

May 2022



ACCESS TO
NUTRITION
INITIATIVE

UK Retailer Index 2022

May 2022





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Abbreviations

ASA	Advertising Standards Agency	IGD	Institute of Grocery Distribution
ATNI	Access to Nutrition Initiative	iTFAs	industrial trans fatty acids
BCAP Code	UK Code of Broadcast Advertising	NCDs	non-communicable diseases
BDA	British Dietetic Association	NDA	non-disclosure agreement
BMI	body mass index	NFS	National Food Strategy
BMS	breastmilk substitutes	NHS	National Health Service
BOP	back of pack (labelling)	NPM	nutrient profiling model
BRC	British Retail Consortium	Ofcom	Office of Communications (government-approved regulatory and competition authority for the broadcasting and telecommunications industries)
CAP Code	UK Code of Non-broadcast Advertising and Direct & Promotional Marketing	OHID	Office of Health Improvement and Disparities
CGF	Consumer Goods Forum	OOH	out-of-home
CSR	corporate social responsibility	PHE	Public Health England
DCMS	Department of Culture, Media and Sport	RLF	Responsible Lobbying Framework
DHSC	Department of Health and Social Care	SACN	Scientific Advisory Committee on Nutrition
EDLP	everyday low prices	SDIL	Soft Drinks Industry Levy
ESG	economic, social and governance	The Code	International Code of Marketing of Breast-milk Substitutes
FOP	front of pack (labelling)	UNICEF	United Nations Children's Fund
FSA	Food Standards Authority	WHA	World Health Assembly
HFSS	high in fat, sugar and salt	WHO	World Health Organization
ICC	International Chamber of Commerce	WHO/ Europe	WHO Regional Office for Europe



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Foreword

A decade ago I was invited to help establish the global Access to Nutrition Index to drive positive change in the food industry by monitoring and ranking the efforts of the world's largest food producers to help address all forms of malnutrition. Four Global ATNI Indexes have followed, which have helped to put nutrition more prominently on the agenda of companies and their investors and have proved to be an effective driver of meaningful change. I am very proud that ATNI has been able to build on this work beyond food manufacturers over the last two years, this time looking at the role of grocery chains and supermarkets. This UK Retailer Index 2022 presents, for the first time, a deep-dive analysis that analyses and benchmarks efforts by retailers to address nutrition challenges. Retailers are a crucial part of the food system, as they are responsible for the delivery of food products directly to customers. They can even be argued to have even more power and opportunity than manufacturers to help people eat more healthily and prevent diet-related diseases by influencing what people choose to buy and, ultimately, eat.

ATNI and ShareAction started a journey in 2018 to hold UK retailers to account on delivering healthier products to customers and help them reach the recommendations of the UK government's Eatwell Guide.

The Supermarket Spotlight 2020, the first baseline assessment of the UK retail sector (based on publicly available information), prompted the need and appetite to understand further the extent to which these retailers are taking action, based on a more comprehensive set of indicators (including performance and disclosure elements) and going beyond analysing the information in the public domain by inviting the companies to share more information and explain their strategies. Nine out of 11 retailers active in the UK included in this research made use of that opportunity and actively engaged in the research process. They provided additional information on their policies, strategies and programmes that ATNI had not been able to find in the public domain, sometimes under non-disclosure agreements. That is a very high participation rate, which suggests that better nutrition is a topic that the UK retailers take seriously.

This report shows that some companies have improved on their reporting since the Supermarket Spotlight report was published – but even so, in this Index, only one company achieved a score of just over 5 out of 10. This demonstrates that retailers can and should enhance their efforts to deliver healthy and affordable food products, market responsibly, provide clear information on nutritional quality and products' relative healthiness and report on this in a transparent way.

I trust that the results and recommendations in this report will help the retail companies and other organisations active in the UK food system to increase their efforts to ensure food and nutrition security for all in the UK and prevent the further spread of diet-related diseases. For supermarkets to hold the line on delivering affordable healthy products is more relevant than ever, with the extra threats to food security posed by the COVID-19 pandemic and the impact of the war in Ukraine. ATNI is ready to follow up with companies and continue monitoring progress over time.

I want to thank ShareAction and the Guy's and St Thomas' Foundation for their partnership and support to make this research possible.



Inge Kauer
Executive Director, Access to Nutrition Foundation

Executive Summary

Nutrition in the UK and the role of food

retailers What is the UK Retailer Index 2022

The main findings of the Index

Key Topic findings

Recommendations to the retailers



Nutrition in the UK and the role of food retailers

There is a nutrition-related health crisis in the United Kingdom. Poor diet accounts for an estimated one in seven deaths and contributes significantly to the disease burden from cardiovascular disease, many cancers and type 2 diabetes. There is a clear discrepancy between the UK government's recommendations for a healthy balanced diet (as laid out in the Eatwell Guide) and the average diet, with most people eating too many foods high in fat, salt and sugar and low in fruit, vegetables, fibre and wholegrain. Obesity continues to rise, with the COVID-19 pandemic seeing the largest-ever increase in prevalence of childhood obesity. There are stark socioeconomic inequalities related to nutrition: there are inequalities in diet, in rates of obesity and in breastfeeding, and food insecurity has risen across the UK.

Urgent action is needed to reshape the food system in the UK into one in which healthy food is the affordable, easy and desirable option – and the retailers from which most people make the majority of food purchases have an important role to play in this transformation. The 11 major food retailers assessed for this report account for over 80% of spending on groceries in the UK, providing them with a huge opportunity – and, arguably, a responsibility – to ensure that these food purchases contribute to addressing the UK's poor eating habits. The retailers have the ability to ensure that all their customers across the UK (whatever their income) have access to a wide range of affordable, healthy products, with responsible marketing directed towards healthy products rather than products that are less healthy.

What is the UK Retailer Index 2022?

The Access to Nutrition Initiative's UK Retailer Index 2022 is the first full nutrition- and health-specific Index to assess major food retailers in the UK market. It is the latest in a suite of materials produced by ATNI in its partnership with ShareAction, which has included the publication of the UK Supermarket Spotlight 2020 and two UK Product Profiles (2019 and 2021). Funding for the UK Retailer Index 2022 has been provided by ShareAction to support its Healthy Markets initiative, through a grant from Impact on Urban Health, part of Guy's & St Thomas' Foundation.

The UK Retailer Index 2022 consists of eight nutrition-related Topics, which are based on the Categories within ATNI's Global Index¹ and which have been developed in consultation with UK experts. The UK Supermarket Spotlight 2020 was the precursor to the UK Retailer Index 2022 and provided clear proof of concept: the current Index refines and significantly expands on the Spotlight report. ATNI actively sought engagement with all 11 retailers at several points in the assessment process (including through the use of non-disclosure agreements) to ensure that the analysis and reporting is as detailed, fair and representative as possible.

Each retailer was assessed in mid-2021 by ATNI on a total of 126 indicators, covering commitment, performance and disclosure across the Topics. Together, the Topics address governance, the production and placement of healthy, affordable products, and how the retailers influence customer choices and behaviour, both online and in-store. Each Topic is weighted according to the impact that it is considered to have on the diet of the retailers' customers across the UK.

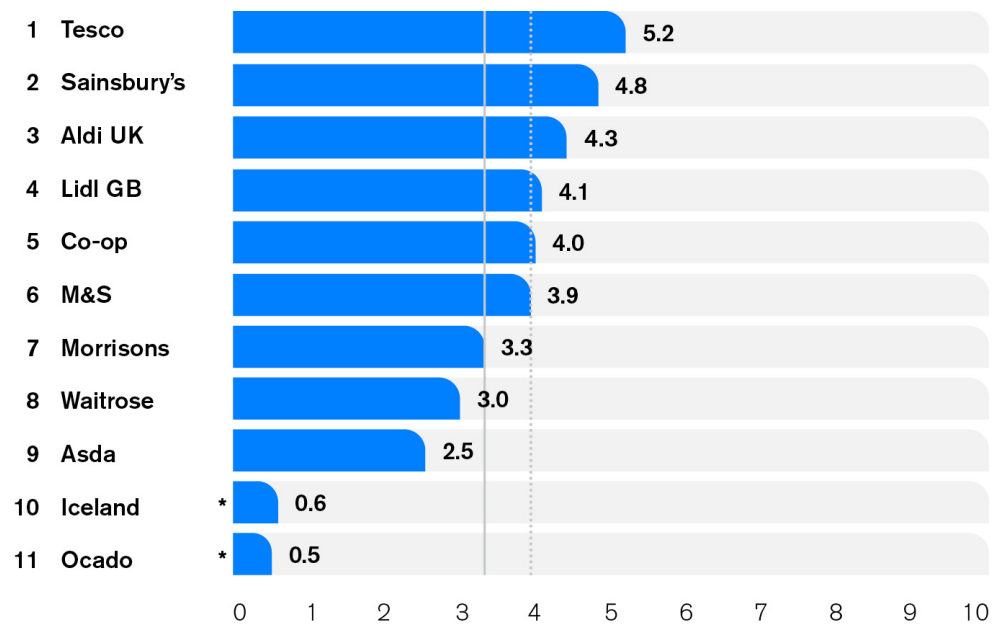
The detailed [Methodology for the Index](#) is available on ATNI's website, along with information on the process that underpinned the project.

¹ ATNI's Global Index regularly assesses the world's major food manufacturers on how they address malnutrition in all its forms (obesity/overweight, underweight and micronutrient deficiency), making it possible to track their contributions over time.



The main findings of the Index

Figure 1: Overall ranking



*Did not provide information to ATNI

I Average score (3.3) ∴ Median score (3.9)

There is very considerable variation in the performance of the retailers (figure 1). No one company stood out as taking strong action across all Topics. The average across all retailers is 3.3 out of 10. Overall, these results show that companies need to enhance their efforts to encourage healthier diets in the UK.

However, the fact that 9 of the 11 retailers actively engaged during the research shows that nutrition and health are considered to be important issues for these UK supermarkets, which is promising. ATNI hopes that all the retailers engage fully in any future iteration of this Index, to ensure the most accurate representation possible.

Because of the different approach in the research process and the scoring algorithm applied since the Supermarket Spotlight 2020, a direct comparison of the ranking and scores of the companies between the Spotlight and the UK Retailer Index 2022 is not feasible. Nevertheless, ATNI has found more policies in the public domain, and the use of non-disclosure agreements has led to greater clarity on, for example, the extent of the use of nutrient profiling models. However, little progress seems to have been made in a number of areas, such as on the marketing of infant and young child nutrition.

A comparison of the Topic-specific findings – which are clearly set out at the start of each Topic and with key Topic findings presented in the following chapter – leads to four overarching conclusions:

- 1 Governance points the way:** Retailers who score relatively highly for Governance also tend to rank higher in the UK Retailer Index 2022 as a whole. This is indicative of the association between robust nutrition governance, more comprehensive commitments and better performance across other areas such as responsible marketing, labelling, product formulation and engagement with stakeholders.
- 2 There are different definitions of 'healthy':** Many of the retailers use a nutrient profiling model (NPM), which can be used for a wide range of applications, including guiding reformulation (own-brand products), product ranges and stocking, and marketing/promotions (all products). However, not all the retailers use the government-endorsed Food Standards Agency 2004/5 model,



sometimes using their own standards or a combination of models. This inconsistency between retailers potentially leads to confusion among customers and others (including investors and policymakers) as to the healthiness of products. Many are also not on track to reach UK government targets and ambitions on reformulating to remove unhealthy food components (salt, sugar and calories).

- 3 Performance is patchy:** There are significant differences in the level of commitment/action being taken by the retailers, whether this is in product reformulation, in-store and on-pack marketing/promotion, or positive engagement with stakeholders. No one company led the way across all Topics, which suggests that there is significant scope for even the higher-scoring retailers to learn from each other and improve their performance across all areas of the Index.
- 4 There is a lack of transparency in provision of information:** Retailers often do not provide clear, accessible information on their nutrition commitments, their NPMs, and the performance and impact of their actions on nutrition across all aspects of this Index. Steps also still need to be taken in improving product nutrition information on-pack and online for customers.





Key Topic Findings



Governance

- The average score for this Topic is 2.9 out of 10, compared to an average across all Topics of 3.3 out of 10: there is significant room for all companies to improve their governance on nutrition, including strong strategies focusing on nutrition, setting clear targets on sales of healthy products and improved accountability mechanisms. Tesco ranks first with a score of 6.3 out of 10.
- Retailers with relatively high scores for Governance tend to rank higher in the overall Index, which reflects the association between robust nutrition governance, more comprehensive commitments and better performance across other areas such as responsible marketing, labelling, product formulation and engagement with stakeholders.
- There is evidence that eight of the 11 retailers have a strategy to grow through a focus on nutrition and health in the UK. Only five include in their strategy a specific focus on helping customers reach the UK dietary guidelines.
- Five out of 11 companies have set clear and timebound targets to increase sales of healthy products. Only one company provided evidence of having increased sales of healthy products in the last financial year.



Nutrient profiling – defining 'healthy' products

- The average score for this Topic is 4.6 out of 10. Tesco ranks first, with a score of 8.8 out of 10.
- Five companies indicated that they use the UK FSA 2004/5 NPM to some extent to track the healthiness of their products. However, it is not always clear for which purposes the NPM is used, and/or a mix of models is used for different purposes. Four other companies use their own set of criteria to define 'healthy'. None of the retailers publicly disclose the full details of the NPM that they use.
- Two companies show best practice by using the UK FSA 2004/5 NPM for defining 'healthy' products, and use it both for reformulation and marketing purposes.



Product reformulation

- The average score for this Topic is 2.8 out of 10. Lidl UK ranks first, with a score of 4.3 out of 10.
- Most of the retailers have stated some form of public commitment to reduce one or more negative nutrients (sugar, calories and salt) in their own-brand products, but fewer have a focus on increasing positive nutrients and/or food components (such as fruits, vegetables and wholegrains). Few retailers have developed clearly defined, timebound targets to deliver these commitments.
- Findings indicate that retailers responded rapidly and decisively to mandatory policy mechanisms for product (re)formulation. Action on voluntary targets and ambitions, set by the UK government, seems to be progressing more slowly, particularly on calorie reduction.



In-store pricing, promotion and placement

- The average score for this topic is 3.0 out of 10. Sainsbury's ranks first, with a score of 4.8 out of 10.
- Most retailers focus their promotions of healthy products on fruit and vegetables; there is much less focus on promotion of healthy packaged products or reducing prominence of less healthy products. Retailers' techniques to encourage greater consumption of fruit and vegetables are diverse and creative, ranging from price promotions on seasonal fruit and vegetable lines to fun-packaged fruit and vegetables, recipes provided in-store or in the retailers' magazines and a variety of written encouragement.
- Only two of 11 companies explicitly commit not to run any in-store promotional campaigns/activities directed at children that involve any less healthy products.



Media and on-pack advertising

- The average score for this Topic is 2.8 out of 10. Marks and Spencer ranks first in this Topic, with a score of 6.1 out of 10.
- Transparency in this Topic is relatively limited across the board: no company, for instance, publishes a commentary outlining the changes to its advertising spending in support of healthier eating. It is not always clear to what age marketing restrictions apply, nor to what kind of marketing restrictions they apply, and there were significant differences between the retailers.
- Only three of the companies were found to have a clearly articulated responsible marketing policy (all of which are in the public domain) for all customers including children. Four retailers explicitly define children as those aged up to 18 (rather than a younger age) when addressing responsible marketing.
- Eight retailers were found to have a commitment not to use child-oriented characters on pack at least on some products and/or on some types of media for their own-brand products. Three of these companies extended their commitments to all products and all forms of media.



Accessibility of nutrition information and labelling

- This Topic had one of the highest average scores of any of the Topics at 5.4 out of 10, but the wide range of scores suggests both that clear action has been taken by some to address the clarity of labelling, while other retailers urgently need to update their approach and ensure that nutritional information is readily available online. Sainsbury's ranks first, with a score of 8.8 out of 10.
- Ten of the 11 companies use colour-coded front-of-pack (FOP) labels on their own-brand products, and three provided evidence of fully applying the Institute of Grocery Distribution guidance on 'gold standards' for traffic-light labels. Iceland is the only retailer found not to use traffic-light FOP labels on own-brand products.
- It is generally unclear to which products the retailers' policies on FOP labelling apply and what is the rationale for any exceptions. Sainsbury's is the only retailer to publish the specific percentage of its portfolio that is currently compliant with its FOP labelling policy.



Stakeholder engagement

- The average score in this Topic is 4.2 out of 10. Tesco ranks first in this Topic, with a score of 6.6 out of 10.
- All retailers were found to have at least some level of engagement with stakeholders on issues relevant to diet and nutrition, but there was significant variation between the highest- and lowest-performing companies and a general lack of transparency on engagement.
- Ten of the 11 retailers were found to be taking action aligning with at least some elements of the Responsible Lobbying Framework (providing standards on legitimacy, transparency, consistency and accountability).
- The most popular UK third-party non-commercial initiative supported by the retailers are the Veg Power campaign and the Peas Please Pledge. Some retailers report involvement in other campaigns, and that they partner in academic research, but evidence provided is often limited.



Infant and young child nutrition

- No company scored well on this Topic: it has the lowest average score of any Topic, at just 1.1 out of 10. Tesco ranks first, but with a low score of 3.6 out of 10. The UK retailers' commitments to and action on this Topic are sparse. Where evidence of action is found, it tends to follow UK standards, which fall short of World Health Organization (WHO) recommendations and guidance.
- None of the retailers make commitments to adhere to the WHO's International Code of Marketing of Breast-milk Substitutes (BMS) in their marketing of BMS products, although three explicitly stated their compliance with UK regulations on infant and follow-on formula.
- Of the six retailers known to manufacture own-brand complementary foods, most note that they follow current UK government guidance on foods for infants and young children, and five have a commitment to improving nutritional quality. However, none follow or have adopted the proposed guidance and more stringent requirements on nutrients of the WHO/Europe model for complementary foods.

Note: Much of the information for some Topics (particularly Topics 2 and 4) was provided to ATNI confidentially, under non-disclosure agreements. This is reflected in the scoring of the companies, but makes it challenging to report examples fully in this Index. It does, however, also provide a useful baseline for the future. In addition, no company information since 29 August 2021 has been included, as this was when the engagement phase of the research closed.



Recommendations to the retailers

Each Topic within the UK Retailer Index 2022 includes a number of general recommendations for the retailers, and these have then been specifically tailored to each retailer in the 11 scorecards that are published in conjunction with this report. It is clear that there is much that can still be done to improve, even among the companies that score higher in each Topic.

As a minimum, ATNI recommends that all retailers take the following actions.



Governance

Fully integrate nutrition considerations into commercial business functions, including by a) developing specific objectives and activities to improve access to and affordability of healthy foods (including for those on low incomes) and b) publicly disclosing strategies, targets and a comprehensive multi-year plan for delivery, applicable across the whole company, including all store formats and online.



Nutrient profiling – defining ‘healthy’ products

Set minimum standards for healthy products through the adoption of the robust, government-endorsed Food Standards Agency 2004/5 NPM, and use this to a) develop new healthy own-brand products and reformulate existing products to make them healthier and b) guide decisions on the healthiness of the full portfolio through stocking, pricing, positioning, promotion, marketing and labelling of products.



Product formulation

Set clear, timebound targets and report on progress to decrease levels of unhealthy nutrients and food components (salt, sugar, calories, saturated fats and industrial trans fatty acids) and increase levels of positive nutrients and food components (fruit/vegetables and wholegrain) in own-brand products, and commit to offer smaller-sized portions of unhealthy products.



In-store promotion, pricing and placement

Commit to address the affordability of healthy foods (particularly for those on low incomes) and establish and act upon a clear framework to ensure accessibility and availability of healthy products in-store and online, by increasing the prominence of healthy products and moving away from promotion of less healthy products.



Media and on-pack advertising

Adopt a clearly articulated responsible marketing policy covering all customers including children (up to the age of 18), and refrain from using child-oriented marketing methods for unhealthy foods both on-pack and on all forms of media.



Accessibility of nutrition information and labelling

Develop, publish and adhere to a policy on front-of-pack labelling (including ensuring accessible online nutrition information) that is aligned with Institute of Grocery Distribution guidance, disclosing both the proportion of products that are compliant and stating reasons for any exemptions.



Engagement with stakeholders and policymakers

Publish and adhere to a clear, comprehensive policy in line with the Responsible Lobbying Framework (including to engage only with policymakers in alignment with public health interests, as identified by the government) and disclose both the company's policy positions on government consultations and its membership of industry and trade associations.



Infant and young child nutrition

Retailers that sell BMS or complementary food: Expressly commit to adhere to the World Health Organization's International Code of Marketing Breastmilk Substitutes (BMS) and subsequent World Health Assembly resolutions on marketing of BMS and complementary food (which go beyond UK legislation).

Retailers that manufacture own-brand complementary food: Strive to ensure that the nutritional composition of own-brand complementary food aligns with nutritional guidance for these products published by WHO/Europe.

Actioning these recommendations has never been more important than in the current national context. The major retailers have a vital part to play in addressing pressing concerns over nutrition-related inequalities (including rising food insecurity and the COVID-catalysed increase in childhood obesity) and ensuring that a healthy, affordable diet is available to all.

ATNI hopes that the information contained in the UK Retailer Index 2022 will encourage UK retailers to take further steps towards improving nutrition for their customers and, additionally, that other stakeholders with an interest in nutrition (investors, government and non-governmental organisations) will use the Index as a benchmark against which to measure and encourage further progress over time.

Context

Nutrition and health in the UK

The UK food retail sector

Non-governmental and industry initiatives on nutrition in the

UK Linking with sustainability

[Go directly to Detailed Findings →](#)



Nutrition and health in the UK

The role of nutrition in health in the UK

Good nutrition is at the heart of good health – and there is a diet-related health crisis in the United Kingdom. Poor diet is estimated to account for one in seven of all deaths in the UK¹ and significantly contributes to the disease burden as a risk factor for non-communicable diseases (NCDs) including cardiovascular disease, many cancers and type 2 diabetes. Five of the top seven risk factors for disease in the UK in 2019 were linked to diet, and have remained consistently high over the past decade (figure 2).²

Figure 2: Top 10 risk factors for death and disability in the UK in 2019 (% change since 2009)

1	Tobacco	-2.9%	▼
2	High fasting plasma glucose	23.5%	▲
3	High body-mass index	13.6%	▲
4	Dietary risks	4.2%	▲
5	High blood pressure	-1.1%	▼
6	Alcohol use	3.7%	▲
7	High LDL	-5.3%	▼
8	Occupational risks	5.6%	▲
9	Non-optimal temperature	4.8%	▲
10	Drug use	2.4%	▲

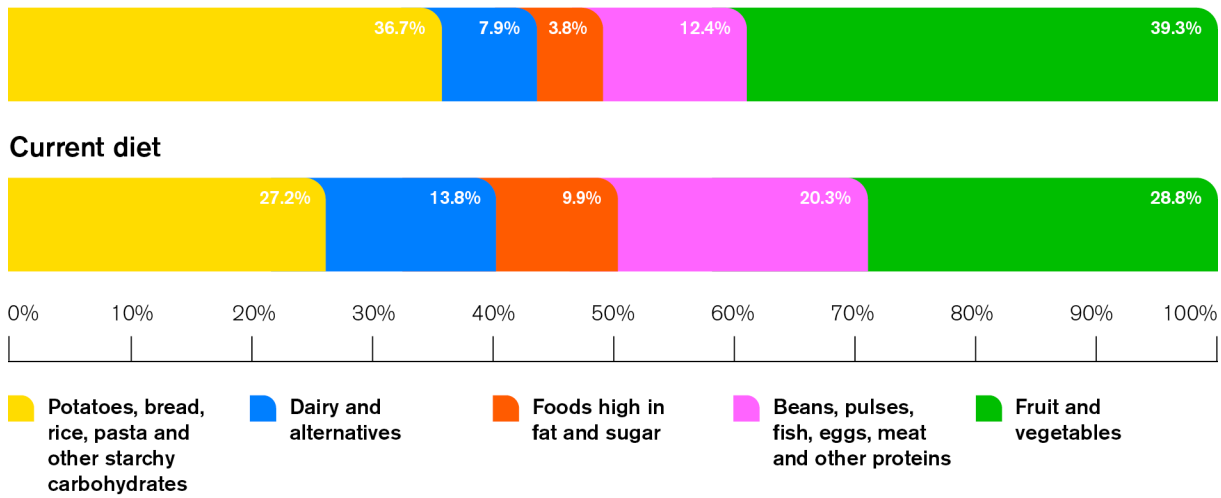
Source: Institute of Health Metrics and Evaluation, 'Health data: United Kingdom (adapted from 2019 Global Burden of Disease data)' <https://www.healthdata.org/united-kingdom>

As figure 3 shows, there is a significant discrepancy between the UK government's recommended healthy diet (as summarised in the Eatwell Guide – box 1) and the average diet, with most people eating too many foods high in fat, salt and sugar (HFSS) and too little fruit, vegetables, legumes (beans/pulses) and fibre. Diets that are low in vegetables and legumes are associated with 18,000 premature deaths in the UK each year,³ and increasing vegetable intake so that everyone reaches the 'five-a-day' recommendation could extend average life expectancy by eight months.



Figure 3: Comparison between average diet and UK government recommendations

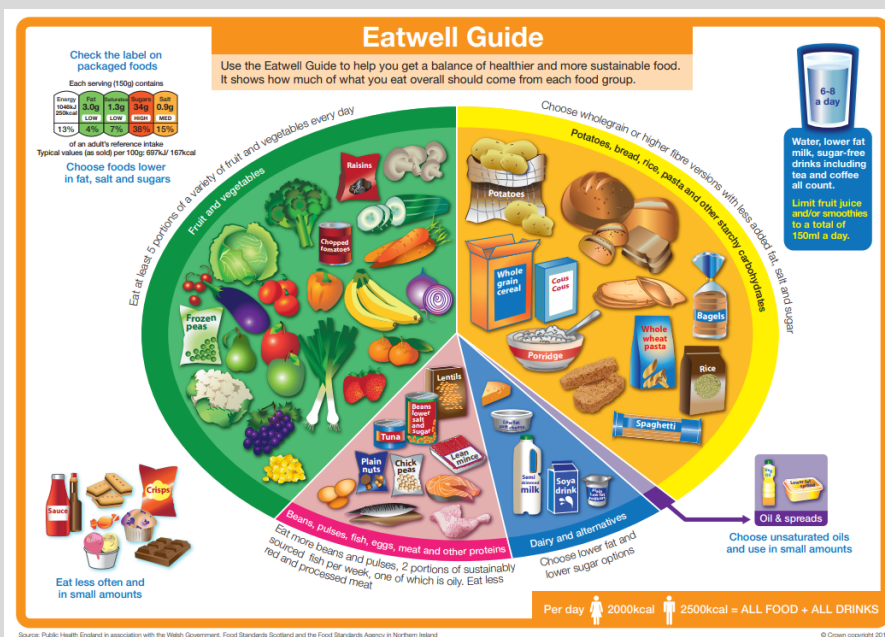
Eatwell Guide



Source: P. Scarborough et al, 'Eatwell Guide: modelling the dietary and cost implications of incorporating new sugar and fibre guidelines' (2016) *BMJ Open* (6): e013182 <http://doi.org/10.1136/bmjopen-2016-013182>

Box 1: The Eatwell Guide

The Eatwell Guide is the UK's national food guide, published in 2016. It is a visual tool that provides a clear representation of the contribution that different foods and drinks should make towards a healthy balanced diet, based on five food groups (fruit and vegetables, starchy carbohydrates, proteins, dairy and alternatives, and oils and spreads) and gives recommendations on the consumption of water and HFSS snacks.⁴



Source: Public Health England in association with the Welsh Government, Food Standards Scotland and the Food Standards Agency in Northern Ireland (2016) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/528193/Eatwell_guide_colour.pdf



Evidence shows that there have been some small improvements to the typical UK diet. Salt intake fell from 9.5g/day in 2000 to 8.1g/day in 2011 (but has now plateaued slightly higher, at 8.4g/day),⁵ the average intake of free sugars among adults was significantly lower in 2016–19 than 2014–16 (although still above recommendations for all age groups),⁶ and adult intake of vegetables has slightly increased, with 23% (compared to 20% in 2008) eating the Eatwell Guide's 3.5 recommended portions of vegetables a day.⁷

However, there is still a long way to go – and the most obvious aspect of the diet-related health crisis is the high prevalence of obesity among both adults and children. Obesity continues to rise across the UK, and this is particularly pronounced in disadvantaged neighbourhoods (see, for example, figure 4). Adult obesity has increased from 13% among men and 16% among women in 1993 to 27% and 29%, respectively, by 2019. There has also been a tripling in severe obesity (defined as a body mass index (BMI) of 40 or over) between 1993 and 2019, from 1% to 3% of the adult population. Obesity rates among 10- and 11-year-olds increased from 18.7% in 2009 to 21% in 2019.⁸ There are also concerning indications that obesity rates among children have risen significantly since the start of the COVID-19 pandemic: a report published in November 2021 suggests that, in 2019/20, 10% of children had obesity when starting primary school, but that this rose to more than 14% in 2020/21, and in the last year of primary school obesity rose from 21% to over 25%. This is the largest rise in a single year since the UK government's National Child Measurement Programme began 15 years ago.⁹

Changes to the food environment will not just be of benefit to people with obesity: 40% of people with BMI in the 'normal' range have metabolic abnormalities associated with obesity,¹⁰ and people who consume high levels of salt may not be overweight but are at increased risk of stroke or coronary heart disease.¹¹ Poor diet is responsible for high rates of death and disability, for underperformance at school and low productivity at work, and for growing personal and financial costs – including to the national economy. Overweight is estimated to account for 8.4% of health expenditure in the UK and, combined with the effect on the labour market, this adds up to a reduction in gross domestic product of 3.4%.¹² By 2050, the annual cost of obesity is expected to rise to £9.7 billion for the National Health Service and nearly £50 billion for UK society as a whole.¹³

The importance of good nutrition for infants and young children

Good nutrition is particularly important in the first 1,000 days of a child's life, but poor nutrition often begins at an early age. Optimal breastfeeding is a crucial element of infant and young child nutrition, with benefits for the child (protects from infectious disease and, in the long term, against NCDs and obesity) and mother (protects from breast and ovarian cancers, and heart disease). However, breastfeeding rates in the UK are relatively low: the most recent UK Infant Feeding Survey – conducted in 2010 and since discontinued – found that 69% of mothers were exclusively breastfeeding at birth.² Many of these mothers then swap to or gradually introduce formula, other milk or liquids, solids or a combination thereof, and this number falls to 46% one week after birth and 23% after six weeks. By six months, levels of exclusive breastfeeding decreased to 1%,¹⁴ far lower than the 2030 target set by the World Health Organization (WHO) of at least 70% exclusive breastfeeding at six months.¹⁵

There are significant concerns about breastmilk substitutes (BMS)³ and commercially produced complementary (solid) foods.¹⁶ The inappropriate marketing of BMS has been shown to be a contributing factor in decreased rates of breastfeeding,¹⁷ which highlights the need for governments,

² Exclusive breastfeeding means an infant receives only breastmilk, and no other liquids or solids, with the exception of medicine, vitamins or mineral supplements. On advice of the UK Scientific Advisory Committee on Nutrition (SACN), the WHO guidance on exclusive breastfeeding for the first six months was adopted by the United Kingdom from 2003 onwards.

