



# U.K. PRODUCT PROFILE 2019



ACCESS TO  
**NUTRITION**  
INITIATIVE

# U.K. Product Profile

An assessment of the nutritional quality of approximately 50% of packaged foods and beverages sold in the U.K. in 2016 and their suitability to be marketed to children.

## Acknowledgements

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### PARTNERS



The George Institute for Global Health (TGI) in Sydney, Australia, conducted the Product Profile research. The TGI team comprised Dr. Elizabeth Dunford, Dr. Bruce Neal, Thout Sudhir Raj and Fraser Taylor. They were advised by ATNI Expert Group member Professor Mike Rayner of the University of Oxford.



ATNI partnered with ShareAction in the production of this report, for its Healthy Markets campaign.

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### REVIEW AND DESIGN

We would also like to thank the following experts who reviewed the draft report and contributed to improving it: Jessica Attard, Katy Cooper, Katie Gordon, Ellie Chapman, Ignacio Vasquez, Tim Lobstein and Will Nicholson.

Design by Ontwerpwerk

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# Foreword

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It is with great pleasure that I introduce our first U.K. Product Profile. This ground-breaking report provides – for the first time – extensive, comparable data on the nutrition quality of the portfolios of 18 major food companies. In 2016 they accounted for nearly half of all sales of packaged food and beverages in the U.K.

The U.K., like many other countries, is facing a health crisis driven in large part by the nation's poor diet. A concerted effort is urgently needed to transform the country's food system so that everyone is able to afford a healthy diet. Healthier people and communities are key to vibrant and productive societies.

The [Access to Nutrition Initiative \(ATNI\)](#) aims to encourage the world's largest food and beverage companies to do everything they can to address all forms of malnutrition. This encompasses tackling overweight and obesity as well as stunting, wasting and micronutrient deficiencies that persist in many of the world's poorer countries.

We strive to encourage 'healthy competition' among food and beverage companies by tapping into their competitive nature. We have proven in the six years since ATNI was established as an independent not-for-profit organisation that our model of benchmarking the world's largest food and beverage manufacturers' efforts to address all forms of malnutrition drives and accelerates meaningful change. We have published three Global Access to Nutrition Indexes since 2013, and Spotlight Indexes for India and the U.S. These single-country Indexes, adapted to specific national contexts, are intended to track the contribution over time of major food and beverage companies to addressing diet-related health challenges in individual countries. Our Indexes are being used by governments, NGOs and other stakeholders in those markets to advance their work to improve health through better diets.

Each Index includes a Product Profile, a tool developed by ATNI in partnership with leading academics and experts. It provides unique, comprehensive, comparable and objective information about the nutritional quality of packaged products made by the companies in our Indexes. The 2016 data presented here for the U.K. were included within a nine-country study carried out in 2017, the results of which were published in the [2018 Global Access to Nutrition Index report](#). They provided a picture of the healthiness of global food and beverage manufacturers' product ranges in Australia, China, India, Hong Kong, Mexico, New Zealand, the U.S., South Africa and the U.K.

I would like to thank ShareAction, through a grant from Guy's and St Thomas' Charity, for funding the publication of this report. I hope it will be of value to a wide range of stakeholders, from investors to advocacy organisations, policymakers to academics. Most crucially, with nearly two-thirds of U.K. adults being overweight or obese, as well as a third of children and young people, it is imperative that the food and beverage manufacturers responsible for a large proportion of what Britons eat accelerate their efforts to improve the nutritional quality of their products. Moreover, they must do much more to make their healthy products as widely available and affordable as possible. In so doing, they will help to reduce the high and growing levels of diet-related diseases that are costing individuals and the country dearly.

This report is also intended to lay the groundwork for further work with ShareAction in support of its Healthy Markets campaign by developing new tools to monitor the progress that food companies are making to addressing childhood obesity in the U.K. I look forward to that collaboration.



**Inge Kauer**  
Executive Director  
Access to Nutrition Foundation

# Executive summary

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## The U.K.'s diet-driven health crisis

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The U.K. is facing a health crisis driven in large part by the nation's poor diet. Those that eat poor diets – high in fat, salt and sugar and/or low in fruit, vegetables and wholegrains – are at risk of developing a wide range of serious illnesses as well as dying early. Poor diets accounted for 17% of all deaths in the U.K. in 2017. They also accounted for a huge proportion of ill health. Cutting the high and climbing levels of overweight and obesity in the U.K. is a public health priority, given that the U.K. already has the highest level of adult obesity in Europe. 61% of adults were overweight or obese in England in 2016; these figures are slightly higher in Scotland and Northern Ireland. However, up to 40% of those with a normal body-mass index (BMI) have metabolic abnormalities typically associated with obesity, illustrating the importance of improving diets for everyone. Childhood obesity is also accorded a high priority because it is a ticking time-bomb: children who are obese are five times more likely to be obese adults. Currently, a third of children and young people in the U.K. are estimated to be overweight or obese and these levels are predicted to increase. The related annual costs by 2050 are expected to be £9.7 billion for the NHS and nearly £50 billion for society as a whole. The economic case for action therefore seems to be irrefutable.

