date (FTP)
- Availability of photography samples

Declaration Stage



The declaration and nutritional forms are checked by our Labelling Compliance team.

Cutter guides are then sent to our design agency to produce the artwork for the product.

We rely on suppliers working with our Branding and Packaging (BAP) team collaboratively to ensure that all information is correct so that we can launch products in time for our customers.

Artwork Stage



Next, artwork is checked by Supplier and internal Lidl parties

The supplier will have two days to check artwork for the following:

- Pack copy
- Nutritional values
- Cutter dimensions
- Artwork layout to be checked by Printer

This is the last chance to provide comments on the artwork files.

Approval Stage



Final artwork is created based on amends suggested by both Supplier and Lidl

Once all changes approved by BAP, design agency release artwork to supplier for print.

Supplier should forward these to their printer and send print proof to Lidl within two weeks for final approval.

Working with Lidl

With lots of moving parts, it's essential that Suppliers support us in maintaining our high-standard of service to our customers

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Supply



Reliable supply is vital to our customers' positive shopping experience – especially as we are a retailer with a limited range.

Of course, as a supplier, Supply is a key metric by which you will be assessed. For optimum performance, we require:

- Proactive rather than reactive solutions to ensure reliable supply
- Effective communication with our RDCs
- Alignment of forecasting with Lidl Buying Team
- Prompt communications with our Head Office buying team to offer solutions for any issues that arise

Logistics



Operational efficiency is key to our business model – it's why we're able to maintain our consumer value. It's also why we ask our supply partners to work with us to optimise logistical efficiencies:

- We require delivery on Euro Pallets (1200mm x 800mm) or Half pallets (600mm x 800mm)
- We will work with you to optimise pallet usage, minimum order quantities and delivery lead times
- We require shelf-ready packaging that is fully shoppable on arrival. We do not accept shrink-wrapped outer cases
- We require consistent case dimensions to optimise shelf space
- We require deliveries to be made via 3 main pooling pallets – Chep, LPR or standard stamped Euro pallets

Quality



There's a reason we tell our customers that we're 'Big on Quality'. As an extremely product-focused retailer, our Buying Managers have extremely high standards and never compromise.

- Qualities of product will always be signed off before any commercial discussion begins
- We expect suppliers to monitor and guarantee consistent quality throughout their supply
- We require a minimum of 75% of the shelf life upon manufacture
- We work with suppliers to continually improve the sustainability of our products.

Price



The second part of our pledge to our customers is on price. Ever since we first launched in the UK back in 1994, we have been building trust in the value we offer.

We ask our suppliers to help us meet this commitment to consumers by supplying products at very competitive costs. Our Buying Managers will support you by providing clear feedback during commercial discussions.

Ultimately, our most valued relationships with suppliers are those able to offer sustainable pricing for the benefit of all of our shoppers. This is Lidl's promise.

Listing Opportunities in Lidl

There are three types of listing opportunity within Lidl stores

Permanent Listings

All-year-round listing

Decision to list made at the annual range review

Always Lidl on Price

Offering best value to the customer, every day

Shelf-ready packaging

Allowing for efficiency in-store

Mixed cases

Enables us to optimise our limited assortment

Seasonal Listings

In-store ongoing for full seasonal periods

Christmas, Easter, Summer or Winter

Products with significant seasonal relevance

Market-leading consumer offer

Food Specials Listings

In store for a one-week special

Ambient, chilled, frozen

Market-leading consumer offer

Drives penetration and excitement with shoppers

Planned to themes and seasonality

Case Stock or ¼ CHEP Shippers/
Half Pallet Displays

Brands in Lidl

While we pride ourselves on our range of highest quality, best value and innovative private label products, we also take great pride in our relationship with hundreds of branded suppliers.

Our permanent range consists of around 250 branded products – category leaders which are important to our customers – while we also run over 1,000 different branded products each year with our Food Specials spot buys.

You will see plenty of brands in our advertising, and we work together with our branded partners on best-in-class in-store execution such as end-of-aisle display units.