³ Breastmilk substitutes are any product that displaces the consumption of breastmilk, including milk formulas and solid foods introduced to children aged under six months: WHO, *The International Code of Marketing of Breast-milk Substitutes: Frequently Asked Questions* (2017) <https://apps.who.int/iris/bitstream/handle/10665/254911/WHO-NMH-NHD-17.1-eng.pdf>



manufacturers, retailers and distributors to adopt and implement regulations and standards that are fully aligned with WHO recommendations – recommendations that are not currently fully implemented in UK legislation. Topic 8 of this Index deals with the issue of infant and young child nutrition.

Marketing of products high in fat, salt and sugar

A further important factor driving unhealthy diet among children as well as adults is the marketing of foods high in fat, salt and sugar (HFSS). Evidence suggests that this can have an impact on children's eating habits, both in the short term (for example, by leading to greater consumption of HFSS foods after exposure to HFSS advertising) and in the longer term (by shaping food preferences).¹⁸ There was a 450% increase in the UK in spend of food and drink advertising on online display between 2010 and 2017,¹⁹ with just 2.5% of the advertising spend on food and non-alcoholic beverages in 2020 being on fruit and vegetables, compared to 17.5% on confectionery and 11% on soft drinks.²⁰ Evidence has also shown that product placement of healthy or unhealthy products can have an impact on dietary-related behaviour.²¹ Topics 4 and 5 of the Index address issues of marketing and promotions of healthy and unhealthy food.

Digital marketing is a particular concern, as exposure to online marketing increases. In the UK, one estimate has suggested that young people are exposed to 15 billion adverts for HFSS products every year,²² and a 2020 study found that 90% of young people reported awareness of at least one marketing activity for HFSS foods, with over half saying they had seen more than 70 during the previous month.²³

A move to convenience

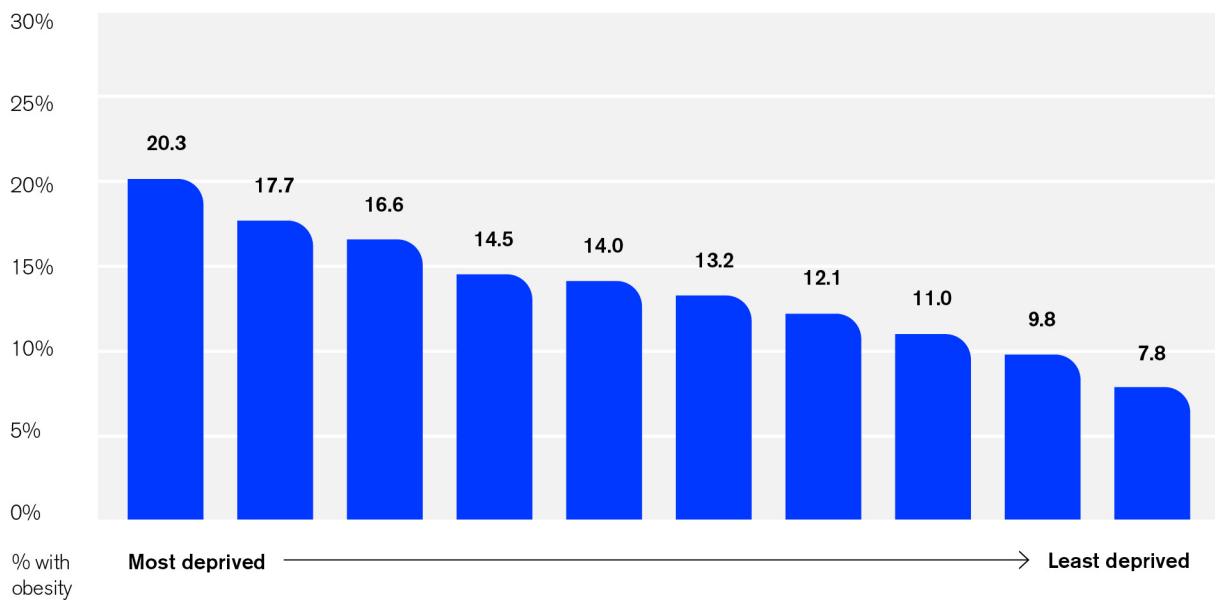
There is a general trend among consumers to greater convenience in their food consumption and purchasing, with, for example, three in 10 people eating chilled ready meals at least once a week.²⁴ Food-delivery companies and aggregators such as Getir and Deliveroo are now not only delivering food from the out-of-home (OOH) sector, but also delivering supermarkets' products.²⁵ An important factor in food choice here is whether the whole range of supermarket products are available when ordering or if only a subset appears in the aggregator app – which may not include healthier options.

Inequity

One of the most concerning aspects of the diet-related health crisis is that it does not fall equally on all. Average figures on obesity – which can seem to indicate a levelling-off of prevalence among some demographics – mask very significant inequalities. Obesity among women in the most deprived groups in England in 2019, for example, was 39.5%, compared with 22.4% in the least deprived groups (the statistics are 30.2% and 21.9% for men).²⁶ In recent years, childhood obesity appeared at first glance to have levelled off and even declined in more affluent households, but this masked an increase in prevalence in deprived populations and in some minority ethnic groups. This inequity has persisted during the spike in obesity rates among children in England that has been seen since the start of the COVID-19 pandemic (figure 4): by 2020/21, 33.8% of year 6 schoolchildren had obesity in the most deprived areas (up from 27.5% just a year before), compared to 14.3% in the least deprived (which also rose from 11.9% in the previous year).²⁷



Figure 4: Obesity prevalence by level of deprivation at year 6



For more information: Table 7 National Child Measurement Programme, England, 2020/21 school year

Source: NHS Digital, *National Child Measurement Programme, England 2020/21 School Year (2021)*, Table 7 <https://digital.nhs.uk/data-and-information/publications/statistical/national-child-measurement-programme/2020-21-school-year/deprivation>

Food insecurity is an increasingly pressing concern in the UK (box 2). Healthy food should be at the heart of the response to food insecurity: ensuring that those most in need of good nutrition can access it. There is, for example, a clear social gradient in consumption of vegetables: the wealthiest 20% of households eat, on average, one more portion of vegetables a day than the poorest 20%, and 16.5% of people in the poorest households eat less than one portion of vegetables a day – almost four times the rate of those in the wealthiest.²⁸ This is not a surprise when it becomes clear that the poorest 20% of households would need to spend 40% of their disposable income to follow the Eatwell Guide, but the wealthiest 20% would need to spend just 7%.²⁹ There are also racial inequalities, with White and Asian people in the UK eating more vegetables than Black and Mixed ethnicity groups.³⁰ The neighbourhood food environment can either reduce or exacerbate access to good nutrition – and, hence, the supermarkets (through the products that they offer and promote locally) can play a role in reducing or exacerbating health inequalities between different communities.³¹

Box 2: Pressures on food prices in 2021/22

The UK is currently undergoing significant pressure on food prices,³² which exacerbates food insecurity and inequalities in nutrition. The Trussell Trust noted that, in the six months to September 2021, there was an increase in emergency food parcels distributed through its food banks of 11% on the same period in 2019 (down from a peak at the height of the COVID-19 crisis in mid-2020),³³ but that the cost-of-living rises in 2022 are likely to lead to further increases. The UK left the European Union on 1 January 2021 and, in early 2022, there have been problems with food supply, in particular the challenges of just-in-time delivery with increased customs checks at the border with Europe and shortages of lorry drivers (a problem across the European region, but particularly acute in the UK). Additionally, as this report was being finalised, the war in Ukraine was ongoing, which is also anticipated to have major impacts on food security in the UK and beyond.³⁴



In January 2022, Jack Monroe, an anti-poverty campaigner, brought the issue of inequity in food-price inflation sharply to the fore,³⁵ prompting the Office for National Statistics to commit to do more to highlight the impact of price increases on different income groups.³⁶ It is clear that it has never been more important for retailers to focus on affordability and accessibility of healthy food.

Rates of breastfeeding are also significantly lower in socioeconomically deprived communities: according to the most recent Infant Feeding Survey (2010), 90% of UK mothers in managerial and professional occupations breastfed, compared with 74% in routine and manual occupations.³⁷

The UK government has, since 2006, taken steps to address inequity in childhood nutrition through the Healthy Start scheme, which provides vouchers worth £4.25 a week for products including vegetables/legumes and cow's milk to pregnant women and to families on a qualifying benefit who have children aged three or under. However, there has been little evaluation of the scheme to date.³⁸

These inequalities highlight that the right to the best available standard of health and the right to adequate nutritious food is not being fully realised. Aspects of the obesity crisis are also directly linked with children's rights – in particular, the right to healthy food: UNICEF, the WHO and others clearly position efforts to restrict marketing of unhealthy products to children as part of the government's responsibility on children's rights.³⁹ And this is not just the responsibility of government: the private sector, including the food industry, has the responsibility to protect and respect human rights.

Many of the Topics in this Index address inequalities, from high-level commitments (Topic 1) to more specific measures such as researching the needs of priority populations (Topic 1), taking clear steps to ensure that healthy foods are affordable and accessible to those on low incomes (Topic 4), and making healthy food appealing through a range of marketing and promotional strategies (Topics 4 and 5).

Government action on obesity and nutrition

As a member of the WHO, the UK has committed to reaching clearly stated targets on obesity:

- by 2025, to halt the rise in diabetes and obesity at 2010 levels;⁴⁰
- by 2025, no increase in childhood overweight from 2010 levels;⁴¹ and
- by 2030, reduce by one third (from 2015 levels) premature mortality from NCDs through prevention and treatment and promote mental health and well-being.⁴²

However, work by the World Obesity Federation⁴³ has shown that these targets will be missed worldwide – and by some margin in the UK. National targets in the UK have also been consistently missed: a 2011 Call to Action in England set two 'ambitions' of a sustained downward trend in the level of excess weight in children by 2020 and a downward trend in the level of excess weight averaged across all adults by 2020, neither of which have been realised.⁴⁴

It is not that the government has failed to devise policies attempting to address obesity: there have been numerous such efforts, with a recent report suggesting that there have been 14 UK government strategies containing 689 policies announced in the period 1992 to 2020,⁴⁵ and this does not include policies by the devolved governments. However, despite these many policies, rates of obesity have continued to rise.



Change is possible – and action is taking place

There is no one action that will reduce overweight, obesity and diet-related diseases, because of the complexity of the system. Policies must recognise the interconnectedness of the myriad of different drivers of poor nutrition, and take an approach that cuts across society, sectors and environments, rather than placing the onus for action on the individual. Action to ensure a healthy, affordable food environment must be at the heart of any systems-based approach, as evidence presented in the Obesity Health Alliance's recent Healthy Weight Strategy has made clear⁴⁶ – and government, retailers and food manufacturers are all recognised as having responsibility in this space. Such an approach is both possible and necessary, and has increasing public support.⁴⁷

In terms of childhood obesity, in 2016 the UK government published *Childhood Obesity: A Plan for Action*,⁴⁸ updated in 2017, which set out, among other things, plans for the Soft Drinks Industry Levy and sugar targets, an update to the national nutrient profiling model (which remains, to date, unpublished – see Topic 2) and making school food healthier. It included industry-oriented voluntary guidelines for the reduction of sugar and calorie content of packaged food and beverages, which complement voluntary guidelines already in place for salt reduction.⁴⁹ Topic 3 addresses the retailers' progress towards these targets and ambitions.

In 2018, the second part of the childhood obesity plan was published, known as *Chapter 2*, which set out a goal to halve childhood obesity and reduce the gap in obesity between children from the most and least deprived areas by 2030. *Chapter 2* also promised that the UK government would not 'shy away from further action, including mandatory and fiscal levers' if progress is slow.⁵⁰

However, this focus on children significantly widened following the advent of the COVID-19 pandemic, as it rapidly became clear that people living with obesity are at significantly greater risk of poor COVID-19 outcomes and admission to intensive care.⁵¹ Prime Minister Boris Johnson was hospitalised with the virus, and is on record as having acknowledged that his own overweight may have been a factor in the severity of his case. From mid-2020 onwards, the government changed its focus to a broader, more systems-orientated approach. Proposals and consultations for regulation are included in more detail in Annex 1, but these include:

- plans to introduce calorie labelling in the OOH sector (large outlets with over 250 employees);
- new restrictions on promotions on HFSS products in retail outlets and online;
- plans for a 9pm watershed on TV and a ban on paid-for advertising online for HFSS products; and
- expected restrictions on sales of energy drinks to children aged under 16.

In 2019, the government commissioned Henry Dimbleby to produce an independent National Food Strategy (NFS): part 1 of the NFS published in July 2020⁵² and part 2 – known as the Plan – in July 2021.⁵³

Among the 14 recommendations in the Plan, two are of particular relevance to the food retailers in their role as manufacturers of own-brand products (box 3): a sugar and salt 'reformulation tax' and mandatory reporting for large food manufacturers (including the retailers, as manufacturers of own-brand products). A government White Paper in response to the NFS was due in late 2021 but has not yet, as of April 2022, been published. Ahead of the publication of this government response, in March 2022 the Food Foundation published a joint statement calling on the UK government to 'deliver on this opportunity [i.e., the National Food Strategy] by committing to new primary legislation and championing transformational food system change'. Among the 110 signatories (civil society organisations, industry, academia, farmers and local authorities) are seven of the 11 retailers included in this Index.



Box 3: The NFS recommendations of most relevance to this Index

1 Introduce a sugar and salt 'reformulation tax' (recommendation 1)

This recommendation is for a tax on salt (£6/kg) and sugar (£3/kg – about the level of the current Soft Drinks Industry Levy) sold for use in processed foods or in restaurants/catering. This approach would have a dual impact on the retailers' products: to encourage the development of own-brand recipes that use less salt/sugar for cost reasons and also, where salt/sugar is necessary and the cost is passed on to consumers, less of the product is likely to be purchased. If implemented, it is estimated that it would add about 1p to a packet of crisps and 7p to the cost of a chocolate bar.

2 Introduce mandatory reporting for large food manufacturers (recommendation 2)

The NFS recommends that the UK government place a legal duty on all food manufacturing businesses with over 250 employees – which would include all the retailers assessed for this Index, as all have own-brand products – to publish annual data on sales (value in pounds sterling and volume in tonnes) of various product types, using consistent metrics. This reporting should include several areas highlighted in this Index: HFSS food, vegetables, fruit, major nutrients (sugar, salt, saturated fat and fibre), and total food and drink sales. Reporting would encourage manufacturers (including the retailers) to increase the availability of healthier products in a variety of product categories and encourage the reformulation of existing products to make them healthier, and it could also lead to improved marketing of healthy products. Several retailers have already expressed support for this recommendation, as it would improve transparency and create a more consistent approach.⁵⁴ This kind of reporting is what investors with holdings in the food and beverage sector expect of companies, as outlined in the [Investor Expectations on Nutrition, Diets and Health](#).⁵⁵ Institutional investors with £6 trillion in assets under administration have called on the UK government to introduce new legislation to mandate the NFS suggestion of reporting of sales-weighted metrics. This group of investors recognises that regulation can create 'an essential enabling environment for businesses seeking to build long-term thinking and sustainability into their business models', and it is engaging with the government in support of mandatory reporting requirements.⁵⁶

3 Expand the Healthy Start scheme (recommendation 6)

The NFS recommends that the government extend the Healthy Start scheme (see above) to more households. Although it is noted that 'some retailers are helping out by providing extra discounts', it also states that the retailers 'say that the scheme is currently too small to warrant significant investment'. The inclusion of more families within the scheme could encourage the retailers to extend the action they are already taking (see also Topic 7).

However, despite these many hopeful signs, there are still gaps in the legislation. There is no guarantee that the NFS recommendations that are of relevance to food manufacturers and retailers will be adopted by the government. The UK government's sugar- and calorie-reduction programmes remain voluntary – and progress on the government's sugar-reduction programme is mixed. Children and adults alike are still exposed to extremely high levels of advertising and promotion for unhealthy foods, despite the proposed legislation restricting online marketing and location and multibuy promotions.



There is still much to do before the food environment in the UK is one in which healthy eating is the norm – and the food retailers can play an essential part, not only following government guidance and legislation but going beyond it: taking a lead in ensuring a healthy diet for all.⁵⁷

The UK food retail sector

The size and structure of the sector

The 11 major retail chains assessed for this Index – Aldi UK, Asda, Co-op, Iceland, Lidl GB, Marks & Spencer, Morrisons, Ocado, Sainsbury's, Tesco and Waitrose (figure 5) – are responsible for the vast majority of groceries sold in the UK. Together, they hold over 80% of the grocery market share, with a combined revenue in 2021 of over £138 billion.

Figure 5: Company information

	Estimated UK grocery retail value 2021 (£ billion)	Ownership	HQ	Number of stores in UK	Types of store formats
Aldi UK	13.8	Private	Austria	956	Discounters and e-commerce
Asda	19.1	Private	UK	613	Hypermarkets, supermarkets, forecourts, and e-commerce
Co-op	9.7	Co-operative	UK	3,253	Supermarkets, convenience stores, forecourts, and e-commerce
Iceland	3.3	Private	UK	876	Supermarkets and e-commerce
Lidl GB	6.9	Private	Germany	890	Discounters
M&S	6.2	Public	UK	743	Convenience stores, forecourts and e-commerce
Morrisons	14.3	Public	UK	840	Hypermarkets, supermarkets, forecourts and e-commerce
Ocado	-	Public	UK	-	E-commerce
Sainsbury's	21.1	Public	UK	1,703	Hypermarkets, supermarkets, convenience stores, forecourts and e-commerce
Tesco	37.4	Public	UK	3,000	Hypermarkets, supermarkets, convenience stores, forecourts and e-commerce
Waitrose	6.7	Employee-owned	UK	362	Supermarkets, convenience stores, forecourts and e-commerce

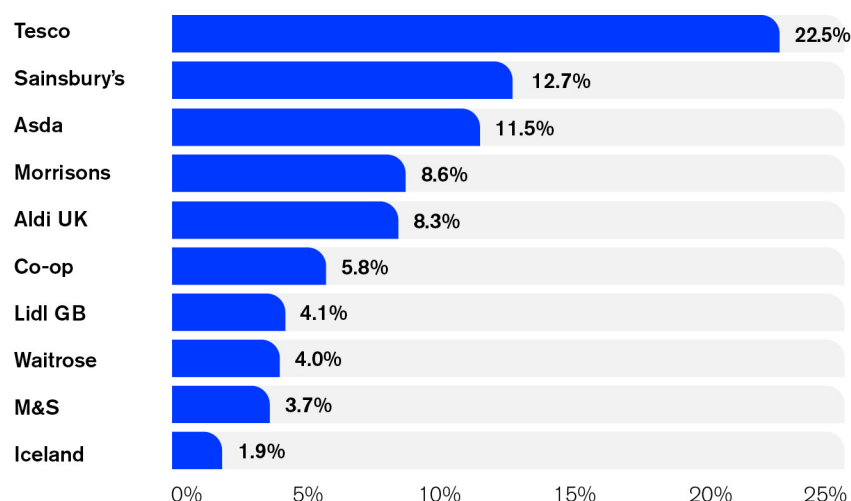
Note: Estimated UK grocery retail value 2021 captures the retail value of store-based grocery retailers only, with the exception of Ocado, which only sells through e-commerce channels.

Source: Euromonitor International, 2022



The companies that have in recent years been the 'big four' – Tesco, Sainsbury's, Asda and Morrisons – account for over 50% of grocery market share, but are increasingly facing competition from 'discount' stores such as Aldi UK and Lidl GB (figure 6). The growth of the discounters is contributing to a trend towards increased production of lower-cost 'own-brand' products: these products now make up over half of the grocery market share.⁵⁸ As the retailers' portfolio of and revenue from own-brand products increase, so does their responsibility to ensure that such products are healthy as well as affordable, accessible and appealing – especially to those on low incomes. This is of particular importance for retailers that sell a particularly high proportion of own-brand products.

Figure 6: Estimated store-based grocery market share of major retailers, 2021 (%)



Note: This figure captures the retail value of store-based grocery retailers only, excluding e-commerce. As an online-only retailer, Ocado is therefore not included.

Source: Euromonitor International, 2022

The retailers (with the exception of Ocado, which is online-only) operate across a range of formats: from convenience stores and garage forecourts up to hypermarkets. Supermarkets account for the greatest proportion of sales, as figure 7 shows. In addition, some of the retailers operate as franchises and co-operatives, and many have branded convenience stores or own other convenience-store chains.⁴

Figure 7: Estimated spending across different retail store formats, 2021 (£ billion)

Format/channel	Grocery retail value (£ billion 2021)	% retail value 2021
Hypermarkets	66.6	36.4
Supermarkets	37.5	20.6
Convenience	34.9	19.1
Discounters	20.9	11.4
Forecourt retailers	5.5	3.0
Other, traditional grocery retailers	17.2	9.4
Total	182.8	100

Note: Definitions for all store formats are included in Annex 2 of this report.

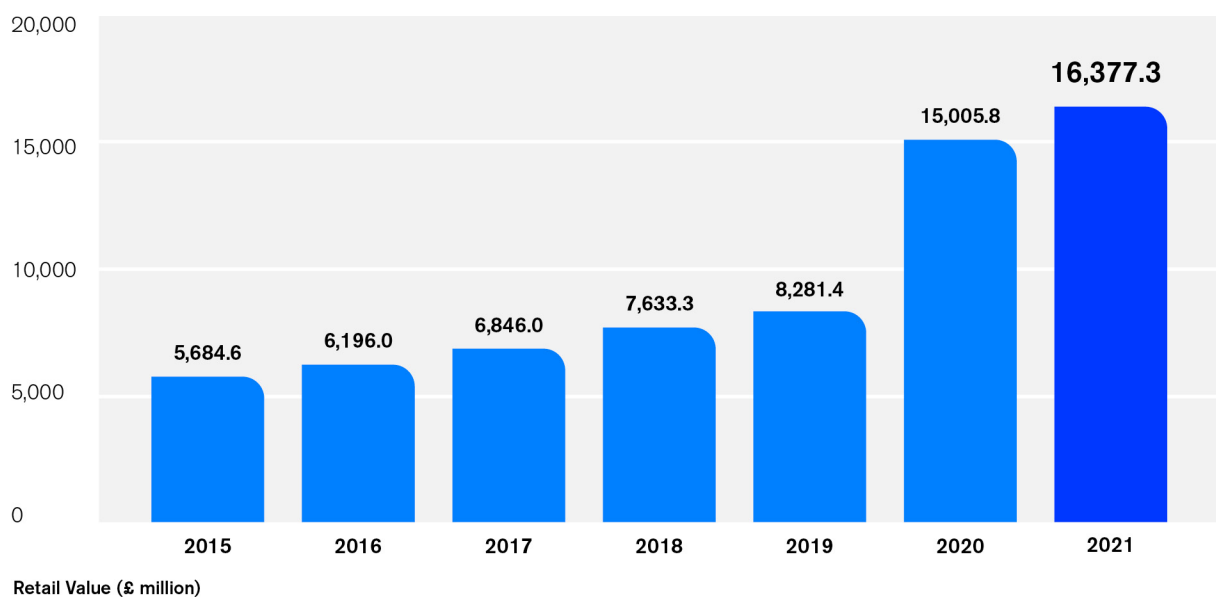
Source: Euromonitor International, 2022

⁴ This Index has assessed only the primary retailer – for example, Tesco but not the Booker chain of convenience stores, which it owns.



In particular, the COVID-19 pandemic catalysed what had already been a clear trend: the shift to online sales (figure 8 and box 8 in Topic 1). The average value of UK weekly online sales in stores selling predominantly food rose from an estimated £118.1 million in the first quarter of 2015 to £182.2 million in the first quarter of 2020 – before almost doubling to £364.5 million in the second quarter of 2020.⁵⁹ Indications are that, although growth in online purchasing will slow as (particularly older) customers return to store-based shopping, levels will remain high. Different retailers take different approaches to online sales: Lidl does not sell its products online, Ocado is online only, and Marks and Spencer products are sold online through its joint venture with Ocado.⁵ Partnerships with delivery services are being developed – for example, Morrisons has a partnership with Amazon for grocery deliveries, Asda was the first of the grocery retailers to partner with Uber Eats in July 2020⁶⁰ (and has since been followed by Iceland and Sainsbury's), and Aldi, Co-op, Morrisons, Sainsbury's and Waitrose all partner with Deliveroo.⁶¹ In addition, companies such as Getir are distributing supermarkets' products.⁶²

Figure 8: The growth in internet food retail sales



Source: Euromonitor International, 2022

The role of the UK food retailers in shaping customers' diets

Changing current food consumption patterns are a critical part of the patchwork of interventions required to deliver systemic change on obesity and good health in the UK. The majority of food expenditure is on food to be consumed at home: in 2019, 55% of all food and beverage expenditure (including alcoholic beverages) was for at-home consumption, and 45% was spent on restaurants and other OOH food services.⁶³ The vast majority of grocery purchases are from the 11 retailers in this report, with many of these purchases being the retailers' own-brand products. Hence, they have a huge opportunity – and arguably a concurrent responsibility – to play a pivotal role in addressing the UK's poor eating habits.

⁵ An important difference between this 2022 UK Retailer Index and the Supermarket Spotlight 2020 is the inclusion of online supermarket Ocado: see the Methodology document for this Index: <https://accesstonutrition.org/app/uploads/2021/05/UK-Retailer-Index-2022-Methodology.pdf>. From 2002 to August 2020, Ocado was the delivery partner for Waitrose but, following M&S's purchase of a 50% share in Ocado Retail, since September 2020 it has been M&S own-brand products that are sold by Ocado (in addition to manufacturer brands and Ocado's own-brand).



The mounting economic and societal costs of diet-related poor health generate business risks for any retailer that does not act – business risks that are likely to have increased as COVID-19 has highlighted the relevance of healthy diets and obesity for public health.⁶⁴ The business risks include:

- greater likelihood of regulation and taxes (such as the Soft Drinks Industry Levy – see Annex 1) and the costs this would entail;
- potential loss of market share and revenues if the retailer's response to the growing public demand for affordable healthier options is too slow or inadequate; and
- reputational damage if its approach is not perceived by customers, and other stakeholders such as investors, to be appropriate.

Conversely, retailers have an opportunity to play a pivotal role if they develop comprehensive, well-informed strategies. Such strategies should aim to protect and enhance financial returns by addressing the business risks outlined above and by creating food environments that will foster healthier communities, whatever the level of socioeconomic deprivation locally. Just as leading companies in sectors that emit high levels of greenhouse gas emissions have stated their commitment to decouple their financial growth from those emissions, so grocery retailers could pledge to decouple their financial growth from the sale of less healthy products.

In order to be comprehensive and effective, retailers' strategies on nutrition, diet and health should follow the recommendations set out in this report and in the accompanying company-specific scorecards. Implemented consistently, across the country and across all store formats and retail channels, such changes could make an important contribution to a healthier future for all. The [Methodology](#) for this UK Retailer Index 2022 is designed to assess whether retailers' strategies embrace these goals, as outlined in the next chapter.

Non-governmental and industry initiatives on nutrition in the UK

There are now a number of initiatives by NGOs and the food industry that aim to improve the healthiness of UK diets, including among priority populations such as those in more deprived communities in which access to healthy, affordable food is limited. (See Topic 7 for the involvement of retailers in several of these initiatives.)

- ShareAction's Healthy Markets Initiative⁶⁵ aims to leverage the power of investors to drive action on obesity by pressing major stock market-listed food and beverage companies (including retailers) to disclose and set targets to increase the proportion of healthier products that they sell. In February 2021, a coalition of seven institutional investors, led by ShareAction, filed a shareholder proposal to Tesco and in response, in May of the same year, the retailer committed to increase its sales of healthier food and drink products across all its group retail businesses.⁶⁶
- Peas Please is a Food Foundation initiative, launched in 2017, which calls on retailers, manufacturers, OOH chains, the media, and towns and cities to make specific, timebound quantitative pledges to encourage increased consumption of vegetables. The Food Foundation tracks and reports on delivery on the pledges.
- The Consumer Goods Forum's Collaboration for Healthier Lives initiative was launched in 2019 in South London.⁶⁷ This initiative focuses on families living on lower incomes and has three core key performance indicators: healthier baskets, increasing awareness on how to live more healthily, and addressing the health needs of the local community.
- Veg Power is a non-profit organisation that uses advertising and communication to inspire children aged 5 to 11 to eat vegetables and develop lifelong good food habits. For example, its Eat Them to



Defeat Them advertising campaign was run in partnership with broadcasters ITV, Channel 4 and Sky.⁶⁸

- Plating Up Progress is an initiative of the Food Foundation and the Food Climate Research Network to build consensus on metrics and reporting mechanisms across the retail, foodservice and restaurant chain sectors in the UK, that can help stakeholders to better assess progress of the food industry in contributing to sustainable healthy diets. The metrics on nutrition in Plating Up Progress draw on the results of ATNI's Supermarket Spotlight 2020.

Linking with sustainability

To varying extents, the retailers address wider issues of corporate social responsibility, encompassing social and environmental issues beyond nutrition. There are some overlaps between these broader approaches that are relevant to nutrition – although these are not always explicitly recognised as such. The Eatwell Guide, for example, was found in a sustainability assessment by the Carbon Trust to have an appreciably lower environmental impact than the current average diet in the UK.⁶⁹ Note, however, that the environmental impact of diets is beyond the scope of this Index, which focuses specifically on access to healthy nutrition.

Food waste

Primary among these links between environmental sustainability and nutrition are concerns about food loss and food waste, which is often positioned as being an environmental concern: 30.6% of the UK's total fruit and vegetables (2.7 million tonnes) are being wasted beyond the farm gate.⁷⁰ Addressing this could have significant repercussions for nutrition: fresh fruit and vegetables at expiry could be made more readily available (for example through greater discounting or through further partnerships with emergency food distribution services such as food banks). This issue is not directly addressed in the Index, other than indirectly through an indicator on the provision of 'wonky' or near sell-by date fruit and vegetables (Topic 4).