This is why concerted effort is urgently needed to transform the country's food system so that everyone, including those on low incomes, is able to eat a healthy diet. Food companies can and must play an active part by improving the nutritional quality of the products they sell and by putting much greater emphasis on increasing the consumption of healthy foods and beverages. In fact, those that do not are at risk losing out to competitors that respond more positively and quickly to the emerging consumer trend of healthy eating.

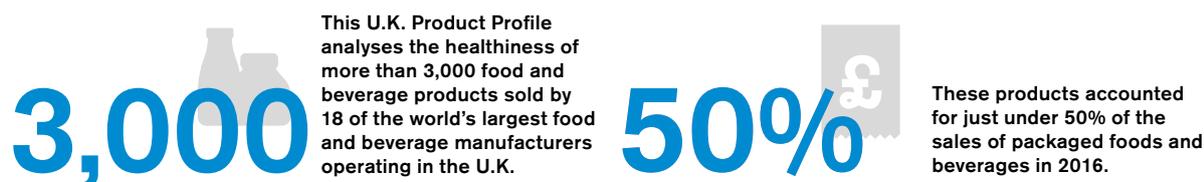
## The role of the Access to Nutrition Initiative

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ATNI intends to play its part in tackling the U.K.'s diet-driven health crisis by rating the contribution made by major U.K. food companies to addressing it and tracking their improvements over time. ATNI aims to complement and inform the work of Public Health England, ShareAction, major institutional investors and others. In the first instance, ATNI will work with ShareAction, under the auspices of its newly launched Healthy Markets campaign, to develop an index for U.K. retailers, modelled on its manufacturer-focused indexes published to date. In time, ATNI hopes to develop a suite of Access to Nutrition Indexes for the U.K. that cover all segments of the food and beverage value chain, i.e. manufacturers, retailers, café and restaurant chains, and food service companies.

## Scope of the U.K. Product Profile

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The U.K. data presented in this report is extracted from a wider nine-country Product Profile undertaken for the 2018 Global Access to Nutrition Index. Two different nutrient profiling systems were used to assess the healthiness of products in that study: the Health Star Rating (HSR) system and the WHO Europe model, explained in detail in the report.

## Key findings

  
**69%**

of the products analysed using the Health Star Rating system failed to meet the healthy standard, i.e. a Health Star Rating (HSR) of 3.5 out of 5.\*





Average food HSR = 2.2

\* Corresponding to 78% of these companies' 2016 sales

  
**85%**

of the products were unsuitable to market to children based on analysis using the WHO Euro nutrient profile model.\*\*





Average beverage HSR = 2.8

\*\* Corresponding to 89% of these companies' 2016 sales

In total, products in 18 different food and beverage categories were analysed. The nutritional quality of products in many categories varied substantially. The companies whose products have the lowest HSRs in a category must focus on improving the nutritional quality of those products or risk losing market share or sales to those with a healthier offering. The manufacturers of beverages covered by the Soft Drinks Industry Levy also face financial penalties if they fail to reduce the sugar content sufficiently.

## Recommendations

### We recommend that food and beverage manufacturers:

- Reformulate their products to improve their nutritional quality, i.e. make them healthier
- Improve the category and product mix, so that consumers have more healthy options
- Adopt a stringent nutrient profiling system similar to the HSR system
- Stop marketing products that are not healthy to children
- Increase the proportion of marketing dedicated to healthier products
- Take a structured approach to addressing nutrition, by adopting SMART targets for key nutrients
- Improve their accountability through better annual reporting

### We recommend that institutional investors:

- Carefully assess the risks and opportunities related to nutrition facing this sector
- Factor nutrition issues into their valuation models for food and beverage manufacturers, and into stock selection
- Engage actively with food and beverage manufacturers to press them to urgently improve the nutritional quality of their products.

### We recommend that U.K. policymakers:

- Adopt policy measures that create a food policy environment which drives improvement in the overall nutritional quality of packaged foods and beverages in the U.K. market
- Consider what can be done to ensure that healthier products are widely accessible and affordable to all.