250

branded products
in our permanent
range

1,000

branded products
each year with
our
Food Specials
spot buys

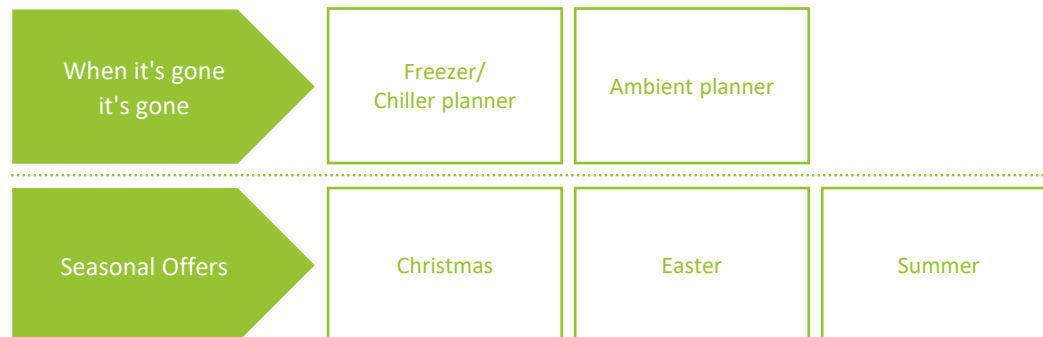
Always
Lidl
on price



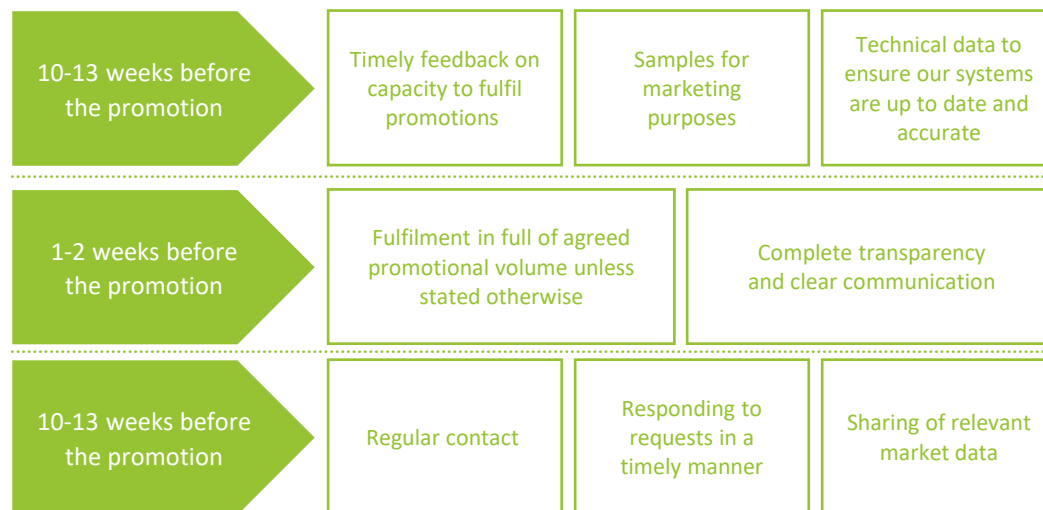
Food specials

Our Food Specials team is responsible for selection, planning and implementing limited time promotional lines on a weekly and seasonal basis. We work in conjunction with buyers, marketing and supply chain to offer the customer the best possible range – all year round. Our suppliers play a crucial role here too – we need to work closely together to ensure promotions are implemented in a timely manner and with optimal quantities and timings.

Food specials



How you can help



Supply Chain & Logistics

Our Head Office supply chain team are the link between our Buying Team and our RDCs. They provide support to suppliers, communicated through the buying function, to ensure you have the information needed to ensure reliable supply.

Forecasting

Lidl Central Supply Chain team 'will provide initial pipefill requirements and a predicted ongoing weekly forecast. Further assistance and insight can be provided as required.

Deliveries

Having opened our 13th RDC in the UK in 2019, Lidl has and will continue to develop and expand our property portfolio. You will be asked to deliver seven days a week to an agreed Minimum Order Quantity.

Logistics

We collaborate closely to ensure the most cost-effective and operationally beneficial delivery solutions. There should be a simple logistics solution whatever the distance – whether you're utilising your own transport or existing solutions throughout the Lidl network. Supplier deliveries into our warehouses must be arranged through an online booking system called TSM (Time Slot Management), that enables suppliers to pre-book their delivery slots and facilitate a time efficient turn-around.