Plant-based food

A further issue that many of the supermarkets are highlighting as making environmental sense is the rise of plant-based ready meals: processed foods that do not contain meat or dairy. A survey in 2021 found that a) plant-based ready meals have been the fastest-growing category of ready meal (growth of 92% since 2018), b) plant-based and vegetarian meals are the cheapest ready-meal options at most retailers, and c) several of the supermarkets have greatly increased their ranges.⁷¹

However, as WHO/Europe notes, 'not all plant-based diets are healthy'. Although plant-based diets tend to be associated with healthy and minimally processed plant foods (such as fruit, vegetables and wholegrain), 'refined grains, and sugar-sweetened beverages, snacks and confectionery are foods that can still be considered "plant-based" as they or their ingredients originate from plants and may be free from animal products'.⁷² This Index does not have indicators on plant-based products per se, instead including broader indicators that will capture the extra fruit/vegetable/wholegrain content without rewarding the companies for products that may additionally be high in fat, salt and sugar.



References for Context

All URLs correct as of 6 May 2022.

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The UK Retailer Index 2022: development and process

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Important note: This chapter summarises information on the UK Retailer Index 2022 development process that is provided in more detail in the Methodology document accompanying this report, available on ATNI's [website](#).⁷³

The Access to Nutrition Initiative

The Access to Nutrition Initiative (ATNI)⁷⁴ is an international not-for-profit organisation based in the Netherlands, the vision of which is for a world in which everyone eats a healthy, balanced diet and where deaths and illness from diet-related diseases are eradicated. Since its establishment in 2013, ATNI has developed tools to track the contribution of the food and beverage sector. These include a Global Index that has assessed the world's major food manufacturers on four occasions (2013, 2016, 2018 and most recently 2021),⁷⁵ as well as national indexes on the major manufacturers in the United States and India, and indexes assessing the marketing practices of the largest manufacturers of breastmilk substitutes and complementary foods for young children. In 2020/21, ATNI published a series of reports on the response of the food and beverage manufacturers to the COVID-19 pandemic.⁶

It has long been ATNI's ambition to extend its work to include the retail sector, and this has now been enabled through the partnership with UK-based charity ShareAction's Healthy Markets Initiative (box 4). The ATNI UK Retailer Index 2022 is the first full nutrition- and health-specific Index to assess the major retailers in the UK market.

Box 4: The ATNI/ShareAction partnership

The partnership between ATNI and ShareAction began in 2019 to provide robust, independent research to underpin ShareAction's Healthy Markets Initiative.⁷⁶ This campaign is designed to tackle childhood obesity in the UK through working with investors and the retailers themselves to improve access to good nutrition, and by mid-2021 had led to an agreement to engage with Tesco (box 5).

The UK Retailer Index 2022 is the latest in a suite of materials produced by ATNI for this partnership, along with the UK Supermarket Spotlight 2020 and two UK Product Profiles, published in 2019⁷⁷ and 2021.⁷⁸ The 2021 UK Product Profile assessed over 4,000 food and beverage products from the 16 major manufacturers, with combined retail sales of £18–20 billion in 2019. (Note that the Product Profile looks only at third-party manufactured products, not at supermarkets' own-brand products.)

Funding for the UK Retailer Index 2022 has been provided by ShareAction through a grant from Impact on Urban Health, part of Guy's & St Thomas' Foundation.

The evolution of the UK Retailer Index 2022

The precursor to the UK Retailer Index 2022 was ATNI's [UK Supermarket Spotlight 2020](#), which assessed the publicly reported commitments and performance of 10 of the UK's largest supermarket chains.⁷ The Supermarket Spotlight report published in March 2020, just two weeks before the first

⁶ More information about all these ATNI reports can be found on the ATNI website: www.accessstonutrition.org/

⁷ Ocado was not included in this earlier research.



COVID-19 lockdown was announced in the UK, and the research for it was undertaken in the latter quarter of 2019, long before the pandemic could have been foreseen. Since then, the health, obesity and policy landscapes have dramatically changed (see Context chapter), with increasing calls for supermarkets to do more to foster good nutrition.

The UK Retailer Index 2022 builds on the Supermarket Spotlight but takes it further.

- It goes beyond publicly disclosed information: retailers are encouraged to submit further evidence beyond that in the public domain (under non-disclosure agreements, if appropriate).
- The Methodology has been refined to include issues identified through the Spotlight report process and to reflect new research and UK policy developments.
- A more sophisticated scoring system has been developed, with appropriate weightings between the eight Topics of the UK Retailer Index 2022 and between commitment, performance and disclosure. Scores are presented out of 10 overall and for each Topic, rather than allocating a grade (as was the case in the Spotlight report).

The full UK Retailer Index 2022 [Methodology](#) is available online.

Changes were also made in consultation with a UK Retailer Index Expert Group, who advised on the relevant policy changes and worked with ATNI to ensure that the indicators and weightings within the Index best reflect the reality of action and what is needed for the retailers to have the greatest impact on customer health over time.

Together, these changes have ensured that the UK Retailer Index 2022 is more exacting, comprehensive, transparent and granular than the Spotlight report, particularly for the companies that chose to engage actively with the process by providing further information and clarification. This Index is, first and foremost, a tool to drive change by the retailers. It provides a clear overview of the state of play, enabling each company to see how its own commitments, performance and reporting on nutrition issues align with public-health standards and changing needs of customers (with company-specific scorecards), how that compares to its peers (as shown by Topic-specific and overall benchmarks), and what further action can be taken. It also provides a reliable baseline for any future Index and a more accurate platform from which ShareAction and other stakeholders can undertake advocacy efforts and hold companies to account for their commitments over the coming months and years. Note, however, that the changes also mean that the Supermarket Spotlight 2020 and the UK Retailer Index 2022 are not directly comparable.

Box 5: Change arising from the research: Tesco and ShareAction

In February 2021, ShareAction coordinated a shareholder resolution at Tesco, co-filed by over 100 institutional and individual investors, to set and report on a target for increasing the proportion of its sales from healthier products, noting that the company's prime market position has not translated into leadership on tackling poor diets and reducing obesity.

In May 2021, Tesco announced its response: a two-year process of engagement with ShareAction and investors. ShareAction withdrew the resolution in response to the publication of the target and is now working with the company to take this forward.⁷⁹



Content of the UK Retailer Index 2022

The UK Retailer Index 2022 is made up of eight Topic areas, each of which are reported on individually in this report. The Topics align closely with Categories that have been proven by ATNI's Global Index to be appropriate for global food manufacturers, but with adaptations to make them relevant to the specific retail context and to the UK regulatory context. The eight Topics are listed in figure 9:

Figure 9: The Topics of the UK Retailer Index 2022

Topic	Weighting as % of final score	Number of indicators
1 Governance	12.5%	20
2 Nutrient profiling – defining 'healthy' products	10%	9
3 Product formulation	20%	21
4 In-store promotion, pricing and placement	27.5%	30
5 Media and on-pack advertising	7.5%	15
6 Accessibility of nutritional information and labelling	10%	9
7 Engagement with stakeholders and policymakers	5%	7
8 Infant and young child nutrition	7.5%	15

There are 126 indicators in total across the eight Topics, each of which has a number of predefined answers, and covering retailers' commitment, performance and disclosure. Each Topic is weighted according to its importance in fostering a healthy diet.

The UK Retailer Index research process

Consultation and research

The process of developing the UK Retailer Index 2022 began in September 2020, with consultation on the Methodology with the UK Retailer Index Expert Group, retailers and other stakeholders, and initial desk research (including on current UK government policy).

Following finalisation of the Methodology, preliminary research was undertaken by ATNI analysts, capturing information available on the retailers' websites in the public domain for each indicator and entering it into an online platform. The platform was then opened up to all 11 retailers to check ATNI's analysis and provide further evidence (under non-disclosure agreement if necessary). The analysts then amended the assessments, if appropriate, before opening the platform for a final time, for companies to see any changes that had been made and provide any clarification.

The platform closed at the end of August 2021: after this point, no documentation from the retailers (either in the public domain or provided privately) has been included in this Index.

The complete information gathered was then reassessed by analysts, including a peer-review cross-checking process within and between each Topic by the research manager and a second analyst to provide consistency and to provide quality assurance.



In late 2021 and early 2022, final scoring was calculated and the UK Retailer Index 2022 report drafted. The research was additionally used to develop a suite of scorecards (one for each retailer), setting out the companies' progress and identifying gaps in commitment, performance and disclosure on retailers' efforts to contribute to healthy diets.

Scope

This UK Retailer Index 2022 does not include data or information on the retailers' environmental or (non-nutrition-focused) social benchmarks and activities and/or due diligence in their supply chains, as these are well covered by other organisations – notably the Food Foundation's Plating Up Progress 2021.⁸⁰ It also follows ATNI's other indexes in not addressing the food/nutrition value chain.

The research for the Index took place within 18 months of the beginning of the COVID-19 pandemic and just after the UK's exit from the European Union, both of which have had significant repercussions for the retail industry. The decision was taken not to include indicators specifically about these issues because this was felt to be too timebound, should a future iteration of the Index be undertaken. However, the indicators capture retailer efforts to address food insecurity and to improve access to good nutrition and to tackle obesity, which are at the heart of the response to such external pressures on the UK retailers.

Finally, this Index follows ATNI's other indexes in not including indicators on practices related to legal compliance (such as back-of-pack nutrition labelling), and not crediting legal compliance. This is because it is assumed that all retailers comply with the law, and it is the role of government to monitor compliance.

Research challenges

The major research challenge has been that not all the companies actively engaged with the online research platform, although all were given full opportunity to do so. Iceland and Ocado did not take any part in the engagement process, and both score relatively poorly, which may be partly a result of this lack of response. ATNI has found with its other indexes that a company not making use of the opportunity to engage is correlated with a lower score.

A further challenge has been that the level of evidence provided by companies varied significantly. ATNI requested (and received) responses to many of the analysts' requests for supporting evidence of statements. However, the intention is that, were a further iteration of the UK Retailer Index to be undertaken in the future, the level of evidence required will be more stringent and more information provided by ATNI on the information that is needed to score in each section.

Box 6: Disclaimer

The UK Retailer Index has been centred 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 companies' websites. 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.

This report is intended to be for informational purposes only and is not intended as promotional material in any respect. This report is not intended to provide accounting, legal or tax advice or investment recommendations. Although it is based on information that ATNI believes to be reliable, no guarantee can be given that it is accurate or complete.

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Detailed Findings

The following chapters show how the retailers score and rank in each of the Topics. Each chapter provides background on the issues addressed in the specific Topic and describes the basis for ATNI's assessment. Key findings, detailed results and recommendations are also presented.

Overall ranking

Topic 1: Governance

Topic 2: Nutrient profiling – defining 'healthy' products

Topic 3: Product formulation

Topic 4: In-store promotion, pricing and placement

Topic 5: Media and on-pack advertising

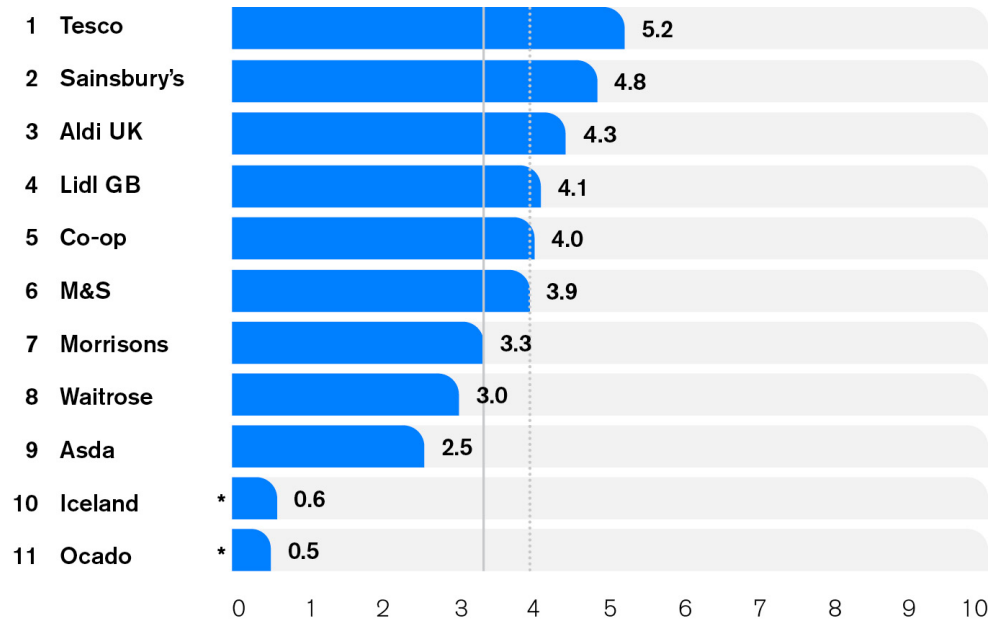
Topic 6: Access to nutritional information and labelling

Topic 7: Engagement with stakeholders and policymakers

Topic 8: Infant and young child nutrition

Overall Ranking

Figure 10: Overall ranking



*Did not provide information to ATNI

| Average score (3.3) | Median score (3.9)

Tesco leads the Index, with a score of 5.2 out of 10, ranking first in four out of the eight Topics, and it is the only company to score above 5 out of 10 in the overall ranking. Sainsbury's comes second, with a score of 4.8 out of 10, and it has a top-three ranking in five Topics. Overall, the companies that ranked highest have more comprehensive strategies in place, of which more is available in the public domain. Of the companies that scored most poorly, two – Iceland and Ocado – have very limited information in the public domain of any action being taken on nutrition, and they did not engage with ATNI at any stage of the process.



Topic 1: Governance

Embedding commitments towards better nutrition firmly within core commercial strategy enables retailers to sustain and scale up their nutrition-related activities. This ensures that improved nutrition outcomes are prioritised from the outset – from planning through to implementation, evaluation and reporting – and across the company.

The first Topic in the Index assesses the extent to which a company's corporate strategy includes a specific commitment to contribute to healthier diets, and whether its approach is embedded within its governance and management systems. The quality of reporting is also analysed. The Topic consists of 20 indicators and accounts for 12.5% of the overall score for the Index.

To perform well in this Topic, a retailer should:

- take action to address the UK's nutrition challenges through a clearly articulated (business) strategy, including a publicly available plan for delivery of a nutrition strategy;
- assign accountability for implementing its nutrition strategy and/or programmes to the Board or senior executive (such as the CEO) with linked remuneration where appropriate, and undertake regular internal audits and management reviews;
- identify and manage effectively risks and opportunities related to nutrition and health;
- set clear and timebound targets to increase sales of healthy packaged products and fruit and vegetables, and publish these targets and report publicly on the extent to which these have been achieved; and
- support UK government-led initiatives to prevent and address overweight/obesity and diet-related diseases.

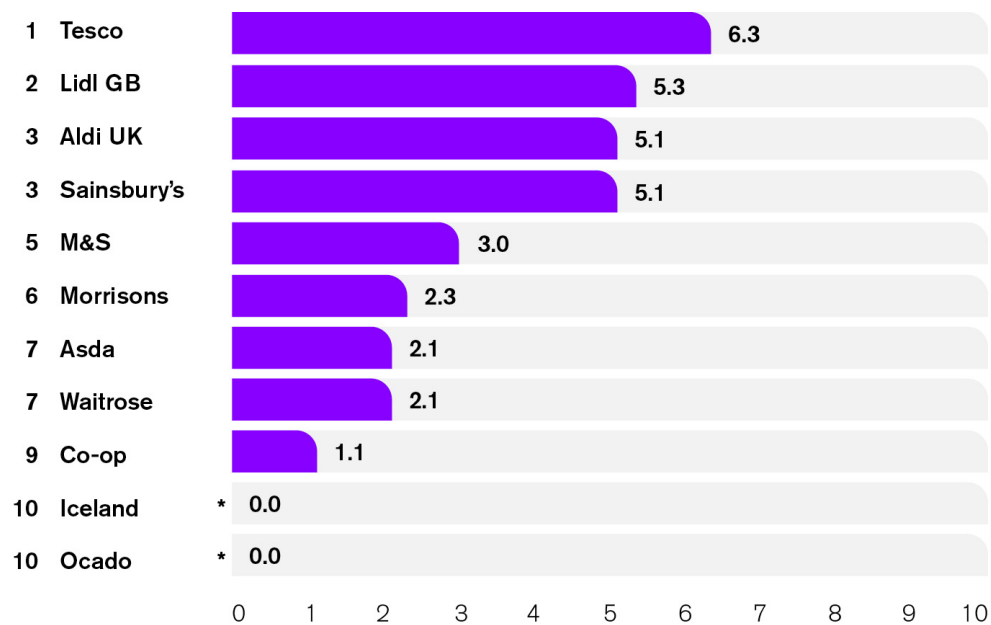
Box 7: Context – Governance

To assess the extent to which companies' corporate strategies include specific commitments to improving nutrition, ATNI considers that companies should align with public-health priorities set out by the UK government.

As the Context chapter (above) set out, current diets in the UK fall short of government recommendations for a healthy and balanced diet: British people consume too little in food categories such as fruit and vegetables but overconsume foods high in fat, sugar and salt, with significant implications for health. Helping customers to reach the UK dietary guidelines,⁸¹ particularly families living in more socioeconomically disadvantaged circumstances, should therefore be a priority. Policy action on obesity and poor nutrition has been given extra impetus by the COVID-19 pandemic,⁸² as people who are overweight or living with obesity are more likely to have worse health outcomes should they contract COVID-19.⁸³



Ranking on governance



*Did not provide information to ATNI

Tesco ranks first, with a score of 6.3 out of 10, and Lidl GB ranks in second place (5.3 out of 10), with the most comprehensive nutrition strategies and reporting of the companies assessed. In the two years since the publication of the Supermarket Spotlight, Aldi UK has shown the greatest improvement in this Topic, publishing more on its strategies and policies for nutrition. However, the average score is just 2.9 out of 10, highlighting that there is significant room for improvement by all companies to improve their governance on nutrition, including strong strategies focusing on nutrition, setting clear targets on sales of healthy products and improved accountability mechanisms. No evidence was found for either Iceland or Ocado as to whether or how nutrition concerns form a part of the companies' governance.

Key findings

- Retailers with relatively high scores in the Governance Topic tend to rank higher in the overall Index. This reflects the association between robust nutrition governance, more comprehensive commitments and better performance across other areas such as responsible marketing, labelling, product formulation and engagement with stakeholders.
- There is evidence that eight of the 11 retailers have a strategy to grow through a focus on nutrition and health in the UK. However, only five include in their strategy a specific focus on helping customers reach the UK dietary guidelines.
- Five companies – Aldi, Lidl, Marks & Spencer (M&S), Sainsbury's and Tesco – have set clear and timebound targets to increase sales of healthy products. Tesco is the only company to provide evidence of having increased sales of healthy products in the last financial year.
- Only four companies – Aldi, Lidl, Sainsbury's and Tesco – have set targets to increase sales of (fresh, dried, tinned/canned and frozen) fruit and vegetables, and they, along with M&S, have provided evidence of having increased the sales of fruit and vegetables in the last financial year.
- Lidl and Sainsbury's are the only two retailers for which formal accountability for implementing the company's nutrition strategy and/or programme has been found to be with the CEO or other senior



executive. For five other companies (Asda, M&S, Morrisons, Tesco and Waitrose), accountability sits either with a committee that reports to the Board or with an executive manager.

Detailed findings

Have the retailers stated their intention to play a part in tackling the UK's diet and health challenges, including a comprehensive plan to deliver this?

Of the 11 retailers assessed for this Index, eight were found to have a strategy to grow through focusing on nutrition and health in the UK. The degree to how this is linked to the core business strategy differs: Aldi, for example, includes 'Healthier' as one of its three core sustainability pillars, and Morrisons' strategy focuses on 'Fix, Rebuild, Grow and Sustain', with the latter including 10 'environmental and societal strategic workstreams', of which one is 'healthy sustainable diets'.

It is encouraging that, in the period since the Supermarket Spotlight 2020 was published, more of the companies have made an explicit and public acknowledgement of their role as a food retailer in addressing obesity, perhaps in part due to concerns about the link between obesity and COVID-19 (box 8). Lidl is the only retailer that includes in its risk register an explicit link to rising rates of obesity and diet-related diseases – although this is not publicly available.

Only five retailers include in their strategy a specific focus on helping customers reach the UK dietary guidelines. For example, Tesco mentions that 'Our aim is clear: to help our customers eat more healthily in line with the UK Eatwell Guide – an evidence-based model for a healthy, balanced and more sustainable diet.'

Interesting example:

Sainsbury's seems to go further, committing to explicit measurement, stating: 'Our next step is to develop a metric that allows us to track progress among average customer purchases towards the Eatwell Guide'.

Interesting example:

Aldi has worked with the British Dietetic Association (BDA)⁸⁴ to develop a shopping basket that both meets healthy eating recommendations and helps its customers to eat in a way that is more environmentally sustainable. The company notes that 'The basket and supporting communications convey the many simple steps towards diets that are nutritionally and environmentally "better" without costing more.'

A well-embedded, successful nutrition strategy is contingent on a detailed, clear and timebound plan for delivery. Publication of such a plan in the public domain is particularly welcome, as it improves transparency and progress towards it can be more fully assessed and understood by stakeholders. However, information on this aspect of the Index was limited: only M&S provided evidence of a comprehensive and multi-year plan to deliver its nutrition strategy, and this plan is not publicly available. A further eight retailers provided some evidence of a plan on their websites: although these included commitments, strategies and sometimes specific time-bound targets, a detailed comprehensive multi-year plan on how to achieve these could not be found or was not shared.



Box 8: Nutrition response to the COVID-19 pandemic

The COVID-19 pandemic began at around the time that the Supermarket Spotlight was published in the first quarter of 2020. It had an immediate and significant effect on the supermarkets, which took a variety of governance decisions to ensure safety of staff and customers, to ensure uninterrupted supply chains, and to pivot to greater online sales. Many of the retailers explicitly acknowledged the importance of the retail sector in ensuring food security for vulnerable populations and the need to eat healthily, as this can help prevent underlying conditions (such as obesity and type 2 diabetes) that can lead to worse COVID-19 outcomes.

- Aldi: 'it is particularly important that we prioritise these activities to support healthy diets and address obesity in the context of Covid-19, where people who are overweight or obese are more likely to have worse health outcomes should they contract Covid-19. We are striving to increase our proportion of sales from healthy products.'
- Co-op: 'Following the Covid-19 pandemic in 2020, consumers are more mindful than ever of their health and want to make healthier food choices. It is crucial that we meet the needs and expectations of our customers and provide delicious and inspiring healthy products.'
- Tesco: 'COVID-19 has disproportionately affected people with underlying health conditions, highlighting more than ever the importance of a healthy lifestyle. With many families' budgets being squeezed during the pandemic, it has never been more important for us to provide affordable, healthy food.'

Whether these statements and commitments translate into long-term shifts in the focus of governance remains to be seen. For example, Morrisons noted: 'During the pandemic Morrisons temporarily changed its corporate purpose to "feeding the nation" and we focused on helping those most vulnerable.' However, many of the supermarkets surveyed now explicitly include pandemics in their published risk assessments.

This Index has not specifically asked questions on the COVID-19 response, as this was felt to be too timebound and will therefore be less relevant comparable to any future Index. The COVID-19 context will, however, have underpinned all the company responses, as adapting to COVID-19 has been central to operations over the past two years.

Has the company set targets to increase the sales of healthy products and has the company achieved its targets?⁸

ATNI encourages companies to couple financial growth to higher sales of healthy products as compared to overall sales. Straightforward, verifiable reporting on targets and progress made to increase sales of healthier products should be a core element of food companies' and retailers' annual reporting.

⁸ The National Food Strategy has recommended that the UK government mandate reporting on healthy products using consistent metrics (see Context chapter), which would greatly facilitate data-gathering in this area.



Five companies – Aldi, Lidl, M&S, Sainsbury’s and Tesco – have set clear and timebound targets to increase sales of healthy products, ranging from 50% to 85% of sales from healthier products (figure 10). Only Lidl, M&S and Tesco indicate that these targets apply to manufacturer-brand products as well as their own-brand products. Note, however, that most retailers base their definition of ‘healthier’ and/or ‘healthy’ on an adapted nutrient profiling model specific to each company (see Topic 2 of this Index), so these targets are not comparable between the different companies: some companies have more stringent definitions of healthy products than others.

Only four companies – Aldi, Lidl, Sainsbury’s and Tesco – have set targets to increase sales of (fresh, dried, tinned/canned and frozen) fruit and vegetables (figure 10). Aldi is recognised by the Food Foundation⁸⁵ as being ‘the first UK-wide retailer to set a SMART sales-based target for a percentage increase in vegetable portions sold across own-brand products by 2023’ and the other three retailers followed suit recently by also introducing targets. Most companies’ targets could be additionally improved by making them clear and timebound, from a baseline and with a set date for achievement.

Figure 10: Retailers’ healthy* sales targets

	Target to increase sales of healthy products	Target to increase sales of fruit and vegetables
Aldi UK	70% of food and drink sales to come from healthier items by 2025	Sales-based target for a percentage increase in vegetable portions sold across own-brand products by 2023 (percentage is confidential)
Lidl GB	Increase sales, by tonnage, of healthy and healthier products to at least 85% of total sales by 2025	In 2021, Lidl set a target to increase the sale of fresh fruit and vegetables by 35% by 2026
M&S	50% of food sales will come from healthier products by 2022	
Sainsbury’s	Increase sales of Healthy (of total sales tonnage) to 56.8% by 2025, and increase sales of Healthy and Better For You to 83% by 2025	In August 2021, committed to aim to increase the proportion of total sales tonnage that comes from vegetables by at least 1% (to 11.2%) by 2025/6 and to report annually on progress
Tesco	Increasing the proportion of healthy products to 65% of volume sold by 2025	Commit to increase sales of vegetables by adopting new measures that drive increased consumption (22 actions to help drive up sales) while maintaining existing commitments to reduce waste (by 2023)

* According to the company’s definition of healthy

Interesting example:

In terms of sales of **healthy packaged products** relative to overall sales, only **Tesco** provided evidence (under NDA) of an increase relative to overall sales in the last financial year.

When it comes to targets on increasing sales of **fruit and vegetables** (fresh, dried, tinned/canned and frozen), four retailers – Aldi, Lidl, Sainsbury’s and Tesco – have made some progress. None of the retailers have completely achieved their targets to date, but this is likely to be because these targets are relatively new with deadlines for completion in the future. Five retailers – Aldi, Lidl, M&S, Sainsbury’s and Tesco – have, however, demonstrated an increase in sales of fruit and vegetables in the last financial year (see also figure 11).



Interesting example:

Lidl has in the past provided stakeholders with a number of examples of progress: '18 new fun-sized products launched in 2017, including special seasonal variants', '30% Fun-size products account for 30% of the fruit and veg units sold', '109% year-on-year increase in broccoli sales following our TV advert', '303 social media posts in 2018' and 'These actions have resulted in an increase of 20% in fruit and veg sales between 2017 and 2019'. This granularity of information from other retailers would be welcomed, as would a more recent update from Lidl.

Figure 11: Progress on healthy packaged products, fruit and vegetable sales and the SDIL in the last financial year

	Increased sales of healthy packaged products relative to other products	% of sales generated by healthy products with respect to overall sales*	Achieved targets on increasing sales of fruit and veg**	Increased sales of fruit and veg**	Decreased % of sales volumes subject to the SDIL (both own-brand and manufacturer-brand)	Decreased amount paid for the SDIL (own-brand)
Aldi UK	–	66% own-brand healthy products sales in 2020	○	●	–	◆
Asda	–	–	–	–	–	◆
Co-op	–	–	–	–	–	–
Iceland	–	–	–	–	–	–
Lidl GB	–	73% healthy sales and 7% healthier product sales in 2019/20	○	●	–	◆
M&S	–	38% healthier products sales in 2020/21	–	●	–	–
Morrisons	–	–	–	–	–	◆
Ocado	–	–	–	–	–	–
Sainsbury's	–	55.3% healthy products sales in 2020/21	○	●	–	–
Tesco	●	58% healthy product sales in 2019/20	○	●	●	◆
Waitrose	●***	–	–	–	–	–

● Yes

○ Some progress

◆ The amount paid for the SDIL by the company was already zero in the last financial year

– No/ No information found

* According to the company's definition of healthy

**Fresh, dried, tinned/canned and frozen fruit and vegetables

***Relative to previous year's sales of healthy products

The UK Soft Drinks Industry Levy (SDIL) was introduced in 2016 and applies to the producers, importers and retailers of soft drinks containing added sugar. The levy has a lower rate that applies to added sugar drinks with a total sugar content of 5g or more per 100ml and a higher rate for drinks with 8g or more per 100ml. The levy aims to encourage producers and retailers of added sugar soft drinks to reformulate their products to reduce sugar content or to reduce portion size. (For more detail on the SDIL, see Annex.) Tesco is the only retailer that demonstrated that the percentage of sales volumes subject to the SDIL decreased in the last financial year, with this applying to both own-brand and manufacturer-brand products. Five retailers – Aldi, Asda, Lidl, Morrisons and Tesco – did not need to pay the SDIL in the previous financial year, because the added sugar content of all their own-brand soft drinks falls below the level at which the levy is applied.



Who has formal accountability for implementing the company's nutrition strategy and/or programme?

A company can better sustain and scale up its nutrition-related activities if the commitment to this approach starts at the top of the organisation. An engaged Board and executive management will drive nutrition and health commitments throughout the company. Best practice is for an individual Board member to be allocated specific responsibility for driving the health and nutrition agenda across the company, with their remuneration linked to the successful delivery of a formal nutrition strategy and plan.

Lidl (CEO) and Sainsbury's (CMO) are the only two companies in which formal accountability for implementing the company's nutrition strategy and/or programme lies with the CEO or other senior executive. For five other retailers – Asda, M&S, Morrisons, Tesco and Waitrose – accountability lies with a committee that reports to the Board or an executive manager.

Can the company provide evidence of having used research, in the past three years, to address nutrition needs of priority population groups?

Companies can make a greater, better-targeted contribution to the UK's diet- and nutrition-related health challenges by specifically addressing the nutrition needs of priority groups as identified by public authorities in the UK: ATNI defines such groups as 'priority population groups'. For example, part one of the National Food Strategy (published in 2020)⁸⁶ found that people on lower incomes in the UK are a third less likely to consume the recommended five-a-day portions of fruit and vegetables.

Many of the companies indicated that they have commissioned research on nutrition or consumer behaviour. However, only three – Aldi, Lidl and Sainsbury's – have used research that addresses the specific nutrition needs of priority population groups.