# Context

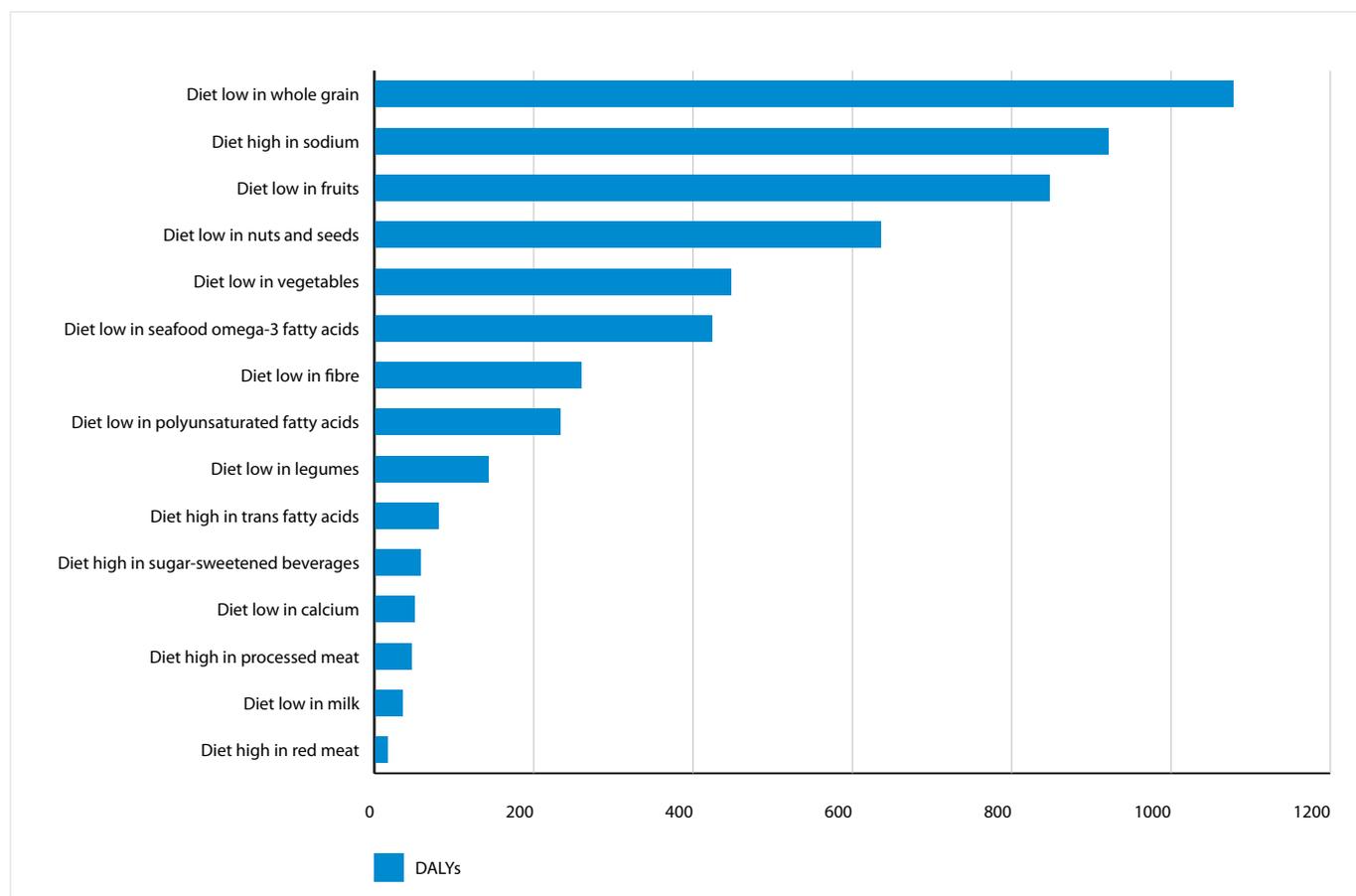
## The scale of the global nutrition challenge

By 2013, poor diets generated more disease worldwide than physical inactivity, alcohol and smoking combined.<sup>1</sup> By 2017, dietary factors were responsible for 11 million deaths.<sup>2</sup> Figure 1 illustrates for 2017 the levels of illness (measured as DALYs or disability adjusted life years) globally attributable to three major diet-related diseases (cardiovascular diseases, type 2 diabetes and cancers).<sup>3</sup>

