

Corporate Governance

Supporting our communities

The company's objective is to be a good neighbour by positively contributing to every community in which they live and operate. Lidl is proud to be the official charity partner with the National Society for the Prevention of Cruelty to Children (NSPCC) Northern Ireland. Established in 2017, the partnership has already delivered fundraising of more than £400,000 for NSPCC Northern Ireland through a range of activities and initiatives driven by Lidl Northern Ireland staff members across 41 stores and supported locally by Lidl customers.

In an effort to tackle food poverty while supporting local communities, the company partnered with FoodCloud to develop a food redistribution programme. Through the partnership, a network of more than 320 charity and community groups has been built, from disability support services to afterschool clubs to homeless charities, who are supported with regular food donations from the company's stores and warehouse. Not only do the donations enable the partnered charity and community groups to provide their members with nutritious meals, they also benefit from substantial savings on food costs which they can reallocate back into their core services. Through this partnership the company has redistributed 2 million meals to community and charity partners.

Through a store accessibility programme the company supports customers with disabilities. Autism Awareness evenings take place in all stores with the aim of providing families some additional support while shopping. This includes reduced till sounds, dimmed lighting etc.

Protecting the planet

The company has taken many actions to adjust its business operations to reduce its impact on the planet including work to reduce their impact on the climate, their plastic packaging footprint, energy generation, transport, and recycling/waste management. It has continued to focus on reducing plastic waste through their packaging commitments and Reset Plastic strategy. The company is being transparent about the amount of plastic used, and the ways it is innovating and changing its packaging to reduce it too.

As a business the company has invested in the decarbonisation of its operations and helping its customers play their part in building a low carbon economy. The company invests in solar photovoltaic panels across new build freehold stores, which estimates will generate more than 20% of own energy at each store. The company is also encouraging its customers to play their part in building a low carbon economy, by investing in electric car charging points and installing these in its stores up and down the country. The company's Energy Management System is certified to ISO 50001 standard across all of our operations. The certification ensures they continually improve the energy performance of their buildings, optimise their use and reduce their operating costs. Since March 2018 the company converted to using only renewable electricity, reducing the companies carbon footprint significantly.

In 2016 the company collated Scope 1, 2 and 3 emissions. Since then an annual analysis of the operational carbon footprint has been completed and publicly reported in our Scope 1 and 2 reductions year on year. For more visit the company's 2018 CSR Report, reported in line with GRI Standards. The company utilised Scope 3 data to identify the areas of greatest impact and to inform future climate projects and priorities.

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To date the company's strategy has focused on improving the resource efficiency and investing in more sustainable solutions. As a leading food retailer, the company is aware of their responsibility in society and acknowledge their impact through its operations and also the influence they can have in all the communities they reach. As part of the next phase in the company's CSR strategy, they have completed an in-depth review of each Scope and are currently utilising this data and the data from the value chain to set new ambitious science-based targets and reductions. The company is also a signatory to the Business in the Community Northern Ireland Action on Climate Pledge and the retail sponsor of this pledge.

The company's ambition is to reduce as much of the operational and value chain footprint as possible. The aim is to achieve this through collective collaboration and partnership with all those the company works with, utilisation of science based target setting and innovations, and finally through strategic investments and programmes which support to long term reduction of GHG emissions for the company locally and abroad.

Since 2017 the company has reduced its absolute operational emissions by 13.5% and market based operational emissions by 65.3%.

The company is committed to reducing its environmental footprint and fully supports the need to tackle the important issue of plastic waste. However, the company is very aware of the need of reducing the use of plastics in products packaging and replacing them with more sustainable alternatives. The company is also working on increasing the recyclability of the materials. For this reason, the following ambitious packaging commitments have been made to support the circular economy.

- By 2022, the company will reduce the volume of plastic packaging by 20%.
- By 2025, 100% of the company's own-brand packaging will be widely recyclable, reusable, or renewable.
- By 2025, 50% of the materials used in the company's own-brand packaging will come from recycled materials.
- The company stopped selling many single-use plastic items such as plastic drinking straws, disposable plastic cups, glasses, plates and cutlery, etc., and have replaced them for biodegradable, paper or wood alternatives.
- The company have banned plastic microbeads in cosmetic and household cleaning products.

Directors' Report

corrective/assertive measures. More information on our stakeholder engagement can be found in our S172 statement (pages 5&6).

Streamlined Energy & Carbon Reporting

This is the first year Lidl Northern Ireland Limited will be reporting under the Streamlined Energy and Carbon Reporting ("SECR") per the Companies Act 2006. The table below displays Lidl Northern Ireland Limited's energy use and Scope 1 and 2 GHG emissions. Data represents activity in financial year ending 28 February 2021. Calculations have been made in accordance with Greenhouse Gas Protocol and have used the 2020 UK Government's Conversion Factors for Company Reporting. Reporting covers associated Scope 1 (natural gas usage, refrigerant loss) and Scope 2 (electricity consumption) GHG emissions from Lidl Northern Ireland Limited.

Lidl Northern Ireland Limited	Year ended 28 February 2021
Emissions (tCO2e)	
Scope 1	2,948
Scope 2 (location-based)	4,203
Scope 2 (market-based)	0
<i>Total emissions (location-based)</i>	7,151
<i>Total emissions (market-based)</i>	2,948
tCO2e/Full time employee	6
kgCO2e/m ²	74
Energy Use (tCO2e)	
Natural gas	363
LPG	1,263
Electricity (location) UK	4,203

Directors' Report

Lidl Northern Ireland Climate Strategy

In 2016 the company collated their Scope 1, 2 and 3 emissions. Since then, they have been completing an annual analysis of their operational carbon footprint and have been publicly reporting their Scope 1 and 2 reductions year on year. For more, visit their 2018 CSR Report online, reporting in line with GRI Standards. The company utilised their Scope 3 data to identify the areas of greatest impact and to inform their future climate projects and priorities.

To date the company's strategy has focused on improving their resource efficiency and investing in more sustainable solutions. As a leading food retailer, they are aware of their responsibility in society and acknowledge their impact through their operations and also the influence they can have in all the communities they reach. As part of the next phase in the company's strategy, they have completed an in-depth review of each Scope and are currently utilising this data and the data from their value chain to set new ambitious science-based targets and reductions. They are also a signatory to the Business in the Community Northern Ireland Action on Climate Pledge and are the retail sponsor of this pledge.

For the company, their ambition is to reduce as much of their operational and value chain footprint as possible. They aim to achieve this through collective collaboration and partnership with all those they work with, utilisation of science based target setting and innovations, and finally through strategic investments and programmes which support to long term reduction of GHG emissions for them locally and abroad.

Since 2016 the company have reduced their absolute operational emissions by 30% and market based operational emissions by 80%.

As a business the company has invested in the decarbonisation of its operations and helping its customers play their part in building a low carbon economy. The company invests in solar photovoltaic panels across new build freehold stores, which estimates will generate more than 20% of own energy at each store. The company is also encouraging its customers to play their part in building a low carbon economy, by investing in electric car charging points and installing these in its stores up and down the country. The company's Energy Management System is certified to ISO 50001 standard across all of our operations. The certification ensures they continually improve the energy performance of their buildings, optimise their use and reduce their operating costs. Since March 2018 the company converted to using only renewable electricity, reducing the companies carbon footprint significantly.

Disclosure of information to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.