Interesting example:

Lidl, Brighton University and Brighton & Hove Council worked together on a 'Veg on a Budget' research project to improve understanding of why lower-income groups tend to purchase and consume fewer vegetables. The research (undertaken in 2017) found that factors led by retailers (such as price, promotion and placement) are influential in driving buying patterns, and also that wider influences play an important role (including attributes of vegetables, family food dynamics, the influence of the retailer and characteristics of parents). Using these insights, Lidl has committed to continue to remove cost barriers and focus on the promotion of healthy food, to inspire those on a budget to prepare and cook healthy food, and to make healthy food more accessible and better inform its customers on healthier choices.

How well do companies disclose their efforts to improve in order to support healthier diets and address malnutrition in the UK?

Reporting on efforts to promote healthier diets and address poor nutrition in the UK should ideally be housed in an annual report or a formal corporate social responsibility (CSR)/sustainability/nutrition report, as this is easy to find and to compare over time. Webpages, blogs and press releases are not necessarily easy to locate online and can be easily deleted, moved or altered, with repercussions for transparency.

Except for Ocado and Iceland, all retailers mention on their website or in a report that they aim to play a role in tackling the UK's nutrition challenges. Co-op, Lidl, Morrisons, Sainsbury's, Tesco and Waitrose



reference their health and nutrition approach in their Sustainability Reports. Co-op's *Health and Wellbeing at Co-op Report 2021* lays out its efforts on nutrition. Lidl has also published a policy on Health and Nutrition in August 2020. Sainsbury's published a *Net Zero Report*, in which 'Develop and deliver healthy sustainable diets for all' is one of seven commitments. Asda reports on nutrition efforts in its Environmental, Social and Governance (ESG) report.

Sainsbury's and Tesco are the only two companies that have reported on the actions they have taken to date to contribute to healthier diets in the UK in their annual report (as well as in additional reports). Another six companies report formally on their efforts, but only in a sustainability or CSR report rather than in their annual report.

None of the companies reference business risks explicitly linked to rising rates of obesity and diet-related diseases in their publicly available risk registers. Examples of such business risks include discussion of consumer demand for healthy diets and increasing regulation of products high in sugar. Extensive risk assessment encompasses most elements of litigation risk, trend analysis, regulatory risk, market risk, specific category or brand risk and reputational risk.

Overall, companies can improve their public disclosure of nutrition target setting and reporting on these targets (figure 12). Five companies – Aldi, Lidl, M&S, Sainsbury's and Tesco – have published the percentage of sales generated by healthy products with respect to their overall sales for the latest financial year on which each has reported. Only two companies – Morrisons and Tesco – published the percentage of products in their portfolios that are healthy (according to the retailer's own definition of healthy). Sainsbury's is the only retailer that reports on the percentage of sales generated by vegetables, stating that: 'In 2019, 18.8 per cent of the total own-brand food volume sold at Sainsbury's was vegetables.'

Figure 12 Public disclosure of progress on targets and sales of healthy products in the last financial year as published by the company

	Target to increase sales of healthy products	% of sales generated by healthy products with respect to overall sales	Ratio of sales growth of healthy products v. overall sales growth	% of products in its portfolio that are healthy*	Target to increase sales of fruit and veg**	% of sales generated by fruit and veg	Ratio of sales growth of fruit and veg v. overall sales growth
Aldi UK	⊙	⊙	–	–	⊙	–	–
Asda	–	–	–	–	–	–	–
Co-op	–	–	–	–	–	–	–
Iceland	–	–	–	–	–	–	–
Lidl GB	⊙	⊙	–	–	⊙	–	–
M&S	⊙	⊙	–	–	–	–	–
Morrisons	–	–	–	⊙***	–	–	–
Ocado	–	–	–	–	–	–	–
Sainsbury's	⊙	⊙	–	–	⊙	◆	–
Tesco	⊙	⊙	–	⊙	⊙	–	–
Waitrose	–	–	–	–	–	–	–

- ⊙ Yes
- ◆ Yes, only for vegetables
- No

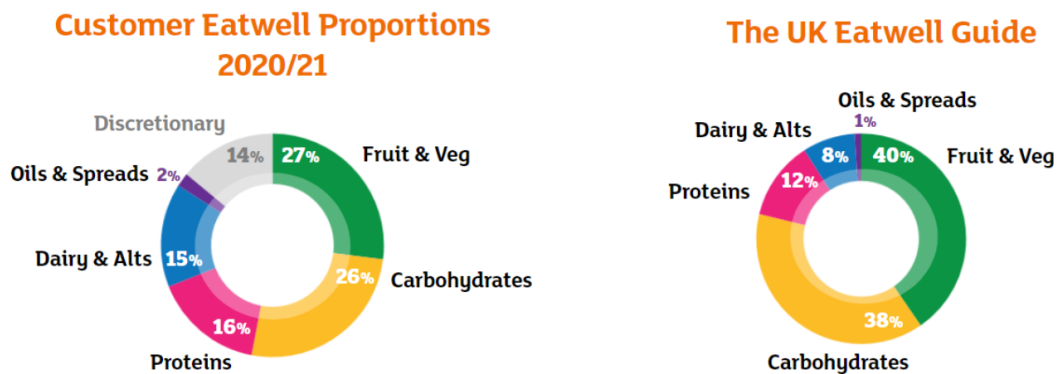
* According to its own definition of healthy.
 ** Fresh, dried, tinned/canned and frozen fruit and vegetables
 *** Own-brand products only



Interesting example:

Sainsbury's has a webpage on 'Tracking performance of healthy and sustainable diets', which includes regular and transparent reporting on progress on healthy, sugar, energy, salt, fruit and vegetable targets, customer tracking against the Eatwell Guide (figure 13) and information on traffic-light labelling on Sainsbury's own-brand products.

Figure 13: Sainsbury's tracking of customers against the Eatwell Guide



Source: Sainsbury's, 'Tracking performance of healthy and sustainable diets' <https://www.about.sainsburys.co.uk/sustainability/plan-for-better/our-stories/2021/tracking-health-progress> and P. Scarborough et al, 'Eatwell Guide: modelling the dietary and cost implications of incorporating new sugar and fibre guidelines' (2016) *BMJ Open* (6): e013182 <http://doi.org/10.1136/bmjopen-2016-013182>

Box 9: Lack of clarity on coverage of policies and reporting

The retailers assessed (other than Ocado, which is online-only) operate using a variety of business models, such as supermarkets, discounters, hypermarkets, including franchises and cooperatives, and many have branded convenience stores or own other convenience store chains (see also Context chapter). However, it is often not explicit in companies' reporting as to what extent their policies, commitments and plans are applied to these different formats and across different geographies in the UK.



Recommendations

To improve governance that embeds and accelerates efforts to enhance nutrition among customers, UK retailers are encouraged to:

- continue integrating nutrition considerations in their commercial business functions by developing specific objectives and activities to improve access to and affordability of healthy foods and address malnutrition in all its forms, and publicly disclose their strategies, targets and a comprehensive multi-year plan for delivery, applicable across the whole company, including all store formats and online;
- include in their nutrition strategy a specific focus on helping customers to reach UK dietary guidelines;
- ensure robust nutrition governance, management and remuneration systems, establishing executive and Board leadership and accountability for nutrition and health, ensuring that nutrition and health are prioritised, tracking performance and reporting to stakeholders;
- reference business risks explicitly linked to rising rates of obesity and diet-related diseases in a publicly available risk register;
- report progress publicly at least once a year on delivery of clear, timebound targets to increase sales of healthier products (including fruit and vegetables), report on the achievements of those targets against overall sales for the latest financial year for which there is reporting, and report on the percentage of products in the portfolio that are healthy;
- publish the percentage of sales volume or value subject to the SDIL (own brand and manufacturer brand) in the latest financial year for which there is reporting; and
- use independent research into commercial opportunities available to deliver on the nutrition strategy and specifically to address nutrition needs of priority population groups at higher risk of diet-related disease or food insecurity. These business opportunities should be based on careful analysis of the population's nutritional needs (including those on low incomes) as defined by UK public authorities.



References for Topic 1

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/618167/government_dietary_recommendations.pdf

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⁸³ PHE. (2020). *Excess Weight and COVID-19: Insights from New Evidence*. London: PHE Publications. Available at:

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⁸⁴ BDA. (2020). *Sustainable baskets*. [online] Available at:

<https://www.bda.uk.com/resource/sustainable-baskets.html>

⁸⁵ The Food Foundation. (2021). *Veg pledges*. [online] Available at: <https://foodfoundation.org.uk/veg-pledges>

⁸⁶ Dimbleby, H. et al. (2020). *National Food Strategy: An independent review for government – Read Part One*. [online] Available at: <https://www.nationalfoodstrategy.org/part-one/>



Topic 2: Nutrient profiling – defining 'healthy' products

Nutrient profiling models (NPMs) are tools used by retailers to evaluate the overall nutritional quality of their own-brand and manufacturer-brand products, enabling them to focus on producing and selling more healthy products and fewer less healthy products. Transparency about which and how NPMs are used is important so that customers and other stakeholders (including the UK government) can fully understand the retailers' definition of 'healthy' and how and where it is applied, and track progress over time towards a healthier product balance. For UK retailers, the relevant model is the government-endorsed Food Standards Agency (FSA) 2004/5 NPM (box 10).

This Topic assesses the retailers' reporting on the characteristics and use of their NPMs or other specific criteria used to define the healthiness of products. It consists of 9 indicators and accounts for 10% of the overall score for the Index. NPMs have a wide range of applications,⁸⁷ and their use underpins many other aspects of this Index, including front-of-pack labelling and use of health/nutrition claims (Topic 6), marketing to children (Topic 5), guiding product (re)formulation (Topic 3) and promotional strategies (Topic 4).

ATNI considers full NPMs to be those that calculate the overall nutritional quality scores for each product, assess both negative (e.g. saturated fat, salt, sugar) and positive (e.g. fibre) food components/nutrients, and generate an overall nutritional quality score on a sliding scale. ATNI also credits companies that use nutrient-specific criteria, which can be considered a precursor to a full NPM: these models, for example, define levels of specific nutrients and rate them as high/medium/low, or above or below a threshold, but do not calculate a compound overall score to reflect the nutritional quality of a product.

To perform well in this chapter, a retailer must:

- adopt a full NPM that is aligned with UK dietary guidelines, preferably the UK FSA 2004/5 NPM, without limiting adaptations, to assess the nutritional quality of all own-brand and manufacturer-brand products, and apply it to all product categories;
- use the NPM and the definition of 'healthy' to guide reformulation and marketing strategies for all products; and
- disclose information about the NPM in as much detail as possible, including information on scoring and criteria and for what purpose it is used, to promote transparency and comparability of the nutritional quality of its products over time.

Box 10: Context – the use of NPMs and the UK FSA 2004/5 NPM

Nutrient profiling is the science of classifying or ranking foods according to their nutritional composition to aid disease prevention and health promotion.⁸⁸ The use of NPMs by retailers is essential in guiding their efforts to develop new healthy products and to reformulate existing products to make them healthier, and also to guide decisions on the pricing, stocking, positioning, promotion, marketing and labelling of healthy products.



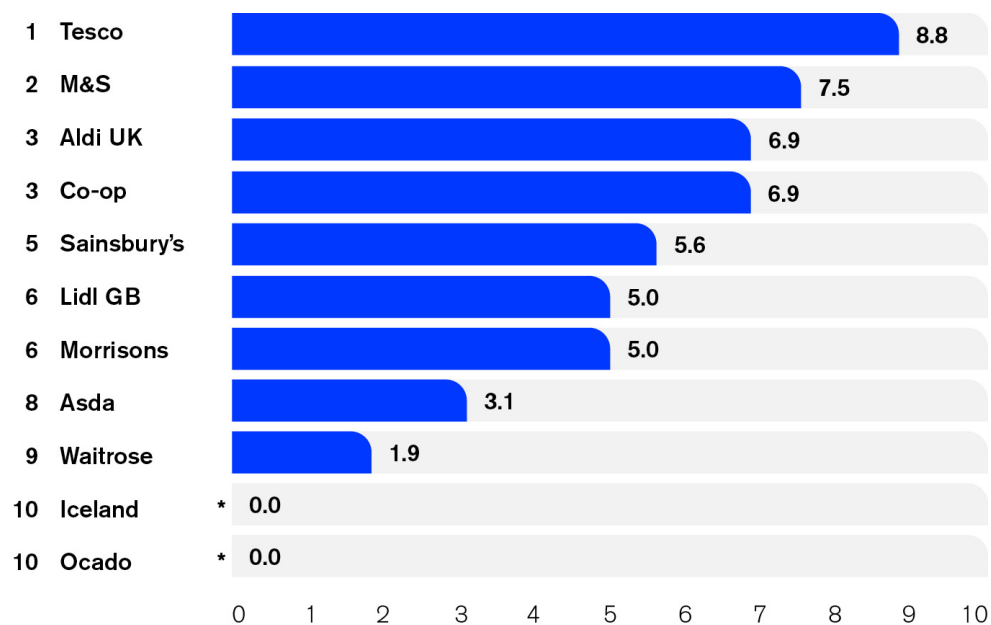
Food manufacturers and retailers are urged to implement a full NPM that is based on nationally or internationally recognised guidelines on diets and nutritional quality, developed in a systematic, transparent and logical process through an independent multi-stakeholder consultation, and includes nutritional standards for both adults and children. For UK retailers, the relevant model is the government-endorsed FSA 2004/5 NPM. This was originally developed over 15 years ago as a tool to enable Ofcom, the UK’s broadcast regulator, to ensure that only foods not high in fat, salt and sugar (HFSS) were advertised to children on television (see Topic 5); consequently, the NPM is sometimes referred to as the Ofcom model.

The FSA 2004/5 NPM’s scoring system allocates points according to the nutrient content of 100g of a food or beverage:

‘Points are awarded for “A” nutrients (energy, saturated fat, total sugar and sodium), and for “C” nutrients (fruit, vegetables and nut content, fibre and protein). The score for “C” nutrients is then subtracted from the score for “A” nutrients to give the final nutrient profile score. Foods scoring 4 or more points, and drinks scoring 1 or more points, are classified as “less healthy”.⁸⁹

This NPM has been under review since 2018⁹⁰ to ensure that it reflects updated UK dietary guidelines,⁹¹ including guidance on fibre and free sugars, taking into account that, according to Public Health England (PHE), ‘The [FSA 2004/5 NPM] was set at a relatively early point in the consideration of the effects of advertising on food choice.’⁹² However, an updated version of the model has not been published (April 2022).

Ranking on nutrient profiling



*Did not provide information to ATNI

The average score for this Topic is 4.6 out of 10. The best-performing companies are Tesco (first, with a score of 8.8 out of 10), Marks and Spencer (second, with 7.5 out of 10) and Aldi UK and Co-op (joint



third, with 6.9 out of 10). These companies and Morrisons all use the UK FSA 2004/5 NPM to some extent to assess the nutritional quality of products. Four other companies have adopted a precursor to an NPM. No evidence was found for either Iceland or Ocado using any sort of nutrient profiling. There is scope for significant improvement in transparency across the board, as none of the companies publish the details of the nutrient or food component criteria and algorithm used in their NPMs in the public domain.⁹

Key findings

- Five of the 11 companies assessed report that they have adopted a full NPM, while four further companies use a precursor to a full NPM. However, the ways in which these NPMs are used varies widely between companies, and there is a lack of consistency in how and for which purposes the models are used to define 'healthy' products.
- Tesco and M&S show best practice by using the FSA 2004/5 NPM for defining 'healthy' products, and for both reformulation and marketing purposes.
- None of the retailers publicly disclose the full details of the NPM that they use.

Detailed findings

To what extent are companies adopting a full NPM?

Five out of the 11 retailers assessed for this Index were found to have adopted a full NPM, many of which expressly use the FSA 2004/5 NPM for some specific purposes. This is welcome, as during the research for the Supermarket Spotlight (which was based only on publicly reported information) no company was found to have a full NPM. It is encouraging to see more companies taking this approach – and increasingly necessary, because the forthcoming legislation on HFSS promotions (see Annex 1) will require retailers to have a good understanding of the nutrient profiling of all products that they are marketing. However, as figure 14 shows, there is wide inconsistency, as well as a lack of clarity as to how and when the NPMs are applied by the retailers, with the FSA 2004/5 NPM still often being used only in specific and limited ways.

Aldi, Co-op, M&S, Morrisons and Tesco have indicated that they use the FSA 2004/5 NPM to track the healthiness of their products. However, it is not always clear for which purposes the NPM is used. Tesco and M&S show best practice by using the FSA 2004/5 NPM for defining 'healthy' products, and for both reformulation and marketing purposes.

Aldi uses the FSA model for defining 'healthy' products for tracking sales from healthy products, and tailors the FSA 2004/5 NPM to company-specific needs for determining which products qualify for its Healthier Checkouts Policy. While the original model uses a scoring system in which points are allocated on the basis of the nutrient content of 100g of a food or drink, Aldi adapts the model slightly to determine the nutritional content of smaller products that are placed at its checkouts (i.e. that are a serving size of 30g).

⁹ Some of the companies provided detailed information for this Topic to ATNI under non-disclosure agreements, which makes it challenging to report examples fully in this Index but does provide a useful baseline for the future. The provision of this information also goes some way towards explaining the apparent jump in the performance of several companies in the two years since the research for the Supermarket Spotlight was undertaken in 2019: research for the Spotlight report was based only on the limited information that was then available in the public domain.



Figure 14: The use of NPMs by the retailers

	Does the company use the FSA 2004/5 NPM?	Does the company use the FSA model to guide its approach to?			Does the company use an additional model/criteria?	For which purpose is the additional model/criteria?		
		Reformulation	Marketing	Limited purposes*		Reformulation	Marketing	Limited purposes*
Aldi UK	Yes, with minor adaptations	–	–	Healthy checkouts and % healthy sales	–	–	–	–
Asda	Not clear	–	–	–	Own set of criteria	–	–	Live Better icon
Co-op	Yes	–	⊙	–	UK traffic-light model and UK government salt and calorie targets	⊙	–	5 a day claim/logo
Iceland	–	–	–	–	–	–	–	–
Lidl GB	No	–	–	–	Own set of criteria	⊙	–	–
M&S	Yes	⊙	⊙	–	Own set of criteria	–	–	Eat Well sunflower
Morrisons	Yes	–	⊙	% own brand products non-HFSS	Own set of criteria (funnel)	⊙	–	Healthy Living icon
Ocado	–	–	–	–	–	–	–	–
Sainsbury's	Internal use only	–	–	% own brand products non-HFSS	Own set of criteria (decision tree)	–	⊙	Tracking sales of healthy products
Tesco	Yes, with minor adaptations	⊙	⊙	–	UK traffic light model	–	–	Healthy Choice logo
Waitrose	No	–	–	–	Precursor to an NPM	–	⊙	Good Health label

⊙ Yes

*Note: 'Limited purposes' includes, for example, percentage of healthy sales, healthy checkout policy and healthy icons/logos. More information on healthy icons/logos can be found in Topic 6.

Interesting example:

Tesco has made some adaptations to the FSA 2004/5 NPM in its Tesco Health Score. 'The Tesco model only counts the health benefits of fruit, vegetables or nuts that are sold as whole products, not within "composite" products (e.g. a whole pepper would be scored, but pepper slices on a pizza would not be). In contrast, the FSA 2004/5 NPM gives a beneficial score for fruit, vegetables and nuts within other products.'

Both Co-op and Morrisons have indicated that they use a mix of models for different purposes. Both use the FSA 2004/5 NPM to define products classed as non-HFSS for advertising purposes. However, each company uses a different model/criteria for reformulation purposes. Morrisons has indicated that it has developed a nutrient profiling funnel model for product development and Healthier Living icon labelling purposes. This funnel model is based on three internationally recognised NPMs (the FSA 2004/05 NPM combined with Nutri-Score and Health Star Rating), overlaid with additional criteria such as multiple traffic-light information. Co-op is using the UK traffic-light model and UK government salt targets and calorie ambitions to assess the nutritional quality of both own-brand and manufacturer-brand products for its reformulation activities.



Sainsbury's has also indicated that it uses the FSA 2004/5 NPM internally to assess the HFSS status of all products for internal use, and the company intends to start publishing on this. However, Sainsbury's indicated that the FSA 2004/5 NPM does not meet the company's needs, so, in collaboration with nutrition experts, it has developed the Sainsbury's Decision Tree model. This takes a category-specific approach based on existing and external nutrient criteria, including the government's salt reduction targets and sugar- and calorie-reduction ambitions, and is published on the company's website.

Lidl has developed an internal nutrient profiling system based on PHE's existing nutrient criteria for front-of-pack traffic-light labelling, focusing on fat, saturated fat, sugar and salt contents (i.e. negative nutrients only). 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.

Similarly, Asda indicated that its Live Better icon must have no red traffic lights, must qualify for an EU health claim and meet category-specific criteria. Asda indicates that this Live Better Icon 'aligns with' the FSA 2004/5 NPM, though it is not clear what this means or how it is applied.

Waitrose currently uses the 2016 Which? model, that defines a product as healthier by a pass or fail based on traffic-light labels. The models from Lidl, Asda and Waitrose assess products as high/medium/low, or above or below a certain level (for example a binary pass/fail result based on traffic-light labels), and are all therefore considered as less granular precursors to a full NPM.

As noted above (box 10), the FSA 2004/5 NPM was originally developed as a tool to enable Ofcom to ensure that only foods of high nutritional quality were advertised to children. It seems some of the retailers have committed to using the FSA 2004/5 NPM solely for this purpose – for example, Morrisons and Co-op indicate that they use the FSA 2004/5 NPM without adaptations for advertising purposes. Aldi and Co-op have explicitly indicated they intend to increase their use of the full FSA 2004/5 NPM from 2022 to determine healthiness of their products when the forthcoming UK government restrictions on promotions and advertising are enforced.

To what extent do companies publicly disclose information about their NPMs?

Between 2019 – when the research for the ATNI Supermarket Spotlight was carried out – and the engagement process for this Index in 2021, there has been an improvement in public disclosure of NPM information by several of the companies. Five of the 11 retailers assessed now disclose some details of their NPM.

Aldi, for example, provides a clear overview of the FSA 2004/5 NPM's points system and states 'The model is currently used by the broadcasting regulator [Ofcom] to define what products can or cannot be advertised to children or pre-watershed. We have adopted and adapted this model to be suitable for our Healthier Checkouts Policy.' Tesco similarly sets out how the Tesco Health Score 'exactly mirrors the criteria of the [FSA 2004/5] nutrient profiling model' but then expands on its Sustainability webpage to explain how its criteria go beyond this (see above).

It is encouraging that several leading UK retailers have improved disclosure on the NPMs used to guide their (re)formulation and promotion activities of healthy foods since the publication of the UK Supermarket Spotlight. However, this results in this Index show that even the best-performing retailers could improve transparency on the characteristics (including criteria and scoring methods) and applications of the models. It is often not clear where, when and for what purpose the companies use either the FSA 2004/5 NPM or their own internal model/criteria.



A lack of clear direction from the UK government as to how and for what purpose to apply the FSA 2004/5 NPM may also be contributing to inconsistency in its use by the retailers: as has been set out, the FSA 2004/5 NPM can be used beyond making the distinction between what are defined for marketing purposes as HFSS or non-HFSS products. Further official guidance on more extensive use of the NPM would be welcomed.



Recommendations

To improve the comprehensive definition of 'healthy products' and accelerate action to track and increase the consumption of these products, UK retailers are encouraged to:

- set minimum standards for healthy products, through the adoption of the robust, formal, full Food Standards Agency (FSA) 2004/5 NPM, which assesses both positive and negative nutrients and provides an overall score for nutritional quality on a sliding scale;
- disclose the NPM in full on their websites, including scores, criteria and how and where the NPM is applied;
- apply the NPM to all own-brand and manufacturer-brand products and all product categories in their portfolios; and
- use the NPM to guide decisions on the healthiness of their portfolios through stocking, pricing, positioning, promotion, marketing and labelling of products, as well as to develop new healthy products and reformulate existing products to make them healthier.



References for Topic 2

⁸⁷ Santos, M. et al. (2021). 'Nutrient profile models a useful tool to facilitate healthier food choices: a comprehensive review'. *Trends in Food Science & Technology*, [online] 110, p.120–31. Available at: <https://doi.org/10.1016/j.tifs.2021.01.082>

⁸⁸ WHO. (2018). *Nutrition health topics*. [online] Available at: <https://apps.who.int/nutrition/topics/profiling/en/index.html>

⁸⁹ Department of Health. (2011). *Nutrient Profiling Technical Guidance – January 2011*. London: HM Government. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/216094/dh_123492.pdf

⁹⁰ Jenneson, V. et al. (2020). 'Restricting promotions of "less healthy" foods and beverages by price and location: a big data application of UK Nutrient Profiling Models to a retail product dataset'. *Nutr Bull*, [online] 45, p.389–402. Available at: <https://doi.org/10.1111/nbu.12468>

⁹¹ PHE. (2018). *Annex A: The 2018 review of the UK Nutrient Profiling Model*. London: PHE Publications. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/694145/Annex_A_the_2018_review_of_the_UK_nutrient_profiling_model.pdf

⁹² PHE. (2015). *Sugar Reduction: The Evidence for Action*. London: PHE Publications. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/470179/Sugar_reduction_The_evidence_for_action.pdf



Topic 3: Product formulation

Retailers can help to create healthier food options by reformulating own-brand packaged food for their customers: to limit negative nutrients such as salt, sugar, saturated fat and industrial trans fats (ITFAs), and increase levels of positive nutrients such as fruit, vegetables and wholegrains. Retailers can also engage with manufacturers of branded products to encourage them to improve the nutritional quality of these products.

This Topic is one of the most extensive in the Index, underlining its potential impact on population-level nutrition in the UK and the emphasis placed on it by the UK government. It consists of 21 indicators covering commitment, performance and disclosure, and is also the second most heavily weighted Topic (after Topic 4 on in-store promotion), accounting for 20% of the overall score for the Index.

To perform well on this Topic, a retailer should:

- commit to and be shown to be delivering on clear, timebound targets to:
 - reduce sugar, salt, calories, saturated fats and industrial trans fats
 - increase fruit/vegetables and wholegrains in packaged products
- address portion size of unhealthy products to allow customers to reach UK dietary guidelines for a balanced diet; and
- show evidence of engaging with brand manufacturers on improving the nutritional quality of products supplied to the supermarkets.

Box 11: Context – product formulation

In the UK, the broader public health goal to reduce the burden of obesity and nutrition-related non-communicable disease has greatly influenced product (re)formulation efforts of the food industry,⁹³ through both voluntary and mandatory efforts.

The UK government's Childhood Obesity Plan aims to reduce obesity rates among children in the UK through addressing issues such as excessive calorie and sugar intake.⁹⁴ It included a commitment to introducing a broad and structured voluntary sugar-reduction programme that challenged the food industry to lower the sugar content of foods commonly consumed by children up to the age of 18. This was informed by the voluntary salt-reduction programme that has been running for many years.⁹⁵ In addition, mandatory policy mechanisms and other civil society pledges have encouraged progress on product (re)formulation within the food industry to serve broader public health objectives.

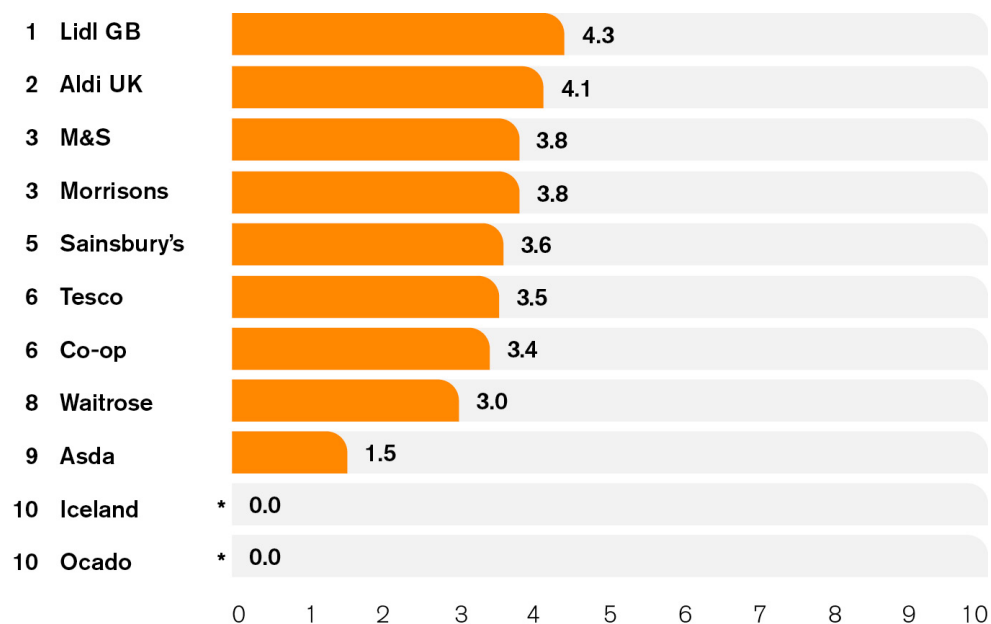
The Soft Drinks Industry Levy (SDIL: a tax on high-sugar drinks) is the UK government's flagship reformulation legislation, which was announced in March 2016 and came into force in April 2018, and has had a significant impact on the sugar content of soft drinks. The UK government's voluntary salt reduction targets, first set by the Food Standards Agency (FSA) in 2006 and revised in 2014 and 2020, have seen some success, but salt intake plateaued at 8.4g/day by 2018/19, still well above the 6g/day recommended level.⁹⁶ The government's sugar-reduction and calorie-reduction



programmes have also set voluntary ambitions for food manufacturers (which includes the retailers, as manufacturers of own-brand products), but many are being missed.¹⁰

Details on mandatory measures and voluntary guidance from the UK government are set out in more detail in Annex 1, while the Context chapter provides more detail on the most relevant civil-society initiatives with which the companies are involved.

Ranking on product formulation



*Did not provide information to ATNI

With an average score of just 2.8 out of 10, scores were low in this important Topic – indicating that much improvement is needed. The median score for this Topic, which in this case may be more reflective on the sector's overall performance, is 3.5. Lidl GB ranks first, with a score of 4.3 out of 10. Aldi UK comes second (4.1 out of 10), followed by Marks and Spencer and Morrisons in joint third place. These companies score higher because of their commitments to UK government targets and through progress that has been demonstrated in the public domain. For example, Aldi's work in this space has occurred since the Supermarket Spotlight, and this is reflected in its improved performance in this ranking. There was no evidence found or submitted to indicate whether Ocado or Iceland have taken any action on formulating their own-brand products to be healthier.