Being overweight or obese increases people's risk of suffering from a wide range of illnesses including, but not limited to, type 2 diabetes, hypertension, abnormal lipid levels, non-alcoholic fatty liver disease, many cancers and cardiovascular disease.<sup>4,5</sup> In 2016, nearly two billion people globally were overweight or obese, including 400 million children and young people.<sup>6</sup> However, it is also critical to understand that 40% of those with a normal BMI have metabolic abnormalities typically associated with obesity.<sup>7</sup> For example, those that consume high levels of sodium may not be overweight but are at higher risk of having a stroke and developing coronary heart disease as a result.<sup>8</sup>

Good diets are therefore critical to everyone's health, which is why reducing diet-related diseases has become a global public health priority, as captured by Sustainable Development Goal 3 and in the World Health Organization's Global Targets for 2025.<sup>9,10</sup>

**Figure 1** Disability adjusted life years (DALYs) attributable to dietary deficiencies, 2017



Source: 'Health effects of dietary risks in 195 countries, 1990–2017: a systematic analysis for the Global Burden of Disease Study' (2017), *The Lancet* 393 (10184): 1911–2008.<sup>11</sup>

## The U.K. picture

Poor diets accounted for 17% of all deaths in the U.K. in 2017. They also accounted for a huge proportion of ill health. The risk factors that drive the most death and disability combined in the U.K., and how they have changed between 2007 and 2017, are shown in Figure 2. While tobacco use causes the most death and disability, the next three highest risk factors in the top ten are all diet related.<sup>12</sup>

**Figure 2** Ranking of the top ten risk factors for death and disability in the U.K., 2017, and the percentage change since 2007

1	Tobacco	-9.2%	▼
2	Dietary risks	-6.7%	▼
3	High body-mass index	7.6%	▲
4	High blood pressure	-12.6%	▼
5	High fasting plasma glucose	21.5%	▲
6	Alcohol use	2.0%	▲
7	High LDL cholesterol	-15.8%	▼
8	Occupational risks	4.7%	▲
9	Air pollution	-8.4%	▼
10	Drug use	13.0%	▲

● Diet-related risks

Source: Global Burden of Disease tool, The Institute for Health Metrics and Evaluation (IHME)

In terms of the numbers or proportions of people that suffer diet-related conditions:

- 12.5 million people in England were estimated to have high blood pressure with a further 5.5 million undiagnosed.<sup>13</sup>
- Around half of adults in the U.K. are living with raised cholesterol levels (above 5mmol/L)<sup>14</sup>
- 61% of adults were overweight or obese in England in 2016; the comparable figures for Scotland are 65% and for Northern Ireland, 63%.<sup>15</sup>
- A third of children and young people in the U.K. are estimated to be overweight or obese; these figures are predicted to increase.<sup>16,17</sup>
- 3.7 million people had been diagnosed with diabetes in the U.K. in 2017 and 90% of those cases were type 2 diabetes. In addition, 12.3 million people are at increased risk of developing type 2 diabetes.<sup>18</sup>
- More than 1 in 20 cancer cases in the U.K. are caused by excess weight. Put another way, around 22,800 cases of cancer could be prevented every year if people in the U.K. maintained a healthy weight.<sup>19</sup>
- A quarter of children starting primary school have tooth decay, and it is the cause of the most common hospital procedure in primary school children.<sup>20</sup>
- 84% of adults in England have dental fillings, typically for more than seven teeth.<sup>21</sup>

Given that the U.K. already has the highest level of adult obesity in Europe, the cumulative effect over time of high proportions of overweight and obese young people becoming obese adults is of particular concern.<sup>22</sup>