Availability

Availability is a top priority for us – our customers should know they can rely on us to have what they need. As a result, ensuring stock is in place across all of our 2300 SKU's is of the utmost importance.

Communication

Open, honest and transparent communication is vital. We commit to ensuring you have all the information required on your Lidl journey. In turn, we expect our suppliers to be forthcoming and proactive with communication regarding any aspects of supply.

Questions

If you have any queries, concerns or require any support in determining the best solutions within your supply chain, then please speak to your Buying contact. They will be able to liaise with the Central Supply Chain team.

The Regional Teams

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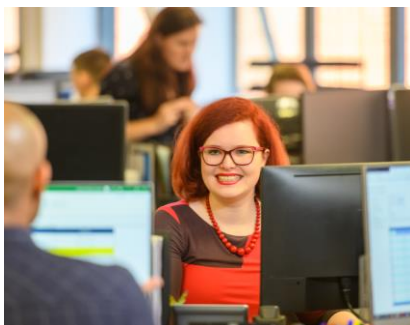
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Regional Distribution Centres

Lidl have 13 Regional Distribution Centres in GB (and 4 in Ireland) – each with a direct contact in the Regional Supply Chain Consultant. Our regional supply chain teams are responsible for ensuring full availability by working with our suppliers.



Goods-In

Lidl operates a self-tipping system. Our Goods-In experts verify supply quality, quantity and volume upon receipt of deliveries into our RDCs. Any discrepancies are to be handled whilst the driver is still on site.



Regional Supply Chain

Our Regional Supply Chain teams will contact a supplier directly from if the delivery fails or if quantity was not receipted in full on the expected date on the purchase order. It is the responsibility of the supplier to ensure any issues relating to deliveries are communicated to the Regional teams in a timely and proactive fashion.



Central Supply Chain

Any issues will be escalated by our regional teams to our central Supply Chain team. They will then work closely with the buying team and supplier for the quickest and most effective solution.



Administration & T&Cs



Buying Administration

From setting up the contract and product data once an agreement has been reached, to processing any administrative or product changes, the Buying Administration Department is a vital function within Buying.

Price Confirmations

The Price Confirmation, which contains all relevant information negotiated between Buyer and Supplier, will be sent to you by the Buying Administration Department. We will ask our Suppliers to check this document and return a signed version to us.

Product Data Sheet

The Supplier is responsible for then filling out the Product Data Sheets (PDS). This forms the basis of the contract and contains various technical details about the product such as ingredients, nutritionals and pallet configuration.

Company Master Data

The Company Master Data form contains all relevant information about our Suppliers such as production sites, bank details and contact details. The Buying Administration Department will send all new Suppliers a form to complete. Naturally, Suppliers need to ensure that we are updated if there are any changes.

Terms & Conditions

By returning a signed Price Confirmation, the Supplier also agrees to our Terms and Conditions. Our Ts & Cs are sent with the Price Confirmation and outline the foundations of the working relationship between Lidl and Supplier.



Groceries Supply Code of Practice (GSCOP)

How we work with our suppliers:

Lidl GB is committed to Code compliance at all times. The Code is incorporated into all our supply agreements by virtue of our general terms and conditions and our business processes are reviewed and monitored to ensure they are consistent with the Code.

Should you have any concern in relation to Lidl's Code compliance, we would like to encourage you to speak with Lidl GB's Code Compliance Officer (CCO), Sophie Wettlaufer.

Confidentiality commitment

Sophie, along with all other CCOs, will keep any supplier contact confidential until the supplier agrees that she may discuss the matter with the relevant Buying team.

Sophie can be reached under compliance@lidl.co.uk. Contact details for your relevant Senior Buyer will be shared with you during the on-boarding stage.



Tell the GCA

While we always hope that suppliers will raise a concern with us directly to try and resolve supplier concerns ourselves, we appreciate that some suppliers are not comfortable to do so. In these instances, the GCA may be contacted directly or via the anonymous 'Tell the GCA' reporting platform: www.telltheGCA.co.uk.