Key findings

- Most of the retailers have stated some form of public commitment to reduce one or more negative nutrients in their own-brand products, but fewer have a focus on increasing positive nutrients and/or

¹⁰ These programmes were initially under the auspices of Public Health England. Since October 2021, the health improvement/public health functions of PHE have been brought into the new Office for Health Improvement and Disparities (OHID), which is within the Department of Health and Social Care. These programmes have been referred to as 'government programmes' to reflect this change.



food components. Few retailers have developed clearly defined, timebound targets to deliver these commitments. Reporting on progress is also often done on an ad hoc rather than consistent basis: general, retailers could do much more to report publicly on their product (re)formulation commitments, targets and progress across all negative and positive nutrients.

- Eight out of the 11 retailers (all except Asda, Iceland and Ocado) have a nutrient-specific commitment to reduce levels of sugar, calories and salt in their products. Some of the companies are actively reporting against timebound targets, notably the voluntary targets and ambitions set by the UK government, but more alignment with these national targets would enable progress to be more closely tracked and compared between retailers.
- Lidl, M&S, Morrisons and Sainsbury's are the only companies that have begun disclosing progress towards the 2024 government salt targets as well as the 2017 salt targets.
- None of the retailers have current timebound targets in place to reduce levels of saturated fats: two companies (Waitrose and M&S) have had targets in the past, but these do not seem to have been renewed in 2021.
- Although many of the companies claim to have eliminated industrial trans fats (iTFA) in their own-brand products, only two companies (Aldi and Lidl) report having ongoing monitoring mechanisms to ensure that iTFA levels do not exceed 2g per 100g of fats/oils in products.
- Although six companies show a commitment to increasing levels of positive food components such as fruits, vegetables and wholegrains in their products, few report on progress towards their commitment, and these commitments are less extensive than those made for the reduction of negative nutrients.
- Findings indicate that retailers responded rapidly and decisively to mandatory policy mechanisms for product (re)formulation, namely the SDIL and EU regulations for limiting iTFAs in food. ATNI findings indicate that action on the UK government's sugar-reduction programme seems to be progressing more slowly.
- There are some signs that at least three retailers are undertaking some form of engagement with the manufacturers of brand-name products on making improvements to the nutritional quality of their products that are marketed and sold by the retailers.

Detailed findings

To what extent are UK retailers improving the nutritional quality of their products?¹¹

Negative nutrients and calorie reduction

The negative nutrients addressed by this Topic are sugar, salt, saturated fat and industrial trans fats, and calories are also included. The UK government has set targets for reduction in salt and ambitions for reduction in sugar and calories to be achieved by 2024, 2020 and 2024, respectively. These, however, are voluntary, and many of the retailers have not publicly set corresponding targets across all relevant product categories or report in detail on progress – although reporting is more extensive for negative nutrients than for positive nutrients/food components.

¹¹ As noted in box 3, the National Food Strategy has recommended that the government introduce mandatory reporting for large food manufacturers of a number of metrics including sales of sugar, salt, saturated fat, fibre, fruit and vegetables, which would enable much better tracking of progress towards a more healthy portfolio: H. Dimbleby et al., *Food Strategy Independent Review – The Plan* (2021), recommendation 2 <https://www.nationalfoodstrategy.org/wp-content/uploads/2021/07/National-Food-Strategy-The-Plan.pdf>



Most companies (all but Asda, Iceland and Ocado) commit to reduce levels of at least one negative nutrient (sugar, salt, saturated fats and iTFAs) in their products. Asda makes a more general commitment on product reformulation and does not have nutrient-specific commitments/targets, but it has reported on some progress for sugar, calorie and salt reduction in its products.

Eight out of 11 companies set reduction targets for all three of sugar, salt and calories in at least some of their products, and six of these companies have these targets in the public domain. Of these, five companies (Aldi, Co-op, Lidl, M&S and Sainsbury's) commit to government targets for salt and government ambitions for sugar and calorie reduction in all relevant product categories; the others commit to a different target, use a different baseline and/or have a longer timeline (figure 16).

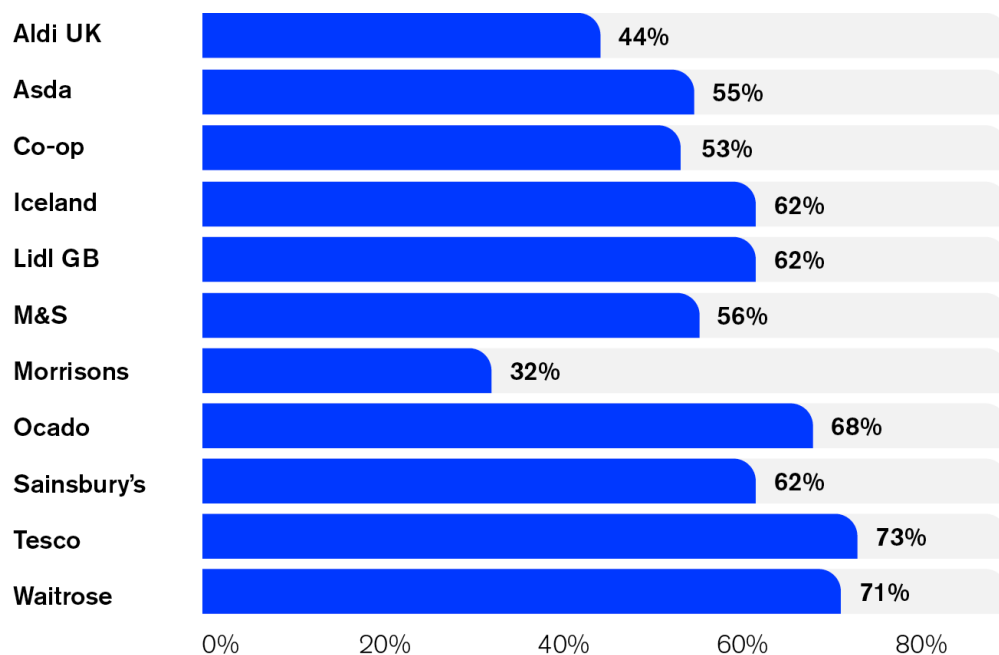
Sugar

Six retailers have adopted the government's sugar-reduction ambition to reduce sugar by 20% in some or all product categories by 2020, and two have set their own target. The most ambitious target is that of M&S, which set a target of 20% sugar reduction but with an earlier deadline of 2019.

Nine retailers report having achieved some progress on reducing sugar in their products, but when the research was undertaken in 2021, no retailer appeared to have met the government's ambition of a 20% reduction by 2020.

The majority of retailers responded rapidly to the introduction of the SDIL, which was announced in 2016 and came into force in 2018 (see also the Context chapter, Topic 1 and the Annex). Figure 15 is taken from the third-year progress report for the sugar reduction ambition, showing reductions in sugar in soft drinks by the retailers between a baseline of 2015 and 2019.⁹⁷ (M&S sales sold via Ocado are included in the analysis. Ocado's own-brand products are not included in these statistics.)

Figure 15: Changes in sales-weighted average total sugar per 100ml of drinks subject to the SDIL (2015–19)



Source: PHE, *Sugar Reduction Report on Progress between 2015 and 2019* (2020) <https://www.gov.uk/government/publications/sugar-reduction-report-on-progress-between-2015-and-2019>

Five retailers – Aldi, Asda, Lidl, Morrisons and Tesco – report that by 2021 all their own-brand soft drinks had been reformulated to contain less than 5g of total sugar per 100ml, thereby exempting them



from the levy. Three further retailers report having reduced (but not eliminated) the number of own-brand soft drinks subject to the SDIL.

Calories

In 2020, the UK government published a voluntary ambition for manufacturers to reduce calories across a range of product categories. Six companies (Aldi, Co-op, Lidl, M&S, Morrisons, Sainsbury's and Waitrose) commit to this ambition to reduce calories by 10% from the 2017 baseline by 2024 in all categories relevant to the retailer's range, while Tesco has set its own calorie-reduction target rather than aligning to the government's ambition.

Most of these companies have made at least some progress on calorie reduction, with four reporting that they are on track to achieve the calorie-reduction ambitions by 2024.

Salt

Voluntary sodium reduction targets across a range of product categories have been in place since 2006 and were integrated into the government's reformulation strategy in 2017.⁹⁸ Targets have been steadily amended over time, most recently in 2020 (see Annex 1). This Index assessed the retailers' commitment to the most recent government targets (which are to be achieved by 2024 across 28 food categories) but their performance against the earlier government targets (set in 2017), as it was not felt reasonable to assess performance against such a recently amended target.

Seven companies commit to the government 2024 targets for all salt-reduction categories that are relevant to their product range. In addition, Tesco sets its own target for salt reduction. Asda, Iceland and Ocado were the three companies not found to be working towards specific salt-reduction targets.

Four of the seven companies that are committed to government targets report that they have fully achieved¹² the government 2017 salt-reduction targets, with the highest percentages reported by Co-op ('at the end of 2020, 98% of our own brand products met their maximum 2017 salt reduction targets') and Sainsbury's (97% of the company's own-brand products meet the salt reduction targets). Waitrose reports that it is on track to meet the 2017 salt reduction ambition.

Tesco has its own commitment/target for salt reduction and reports on progress towards this target. Asda is reporting on progress on salt reduction, but does not have a specific target in place.

Saturated fats

Saturated fat consumption has important health implications, and the UK government's Scientific Advisory Committee on Nutrition (SACN) has provided advice on reducing saturated fats in food to improve health, published in 2019.⁹⁹ However, saturated fat is the negative nutrient that is least widely reported on by retailers.

None of the retailers have current timebound targets to reduce saturated fats in products. Where the need to reduce saturated fat is acknowledged, this tends to take the form of a broad commitment or saturated fat reduction targets are integrated into a wider programme to reduce the number of HFSS products within a company's portfolio, rather than being singled out.

¹² The government specifies that businesses can report they have met the target(s) for an individual sub-category if 95% of products or volume sales meet the targets and if efforts have been made to reduce salt in the remaining 5% of products or volume sales to a minimum: PHE, *Salt Reduction Targets for 2024*
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/915406/2024_salt_reduction_targets_070920-FINAL-1.pdf



Four companies (Asda, Co-op, Morrisons and Sainsbury's) have made some progress in reducing saturated fats in their products, but this is not linked to a timebound target.

However, two companies have set timebound targets in the past, although these do not seem to have been renewed in 2021: Waitrose set a target in 2016 for a 10% reduction of saturated fats over a five-year period and reported in 2020 that 70% of this target had been met and that reduction efforts continue, and M&S reports ([interesting example](#)) that its target of a reduction of saturated fats of 20% in 10 categories was met in 2019. This suggests that targets are both feasible and achievable, at least in some product categories.

Industrial trans fatty acids In 2007, the British Retail Consortium (BRC) announced that its members would voluntarily commit to eliminate iTFAs from their own-brand products.¹⁰⁰ There is also an EU regulatory requirement that iTFAs be reduced to 2g per 100g or 100ml of fats and oils, and the WHO's REPLACE initiative was established in 2018 with the ambition of eliminating iTFAs from the global food supply by 2024.¹⁰¹

Most retailers state that they have removed iTFAs from their products as part of the 2007 BRC commitment, and Aldi and Lidl commit to an explicit limit of 2g per 100g of fats and oils, which is in line with EU regulatory requirements and World Health Organization (WHO) recommendations. Reporting on the continued elimination or minimisation of iTFAs is welcomed, as the past removal of trans fats need not necessarily guarantee that they will not appear in products in the future.

Positive nutrients

Overall, it seems that UK retailers are taking less extensive efforts to increase levels of positive nutrients such as fruits, vegetables and wholegrains in their products than to decrease levels of negative nutrients in products.

Fruits and/or vegetables

The indicators on fruit and vegetables in this Topic refer to their inclusion in packaged, processed products, rather than to fresh, tinned or frozen, as this Topic is specifically concerned with product formulation.¹³ Six companies – Co-op, Lidl, M&S, Morrisons, Tesco and Waitrose – have committed to increase levels of fruit and/or vegetables in packaged products. Of these, three – Lidl, M&S and Morrisons – have (and publicly report) an explicit target but no baseline for increasing levels of fruit and/or vegetables in packaged products.

Interesting example:

Tesco is the only company to report on progress against a target for fruit/vegetables in packaged food with a baseline, albeit in just one category (ready meals). Tesco regularly reports on progress against its target to increase the percentage of ready meals that contain at least one of the recommended five-a-day portions of fruit and vegetables from 50% (in 2021) to 66% by 2025, stating that '[In 2021], 50% of ready meals contain at least one of our 5 a day, compared to 26% in 2018.'

Wholegrains

Wholegrains are an important component of a healthy diet, as they are naturally high in fibre and are linked to a reduced risk of conditions including heart disease, type 2 diabetes and certain cancers.

¹³ Seven retailers have pledged to encourage vegetable consumption through the Food Foundation's Peas Please initiative, but many of these commitments are to increase sales from fresh vegetables rather than to (re)formulate packaged food products to include higher levels of vegetables. For more on Peas Please, see the Context chapter and Topic 7.



However, of the nutrients assessed for this Index, wholegrain receives the least focus from the retailers: only one company (Tesco) has a publicly stated commitment to increase the level of fibre in products through adding fruits, vegetables, nuts and (explicitly) wholegrains, but this is not currently quantified or reported upon.

Figure 16: Which nutrient-specific targets have the retailers set to guide product reformation?

	Sugar: Government ambition (20% reduction by 2020, from 2015 baseline)	Calories: Government ambition (10% reduction by 2024, from 2017 baseline)	Salt: Government ambition (category-specific reduction by 2024, from 2020 baseline)	Saturated fats	tFAs (WHO recommended level of 2g per 100g fats/oils)	Fruit / veg	Wholegrains	Portion size
Aldi UK	●	●	●	–	●	–	–	–
Asda	–	–	–	–	–	–	–	–
Co-op	●	●	●	–	◆	–	–	–
Iceland	–	–	–	–	–	–	–	–
Lidl GB	●	●	●	–	●	Ready meals will contain 80g portion of veg or equivalent serving suggestion on pack	–	●
M&S	● shortened timeline to 2019	●	●	–	–	50% of ready meals will have one portion of veg	–	–
Morrisons	● extended timeline to 2022	●	●	–	◆	0.5 portions of veg by end of 2021	–	–
Ocado	–	–	–	–	–	–	–	–
Sainsbury's	●	●	●	–	◆	–	–	–
Tesco	●	● 50 billion calorie reduction in selected product categories	● % change in volume salt in own-brand products below / above own-brand volume growth vs 2015 baseline	–	◆	Increase % ready meals that contain at least one five-a-day portion of fruit and veg from 50% to 66% by 2025	–	–
Waitrose	● 10% sugar reduction in 8 product categories over a 5 year period, starting in 2016	●	●	–	◆	–	–	–

- Yes / Target aligned with UK government/international guidelines, for all relevant products and product categories
- Different target/different baseline/extended timeline
- ◆ Company stated it removed tFAs from products, but an ongoing commitment aligned with WHO recommendations not found

To what extent are companies addressing portion-size reduction?

The growth in portion size is a significant concern for government (box 16), which has included it as one aspect of its calorie-reduction programme. Calories can be reduced either through reformulation or



through portion control, making use of guidance on portion size such as from the British Nutrition Foundation.¹⁰²

Some retailers address portion size as part of their calorie-reduction efforts and report on progress towards reducing the portion size of unhealthy products in this context: for example, Aldi's indulgent range of ready meals have a portion size of 400g, in comparison to its standard ready meals, for which portion size is 450g.

Interesting example:

Lidl is the only company that provided evidence of having reduced portion size of less healthy products coupled with an express commitment to reduce the portion size of these products to guide future progress.

Do retailers engage with brand manufacturers to improve the nutritional quality of their products?

Although the supermarkets' own-brand products account for a significant proportion of sales (see the Context chapter), a healthy UK food environment requires that all food manufacturers – branded as well as supermarket own-brand – produce healthier products, including through product reformulation. This Topic addresses whether the retailers are engaging with the branded manufacturers on making improvements to nutritional quality of their products, which are marketed and sold by the retailers.¹⁴

This assessment found evidence that some companies (Morrisons, Tesco and Waitrose) engage with branded manufacturers, for example, through supplier conferences/webinars. Morrisons, for example, told ATNI during the engagement phase that it is engaging with branded manufacturers to drive reformulation of HFSS products.

None of the companies, however, publish a commentary about the form of their engagement with brand manufacturers or any impact that it has made.

To what extent do companies publicly report on product formulation efforts?

Of the four companies that commit to the government's sugar, salt and calorie reduction programmes in all relevant product categories, Aldi is the retailer that was found most accessibly and comprehensively to report its progress towards all three of these targets, with its Product Reformulation webpage providing full and easy-to-read information for customers.

Interesting example:

Lidl publishes commitments and targets in the public domain covering more nutrients (five) than any other supermarket in this assessment: sugar, calories, salt/sodium, iTFAs, and fruit and vegetables.

Of the eight retailers (all but Asda, Iceland and Ocado) that commit to reduce levels of at least one negative nutrient (sugar, salt, saturated fats and iTFAs) in their products, all report on progress to at least some extent.

¹⁴ Note that this is not about engagement with suppliers of own-brand products, as these suppliers are covered by the product reformulation requirements already discussed.



There is a lack of consistency of reporting between retailers, which complicates assessment and may be confusing to customers:

- **Salt:** While most retailers report progress towards the government's salt reduction targets, Asda reports that in 2020, 20 tonnes of salt were removed from own-brand products and Tesco reports a reduction in volume of salt of 0.1% below volume growth for own-brand products against a 2015 baseline.

Confusion may also arise in coming years as some companies continue to report against the 2017 government targets and others against the new targets to be achieved by 2024. An example of this is that Lidl, M&S, Morrisons and Sainsbury's are already reporting against the more stringent 2024 targets; however, because these targets are more stringent, the retailers still have some distance to go. In 2020/21: 85% of Lidl's products, 68% of M&S products, 37% of Morrisons' products and 84% of Sainsbury's products meet the 2024 targets, which is far short of the 95%+ compliance of many retailers with the earlier target. Retailers should follow the example of Lidl, M&S, Morrisons and Sainsbury's and begin reporting progress against the updated 2024 targets as soon as possible.

- **Calories:** Again, the presentation of reformulation varies: Aldi and Sainsbury's state that 91% and 93% respectively of their products meet maximum government calorie ambitions, whereas Morrisons reports the removal of 8.6 billion calories from products in 2020, an increase from 2.6 billion calories removed in the previous year (and it is unclear what percentage change this represents).



Recommendations

To improve and accelerate efforts to deliver healthier products to customers through product (re)formulation, retailers in the UK are encouraged to:

- develop clear and timebound targets with a baseline (as a minimum, aligning with the latest government voluntary targets and ambitions) and track progress on commitments to decrease levels of negative nutrients in their own-brand products: salt, sugar and calories, and saturated fats and iTFAs;
- develop clear and timebound targets with a baseline and track progress on commitments to increase levels of positive nutrients and food components in their own-brand products, fruit and vegetables, and wholegrains;
- develop standardised reporting frameworks for tracking progress on product (re)formulation efforts across positive food components as well as negative nutrients, and report regularly and comprehensively both online and in annual reporting on progress towards the most recent UK government targets and ambitions;
- commit to offer smaller-sized portions of products not meeting the company's healthy standards, and report on efforts to reduce portion of less healthy products; and
- engage in dialogue with brand manufacturers to increase the healthiness of products sold through retailers' platforms, and publicly disclose commentary on these efforts.



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Topic 4: In-store promotion, pricing and placement

Customers not only need retailers to offer a wider range of healthier food and beverages: they also need those products to be accessible, affordable and appealing – especially to those on low incomes. Topic 4 assesses the ways in which retailers can work towards meeting this need, going beyond the restriction of unhealthy products to actively ensuring access to and increasing the desire for healthier products. This can be achieved by offering healthier options at competitive prices, making sure that such products are widely distributed and readily available across different store formats and geographies, and effectively promoting healthier products using a full range of marketing techniques – from product positioning in-store and on-shelf (and equivalent locations online) to reward and incentive schemes.

Topic 4 is the most extensive in the Index, consisting of 30 indicators. It also has the highest weighting, at 27.5% of the total Index score, which reflects the importance of availability, in-store positioning and price as key determinants of purchasing decisions, with significant implications for public health.

To perform well on this Topic, a retailer must:

- ensure the affordability of healthier products to all customers, including those on low incomes, through long-term pricing as well as short-term promotions;
- make healthier products more accessible and appealing through improved visibility and prominence of these products in-store and online; and
- deploy promotional techniques that shift customers away from purchasing less healthy products towards healthier options.

Box 12: Context – in-store promotion, pricing and placement

Promotions in retail settings are common, with recent research suggesting that 20–30% of food products in the online stores of four of the major UK retailers are on promotion.¹⁰³ Analysis for the UK government suggests there has been a decline in the amount of products bought on promotion – due to some retailers (such as Aldi UK and Lidl GB) using a discounting model that reduces prices across the board (known as everyday low prices: EDLP) – but Britain still has the largest amount of promotion in the major markets, as evaluated by Kantar Worldpanel. Promotions not only make products cheaper but also tend to encourage people to buy an average of 18% more, additional to expected category purchasing.¹⁰⁴ The placement of products also impacts purchasing patterns: evidence suggests that changes to supermarket layouts – both limiting the eye-catching placement of unhealthy foods and ensuring that fruits and vegetables are prominently placed – can improve the nutrition profile of retail sales and therefore impact on household purchasing and dietary quality.¹⁰⁵

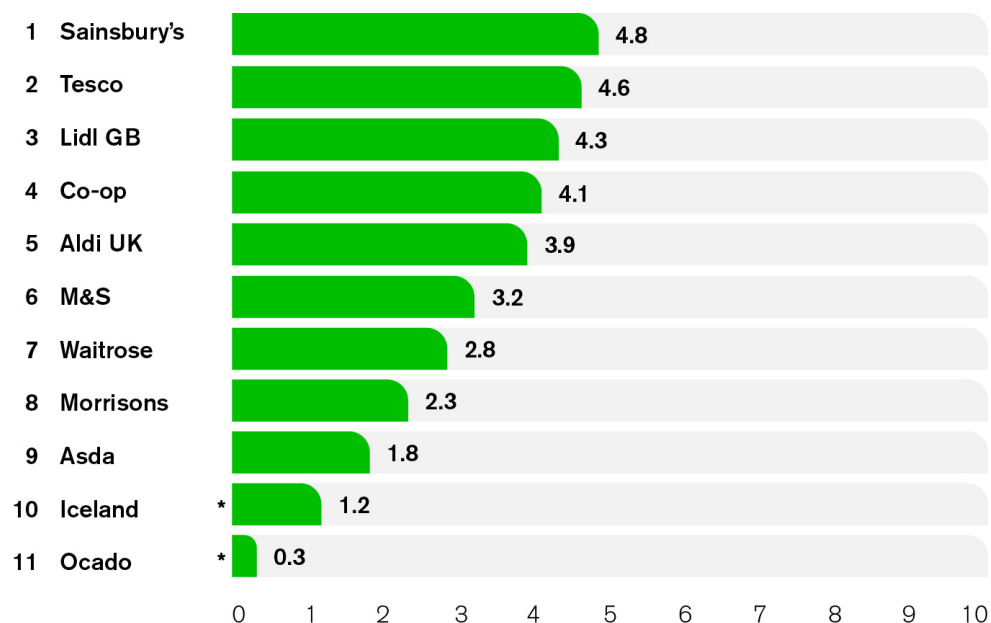
The UK government has responded to concerns about the promotion of unhealthy food, holding consultations in 2019 and 2021 on introduction and enforcement of restrictions (see Annex 1). The outcome is that, from October 2022, medium and large retailers will be required to restrict in-store and online volume promotions (multibuys,



such as 'buy one, get one free') of products that are included in the government's sugar- or calorie-reduction programmes or are subject to the Soft Drinks Industry Levy. (The multibuy restrictions do not, however, preclude the development and discounted sale of larger single-unit packs.)

The multibuy restrictions will be coupled with new restrictions on the placement of these products, which will no longer be permitted at 'checkouts, store entrances, aisle ends and their online equivalents' (such as entry pages or payment pages).¹⁰⁶

Ranking on in-store promotion, pricing and placement



*Did not provide information to ATNI

Sainsbury's ranks first in this Topic with a score of 4.8 out of 10, followed by Tesco (4.6 out of 10) and Lidl (4.3 out of 10). However, the average score in this Topic is 3.0 out of 10, which indicates that there is still much for the retailers to do to encourage customers to buy and consume healthier products. Sainsbury's and Tesco were also the two companies that provided the most extensive evidence of having had a positive impact on the healthiness of their customers' baskets, and therefore scored more highly on performance. They are also more transparent in their reporting in this area. For example, Sainsbury's 'Eat Better' campaign (which is year-round) and Tesco's 'Helpful Little Swaps' events (which occur at points during the year) provide significant evidence of the retailers' efforts to promote healthier diets for their customers.

Key findings

- Many retailers are not reporting comprehensively on in-store pricing and promotions: reporting is limited and, for most companies, there is little information of the impact on sales (which is often not



publicly disclosed). Quantitative data on the impact of promotions on sales of healthier products is minimal.

- Most retailers focus their promotions of healthy products on fruit and vegetables; there is much less focus on promotion of healthy packaged products.
- The majority of retailers are working to make fruit and vegetables more visible in-store, and many of them also run promotional campaigns to address their affordability. Retailers' techniques to encourage greater consumption of fruit and vegetables are diverse and creative, ranging from price promotions on seasonal fruit and vegetable lines to fun packaged fruit and vegetables, recipes provided in-store or in the retailers' magazines and a variety of written encouragements.
- Nine of 11 retailers (all but Asda and Iceland) commit to using price-based promotions to encourage purchases of healthy products. Additionally, all but Iceland and Ocado commit to using a variety of marketing techniques to actively drive the sale of healthy products.
- Commitments to reduce the prominence of less healthy products are extremely limited compared with commitments to increase the visibility/affordability of healthier products. No company shows evidence of having reduced or discontinued price-based promotions on less healthy products, for instance. There is evidence of restricting prominent positioning of less healthy products only at checkouts (rather than at other or all prominent positions), but healthier checkout policies tend to restrict the placement of confectionery only, not all less healthy products.
- The use of loyalty schemes, when available, are used by some retailers to encourage greater consumption of healthier products, but this is not yet standard practice across the industry.
- Only two of 11 companies explicitly commit not to run any in-store promotional campaigns/activities directed at children that involve any less healthy products.
- Much of the information for this Topic was provided to ATNI confidentially, under non-disclosure agreements. This is reflected in the scoring of the companies but makes it challenging to report examples fully in this Index. It does, however, also provide a useful baseline for the future.

Detailed findings

To what extent do companies address the affordability of healthier products across their store formats?

Access to affordable, healthy products is essential to good health across the population – particularly for those in lower socioeconomic groups, who are disproportionately affected by obesity and diseases caused by poor nutrition (see Context chapter). Addressing affordability could include specific promotions on healthy products in-store as well as 'price promises' that healthy options will always be the same price or cheaper than the equivalent less healthy versions of the product.

The majority of companies (all but Iceland, Ocado and Sainsbury's) have made some form of commitment to address the affordability of healthy products for the general consumer. The commitments from Lidl and Tesco also include specific reference to ensuring affordability for low-income populations, which is particularly important given ongoing food-price inflation and increases in food insecurity.

Lidl and Morrisons provide concrete evidence of their achievements to date. Lidl's ambition 'to make it easy for families on a budget to make healthy choices', including by 'offering fresh quality produce at the best price', has led to an increase in fruit and vegetable sales over a three-year period in the past.



Morrisons' commitment to 'make good food affordable for our customers' includes a Price Crunch campaign, which has reduced prices of several lines of fruit and vegetables by an average of 18%.

Three companies – Co-op, Sainsbury's and Tesco – have committed to a price promise that healthy options will always be the same price or cheaper than the equivalent less healthy version. Of these, the price promises from Co-op and Sainsbury's apply to all product categories and are not limited to certain times of the year only, and both companies also provided evidence of implementation of the price promise.

Interesting example:

Co-op reports that '100% of our own brand healthier choices are no more expensive than their standard equivalent product (based on price per kg)', and Co-op routinely monitors implementation of this promise: as of the end of 2020, the retailer had found only one non-compliant product in the ready-meal category.

There are, however, challenges to a price promise, as Sainsbury's notes: 'We work hard to ensure that the healthier choice is never more expensive than the standard equivalent – while this isn't always easy to manage with changes in pack sizes and promotions, this is an integral part of our trading practices.' Clarity would also be welcomed from retailers as to what corrective measures are taken if a product is found to be non-compliant with a price promise.

Meal deals are another way in which healthier options could be made more affordable – but Co-op and Tesco are the only companies that provided evidence of including more fruit, vegetables and wholegrains in meal deals (see also box 13).

Do companies encourage healthier choices through stocking and positioning of products?

Purchasing decisions by customers depend not only on the pricing of healthy products, but on whether they are sold at all – and the ATNI Methodology for this Index also addresses whether healthier varieties of packaged products are made more available, for example by stocking healthier variants for all products where there is such a variant. Some companies have made a more general statement that they are trying to do this where applicable. None of the retailers make explicit reference of number of facings of healthy/ healthier product varieties.

As restrictions come into force on multibuys of products high in fat, salt and sugar (HFSS) (box 13), any marketing of these unhealthy products by the retailers will instead become more dependent on physical positioning within each store. If retailers are serious about encouraging healthier choices, prioritising the positioning of healthy products in high-footfall areas will be particularly important in ensuring that healthy products remain prominent.

Ten of the 11 companies (all but Ocado) have committed to increasing the number/percentage of healthy products in at least one prominent location (including store entrances, aisle ends, checkouts etc. and their online equivalents) compared to less healthy products.

Interesting example:

In 2016, Iceland partnered with the University of Southampton to run a trial funded by the National Health Service on the positioning of fresh produce in supermarkets. The trial was the subject of a peer-reviewed paper in September 2021, which concluded that 'Healthier supermarket layouts can improve the nutrition profile of store sales and likely improve household



purchasing and dietary quality. Placing fruits and vegetables near store entrances should be considered alongside policies to limit prominent placement of unhealthy foods.¹⁰⁷

Eight of these 10 companies also commit to removing or reducing the number of less healthy items from at least one prominent location, ahead of the new regulations coming into force in October 2022 (box 12 and Annex 1). As was noted in the Supermarket Spotlight report, working towards healthier checkouts is one of the most consistently reported actions in this area: seven of the eight companies that commit to reducing less healthy items in a prominent location have committed specifically to removing sweets and confectionery at checkouts, of which six provided evidence of having done so. One of the companies indicated that some seasonal / treating occasion products (see also Topic 5), such as adult confectionery for Valentine's Day, are exempt from its healthy checkout policy.