## The U.K. diet

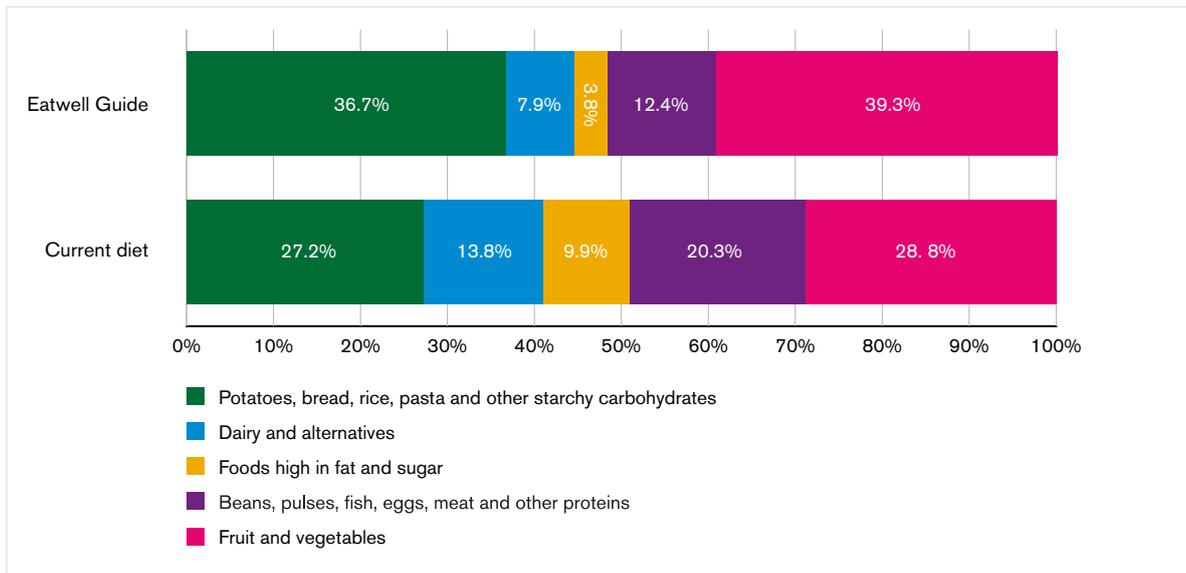
The U.K. Government's recommended healthy diet is set out in the Eatwell Guide, as shown in Figure 3.

Figure 3 The U.K. Eatwell Guide<sup>23</sup>



However, as is the case in many countries, the typical U.K. diet is made up of too many foods high in free sugars and saturated fats, and does not contain enough fruit, vegetables or fibre. Figure 4 shows the stark difference between the current diet and that encapsulated by the Eatwell Guide.

Figure 4 Comparison between average current diet and the recommendations of the Eatwell Guide



Source: Scarborough P, Kaur A, Cobiac L, et al. 'Eatwell Guide: modelling the dietary and cost implications of incorporating new sugar and fibre guidelines'. *BMJ Open* 2016;6:e013182. doi: 10.1136/bmjopen-2016-013182.<sup>24</sup>

The inadequacy of today's national diet can also be seen by looking at the wide discrepancy between the current consumption of key nutrients and the official U.K. Dietary Reference Values (DRVs). The most recent DRVs for energy and key macronutrients, published in 2016, are shown in Table 1<sup>25</sup> while actual consumption of each of these nutrients is shown in Box 1.<sup>26</sup>

**Table 1** U.K. Dietary Reference Values

Macronutrient	Dietary Reference Value
Energy	Between the ages of 19–64, 2,500 kcal/day for men, and 2,000 kcal/day for women, on average.
Protein	Between the ages of 19–64, 55.5g/day for men and 45g/day for women, or around 9% of food energy intake.
Total fat	No more than 35% of food energy for those aged 5 years and over.
Saturated fatty acids	No more than 11% of food energy for those aged 5 years and over.
Trans fatty acids	No more than 2% of food energy. <sup>27</sup>
Free sugars	Not to exceed 5% of total dietary energy for age groups from 2 years upwards.
Salt	No more than 6g per day for children over 11 and adults.
Fibre	Average intake from 16 years of age: 30g per day. Average child intake of dietary fibre: 15g/day for children aged 2 to 5 years, 20g/day for children aged 5 to 11 years, 25g/day for children aged 11 to 16 years.

Note: For all macronutrients, additional guidance is available for infants, children and adults aged 65 and over.

### Box 1: U.K. diets fall a long way short of recommended daily intakes

**Excess calorie intake:** On average, overweight and obese U.K. adults consume an excess of 320 calories per day. Obese boys and girls consume excess daily calorie intake of 140–500 and 160–290 calories per day respectively.<sup>28</sup>

**Excess free sugars intake:** Free sugars are a major contributor to this excess calorie intake: 14% of the daily calorie intake of children is from free sugars – nearly three times the maximum amount of 5% recommended by the U.K.'s Scientific Advisory Committee on Nutrition (SACN). Free sugar intake for adults is 11%.

**Excess salt intake:** In 2014, the average salt consumption for adults was 8.0g per day – a third higher than the recommended level (though intake has fallen from 8.5g in 2011 and 8.8g in 2005/2006). This figure masks significant differences between men and women, which were 9.1g/day for men and 6.8g/day for women. Both figures remain above the recommended level for adults and children over 11 of no more than 6g per day (and less for younger children, depending on their age).<sup>29</sup>

**Excess saturated fat intake:** While the maximum recommended intake of saturated fat is 11% of total calories, the average intake for adults is 11.9% and for children is 12.4%.