Invoicing and Payment

Payment

Suppliers are paid electronically (BACS). In your Welcome pack, invoicing information and forms for your account set-up will be provided for you to fill in and return.

Once the set-up is complete, your invoices will be paid electronically according to the payment terms of your contract.

Dynamic Discounting

Suppliers are able to sign up to 'Dynamic Discounting' – this serves two purposes:

- 1.Information only – suppliers can monitor invoices and payment dates
- 2.Early payment function – suppliers can opt for early payment where desired for a discounted amount.

EDI Invoicing

EDI Electronic Data Interchange invoicing is available and recommended. We can accept invoices by post/email although this is not our preferred method.





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Quality Assurance

Who are we?

Our Quality Assurance department is responsible for ensuring the safety, legality and quality of all Lidl own-brand products. We work closely with buyers to ensure our suppliers and products consistently meet our high standards through auditing, conducting testing and investigating complaints from customers and authorities.

It is essential we establish strong working relationships with our suppliers to ensure issues are investigated and responded to in a timely manner with corrective actions implemented where necessary.

Our Expertise

Analysis	Audit	Nutrition
Fruit and Veg	Sensory	Fresh Meat
Product Safety	Labeling Compliance	Customer Complaints

QA Requirements

Prior to Listing	Pass an unannounced Lidl audit	Complete pre-listing reports	Manufacturing site with relevant accreditation outlined in the QA Requirements documentation	
During Listing	Complete biannual testing and pre-listing reports	Pass Lidl unannounced audits	Adhere to UK government salt, sugar and calorie reduction programmes	
All Year	Communicate regarding issues/recalls	Respond to requests in a timely manner	Sharing of relevant documentation	Comply with QA requirements

Corporate Social Responsibility

Our CSR vision is ‘making good food accessible to everyone’. Good Food is food produced, sold and consumed in ways that benefit producers, people and the planet.



Good for **producers**



Good for **people**



Good for **the planet**

Human Rights & Ethical Trade

- Social Compliance
- Supplier Training
- Transparency



You can find more information on our policies here:

[Our Gold Label Tea Supply Chain](#)
[Human Rights and Environmental Due Diligence Policy](#)

Agriculture

- Animal Welfare
- British sourcing
- Product certification



You can find more information on our policies here:

[Farm Animal Health and Welfare Policy](#)

Plastics & Packaging

- Plastic targets
- Paper and card packaging requirements



You can find more information on our policies here:

[Policy on Sustainable Timber and Wood-Based Products](#)

Responsible Sourcing

- Product certification and sourcing requirements
- Sustainable sourcing policies



You can find more information on our policies here:

[Sustainable Fish and Seafood Policy](#)
[Sustainable Raw Materials Policies](#)



For more information on what we do to tackle some of the UK's most pressing social and environmental challenges, take a look at our [Good Food Report](#)

Find out more about our approach to CSR and responsible sourcing here: www.lidl.co.uk/sustainability

Focus on Plastic

Looking after the planet we share is a priority for Lidl and we believe in working closely with all our suppliers to meet our CSR goals and targets, such as our plastic and packaging goals below:

Primary targets

Measured by % of own brand SKUs

Ditch / Downgauge / Lightweight

20%

reduction of plastic packaging
by 2022*

40%

reduction of plastic packaging
by 2025*



Demand Recycled Content



30%

recycled content **by 2021**

50%

recycled content **by 2025**

Design packaging with end-of-life in mind

90%

of our packaging should be
recyclable, reusable, refillable
or renewable **by the end of 2023**

100%

of our packaging should be
recyclable, reusable, refillable
or renewable **by 2025**



*Relative reduction against a 2017 baseline



Secondary targets



2020

Clear first policy

specifying clear plastic, or colours
without the use of carbon black
pigment where possible



2020

Move away from undesirable
polymers and problem plastics
(e.g. PS, EPS, PVC)



2023

Move to desirable polymers
(e.g. PET, PP, PE)

For more information, please visit
www.lidl.co.uk/plastic

Contact us

If you have any questions or need more information, please feel free to contact your relevant Buying Manager.

If you are a new supplier seeking to make contact with a Buying Manager, please email newsuppliers@lidl.co.uk

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