Interesting example:

Aldi's healthy checkout policy not only restricts positioning of sweets and confectionery but explicitly uses the company's NPM to screen products suitable to be placed at checkouts (see also Topic 2): 'It is ALDI requirement that all products, branded and ALDI own brand, sold at checkout pass the Healthier Checkout criteria. To pass the criteria, the product must score less than 4 points using the ALDI adapted OFCOM model.'

Sainsbury's, Tesco and Waitrose also use their nutrient profiling model or similar tool to inform product positioning and promotions more broadly – for example, to establish for which products in-store signs are developed, or to determine which products can be included in promotional health events.

What kind of promotional techniques and activities do companies use in-store to encourage healthier purchases?

Nine of the companies (all but Iceland and Ocado) commit to using marketing and other promotional techniques to drive the sale of healthy products, including written or oral encouragement, signage, graphics, product swaps and displays. The many marketing techniques mentioned below and in figure 17 demonstrate the breadth of options available to all the retailers in promoting healthier products.

Interesting example:

Tesco's Helpful Little Swaps: For several weeks at key times in the year, Tesco's stores and online retail environment are transformed to focus on and incentivise customers to swap regular choices for healthier alternatives, with banners, shelf labelling, in-store signage and attractive displays in stores (and online equivalents). Recipe cards developed by celebrity chef Jamie Oliver, who fronts the events, also aim to increase fruit and vegetable consumption and to support customers' healthy eating. A basket of Helpful Little Swaps costs 12% less than a regular basket. Tesco also reports on some areas of impact of the campaign – for example, during the September 2020 event, sales of its discounted 49p fruit/vegetable lines increased by over a third compared to the previous year.

Interesting example:

Sainsbury's Eat Better Campaign: This runs throughout the year, combining 'better for you' and 'better for the planet' messaging. It includes written encouragements and signposting in-store, and also TV and radio adverts that encourage greater consumption of fruit and vegetables.



Figure 17: Examples of in-store promotional techniques

	Written or oral encouragements	Vivid descriptions and attractive displays	Recommended product swaps for healthy products	Clear signage towards healthy products	Other
Aldi UK	–	Super 6 posters	–	–	–
Asda	'One Basket Five Meals', which include 5 healthy family recipes, are highlighted in the Asda Magazine	–	Live Better Bit by Bit campaign recommends products swaps	–	Meal plan to support healthy choices on a budget
Co-op	Healthy recipes including nutrition information are included in the Co-op Magazine	Healthier Choices campaign including shelf-labelling	–	Well & Good signposting, Good Choice campaign	–
Iceland	–	–	–	–	Use of 5-a-day logo
Lidl GB	–	Pick of the Week end cap boxes	Healthier Swaps flags	–	–
M&S	–	Eat Well logo decor	–	–	–
Morrisons	–	–	–	–	–
Ocado	–	–	–	–	–
Sainsbury's	Eat Better recipes	Eat Better posters	–	Eat Better signposting, banners, etc.	–
Tesco	Healthier recipes developed by Jamie Oliver, available in-store and online	–	Helpful Little Swaps events	Helpful Little Swaps signposting	Community Cookery School, Jamie Oliver taking part in health events
Waitrose	Healthy Eating specialists	Front-of-store display unit for high-fibre products	–	–	Cookery schools

Note: This is not an exhaustive list

To what extent do companies' efforts to promote healthier products target children?

There have been several ways identified in this assessment in which retailers are making efforts to promote healthier products, including providing free fruit or vegetables in-store for children (M&S, Morrisons, Tesco and Waitrose). Lidl, Morrisons and Waitrose commit to use in-store promotional campaigns/activities directed at children to promote healthy products. For example, Lidl has developed, and encourages its suppliers to develop, fun-sized fruit and vegetable lines, specifically designed to make fruit and vegetables more appealing to children – and has a forward-looking commitment to this, which other retailers with such lines do not. In some stores, Waitrose's Healthy Eating Specialists give tours to children in over 150 tours focusing on promoting healthy eating habits.

There are commitments across the board to stop selling energy drinks to children aged under 16, with Morrisons being the only company that has taken this further in setting a higher age of 18 for purchase of these products. (Ocado, as an online retailer, does not have an explicit commitment but requires customers to be over 18 to make any purchase.) Restrictions on energy drink sales to under-16s has already been proposed by the government, following a consultation in 2018, but this has not yet been implemented.¹⁰⁸ All companies except for Lidl and M&S (and Ocado) provided evidence of training their staff to implement this commitment on energy drinks. Staff training is based on the 'Challenge 25' policy (also used for the sale of alcohol and tobacco), which requires appropriate ID to be shown if a customer is thought to be aged under 25.



Co-op and Waitrose additionally specifically commit not to run any in-store promotional campaigns/activities directed at children that involve any less healthy products (for example, no give-aways, tie-ins or voucher schemes).

Do companies drive healthier purchases through their reward/membership mechanisms?

Reward schemes have become increasingly popular in recent years, and can be used to encourage customers to make healthier purchases. Lidl, M&S, Sainsbury's and Tesco use their standard reward/membership mechanisms to incentivise the sale of healthy products.¹⁵

Interesting example:

In 2020 Sainsbury's launched its first Great Big Fruit & Veg Challenge, rewarding customers for purchasing more fruit and vegetables over a period of four weeks. Customers took part in this challenge via the Nectar app (i.e. the loyalty scheme used by Sainsbury's), and it had a significant impact, with over 450,000 people signing up and 52.5 million portions of fruit and vegetables being purchased by participating customers.

Do companies use pricing and price-based promotions to encourage healthier purchases?

All the retailers except Iceland and Ocado were found to commit to using pricing and price-based promotions to drive sales of healthy products in some form.

Some of these companies – Aldi, Lidl, M&S and Tesco – also provide evidence of the impact of these price-based promotions on customers' shopping baskets and/or sales.

Interesting example:

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, in the past (2016/17), a 30–40% increase in sales compared to the retailer's non-promotional products.

However, there was no evidence of any of the retailers having reduced or discontinued price-based promotions on less healthy products. These findings are supported by the *Superlist UK Health 2021* report, by the Questionmark Foundation, which found that a significant proportion of promotions in four retailers (Asda, Morrisons, Sainsbury's and Tesco), including price-based promotions, focus on HFSS products.¹⁰⁹

In addition, all the companies except M&S and Ocado discount 'wonky' (physically imperfect) fruit and/or vegetables. Aldi, Co-op, Morrisons, Ocado and Sainsbury's have a minimum number of fruit and vegetable promotions at any one time, and Ocado notes that it offers a minimum of 400 fruit and vegetable lines on special every month.

¹⁵ At the time of the research for this Index, Waitrose had a partnership with Vitality, under which customers who have Vitality health or life insurance receive discounts on healthier food purchases over £40. However, given that Vitality is a private health insurance scheme that is not accessible to all customers, ATNI does not credit this type of action.



Box 13: Volume-based promotions

As noted in box 12, volume-based promotions for unhealthy food will no longer be permitted from October 2022. When the research was undertaken for this Index in mid-2021, Aldi, M&S, Sainsbury's and Waitrose indicated that they had discontinued volume-based promotions, or were already currently in the process of phasing them out, but no retailer was found to commit to use volume-based promotions for healthy products only.

However, promotions such as meal deals do not appear to be considered by retailers as volume-based promotions. These findings are in line with findings of *Superlist UK Health 2021*, which indicated that Sainsbury's, for example, refrains from multibuy promotions for HFSS products, but also notes that Sainsbury's policy does not include meal deals.¹¹⁰ A commitment to encourage the purchase of healthy products within meal deals would be welcomed.

How well do companies disclose their efforts to improve product positioning and other promotional activities in store?

None of the companies publishes any information about how it guides product positioning of both own-brand and manufacturer-brand products to encourage purchase and consumption of healthier varieties. Some companies do report on specific aspects of product positioning highlighted in this Topic (such as on positioning at in-store and online checkouts), but none of the retailers specifically provided a comprehensive list of criteria for positioning of own-brand products, and no evidence was provided on engaging with brand manufacturers on the positioning of healthy products in prominent locations.

All nine of the retailers that have commitments relating to using marketing and promotional techniques to increase sales of healthy products (i.e. all but Iceland and Ocado) publish their commitments in the public domain. However, only Co-op, Lidl, Sainsbury's and Tesco publish information explicitly on the impact (progress and success/failure) of using marketing and promotional techniques to increase the sales of healthy products:

- Co-op reports on the results of the consumer behaviour trials it conducted in 2019 in partnership with the CGF's Collaboration for Healthier Lives (for this initiative, see also the Context chapter). In the trials, run in 22 shops in London, shelf labels were used to highlight healthier soft drinks to encourage sugar-free choices. Co-op states that 'unfortunately the evaluation showed there was no impact. While this was disappointing, the trial adds to the body of knowledge around education and labelling in terms of behaviour change.'
- Lidl reports that its actions to promote fruit and vegetables and in store 'resulted in an increase of 20% in fruit and veg sales between 2017 and 2019'. These actions included moving fruit and vegetables to store entrances, creating a 'fun-sized' fruit and vegetable range that could appeal to both children and parents, and promoting fruit and vegetables via Lidl's social media channels.
- Sainsbury's reports that 'sales of promotional fruits increased by more than 250 per cent' during a promotion in partnership with Disney, in which customers were incentivised to buy healthier products (including mini fruits), by being offered additional promotional cards associated with the purchase of such products.



- Tesco reports on the success of its 'helpful little swaps' event in September 2018, with sales of 'helpful little swaps' increasing by 17% compared with the previous year. An improvement in the health profile of the average customer's shopping basket was also noted.



Recommendations

To improve and accelerate efforts to ensure greater availability, prominence and affordability of healthy products to customers, retailers in the UK are encouraged to:

- make a commitment to address the affordability of health foods, with specific reference to low-income groups, and publicly report on progress;
- introduce 'price promises' to ensure that the healthier option is never more expensive than the less healthy option;
- commit to stocking healthier variants of all products for which a healthier (e.g. low-fat or low/zero-sugar) variant exists and with as many facings and in as advantageous a position on the shelf as the original products;
- ensure that healthy products are prominently displayed in high traffic areas in-store as well as in online retail environments. At the same time, all retailers are encouraged to increase the number/percentage of healthy products in prominent locations and high-traffic areas (such as store entrances, check-outs and aisle ends, and their online equivalents) compared to less healthy products;
- use the Food Standards Agency 2004/5 NPM to guide product positioning in stores and equivalent locations online;
- ensure greater transparency of the impact of promotions, trials and in-store campaigns that encourage the purchase healthy products, including regularly reporting on targets for the proportion of promotions for healthier products and providing data on the impact this has on prices and sales;
- use loyalty schemes to encourage healthier purchases online and in-store throughout the year (rather than only at limited times);
- specifically commit not to run any in-store promotional campaigns/activities directed at children (< 18) that involve any HFSS products; and
- end sales of energy drinks to children under the age of 18, and to provide evidence of having implemented this (e.g., by indicating staff received training on the issue).



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Topic 5: Media and on-pack advertising

Ensuring that all marketing beyond the store environment is conducted responsibly is essential to reaching customers with healthier foods and beverages. This is particularly critical with respect to marketing to children, whether on-pack or in broadcast or digital media.¹⁶ The UK has self-regulatory measures in place (box 14), but retailers are encouraged to take additional steps to demonstrate their commitment to responsible marketing.

This Topic analyses the extent to which retailers are taking action on responsible marketing, including sponsorship,¹¹¹ particularly to children (defined as those under the age of 18), and on prioritising the marketing of healthy products. The Topic consists of 15 indicators and is responsible for 7.5% of the overall score. It focuses primarily on commitments rather than performance indicators, as conducting an audit of company marketing practices is out of scope of this report.

To perform well on this Topic, a retailer must:

- develop and implement a policy on responsible marketing for all customers (with a particular focus on children up to the age of 18) and have its marketing policies audited by a third party;
- commit to implement policies going beyond existing voluntary UK Codes – for example, by not advertising unhealthy products near schools, not using fantasy and/or cartoon animation and characters on packs or in-store signs in relation to unhealthy products, and defining children as being up to the age of 18; and
- increase advertising on healthy products relative to its overall advertising spending.

Box 14: Context – responsible marketing

As set out in the Context chapter, there is evidence that exposure to advertising of less healthy products (high levels of energy, fat, sugar and salt (HFSS) and low levels of fruits, vegetables, nuts, fibre and protein)¹⁷ can have an impact on children's eating habits and act as a driver of obesity and non-communicable diseases,¹¹² particularly as digital marketing continues to gather pace.

The World Health Organization (WHO) has been making efforts in recent years to encourage governments to act on the marketing of these products to children. In May 2010, 193 WHO Member States endorsed Resolution WHA63.14 at the World Health Assembly to restrict the marketing of HFSS foods and non-alcoholic beverages to children worldwide.¹¹³ This was followed by 12 recommendations from the WHO on the marketing of food and non-alcoholic beverages to children to follow through on the Resolution¹¹⁴ and a framework for implementing the recommendations.¹¹⁵ Children up to the age of 18 are affected by the marketing of unhealthy food products, yet often

¹⁶ Note that marketing and promotions in the physical and online retail environments are covered in Topic 4.

¹⁷ Determined using the Food Standards Agency (FSA) 2004/5 nutrient profiling model.



restrictions (such as the UK Codes described below) apply only to children aged up to around 12–15.

In 2019, the International Chamber of Commerce (ICC) published a Framework for Responsible Food and Beverage Marketing Communications,¹¹⁶ which recommends that 'products unsuitable for children or young people should not be advertised in media targeted to them'.

The UK has had relevant self-regulatory codes in place for some years: the Codes of Broadcast Advertising and the Non-broadcast Advertising and Direct & Promotions Marketing. These codes are written by the Broadcast Committee of Advertising Practice (BCAP) and Committee of Advertising Practice (CAP). Membership of these committees include the main bodies that represent advertisers, agencies and media owners. The codes are administered by the Advertising Standards Authority (ASA), the UK's independent regulator of advertising across all media including digital marketing.

The BCAP¹¹⁷ and CAP¹¹⁸ Codes call for:

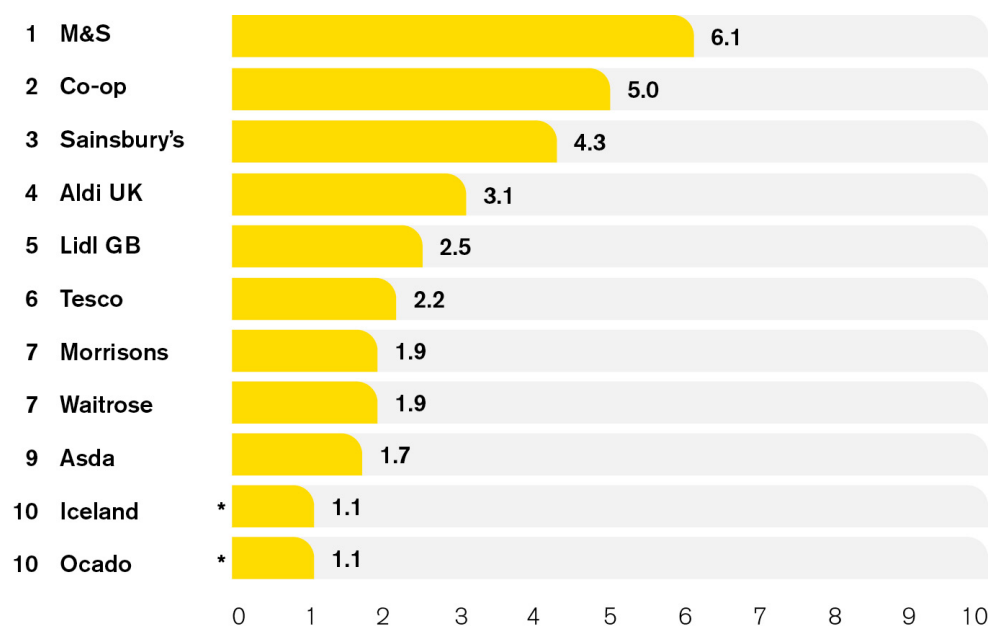
- children to be protected from advertisements that could cause physical, mental or moral harm;
- for care to be taken when featuring or addressing children in marketing communications; and
- for child to be defined as someone under 16.

For example, the CAP Code states: 'Licensed characters and celebrities popular with children must be used with a due sense of responsibility. HFSS product advertisements that are targeted directly at pre-school or primary school children through their content must not include licensed characters or celebrities popular with children.' This does not, however, apply 'to advertiser-created equity brand characters (puppets, persons or characters), which may be used by advertisers to sell the products they were designed to sell'.¹¹⁹ In the ATNI Methodology for this Index, retailers are credited for going beyond the CAP Code, including committing not to use any form of fantasy/cartoon/character/celebrity on-pack (described here as 'child-oriented' approaches) and in marketing/advertising more broadly.

In a recent move, the UK government has committed to taking action to restrict HFSS advertising as part of its obesity strategy and held a consultation in 2019 on introducing further advertising restrictions on TV and online for HFSS products.¹²⁰ In 2021, new restrictions on advertising of HFSS food products online and on TV between 5.30am and 9pm were announced,¹²¹ which will apply to retailers as well as to manufacturers (see Annex 1), and will apply to a specified list of categories. These restrictions are due to come into force in 2023.



Ranking on media and on-pack advertising



*Did not provide information to ATNI

Marks and Spencer (M&S) ranks first in this Topic with a score of 6.1 out of 10, followed by Co-op (5.0 out of 10). The average score for this Topic is 2.8 out of 10, and scores in this area are low overall, with action by the retailers appearing to lag behind many of the major food manufacturers in adopting responsible marketing commitments, as assessed by ATNI's Global Index 2021.¹²² The position of the top three companies – M&S, Co-op and Sainsbury's – reflects that they are the only retailers to have a clear policy on responsible marketing to children. M&S is additionally the only company found to commit not only to advertising more fruit and vegetables, but also to advertise more healthy packaged products. M&S and Sainsbury's are among four companies that define children as being all those under the age of 18.

Key findings

- The low average score for this Topic indicates that there is still much for the retailers to do outside the store environment to encourage customers to buy and consume healthier products. Specifically for this Topic, it is not always clear to what age marketing restrictions apply, nor to what kind of marketing they apply, and there were significant differences between the retailers. Transparency in this Topic is relatively limited across the board: no company, for instance, publishes a commentary outlining the changes to its advertising spending in support of healthier eating.
- Only three of the companies – Co-op, M&S and Sainsbury's – were found to have a clearly articulated responsible marketing policy (all of which are in the public domain) for all customers including children.
- Four retailers – Aldi UK, M&S, Sainsbury's and Tesco – explicitly define children as those aged up to 18 (rather than a younger age) when addressing responsible marketing.



- Eight retailers were found to have a commitment not to use child-oriented characters on pack¹⁸ at least on some products and/or on some types of media for their own-brand products. Three of these companies – M&S, Morrisons and Waitrose – extended their commitments to all products and all forms of media.¹⁹
- Five of the companies were found to have an explicit commitment to align the portrayal of food in advertising with on-pack portion/serving size.
- Products developed for treating/gifting occasions, such as birthday cakes and Christmas confectionery, or seasonal products such as those only available at Easter or Halloween, were sometimes noted as being exempt from companies' advertising restrictions.

Detailed findings

To what extent do companies commit to market their products responsibly to all customers?

Despite the importance of a clearly articulated responsible marketing policy for all customers including children, only three companies – Co-op, M&S and Sainsbury's – were found to have such a policy, and all three companies publish this in the public domain (figure 18). Co-op and Tesco state that they do not actively market to children at all (note, however, that no explicit responsible marketing policy was found for Tesco).

Interesting example:

M&S's responsible marketing policy commits to 'legal, decent, honest, truthful and never misleading [food marketing] communications', making specific reference to the display of food, to nutrition and health claims and portion sizes. It also sets out specific principles guiding the company's approach to marketing to children, including never directly or indirectly conveying misleading or harmful messages, never exploiting a child's inexperience or credulity, and never encouraging unhealthy dietary habits in children. The policy also states that it will 'never directly advertise any HFSS products (those high in fat, sugar or salt) to children under the age of eighteen in any circumstances'. M&S was also found to be the only retailer to reference the ICC Framework for Responsible Food and Beverage Marketing Communications.¹²³ M&S is, however, advised to review how the Percy Pig branded HFSS food products comply with the company's responsible marketing commitments and commitment not to use child-oriented characters on products and in any form of media.

Little information was found as to how far retailers' marketing/advertising strategies are applied to different forms of media. Only three companies make a commitment in this area: Co-op, M&S and Sainsbury's.

Both Co-op and M&S indicate that their responsible marketing policy applies to all forms of media. Co-op does not 'advertise HFSS food and drink products across all non-broadcast media (including print, cinema and online/social media) targeted at under 16s', and also commits 'not [to] advertise HFSS products on TV during children's television hours' or to 'advertise HFSS products in specific children's titles or adjacent to children's pages in newspapers'.

¹⁸ Child-oriented marketing methods include the following (this is not an exhaustive list): the use of children's idols, drawn and/or cartoon figures (both licensed and company-owned characters), contests, discount campaigns, competitions, games, puzzles, jokes and sweepstakes.

¹⁹ Media channels include the following (this is not an exhaustive list): television, radio, cinemas, print, online (websites, viral, online chat, videos, social networks, video/adver-games), mobile phone (SMS messages and games), apps, sponsorship, product placement, peer-to-peer, sales promotion, email, direct marketing, children's clubs, films, packaging and point of-sale material.



Sainsbury's is the most explicit in stating to which types of media its marketing policy applies. It covers 'paid and unpaid marketing communication developed directly or on behalf of Sainsbury's', including some print media, all broadcast media (TV and radio), all non-broadcast electronic and/or digital media, sponsorship, and additional marketing (such as outdoor marketing and product placement). However, some forms of print media are excluded.

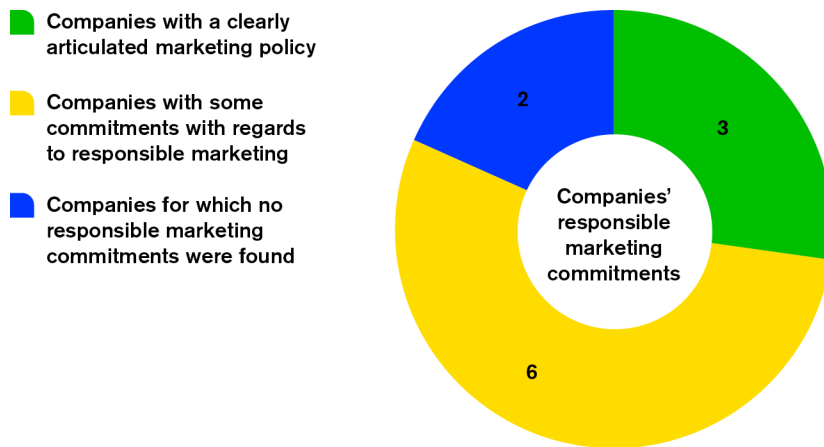
Sainsbury's is also the only company to make a specific commitment about advertising near schools, stating that the company ensures that products featured in advertisements within 100 metres of a school are non-HFSS.

Products developed for treating/gifting occasions, such as birthday cakes and Christmas confectionery, or seasonal products such as those only available at Easter or Halloween, were sometimes noted as being exempt from companies' advertising restrictions (e.g. Co-op and Sainsbury's stated that these products are exempt from restrictions on the use of child-oriented characters).

How do companies audit compliance against their policies for responsible marketing?

Sainsbury's is the only company that explicitly states that there is a compliance monitoring mechanism in place for its responsible marketing approach, although no detail of this is provided and it is not clear if this is a third-party audit or an internal audit.

Figure 18: Companies' responsible marketing commitments



Up to what age do companies restrict marketing to children?

Five companies have clearly indicated using a specific age to define children. Of these, four – Aldi, M&S, Sainsbury's and Tesco – use the age of 18, aligning international understanding of the definition of a 'child' as being under 18 (box 15). Co-op uses under the age of 16.



Box 15: Definition of a child

The UN Convention on the Rights of the Child, the WHO (for example, the Commission to End Childhood Obesity¹²⁴) and UNICEF¹²⁵ are clear that children should receive particular protection, with a child defined as being anyone up to the age of 18. ATNI considers this to be best practice, as up to this age cognitive abilities are still developing.¹²⁶ However, restrictions to protect children from unhealthy marketing (including online) vary across industries (such as the alcohol and gambling industry) and between countries, and do not offer sufficient protection to children under 18 years, particularly in terms of unhealthy food.¹²⁷

To what extent are retailers using child-oriented characters on-pack?

Eight out of the 11 companies (all but Iceland, Ocado and Tesco) were found to have made some efforts to restrict the usage of child-oriented characters on own-brand products. M&S and Waitrose note that the restrictions are implemented without exception, and Morrisons that this covers all HFSS products. The other five companies note some exceptions, including seasonal and treating ranges.

Interesting example:

Waitrose has not only removed cartoon characters from breakfast cereals, as some of the other retailers (Aldi, Asda, Co-op, Lidl GB, Morrisons and Sainsbury's) have done: it has also removed cartoon characters from all food products, and has redesigned the branding of its essential Waitrose breakfast cereals to avoid all bright colours that might appeal to children.

What techniques are companies using to align the portrayal of food in advertising with on-pack portion size?

Five of the 11 companies – Aldi, Co-op, M&S, Sainsbury's and Tesco – commit to align the portrayal of food in advertising with on-pack portion size. Examples of these commitments are 'we work with a Home Economist to ensure all the food we portray is realistic in terms of portion size, both in our TV adverts and also in our Website recipes' (Aldi) and 'We do not encourage excess consumption or inappropriate portion sizes through on-pack photography' (Co-op). However, more evidence on what these commitments mean in practice would be welcomed.

Box 16: The importance of portion size

Reformulating product recipes and/or reducing portion sizes can help consumers lower their intake of nutrients that contribute to poor health, and portion size reduction is included within the government's voluntary sugar- and calorie-reduction programmes.¹²⁸ However, between 1993 and 2013, portion size increased by 50% across many product categories¹²⁹ and, additionally, the portrayal of portion size in advertising is not necessarily accurate, which can be misleading to consumers: many people are unaware of what constitutes an appropriate portion size, and with one in four people not



interpreting portion sizes correctly.¹³⁰ This Topic therefore includes the extent to which companies address portion size in marketing and advertising.

What are companies doing to use marketing to promote healthier diets?

Aldi, Co-op, Lidl, M&S and Waitrose commit to advertising more fruit and vegetables, with four of the companies (all but M&S) doing so as part of a Peas Please pledge. However, the companies' commitments differ, with Co-op and Waitrose committing to advertise more fruit and vegetables through their respective magazines, and Lidl, Co-op and Aldi including the use of social media to promote fruit and vegetable consumption. Lidl, for example, doubled the number of social-media posts promoting vegetables in 2018 and Aldi has committed regularly to advertise fruit and vegetables and has been reported by the Food Foundation as featuring fruit and vegetables in its social-media channels almost on a daily basis.

Interesting example:

M&S is the only company that commits to advertising not only more fruit and vegetables, but also more healthy packaged products. This goes beyond the commitments made by other retailers and shows that there is potential for significantly more action in this space by other supermarkets.

All companies provide evidence of sponsoring or funding initiatives promoting children and/or adults' healthy eating. All 11 retailers support Marcus Rashford's campaign to end child food poverty, and several companies were found to support other initiatives, including competitions and cooking education. However, these tend to be standalone and short term, rather than long-term structural commitments.

- Aldi has reached over 1,800 young people through its Get Set to Eat Fresh initiative, a programme to educate children aged 5–14 on the importance of a balanced diet, teaching them how to cook healthy food for themselves.
- Ocado sponsored the 2018 Young Pea Chef of the Year, a nationwide competition that challenged schoolchildren at both primary and secondary level to invent a recipe using peas. Over 200 children entered the competition and over 2,000 people voted to choose the winning three entries.
- in 2018 Tesco announced a partnership with Jamie Oliver, aiming to make healthier choices a little easier – for example, by developing healthier recipes to be shared with Tesco's consumers.
- in 2020, Waitrose supported the development of a six-part series of children's books about healthy eating for an online library, The Social Book Club. The books take primary-school-age readers on a journey through a supermarket to teach them about healthy food choices, based on the UK government's Eatwell Guide recommendations.

None of the companies commit to sponsor materials, people or activities popular with children and/or adults only in conjunction with healthy products/products low in sugar/calories/salt/fat.



Recommendations

To improve and accelerate efforts to ensure that all marketing to all customers (and particularly to children) prioritises healthier products, retailers in the UK are encouraged to:

- adopt and publicly disclose a clearly articulated responsible marketing policy, which covers all customers including children;
- clearly state that for all purposes, the age used by the company to define a child should be 18, aligning with the UN Convention of the Rights of the Child, and commit to apply all relevant marketing restrictions to all up to the age of 18, aligning with a set of recommendations on the marketing of foods and non-alcoholic beverages to children from WHO and UNICEF;
- to refrain from using child-oriented marketing methods for HFSS foods both on pack and for all forms of media – and particularly extending existing commitments beyond breakfast cereal;
- ensure that the portrayal of food products in advertising aligns with on-pack portion size;
- commit to apply marketing restrictions across the whole portfolio, including products specifically developed for 'treating occasions' and seasonal products (such as products specifically developed for Christmas or Halloween), clearly indicating reasons for any exemptions;
- commission a third-party organisation to audit company compliance with the responsible marketing policy, and publicly disclose compliance levels;
- 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; and
- 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.



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Topic 6: Accessibility of nutrition information and labelling

Retailers can help consumers to identify healthier options by providing them with accurate, easily understandable and consistent information about the nutrition composition and healthiness of all of the products they sell – whether on-pack, in-store or online. This Topic captures the extent to which the retailers go beyond the UK's mandatory back-of-pack nutrition labelling to include clear, easily understood front-of-pack labelling (with this information also readily available online), and to what extent this aligns with best practice for the UK as set out by the Institute of Grocery Division (IGD) (box 17). This is particularly important as an increasing proportion of the food bought and consumed in the UK is supermarket own-brand (see the Context chapter), the labelling of which is controlled by the retailers. This Topic also touches on the use of the 'healthy' icons/logos developed by individual retailers.

Topic 6 contains nine indicators covering commitment, performance and disclosure, and accounts for 10% of the overall score for the Index.