**Inadequate fruit and vegetable intake:** The recommended level of intake is 5 portions per day. The percentage of adults achieving that level is 31% and the percentage of children, 8%. The lowest levels are found among lower-income households.

**Inadequate fibre intake:** While the recommended level for adults is 30g per day, the actual intake among this group is 19g per day. For children aged 11 to 16, the recommended intake is 25g per day increasing to about 30g per day for adolescents aged 16 to 18 years. For these groups combined, the intake is 15.3g per day.

All statistics are derived from Public Health England, and are for England only, 2014/15–2015/16, unless otherwise stated. Figures cited are the average for adults aged 19–64 and for children aged 11–18. <https://www.gov.uk/government/statistics/ndns-results-from-years-7-and-8-combined>.

## The economic impacts of obesity and overweight in the U.K.

In 2014–15, the NHS spent £6.1 billion treating overweight, obesity and related conditions. To put that figure in perspective, more is spent on treating obesity and diabetes than on the police, fire service and judicial system combined.<sup>30</sup> Beyond the direct costs, it has been estimated that the total costs likely to be imposed on society and businesses due to lower productivity and consequent reduced economic growth due to obesity alone (not including all diet-related conditions) would be £27 billion per year by 2015.<sup>31</sup> Morgan Stanley estimated that the U.K.'s average annual GDP growth would be 2%, 0.6% lower than the OECD long-term forecast of 2.6% between 2015 and 2035, due to the impact of sugar consumption. Similarly, the bank predicted that average annual productivity growth out to 2035 would be 0.5% lower than the OECD forecast of 2.1%, at 1.6%.<sup>32</sup> The cumulative losses over 20 years are therefore substantial.<sup>33</sup>

The predicted increase in overweight and obesity cases has led to suggestions that the wider annual costs to the NHS and society as a whole could almost double to £9.7 billion and £49.9 billion respectively by 2050.<sup>34</sup>

The case for action therefore seems to be irrefutable to avoid huge increases in costs for the NHS, massive impacts on individuals over their life course, and further impairment of U.K. productivity (already among the lowest in the G7 nations)<sup>35</sup> and of the country's economic growth.

## Drivers of poor diets and ill health

While it is well established that people become overweight or obese because they consume more calories than they expend, the reasons are complex and multi-faceted, and therefore defy simple solutions.

The WHO cites the major contributory factors as being a growing trend in consumption globally of energy-dense foods, larger portion sizes and more sedentary lifestyles.<sup>36</sup> Critically, however, in the past 30 years, although obesity has rocketed, there has been little change in physical activity levels in the Western population.<sup>37</sup> This illustrates that the biggest driver is what people eat and drink, rather than how active they are.

Of particular importance is the mounting, consistent evidence from the field of behavioural science that the choices people make about what to eat and drink are heavily influenced by cues in their physical, social and informational environment. This has shown to be disproportionately true for those living in deprived areas and on low incomes.<sup>38</sup> Thus, many of us do not make active, deliberate choices about what to buy. Rather, we are heavily shaped

(often subconsciously) by cues, such as advertising and marketing. Tellingly, in 2017, 46% of food and drink advertising was spent on confectionery, sweet and savoury snacks and soft drinks while only 2.5% was spent on fruit and vegetables.<sup>39</sup>

Many people simply are not able to buy healthier options because of where they live and/or the types of shops and foods they can access.<sup>40</sup> Although one study showed that at the aggregate level a diet that aligned to the Eatwell Guide would cost the same as the average current diet, i.e. £6 per adult per day,<sup>41</sup> many impediments prevent people doing so in practice, particularly those on low incomes.<sup>42</sup>

In recent years, there has been a realisation that approaches that focus on encouraging personal responsibility and initiatives that try to boost personal motivation are unlikely to drive mass behaviour change in the absence of an environment that supports and privileges healthier options. This has led the public health community to look beyond the solutions tried to date to tackle childhood obesity framed simply around the need for better education or for individuals to be more disciplined – for example, to identifying and implementing systemic changes that make healthy options the easy options for everyone, rich or poor.<sup>43</sup>

## Responses

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### International goals and targets

The international community has set a target, within SDG 3 'Good Health and Well-being', to reduce by one-third premature mortality from non-communicable diseases by 2030, through both prevention and treatment.<sup>44</sup>

Prior to the SDGs being adopted, the World Health Organization (WHO) set global targets for 2025 covering specific diet-related diseases:<sup>45</sup>

- 25% relative reduction in overall mortality from cardiovascular diseases, cancer, diabetes, or chronic respiratory diseases.
- 30% relative reduction in mean population intake of salt/sodium.
- 25% relative reduction in the prevalence of raised blood pressure or contain the prevalence of raised blood pressure, according to national circumstances.