To perform well in this Topic, a retailer must:

- commit to using interpretive FOP labelling on its own-brand products, both on-pack and clearly presented online, and provide evidence of using FOP labels;
- commit not to place a health claim on a product unless it is healthy, as defined by meeting clearly defined nutrition criteria as set out in the government-endorsed Food Standards Agency (FSA) nutrient profiling model 2004/5 (see also Topic 2); and
- clearly disclose its approach to FOP labelling on-pack (including the percentage of its portfolio that is currently compliant) and the accessibility of nutritional information online.

Box 17: Context – nutrition information and labelling

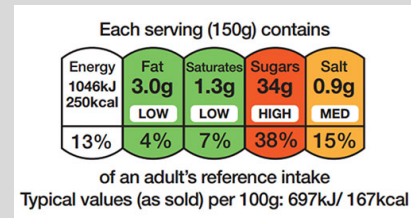
Back-of-pack (BOP) nutrition labelling is mandatory in the UK,¹³¹ so this Topic focuses instead on front-of-pack (FOP) labelling.¹³² Interpretive labelling provides consumers with a much clearer, at-a-glance indication of the healthiness (or otherwise) of products, and has been found to help direct consumers towards healthier purchases.¹³³ In 2007, the UK FSA published a 'traffic-light' system of interpretive labelling: red (high), amber (medium) or green (low) for levels of total fat, saturated fat, total sugar and salt. The UK government has published guidance on creating FOP nutrition labels based on this system,¹³⁴ which aligns with requirements set out in EU Regulation No. 1169/2011 on the provision of food information to consumers – and the UK government has stated it will remain committed to these requirements following the UK's exit from the European Union. There are also calls for an ongoing discussion in the EU on mandating the adoption of local variants of the Nutri-Score labelling system across the EU, which might impact on UK regulation.¹³⁵

This UK traffic-light system currently remains voluntary but there are increasing calls for it to become mandatory, as this would provide consistent information for consumers

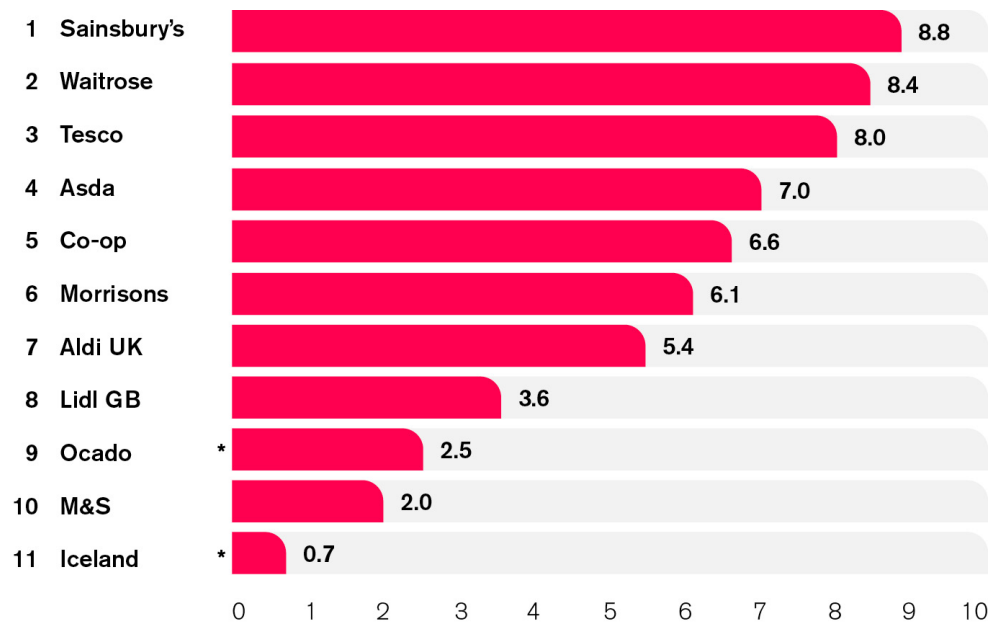


across all packaged products, including retailers' own-brand products. In 2020 the UK government launched a consultation on FOP nutrition labelling, the results of which (as of April 2022) have yet to be published.¹³⁶

This Topic follows Codex guidelines¹³⁷ to create consistency on FOP labelling and WHO guidance to use interpretive FOP labelling. For the UK, the IGD's best practice guide for food and drink companies on FOP labelling embodies these principles. Alignment with the IGD recommendation is included as part of the assessment for this indicator: it is both nutrient-specific and interpretive, including labelling of 'energy + 4' nutrients, reference intake and typical energy per 100g or 100ml, as shown in the image here.¹³⁸



Ranking on accessibility of nutrition information and labelling



*Did not provide information to ATNI

Sainsbury's is in first place in the ranking within this Topic, with a score of 8.8 out of 10, having provided the most extensive evidence, including being the only retailer to publish the percentage of its portfolio that is currently covered by FOP labelling. Waitrose comes second (8.4 out of 10), followed by Tesco (8.0 out of 10), and the average score is 5.4 out of 10. Nine of the 11 companies assessed provided information for at least some of the indicators. Iceland is the only company found not to use traffic-light labelling on own-brand products. There is also a clear difference between companies on the accessibility of nutritional information online.



Key findings

- This Topic had one of the highest average scores of any of the Topics, but with a wide range of scores across the companies – from 8.8 to just 0.7 – suggesting both that clear action has been taken by some to address the clarity of labelling but also that other retailers urgently need to update their approach to match the recommendations of the IGD and guidance from the UK government, as well as to ensure that nutritional information is also readily available online.
- Ten of the 11 companies use colour-coded FOP labels on their own-brand products, and three (Aldi, Morrisons and Sainsburys) provided evidence of fully applying the IGD guidance on ‘gold standard’ labels. Iceland is the only retailer found not to use traffic-light FOP labels on own-brand products.
- It is generally unclear to which products the retailers’ policies on FOP labelling apply and what is the rationale for any exceptions.
- Sainsbury’s is the only retailer to publish the specific percentage of its portfolio that is currently compliant with its FOP labelling policy.
- Morrisons is the only company that indicates it will not place a health claim on an own-brand product unless it is healthy, as defined in a relevant nutrient profiling model (NPM). Six other companies indicate they will not place a health claim or use their ‘healthy’ logo on own brand products unless defined as healthy by using FOP traffic-light labelling and/or own internal criteria.
- There is scope for significant improvement in transparency in nutrition-labelling practice across the board. No company scored highly on the disclosure indicators.

Detailed findings

Do the companies use front-of-pack (FOP) colour-coded labelling?

Ten out of the 11 companies (all but Iceland) assessed use colour-coded FOP labels on their own-brand products, indicated through pages on the company’s websites, through labelling policies, and from ESG or CSR reports. Ocado uses traffic-light labelling on some own-brand products but does not have a clear commitment in place.

Three companies – Aldi, Morrisons and Sainsburys – follow good practice in applying the IGD guidance on ‘gold standard’ labels.

Clearer publicly available evidence on what guidance is being followed (IGD or traffic-light labelling) would be welcomed from all companies, including details on any exemptions. Not all products need be labelled: as box 18 indicates, there are permissible exceptions. However, the retailers must be clear on where exemptions lie within their portfolios as well as stating the proportion of products that are covered by FOP labelling.

Of the nine companies that provided evidence of colour-coded FOP labelling, it is often unclear whether the labelling strategy applies to all own-brand products: not all are explicit on whether and where exemptions apply. Some exemptions align with the UK government’s understanding of what is permissible (box 18) and may be acceptable, while others– such as ‘gifting lines’ (products where labelling is considered to detract from packaging) – do not fall within this permissible list, but are excluded by some companies. Aldi, Co-op, Sainsbury’s, Tesco and Waitrose provided ATNI with examples of which products do not have FOP nutrition labels and an explanation of why. Both Co-op



and Sainsbury's specifically note that they do not label foods listed in the EU Regulation that sets out exemptions (box 18).

Box 18: FOP labelling/exemptions

UK government guidance on colour-coding makes clear that there are food products that are exempt from mandatory nutrition labelling, which is in alignment with the relevant EU regulation (Annex V of Regulation (EU) 1169/2011).¹³⁹

19 foods/categories are exempted, including products that are not processed ('unprocessed products that comprise a single ingredient or category of ingredients'), products considered to have insufficient space for the labelling ('food in packaging or containers the largest surface of which has an area of less than 25cm²'), teas/coffee and flavourings/additives. It is important that companies set out clearly for consumers which products are exempt from labelling requirements and why.

To what extent do companies provide nutrition information online?

Online grocery sales had been rising steadily prior to the COVID-19 pandemic, and have since jumped dramatically (as set out in the Context chapter), making it even more important that nutrition information is as accessible to consumers when making online purchases as it is when viewing packaging in-store.

Only six retailers specifically indicate that both BOP and FOP nutrition information is provided online for all products (with some exemptions – box 18). Co-op is the only retailer that specifies in a publicly available document that it includes FOP information online: 'We provide nutritional information per 100g and per serving (where applicable) for all our own label products, sold through both Co-op online delivery and the Deliveroo channels. We also include an image of the front of pack so that the traffic lights are visible.'

Asda, Sainsbury's, Tesco and Waitrose are the only four companies that clearly display FOP labels together with product pictures online to make them as accessible as they are in-store. Sainsbury's customers, for example, can find FOP labelling either by scrolling down on the main information tab or clicking on an enlarge icon for a zoomed-in version of the label.

Lidl is the only company that does not sell its products online. However, the company's website does show the products that are available in-store, but nutritional information is not currently provided online.

Some companies have developed filter functionality on their online sales platforms to enable consumers to find healthy products more easily, mostly by specific nutrient-based filters. Asda, Sainsbury's, Tesco and Waitrose either have at least three nutrient-based filters on their online platforms or a healthy (or healthy logo) filter. Of these, Asda and Tesco have more than three nutrient-based filters – but the option of selecting multiple filters at the same time is not available. Tesco's website, for example, includes filters for low sugar, low salt, low fat, low saturated fat, source of fibre, high fibre, no caffeine, 1 of 5-a-day, sugar free and low calorie; however, only one filter can be selected at a time. Ocado has one nutrient filter function: it is the only retailer found to have a filter for soft drinks that are exempt from the 'Soft Drinks Sugar Levy'. Co-op also has one nutrient filter function only, for 'No added sugar'.



Do companies have commitments to use health and nutrition claims appropriately?

Any health claims on products should be subject to stringent processes that meet the criteria of a government-endorsed NPM – in the UK, this is the FSA 2004/5 NPM (see Topic 2). An increasing trend over the last few years has been the introduction by several of the retailers of front-of-pack logos to denote ‘healthier’ own-brand products, which are additional to (and should never replace) comprehensive FOP labelling. The implied (or sometimes explicit) aim in developing the logos is to assist customers to find healthier options (for example, wholegrain bread, pasta and rice, lower-sugar soft drinks, lower-fat dairy and products containing fruit and vegetables).

Rather than clarifying, however, such logos may be confusing: the criteria for these logos are often opaque – perhaps based on an NPM, recommended intakes, the UK government’s Eatwell Guide or on traffic lights – but this is usually not described in any detail. There is no evidence of consistency between the retailers on the criteria for their logos, and if the criteria for such logos differ between retailers, this may cause confusion among consumers. ATNI would welcome the retailers and UK government working together to standardise such logos to help customers make consistent, informed purchasing decisions.

The healthy logo from Morrisons (Healthy Living icon) was confirmed during the engagement phase as only being placed on products that are classified as healthy by the FSA 2004/5 NPM. Asda (Live Better icon), Co-op, M&S (Eat Well sunflower), Sainsbury’s, Tesco (Healthy Choice logo) and Waitrose (Good Health logo) have indicated that they do not place their logos or a health claim on a product when the product carries a red traffic light, using the UK FOP labelling guidance. These six companies do not explicitly use the FSA 2004/5 NPM to determine whether health claims will be put on a product.

Box 19: What are health and nutrition claims?

Health and nutrition claims are often used on product packaging and in marketing communications. They must be accurate, evidence based, and should not be misleading for consumers, and should only be placed on healthy products as defined by a nutrient profiling model.¹⁴⁰

A nutrition claim refers to any representation that states, suggests, or implies that a food has a particular nutritional property (for example, a statement on products such as ‘low in fat’) and a health claim refers to any representation that states, suggests, or implies that a relationship exists between a food or a constituent of that food with health (an example would be ‘calcium may reduce the risk of osteoporosis’).

Are companies publicly disclosing the proportion of own-brand products for which nutrition information is provided?

For good practice, retailers should make public the proportion of its own-brand products for which nutrition information is provided, but most of the companies do not do so, and it is not possible for ATNI to assess this because it is not feasible to determine without searching all products on a retailer’s website.



Interesting example:

Sainsbury's is the only company to publish the percentage of its portfolio that is compliant with its approach to FOP labelling: 58.7% of Sainsbury's own-brand products had full traffic-light FOP labelling in 2019/20, with 42% of its products exempt from labelling (a high percentage, highlighting the additional importance of clarity by all retailers on the rationale for exemptions to labelling).



Recommendations

To improve and accelerate efforts towards better labelling and access to nutrition information, retailers in the UK are encouraged to:

- develop, publish and adhere to an FOP labelling policy that explicitly aligns with IGD 'gold standard' FOP labels;
- clearly and publicly state any products that are exempt from labelling requirements and why they are exempt, going beyond a simple reference to the EU Regulation that covers this;
- disclose the proportion of products that are compliant with its policy on FOP labelling;
- improve accessibility of online nutrition information through improved healthy filter functionality and display of nutrition labels (FOP and BOP), and disclose its policy on online information; and
- publicly commit to not placing health claims (including logos) on a product unless it is healthy as defined in the FSA 2004/5 NPM.



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Topic 7: Stakeholder engagement

This Topic addresses whether and how the UK retailers are engaging and working with other stakeholders to make a positive difference to the nutrition landscape in the UK. It assesses engagement of retailers with civil society, industry/trade associations and academia to improve company strategy and policy to increase consumers' access to healthy food, and their involvement in non-commercial third-party nutrition initiatives. It also requires clear commitment to engage with government bodies or policymakers responsibly, and to be as transparent as possible about lobbying activities so that public health advocates and other key stakeholders can understand the pressures being put on government.

This Topic consists of seven indicators (four of which relate to disclosure) and accounts for 5% of the overall score for the Index.

To perform well in this Topic, a retailer must:

- engage with policymakers responsibly – including publishing all public policy positions and disclosing membership of trade associations that lobby on its behalf;
- take an active role in initiatives to address the UK's nutrition and obesity challenges; and
- engage stakeholders in the ongoing development of its nutrition strategy, policy, programmes and initiatives.

Box 20: Context – stakeholder engagement

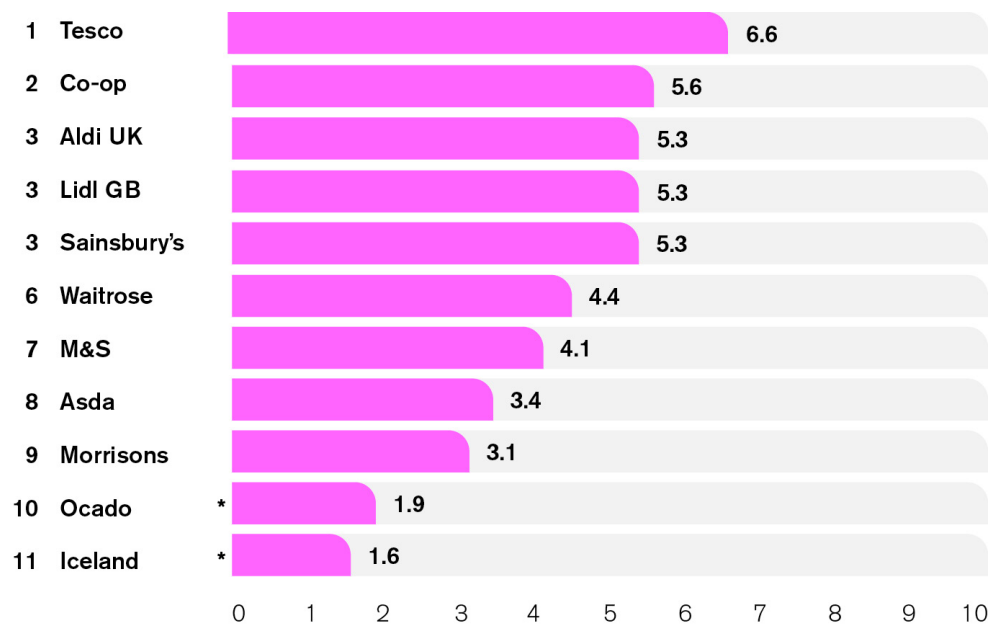
In recent years, the UK government has taken steps to address obesity, first in children and more recently adults, following concern about the links between COVID-19 and obesity. As Annex 1 sets out, there are several UK government policies and consultations aimed at creating a more health-promoting food environment, and the supermarkets are recognised as being key players through their roles both as retailers and as own-brand manufacturers.

In addition to individual retailers taking a stance on issues concerning public health, industry associations also act on behalf of their members: for example, the Can the Tax campaign in 2016 opposed the introduction of the Soft Drinks Industry Levy (and was countered by a civil-society campaign in response, Tax the Can).¹⁴¹ The British Retail Consortium (the main industry association for the retailers) also contributed to the UK government consultation in 2018 on proposed amendments to the 2004/5 FSA NPM, particularly around the inclusion of 'free sugars'.¹⁴²

This Topic includes elements of the [Responsible Lobbying Framework](#) (RLF), which ATNI played a part in developing and which was launched in 2020. It can be used both as a set of globally applicable principles and standards, outlining what responsible lobbying would look like, and can be used as a free evaluation tool of an organisation's lobbying activities. Companies are encouraged to commit to the principles and integrate them into their own lobbying policies, practices, management systems and disclosure.¹⁴³



Ranking on engagement with stakeholders and policymakers



*Did not provide information to ATNI

The highest-scoring retailers in this Topic are Tesco (6.6 out of 10) and Co-op (5.6 out of 10), and the average score across all 11 retailers is 4.2 out of 10. All 11 retailers participate in initiatives that aim to address the UK's nutrition challenges. It is likely that retailers are engaging with a wider range of stakeholders than they disclose.

Key findings

- All retailers were found to have at least some level of engagement with stakeholders on issues relevant to diet and nutrition, but there was significant variation between the highest and lowest performing companies and a general lack of transparency on engagement.
- All retailers other than Iceland were found to be taking action aligning with at least some elements of the Responsible Lobbying Framework. Only Sainsbury's provides an explicit commitment to engage with governments, political parties, policymakers in support of measures to improve health and nutrition, consistent with the public interest.
- The most popular UK third-party non-commercial initiative supported by the retailers are the Veg Power campaign and the Peas Please Pledge. Some retailers report involvement in other campaigns, and that they partner in academic research, but evidence provided is often limited. Co-op, Tesco and Waitrose are involved most extensively, engaging in all the initiatives selected for inclusion in the Methodology for this Index.
- Four companies – Co-op, Ocado, Sainsbury's and Waitrose – disclose that they take part in government consultations, but these submissions do not appear on their websites.
- Five of the retailers provided a list of the industry and trade associations of which they are a member, but it is not always clear to what extent these lists are exhaustive.
- Few of the companies report on engaging with stakeholders (such as academics or organisations specialising in diets and health) to develop their approach to nutrition and inform their strategy.



Detailed findings

What commitments do companies make regarding their lobbying activities?

The Methodology for this Topic draws directly on elements of the Responsible Lobbying Framework (box 20), and all retailers but Iceland were found to be taking action aligning with at least some of the elements in this framework. Ten retailers (all but Iceland) have codes of conduct that include measures to prevent bribery and corruption in relations with public officials. For example, Ocado's Anti-bribery Statement states: 'It is Ocado's policy to conduct all business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings.'

The Topic assesses whether companies make general commitments that lobbying will respect policy frameworks in the interest of public health. Marks and Spencer, Sainsbury's and Tesco were found to have such commitments. Only Sainsbury's commits to engage with governments, political parties, policymakers and policymaking bodies in support of measures to improve health and nutrition, consistent with the public interest.

Lidl and Tesco are the only two companies explicitly to state that they would welcome or not oppose regulatory action in this area. For example, on its Healthy Eating webpage Lidl states that it 'welcome[s] regulatory measures aimed at tackling the obesity crisis in the UK'.

Four further companies – Co-op, Morrisons, Sainsbury's and one other under non-disclosure agreement – made statements but with some reservations. Morrisons, for example, stated that it 'would not oppose regulatory action to address obesity and diet-related health issues which are evidence-based, fair and proportionate', but does not provide explanation as to whether this judgement would be independently made.

Do companies provide evidence of participation in initiatives that aim to address the UK's nutrition challenges?

In the UK there are several initiatives – both government-led and third-party – in which retailers can be involved to address the country's nutrition challenges. Retailer participation can take the form of financial or in-kind support, publicity for health campaigns, or partnering in research into consumer behaviour.

Figure 19 sets out several initiatives with which the companies are engaged: the UK government's longstanding Change4Life behaviour-change campaign,¹⁴⁴ the Food Foundation's Peas Please initiative (company pledges to encourage vegetable consumption),¹⁴⁵ Veg Power (including support for the Eat Them To Defeat Them advertising campaign) and the Consumer Goods Forum's Collaboration for Healthier Lives initiative¹⁴⁶ (supporting low-income families to access healthier food). Further information on these initiatives is provided in the Context chapter. Co-op, Tesco and Waitrose are the only three companies that have participated in all four of these initiatives.

Additionally, efforts to address poor nutrition have been catalysed by a call in Part One of the National Food Strategy (NFS)¹⁴⁷ to increase access to healthy food for young families. Healthy Start Vouchers for fruit, vegetables and milk are provided by the UK government to pregnant women and to people with children aged under four who are receiving benefits – and the NFS encouraged retailers to pledge to top up the value of the Vouchers in-store.



Figure 19: Participation in initiatives to address UK nutrition challenges

	Change4Life	Peas Please Pledge	Collaboration for Healthier Lives (CGF)	Veg Power	Healthy Start Vouchers
Aldi UK	○	○		○	
Asda	○	○		○	
Co-op	○	○	○	○	○
Iceland					○
Lidl GB		○		○	○
M&S			○	○	
Morrisons		○			
Ocado		○		○	
Sainsbury's		○	○	○	○
Tesco	○	○	○	○	○
Waitrose	○	○	○	○	○

○ Yes, company participates in initiative

Six of the companies (figure 19) are noted by the 2021 NFS Plan as having made pledges.¹⁴⁸ Co-op, for example, states: 'We now ensure that anyone redeeming the Healthy Start voucher in a Co-op store receives an additional £1 to spend on fruit and veg, in order to boost the amount of nutritious food parents who are tied to the most limited budgets can feed their families.' However, it should be noted that not all these commitments are for the long term: the increased voucher value from Co-op was to continue until late April 2022 and Sainsbury's, for example, added £2 to the value of the vouchers only for a 12-week period (and then re-introduced the increased value for one month in December 2021).

Do companies disclose information on engagement with stakeholders and policymakers?

Four companies – Co-op, Ocado, Sainsbury's and Waitrose – state that they take part in government consultations – but these submissions do not appear on their websites. For example, both Waitrose and Ocado mention the UK government's obesity strategy: 'We're committed to working with the Government to support their Obesity Strategy and in the prevention of diet related diseases' (Waitrose) and 'We believe there is a need to improve the information available on public health. We will be reviewing and inputting into the government inquiries and consultations as the Obesity Strategy plan unfolds' (Ocado).

Interesting example:

Sainsbury's submissions to government consultations appear on government websites and the company noted in the engagement phase of the research for this Index that it is actively engaging the UK, Scottish and Welsh governments on their obesity plans: 'We are committed to being a partner of governments in reducing obesity and promoting healthier choices to our customers. This includes providing advice and support on the practical implementation of location-based restrictions. We have shared customer data, the technical expertise of our colleagues and feedback around how to enhance draft definitions of promotional space – all with the view to helping the UK Government land and enforce a regulation restricting placement of HFSS [high in fat, salt and sugar] that is fit for purpose.'



Several of the companies disclose information on their membership of industry and trade associations, but it is not clear whether these lists are exhaustive. Five retailers disclose membership of at least some associations, of which Co-op and M&S provide the most extensive and clear information.

Interesting examples:

M&S discloses its membership of industry associations and similar initiatives, providing the starting date of the membership/partnership, the level of engagement/status (for example, whether M&S is a Board member, participant etc.) and the rationale for membership. Co-op states: 'We disclose all of our principal memberships, subscription fees and donations to trade and business associations that engage in public policy activities. We report those with a value of £5,000 or greater' and provides a list of donations and subscriptions for 22 organisations.

The majority of companies do not disclose information or report on whether they are engaging independent experts when developing nutrition policies, such as academics or organisations specialising in diets and health. However, Aldi, Lidl and Tesco do publicly disclose some information on engaging with stakeholders to inform and develop nutrition programmes: Aldi reports that it worked with experts at the British Dietetic Association to develop a healthier and more sustainable shopping basket that meets healthy eating recommendations, and Tesco notes its collaboration with experts at the British Nutrition Foundation on the *A Balanced Diet for A Better Future* report and the development of a seven-day meal planner.



Recommendations

To improve and accelerate efforts to engage with stakeholders and ensure transparency in engagement and lobbying, retailers in the UK are encouraged to:

- publish a clear and comprehensive lobbying policy or code of conduct 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 interests 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;
- continue and expand engagement with initiatives that address the UK's nutrition challenges, and fully disclose the extent and impact of involvement, such as progress towards pledges;
- disclose its policy position on government consultations on issues relating to nutrition or of relevance to retailers (including linking to its submissions to government consultations from its website), and explicitly whether it would welcome (or not oppose) regulatory measures to address diet-related health issues in the UK;
- publish a full and comprehensive list of industry and trade association memberships and the company's lobbying positions on key nutrition topics; and
- engage with stakeholders (including nutrition experts) in developing the company's nutrition policies/programmes and to disclose if and how this engagement influences company strategy.



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Topic 8: Infant and young child nutrition

This Topic addresses the marketing of breastmilk substitutes (BMS) and the marketing and formulation of commercially produced complementary foods intended for use by children up to the age of 36 months.²⁰

Breastfeeding is the best possible source of nutrition for babies, with decades of research establishing its extensive properties to aid growth, bonding and brain development, and prevent infections. Breastfeeding also supports the health of mothers. Formula milk has its place for women and parents who are not able or do not want to breastfeed, often the result of other factors – such as employment – that are not supportive of breastfeeding. Retailers have a responsibility to encourage breastfeeding and ensure that all products for children aged under 36 months are appropriately manufactured and marketed (see box 21).

Eight retailers were assessed on all 15 indicators in this Topic, across commitment, performance and disclosure (figure 20). Two companies (Co-op and Waitrose) were assessed only on five indicators, as both retailers confirmed they do not manufacture complementary foods, so the indicators addressing the nutritional composition of complementary foods were excluded from their assessment. Marks and Spencer has assured ATNI that it neither produces nor sells baby foods for children under 36 months and therefore it has not been assessed for this Topic. The Topic accounts for 7.5% of the overall score for the Index.

Figure 20: Retailers producing and marketing BMS/complementary foods

	BMS manufacturer	Complementary food manufacturer	Sells BMS/ complementary food (own-brand and/or manufacturer brand)	Number of indicators assessed
Aldi UK	⊙	⊙	⊙	15
Asda	–	⊙	⊙	15
Co-op*	–	–	⊙	5
Iceland**	Unknown	Unknown	⊙	15
Lidl GB	–	⊙	⊙	15
M&S	–	–	–	0
Morrisons	–	⊙	⊙	15
Ocado**	Unknown	Unknown	⊙	15
Sainsbury's	⊙	⊙	⊙	15
Tesco	–	⊙	⊙	15
Waitrose*	–	–	⊙	5

⊙ Yes
– No

* Retailer that does not produce complementary foods and so has not been assessed on the indicators covering the nutritional composition of these products

** Retailer did not engage at any point in the research process and did not confirm what products are manufactured/marketed so has been scored across all 15 indicators

Notes: During engagement for this Index, M&S stated that it does not produce or sell BMS or complementary foods intended for children aged under 36 months and, as a consequence, was not assessed on this Topic.

²⁰ BMS is any food or drink, commonly formula milk, that displaces the consumption of breastmilk. The term 'complementary foods' refers to commercially produced complementary foods, as made and sold by the retailers being assessed.



To perform well in this Topic, a retailer must:

- commit to, follow and report on a policy on marketing of breastmilk substitutes and complementary foods, explicitly aligned with The International Code of Marketing of Breastmilk Substitutes and subsequent WHA resolutions; and
- improve the nutritional quality of complementary food and beverage products for young children aged 6–36 months – by reducing sugar and salt and ensuring appropriate energy density and fruit and vegetable content – in line with the WHO/Europe nutrient profiling model on products for this age group, and report on progress.





Box 21: Context – marketing and manufacturing of BMS and complementary foods in the UK

As set out in the Context chapter, there are significant ongoing concerns about low rates of breastfeeding (which impacts on health of both baby and mother), about the inappropriate marketing of breastmilk substitutes, and about the quality and marketing of commercially produced complementary foods.

Marketing of BMS and complementary foods:

The International Code of Marketing of Breast-milk Substitutes was adopted in 1981 and has since been augmented by a series of World Health Assembly (WHA) resolutions, including WHA Resolution 69.9 (passed in 2016), extending it to include food and beverages intended for those aged 6–36 months (commercially produced complementary foods).¹⁴⁹ Together known as The Code, these set out comprehensive recommendations on the responsible marketing of BMS and complementary foods. These recommendations are designed to protect and encourage breastfeeding and regulate the marketing of BMS.

There are concerns about inappropriate marketing in the UK. For example, a 2019 Public Health England (PHE) report¹⁵⁰ highlighted that more than one-third of baby meals are marketed to infants aged under six months, which goes against government advice (that is in line with WHO guidance) to start complementary feeding only from around six months, while continuing breastfeeding. Recent research has also shown that parents and caregivers find packaging and branding of infant formulas confusing, which means that it is essential to ensure that marketing regulations are fit for purpose and fully implemented.¹⁵¹

An additional issue is that not all provisions of The Code have been fully translated into UK legislation.¹⁵² There are regulations covering infant and follow-on formula, but legislation falls short in terms of monitoring and enforcing The Code and restricting promotion in health care facilities; advertising and point-of-sale promotion is only regulated for infant formula; and labelling requirements are relatively limited for follow-on formula compared to infant formula.¹⁵³

Although governments have a responsibility to implement The Code fully in national legislation, The Code also states that manufacturers and distributors should be responsible for monitoring marketing and take steps to ensure conformity (sub-article 1.1.3). A lack of national legislation does not mean that a company should not follow the highest standards as set by the WHO.