So significant has been the rate of increase in diabetes and obesity in recent years that the WHO 2025 target in respect of these conditions, set in 2010, was only to halt their rise among adults and children, not even to reduce them below 2010 levels.

### The U.K. Government's approaches to improving diets

In 2009, Public Health England (PHE), an executive agency of the Department of Health and Social Care, launched 'Change4Life', a public health social marketing campaign for England and Wales designed to tackle the causes of obesity.<sup>46</sup> It aims to encourage families to make small, sustainable yet significant improvements to their diet and activity levels. Separate programmes are in place for Scotland and Northern Ireland. Using the slogan 'eat well, move more, live longer' it encourages families to adopt a range of healthy behaviours through social media campaigns, by providing a range of information and resources. It is not clear what the public health impact has been.

In 2016, the Government published *Childhood Obesity: A Plan for Action*, followed by what is widely referred to as 'Chapter 2' in 2018. These policy documents were set against a 'new national ambition to halve childhood obesity rates by 2030 and significantly reduce the health inequalities that persist' and included several measures intended to incentivise and cajole the food industry to create healthier products.<sup>47</sup> The plan announced two voluntary programmes covering sugar reduction and calorie reduction, as well as the Soft Drinks Industry Levy (SDIL). The two voluntary programmes cover food categories that account for over half of children's calorie intake<sup>48</sup>. A long-running voluntary salt reduction programme is

also still in effect, along with a well-known ‘five-a-day’ campaign designed to boost the intake of fruits and vegetables, and therefore, inherently, fibre. The Government is considering a separate programme related to saturated fats. These programmes are described in Box 2.

PHE is also responsible for tracking the sugar, calorie and salt reduction programmes.<sup>49</sup> It has established baselines for each programme and publishes regular progress reports. Further detailed assessments are undertaken every two years to determine and advise Government on industry’s progress on delivering reductions.<sup>50</sup> Food and beverage manufacturers should note the Government’s warning that ‘we will not shy away from further action, including mandatory and fiscal levers, if industry is failing to face up to the scale of the problem through voluntary reduction programmes.’<sup>51</sup>

Additional proposals were laid out in the Green Paper on Prevention published in July 2019, which promises to leverage advances in various forms of science and technology and to put prevention at the centre of decision-making.<sup>52</sup> It places substantial emphasis on addressing the wide health disparities that occur between rich and poor in the U.K. The paper announced a ban on the sale of energy drinks to children under 16, as well as several other proposals set out in what is called ‘Chapter 3’ of the 2016 Childhood Obesity Plan. These include an exploration of how the marketing and labelling of infant food can be improved given mounting evidence of the poor diets of infants and young children. For example, three-quarters of children aged 4 to 18 months exceed their daily energy intake requirements and this figure increases with age following the introduction of solids. Sugar levels in some commercial baby foods have been found to be very high and around 90% of children aged 1.5 to 3 years old exceed recommended daily sugar intake levels. Other measures outlined in the Green Paper relate to front-of-pack nutrition labelling, further product reformulation (with a renewed focus on reducing salt intake) and support for individuals to achieve and maintain a healthier weight.<sup>53</sup>

### **Box 2: The U.K. Government’s programmes to improve diets in the U.K.**

This box provides more detail on the various Government programmes outlined above.

#### **Sugar**

Acutely aware of the serious challenges that rising rates of obesity pose to their countries, many governments have introduced measures to try to stem the problem. To date, taxes on sugary drinks or high sugar foods have been the most popular. Since 2015 they have more than tripled in number – there are now more than 40 around the world at city, state or federal level in many large markets such as the U.S., Mexico, Chile, India, France, Spain, Portugal, Ireland, Belgium and South Africa – and the U.K.<sup>54</sup> They are reported to be under consideration in Canada and New Zealand.<sup>55,56</sup>

The U.K. Government has introduced several fiscal and policy measures to try to reduce the number of unhealthy products sold and discourage their consumption. In 2016, it published *Childhood Obesity: A Plan for Action*, which included several measures intended to encourage the food industry to create healthier products.<sup>57</sup> While designed to address childhood obesity particularly, these measures should generate benefits for all consumers, young and old.