Manufacture of complementary foods:

A key requirement for commercially produced complementary foods to be considered suitable for promotion to children aged 6–36 months is that the product meets high nutritional standards.¹⁵⁴ In 2019 the WHO Regional Office for Europe published, for the first time, a series of compositional standards for complementary foods with maximum thresholds for sugar, salt or fats, and guidance on the inclusion of fruits and vegetables:

- **Sugar:** The proposed guidance and requirements of the model developed by WHO/Europe proposes total sugar thresholds for different categories, and if these thresholds are exceeded then the percentage of energy from total sugar must be displayed with a warning on the front of the pack. The thresholds vary according to the type of food, ranging from 15% of energy from total sugar in pureed meals that



contain meat or cheese, to 40% in dairy-based desserts and cereal products. The WHO/Europe model also makes it clear what is counted as added sugar and non-sugar sweetening agents, and sets out which should not be included in complementary foods.¹⁵⁵

For example: A 2021 assessment of the sugar content of 73 baby and toddler sweet snacks sold in the UK found that 37% were considered high in sugar according to the traffic-light labelling system (which is based on intake for the adult population), 88% did not list sugar even though they were sweetened in other forms, and 99% had fruit juice concentrate as an ingredient. These products were found to be being promoted by several of the leading retailers, with reduced prices and incentives for multiple purchases,¹⁵⁶ which runs counter to WHO's guidance that confectionery, sweet spreads and fruit chews should not be marketed to children under 36 months at all.¹⁵⁷

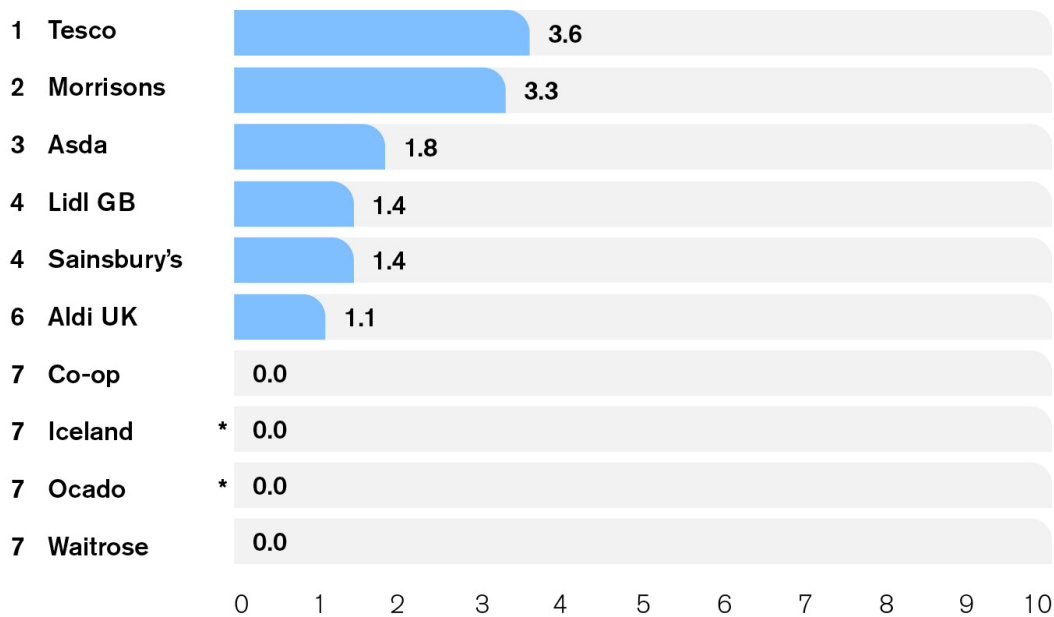
- **Salt:** The proposed model developed by WHO/Europe sets guidance of maximum salt content in complementary foods as being 50mg of sodium per 100 kcal (or per 100g), with a higher limit for cheese-based purees and cheese-based meals of 100mg of sodium per 100kcal (or per 100g).¹⁵⁸
- **Energy density:** Research has shown that many complementary foods in the UK have low energy and nutritional density due to the relatively high water content of the products (such as fruit- and vegetable-based purees),¹⁵⁹ whereas other fruit-based foods (such as dried fruit slices – crisps – cooked in oil) were found to have a high caloric content.¹⁶⁰ It is important to ensure that complementary food combines adequate energy with the appropriate level of nutrients required for healthy growth and development. A maximum energy limit has not yet been determined for complementary foods to avoid excess and non-nutritive calories, but the WHO/Europe proposed model includes a minimum energy density requirement for purees for older infants.¹⁶¹
- **Fruit and vegetables:** The NHS recommends that, from 12 months, children should be eating a minimum of four fruit and vegetable portions a day.¹⁶² As WHO/Europe suggests, manufacturers of complementary foods should produce more vegetable and savoury foods rather than fruit-based and sweet products, and ensure that vegetable flavours, particularly bitter ones, are not masked by fruit flavours and sweetness.¹⁶³

Studies revealing high levels of sugar, sodium and calories both in commercially produced complementary foods themselves and, consequently, in the foods consumed by young children,¹⁶⁴ have led to the UK government developing draft guidelines, on which there was a stakeholder engagement in 2020. The publication of the final guidance is awaited (see Annex).¹⁶⁵

However, retailers that are serious about a commitment to improving health and nutrition should place The Code and the WHO/Europe standards for the marketing and quality of BMS and complementary foods at the heart of their efforts without delay – in their roles both as retailer and, where relevant, as own-brand manufacturer.



Ranking on infant and young child nutrition



*Did not provide information to ATNI

No company scored well on this Topic and it has the lowest average score of any Topic, at just 1.1 out of 10. The low scores capture the shortfall in retailers' commitments to and action on WHO guidance on products for this age group.

Tesco ranks at the top, but with a low score of 3.6 out of 10. It became clear during the engagement phase that Tesco has the most comprehensive guidelines with specific criteria for complementary foods and refers to the UK government guidance being developed on complementary food formulation, but does not explicitly commit to improving the quality of its complementary foods. It is also one of just two companies (with Morrisons) that have increased vegetable levels in their baby food ranges.

Morrisons, Asda, Lidl, Sainsbury's and Aldi UK also score some points on this Topic. Four retailers (Co-op, Iceland, Ocado and Waitrose) did not score at all. Neither Iceland nor Ocado responded to requests from ATNI for information and engagement on the Topic, but have been scored on the assumption, therefore, that they manufacture and market all the products.

One retailer – M&S – does not manufacture or sell products for this age group and so this Topic is not applicable for M&S in this Index. M&S produces the Taste Buds range explicitly for children aged 4–10 but has discontinued its complementary food range for younger children.²¹

Key findings

- The UK retailers' commitments to and action on this Topic are sparse. Where evidence of action is found, it tends to follow UK government guidance, which falls short of WHO recommendations and guidance.

²¹ ATNI notes, however, that the Taste Buds range is described on the website of Ocado (M&S's online delivery partner) as being 'specially made with your toddler in mind'. 'Toddlers' are generally children aged 1–3 years, so particular caution is urged that Taste Buds not be inappropriately marketed for this younger age group.



- None of the retailers make commitments to adhere to The Code in their marketing of BMS products although three (Lidl, Morrisons and Sainsbury's) explicitly stated their compliance with UK regulations on infant and follow-on formula.
- None of the retailers has explicitly committed to market complementary foods in line with the guidance referenced in WHA Resolution 69.9 on ending the inappropriate promotion of foods or infants and young children.
- Of the six retailers known to manufacture own-brand complementary foods, none have adopted the proposed guidance and requirements of the model developed by WHO/Europe for complementary foods. Most, however, note that they follow current UK government recommendations on foods for infants and young children (which is less stringent than the WHO/Europe guidance), and five have a commitment to improve nutritional quality. During the engagement phase of the research, it became clear that Tesco has the most comprehensive guidelines with specific criteria for various types of complementary food.
- Some action is being taken on the formulation of complementary foods – on sugar, salt, energy density and/or vegetable content – by all the companies known to manufacture it. Sugar content is the most commonly addressed issue (by five of the six companies), followed by salt. Morrisons and Tesco state that they have increased vegetable levels in their complementary foods, and Tesco's latest standards note the need to minimise water content to preserve nutritional quality.

Detailed findings

Do the retailers commit to responsible marketing of BMS and complementary foods?

None of the 10 retailers that sell BMS explicitly commit to marketing these products in compliance with The Code and no specific mention was found of The Code during research for the Index, suggesting that the retailers are not familiar with it. During the engagement phase of research, Lidl, Morrisons and Sainsbury's instead stated their compliance with UK regulations on the marketing of infant and follow-on formula.

Breaches of The Code were found during the research, with promotions for BMS products aimed at children over six months and for complementary foods aimed at children from four months. Such promotions are permitted under UK legislation, which prohibits point-of-sale marketing only of infant formula aimed at infants aged under six months and does not address marketing of complementary food for this age group.²² The Code standards restrict, marketing of milk formula from birth up to age three years and the marketing of complementary foods to infants under six months, as these foods are considered under The Code to be breastmilk substitutes (as children should be exclusively breastfed up to six months). This discrepancy demonstrates the need for UK legislation and guidance to be strengthened and brought into line with The Code.

None of the retailers that sell commercially produced complementary foods make an explicit commitment to market these products in line with the recommendations set out in the guidance associated with WHA Resolution 69.9.

²² This is despite guidance from the UK government on marketing and labelling of complementary foods that identifies the need to 'ensure product marketing is consistent with scientific advice to introduce solid foods at around 6 months of age': PHE, *Foods and Drinks aimed at Infants and Young Children: Evidence and Opportunities for Action* (2019) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/812204/Foods_and_drinks_aimed_at_infants_and_young_children_June_2019.pdf



Do the retailers commit to formulating complementary foods in line with relevant guidance?

Most of the companies assessed referred to following the recommendations outlined in the 2019 PHE report on evidence and opportunities of action for foods for infants and young children, which address sugar, salt and calories. These recommendations have been considered in the 2020 UK government draft guidelines being developed on 'commercial baby food and drink' and companies have shared that they intend to follow these guidelines once they are officially published. However, a company can score the maximum on relevant indicators in this Index only if it explicitly commits to following the WHO/Europe guidance.

Of the six retailers that engaged in the Index process that produce complementary foods, all except Tesco have explicitly committed to improving the nutritional quality of their range of own-brand complementary foods. Asda, Lidl, Morrisons, Sainsbury's and Tesco all referred to following some form of government guidance in formulation of own-brand complementary foods – for example, Asda indicates it aims to: 'improve the nutritional content of the Asda Little Angels infant food range in line with government guidance by 2024'. Aldi is the only retailer among the six complementary food manufacturers that engaged in the Index process that did not reference UK government guidelines.

Sugar

Of the six companies that produce complementary foods and that engaged in the Index process, five (all but Aldi) were found to have set some thresholds on sugar content. Asda, Morrisons and Tesco all showed evidence of reducing sugar, either through product reformulation or by introducing new compositional standards. The compositional standards used by the companies seem to vary in how comprehensive and specific they are, with the most detailed being shared by Tesco and Lidl. Own-brand complementary foods from Asda, Lidl, Sainsbury's and Tesco do not have added sugar.

In addition, the proposed guidance in the WHO/Europe model for complementary foods sets out categories of sugary products that are not suitable for consumption for infants and young children under 36 months, including sweet confectionery, snacks containing more than 15% of total energy from total sugars, fruit juices, fruit chews, vegetable juice, and milk with added sugar or sweeteners.¹⁶⁶ Morrisons, Sainsbury's and Tesco commit to not manufacturing some of these products (mainly sweet snacks and juice drinks) but only for certain age groups – for example, applying the restriction only to these foods when intended for infants under 12 months rather than all under 36 months. None of these efforts are sufficient, however, to score in this area.

Salt

None of the companies explicitly commit to limiting the salt content to align with the WHO/Europe proposed standards, but Lidl, Morrisons, Sainsbury's and Tesco state that their complementary food products contain no added salt unless required for technological reasons (such as salt in cheese).

No commitments were found or shared by Aldi or Asda on limiting salt content of their complementary food products.

Energy density

Tesco is the only company found to have some standards in place in relation to the energy density of its complementary food products. Tesco's latest standards do not align with the minimum energy density requirements set out in the WHO/Europe proposed guidance, but do highlight the importance of minimising the water content of the products to preserve their nutritional quality.



Fruit and vegetables

Only two companies – Morrisons and Tesco – have increased vegetable levels in their products to align with UK 5-a-day recommendations for fruit and vegetables, as their savoury purees for older infants and young children provide at least one portion of vegetables per serving. Although Sainsbury's has not increased vegetable levels in its products, its range of savoury baby foods also contain one of the recommended five fruits and vegetables a day, and Morrisons stated at engagement phase for this Index that over 90% of its savoury baby food varieties provide at least one portion of vegetables per serving.



Recommendations

To improve and accelerate efforts to ensure healthy nutrition for young children aged up to three years:

- retailers that **sell** BMS and/or complementary foods are encouraged to:
 - put in place and deliver on marketing policies that expressly commit to adhere to the WHO's International Code of Marketing of Breastmilk Substitutes and subsequent WHA resolutions, which also provide guidance on the marketing of complementary foods, and to publicly disclose such policies.
- retailers that **manufacture** own-brand complementary food products are encouraged to:
 - adhere to existing national, regional and international guidance on the nutritional composition, marketing and labelling of complementary foods – as a start, following the PHE voluntary guidance being developed;
 - strive to ensure that the nutritional composition of own-brand complementary food products aligns with the nutrient profiling standards set out in WHO/Europe's proposed guidance on complementary food on sugar, salt, energy density and fruit/vegetable content;
 - ensure that labelling requirements and promotional criteria of complementary foods align with the provisions set out by WHO, specifically ensuring that these products are not marketed as suitable for infants under six months because complementary feeding is not recommended before this age; and
 - publicly disclose progress towards clear, timebound targets, aligned with the WHO/Europe guidance, on levels of negative and positive nutrients.



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Annex

Annex 1: Current government initiatives

Annex 2: Euromonitor International definitions – store formats



Annex 1: Current government initiatives

This Annex sets out in more detail some relevant areas in which the UK government is taking action to address the UK's rising levels of obesity and diet-related diseases.

Nutrients

Sugar

The Soft Drinks Industry Levy (SDIL) is the only mandatory reformulation initiative to date in the UK. It was implemented in April 2018 and applies a tiered tax on soft drinks with 5g or more of sugar per 100ml. Manufacturers (rather than retailers per se) pay the levy – but, as manufacturers of own-brand soft drinks, many of the major supermarkets could be subject to it. Its aim is to encourage manufacturers to reformulate their drinks so they are lower in sugar. It has been highly effective: before the announcement of the levy in 2015, 52% of soft drinks were liable for the levy;¹⁶⁷ by February 2019, this had fallen to 15%, which equates to a fall in average sugar content in soft drinks of 29%.¹⁶⁸ The benefits will also be disproportionately gained by the more socioeconomically disadvantaged, since there was a steep socioeconomic gradient in sugary drink consumption prior to the introduction of the levy. The SDIL has also had no lasting negative impact on the soft drinks industry.

Since 2016, the government has had a sugar-reduction programme, with a voluntary ambition for the food industry (including retailers) to reduce sugar by 20% (from a 2015 baseline) in 10 categories of food that contribute the most to children's sugar intakes by 2020. However, reporting by Public Health England in 2020 suggested that this has led to just a 3% reduction overall: some categories such as cereal and yoghurts have seen good progress, but for others (such as confectionery and puddings) progress has been minimal and some have seen increases in sales-weighted averages.¹⁶⁹ A further update on progress was due in 2021 but has not yet (April 2022) been published.

Following a consultation in 2018,¹⁷⁰ the UK government stated in its 2019 Prevention Green Paper that it would end the sale of energy drinks to children under 16.¹⁷¹ These drinks contain stimulants (caffeine) and are often also high in sugar. However, the restrictions have not yet come into force and no date has yet been set for its introduction and – as it is not yet law – this Index has assessed whether companies are themselves already taking action to restrict energy drinks sales to minors.

Calories

Having initially been proposed in the Childhood Obesity Plan in 2016, the government established a calorie-reduction programme in 2020 that aims, by 2024, to reduce calories in the foods that contribute to excess calorie intakes. A calorie-reduction ambition of between 5% and 20% from a baseline of 2017 have been set for different categories for retailers, manufacturers and the out-of-home sector, along with a maximum guideline for products likely to be consumed in a single occasion (calories per portion) across all categories.¹⁷²

Salt

The UK government first introduced a voluntary programme to reduce salt intake in 2006, setting incremental targets across individual product categories. Initially, large reductions were made across entire categories, with average salt consumption for adults falling from 9.5g/day in 2000 to 8.1g/day in



2011. Since then, however, progress has largely stalled: in 2018/19, consumption remained at 8.4g/day.¹⁷³ The reduction targets have been integrated into the government's national reformulation strategy since 2017,¹⁷⁴ and reports on progress were published in 2018 and 2020.¹⁷⁵

The 2019 Prevention Green Paper *Advancing our Health: Prevention in the 2020s* includes the ambition to reduce the population's salt intake to 7g per day,¹⁷⁶ and this was followed by the publication of revised salt reduction targets in 2020.¹⁷⁷

This Index assesses retailers' progress against the fourth iteration of voluntary salt reduction targets – i.e. those to be achieved by 2020 – but reporting against the next set of targets (to be achieved by 2024) is welcomed and will be assessed in any future Index.

The government's salt targets are made at the sub-category level and a comparison of the salt targets for 2017 and 2024 for different categories are set out in the government's *2020 Salt Reduction Targets 2024*.¹⁷⁸ The 2024 targets cover 28 food categories (e.g. bread, breakfast cereals and ready meals) covering 84 specific food groups (seven of which are new since 2017 – e.g. ready-meal sides and accompaniments). For example, the tightening of the targets between 2017 and 2024 requires the average salt level in a company's breakfast-cereal product range to fall from 0.59g to 0.48g per 100g (with the maximum being reduced from 1.0g to 0.9g per 100g) and the average salt level across a company's ready-meal range to decrease from 0.63g to 0.6g per 100g (with the maximum being reduced from 0.95g to 0.9g per 100g).

Saturated fat

The UK government does not currently have a programme to reduce saturated fat intake equivalent to the programmes on salt, sugar and calorie reduction. However, the Scientific Advisory Committee on Nutrition recommended in 2019, following a consultation, that the government 'gives consideration to strategies to reduce the [population] average contribution of saturated fatty acids to [total] dietary energy to no more than about 10%'.¹⁷⁹

Fruit and vegetables

The UK government has been urging the consumption of '5 a day' since 2003 – i.e. around 400g of fruit and vegetable consumption per day – through various government-funded and other campaigns.¹⁸⁰ Healthy Start vouchers – available to families on low incomes with young children – can be spent on fruit and vegetables. However, there is no formal programme equivalent to those to reduce salt, sugar and calorie consumption, to set targets and monitor the progress of the food and beverage industry in increasing fruit and vegetable consumption.

Updating the nutrient profiling model

The UK nutrient profiling model (NPM) was developed by the Food Standards Agency (FSA) in 2004-2005, as a tool to enable Ofcom (the UK's broadcast regulator) to identify 'less healthy' foods and drinks (high in fats, sugars and salt (HFSS)) subject to restrictions during children's television programming. Ofcom has used it for this purpose since 2007 and it also now has wider uses – for example, in setting new national media restrictions on the advertising of HFSS products (see below) and Transport for London uses it to restrict advertising of these products on public transport.¹⁸¹ It also enables food manufacturers and retailers to calculate a nutrient profiling score for their products so that they can identify those that are less healthy (HFSS), according to the government-endorsed model. In



2010 technical support for the NPM was transferred from the FSA to the Department of Health, but it is referred to in this report as the FSA 2004/5 NPM.

The NPM works by allocating points according to the nutrient content of 100g of a food or beverage, balancing the contribution of beneficial nutrients with components that should be consumed in smaller quantities:

'Points are awarded for "A" nutrients (energy, saturated fat, total sugar and sodium), and for "C" nutrients (fruit, vegetables and nut content, fibre and protein). The score for 'C' nutrients is then subtracted from the score for 'A' nutrients to give the final nutrient profile score. Foods scoring 4 or more points, and drinks scoring 1 or more points, are classified as "less healthy".¹⁸²

Since the UK FSA 2004/5 NPM was developed, UK dietary recommendations have been revised. In 2016, as part of Chapter 1 of the Childhood Obesity Plan, the government commissioned Public Health England (PHE) to bring the UK FSA 2004/5 NPM in line with current dietary recommendations in particular those for free sugars (which was effectively halved from 10% to 5% of total dietary energy) and fibre (which was increased), set on the advice of the Scientific Advisory Committee on Nutrition (SACN) in 2015 and accepted by the UK health departments. Work on the review has been completed and publication on the outcome of the review is to be confirmed.¹⁸³

Marketing and promotions

Media advertising restrictions

There are already some restrictions on marketing of unhealthy foods in children's broadcast (e.g. TV) and non-broadcast (e.g. including online and out-of-home) media, where children make up at least a quarter of the audience. Recently, and particularly following concern about the impact of COVID-19, the government has strengthened its approach.

In mid-2021, new restrictions were announced, to be brought in in 2023,¹⁸⁴ introducing a 9pm watershed on TV and a ban on paid-for digital marketing for unhealthy foods. This online ban includes, for example, ads on Facebook, paid-search results on Google, text-message promotions, and paid activity on Instagram, Twitter, etc. All the restrictions apply to foods that fall within the sugar- and calorie-reduction programmes and the SDIL, which are themselves based on the 2004/5 FSA NPM. Retailers will be required to assess their whole retailer product portfolios for compliance. The restrictions are less restrictive than originally suggested, however, with brand-only advertising permitted online and on TV, and brands will be allowed to continue to promote their products on their own websites and social media.

Restricting promotions of HFSS products by location and multibuy offers

The DHSC has held two consultations on restricting promotions. The first, in 2019, was on whether there should be restrictions at all,¹⁸⁵ and the second, in 2020/21, consulted with businesses and enforcement bodies to address how to introduce and enforce the measures.¹⁸⁶ As a result, new regulation has been enacted¹⁸⁷ and, from October 2022:

'Promotion of HFSS products will be restricted by location and volume price as follows:



- location restrictions will apply to store entrances, aisle ends and checkouts and their online equivalents (that is, entry pages, landing pages for other food categories, and shopping basket or payment pages);
- volume price restrictions will prohibit retailers from offering promotions such as “buy-one-get-one-free” or “3 for 2” offers on HFSS products.¹⁸⁸

The products affected are HFSS products included in the sugar- and calorie-reduction programmes and those subject to the SDIL. The restrictions were originally to be introduced in April 2022, but have been pushed back to give the industry more time to prepare and for Ofcom to produce technical guidance. There have been calls by industry and some MPs for this to be delayed further (including because of pressure on the food system from the crisis in Ukraine¹⁸⁹), and even for a ‘sunset clause’^w to be introduced¹⁹⁰ (as requested by the Food and Drink Federation in its submission on the Regulations in July 2021¹⁹¹), for which there would be no precedent – but these calls have so far been rejected by the government.

The restrictions will apply to medium and large businesses (defined as having over 50 employees). These restrictions will require all the retailers to understand which of their products are HFSS, aligning with the FSA 2004/5 NPM (see above in this Annex, and Topics 2 and 4).

Food labelling

The UK government is also working on making food labelling clearer for consumers, both in the out-of-home (OOH) sector (calorie labelling of food in OOH outlets with more than 250 employees has been required from April 2022¹⁹²) and by manufacturers. In 2020 the government consulted on bringing in mandatory front-of-pack labelling, including proposals to introduce new labelling systems such as Nutri-Score and health warning labels on HFSS products, as used on tobacco products and in several Latin American countries.¹⁹³ Nutri-Score was developed in France (based on the FSA 2004/5 NPM) and is used in several EU countries. There are ongoing discussions at the European Commission on making it mandatory for EU manufacturers and although (since Brexit) this would not apply to the UK directly, it could impact on labelling of products produced in the EU for sale in the UK.

Infant and young child nutrition

The WHO International Code of Marketing of Breast-milk Substitutes (BMS)¹⁹⁴ (The Code) is clear in its prohibition of marketing of BMS products across media/audiovisual materials (including TV, online and print media), non-advertising promotion (such as in-store offers or promotion in public places or health facilities), and on product packaging. BMS products include infant formula (0–6 months), follow-on formula (6–12 months), growing-up milks (12–36 months) and food and drink promoted as suitable for babies during their first six months, such as baby juices, and feeding bottles and teats. However, as noted in box 21,¹⁹⁵ not all provisions of The Code are included in UK legislation.¹⁹⁶

In response to concerns about the nutritional quality of complementary foods for young children (box 21), the UK government’s 2019 Prevention Green Paper committed to improve the nutritional content and marketing/labelling of these products.¹⁹⁷ In 2019, PHE published a report on the ‘evidence and opportunities for action’ on food and drink for this age group,¹⁹⁸ followed in 2020 by a stakeholder consultation on proposals^x for ‘Commercial baby food and drink guidelines’ currently being developed by

^w A sunset clause is a provision for an expiry date of legislation, included when it is felt that parliament should have the chance to decide on the merits of the legislation again after a fixed period of time.

^x The draft guidelines on which the consultation took place no longer seem to be available on the UK government’s own website, which is why the reference to them in footnotes to this Annex and in the main text are to a third-party site.



the UK government, which were intended to come into force in 2023.¹⁹⁹ The development of these draft guideline proposals had been informed by WHO/Europe's guidance for commercially available complementary foods, which is intended for countries to adapt and use. The UK draft guidelines include, for example, restricting total sugars to no more than 30% of energy in finger foods and snacks, and prohibiting the use of salt as an added ingredient. Companies will have been able to contribute to this consultative process on the guidance.

Final guidelines had still not been published at the time of writing (April 2022),²⁰⁰ and in 2021 when the research for this Index was undertaken it seemed that retailers are taking into account the 2019 report recommendations with some also anticipating the release of the official guidelines to revise their own standards on manufacturing foods and drinks for this age group – although the official guidance will still be voluntary.



Annex 2: Euromonitor International definitions: store formats

The definitions for grocery retailing and store formats listed below, used in the report, are sourced from Euromonitor International in 2022.

Grocery retailers

Retailers selling predominantly food/beverages/tobacco and other everyday groceries. This is the aggregation of hypermarkets, supermarkets, discounters, convenience stores, independent small grocers, chained forecourt retailers, independent forecourt retailers, food/drink/tobacco specialists and other grocery retailers.

Modern grocery retailers (the retailers assessed in this Index are all included in this category)

Modern grocery retailing is the aggregation of those grocery channels that have emerged alongside the growth of chained retail. For Euromonitor, modern grocery retailing is the aggregation of five channels: hypermarkets, supermarkets, discounters, forecourt retailers and convenience stores. If a retailer is non-chained and has the format of a hypermarket, supermarket, discounter, forecourt retailer or convenience store, these are also considered to be modern grocery retailers by Euromonitor International.

- **Convenience stores:** Chained grocery retail outlets selling a wide range of groceries and fitting several of the following characteristics: Extended opening hours; Selling area of less than 400 square metres; Located in residential neighbourhoods; and Handling two or more of the following product categories: audio-visual goods (for sale or rent), foodservice (prepared take-away, made-to-order, and hot foods), newspapers or magazines, cut flowers or pot plants, greetings cards, automotive accessories. Sales data excludes foodservice sales. Example brands include 7-Eleven, Spar. Note: The number of branches required to be termed chained varies from country to country but is usually 10 or more in the UK. If a multinational is operating in the country, then this is included, even if there are fewer than 10 outlets under the brand.
- **Discounters:** Discounters are retail outlets typically with a selling space of between 400 and 2,500 square metres. Retailers' primary focus is on selling private label products within a limited range of food/beverages/tobacco and other groceries at budget prices. Discounters may also sell a selection of non-groceries, frequently as short-term special offers. Discounters can be classified as hard discounters and soft discounters. Hard discounter: first introduced by Aldi in Germany, and also known as limited-line discounters. Retail outlets, typically of 300–900 square metres, stocking fewer than 1,000 product lines, largely in packaged groceries. Goods are mainly private-label or budget brands. Soft discounter: usually slightly larger than hard discounters, and also known as extended-range discounters. Retail outlets typically stocking 1,000–4,000 product lines. As well as private-label and budget brands, stores commonly carry leading brands at discounted prices. Discounters excludes mass merchandisers and warehouse clubs. Example brands include Aldi, Lidl, Plus, Penny, Netto.
- **Forecourt retailers:** Grocery retail outlets selling a wide range of groceries from a gas/petrol station forecourt and fitting several of the following characteristics: Extended opening hours; Selling area of less than 400 square metres; and Handling two or more of the following product categories: audio-visual goods (for sale or rent), foodservice (prepared take-away, made-to-order, and hot



foods), newspapers or magazines, cut flowers or pot plants, greetings cards, automotive accessories. Sales data excludes petrol (gas) and foodservice sales. Example brands include BP Connect, Shell Select. Forecourt retailers is an aggregation of chained forecourt and independent forecourt.

- **Hypermarkets:** Hypermarkets are retail outlets with a selling space of over 2,500 square metres and with a primary focus on selling food/beverages/tobacco and other groceries. Hypermarkets also sell a range of non-grocery merchandise. Hypermarkets are frequently located on out-of-town sites or as the anchor store in a shopping centre. Example brands include Carrefour, Tesco Extra, Géant, E Leclerc, Intermarché, Auchan. Excludes cash and carry, warehouse clubs and mass merchandisers. For the Hypermarket channel Euromonitor also provides a breakdown of value sales between Grocery and Non-Grocery products.
- **Supermarkets:** Retail outlets selling groceries with a selling space of between 400 and 2,500 square metres. Excludes discounters, convenience stores and independent grocery stores. Example brands include Champion, Tesco, Casino. Exception: In some markets, primarily the US, Australia and Hong Kong, there are grocery retailer brands that operate outlets with a selling space of over 2,500 square metres, but offer only a very limited range of non-grocery merchandise or none at all. These brands are included in Supermarkets. Examples include: Coles, Woolworths, Park 'n Shop. For the Supermarket channel Euromonitor also provides a breakdown of value sales between Grocery and Non-Grocery products.

Traditional grocery retailers

Traditional grocery retailing is the aggregation of those channels that are invariably non-chained and are, therefore, owned by families and/or run on an individual basis. For Euromonitor traditional grocery retailing is the aggregation of three channels: Independent Small Grocers, Food/Drink/Tobacco Specialists and Other Grocery Retailers. If a retailer is chained but follows the food/drink/tobacco specialist or other grocery retailer format, these are considered to be traditional grocery retailers by Euromonitor International.



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