The headline measure was the Soft Drinks Industry Levy (SDIL), which applies in all U.K. nations, designed to encourage producers to reduce the amount of sugar in their products and to move consumers towards healthier alternatives. Having been given nearly two years to reformulate their products, from April 2018 soft drink manufacturers were required to pay tax on drinks sold based on their sugar content.<sup>58,59</sup> The Government has estimated it will raise £240 million annually from the levy. PHE’s

progress report published in May 2018 found that for drinks covered by the SDIL, including retailers' own brand and manufacturers' branded products, an 11% reduction in sugar levels per 100mL had been achieved. The calorie content of SDIL drinks 'likely to be consumed on a single occasion' also fell by 6%. In addition, a shift in sales volumes towards products with levels of sugar (below 5g per 100g which are not subject to the levy) was also recorded.<sup>60</sup>

The Government's approach also includes broader sugar reduction targets to be delivered by voluntary manufacturer and retailer commitments through the Sugar Reduction Programme. This sets a 20% voluntary sugar reduction target, to be achieved by 2020 by the whole food industry. It initially covers ten categories of food and drink products most widely consumed by children up to 18 years of age: breakfast cereals, yoghurts, biscuits, cakes, chocolate confectionery, sweet confectionery, morning goods (e.g. pastries), puddings, ice cream and sweet spreads. The Government anticipated that the reductions can be achieved by lowering sugar levels in products, reducing portion size or shifting purchasing towards lower sugar alternatives.<sup>61</sup> It also includes work to reduce the sugar content of product ranges explicitly targeted at babies and young children, excluding breast-milk substitutes.

PHE's 2018 progress report found that across eight of the ten food categories tracked (i.e. excluding cakes and morning goods which were not tracked), retailers and manufacturers had achieved a 2% reduction in total sugar per 100g. Of the top 20 brands, ranked by total sugar sales in year 1, only 33% showed a decrease in the sugar content; 56% showed no change in the sugar content and 12% showed an increase in the sugar content.<sup>62</sup>

### **Calories**

In 2018, the Government expanded the sugar reduction measures to include other high-calorie foods, in part to deter companies from compensating lower sugar levels with higher saturated fat levels. The Calorie Reduction Programme challenges the food industry to achieve a 20% reduction in calories by 2024 in product categories that contribute significantly to children's calorie intakes (up to the age of 18 years) and where there is scope for substantial reformulation and/or portion size reduction. The products covered by the programme include ready meals, pizzas, meat products, savoury snack products, sauces and dressings, prepared sandwiches, composite salads and other 'on the go' foods including meal deals. It does not cover foods included in the Sugar Reduction Programme. Shifting consumer purchasing towards lower calorie options provides an additional mechanism for action.

PHE's 2018 progress report found that there have been reductions in the calorie content of products 'likely to be consumed in a single occasion' in four of the six categories where calorie reduction guidelines were set and where progress has been measured. For retailers' own brand and manufacturers' branded products of this kind, a 2% reduction in calories was recorded.<sup>63</sup>

### **Salt**

The government first introduced voluntary salt targets in 2006 to challenge the food industry to bring salt levels down by 2010 to a level closer to the recommended intake levels.<sup>64</sup> In total, four sets of targets have been published in 2006, 2009, 2011 and 2014. They applied to manufacturers, retailers and the out-of-home sector and encompassed the 76 food groups that contributed most to the population's intake. An evaluation of progress published at the end of 2018 showed that results were mixed, with just over half (52%) of the average targets being met by manufacturers and retailers. For the out-of-home sector, 71% of products were at or below maximum per serving targets. Overall, salt intake fell by just 11% between 2006 and 2014, from 8.8g a day to 8g a day.

### **Saturated fat**

The Government does not currently have a similar programme to reduce saturated fat intake. The Scientific Advisory Committee on Nutrition recommended, following a 2018 consultation, that the Government give consideration to strategies to reduce population average intake of saturated fats to no more than 10% of dietary energy.<sup>65</sup>

### **Fruit and vegetables**

Britons have been urged through various government-funded and other campaigns to eat 'five-a-day' since 2003 – i.e. around 400g of fruit and vegetables per day.<sup>66</sup>

However, there is no formal programme, akin to those to reduce sugar and calorie consumption, that sets targets and monitors the progress of the food and beverage industry in increasing fruit and vegetable consumption.

### **Non-governmental initiatives to address the U.K.'s poor diets**

Many non-governmental organisations run initiatives that principally target policymakers or the public directly. Few have long-term programmes that focus on stimulating the private sector to encourage healthier diets and lifestyles. The U.K. Food Foundation has one such initiative, called 'Peas Please' (see Box 3).<sup>67</sup> The Soil Association has a campaign called 'Out to Lunch', based on benchmarks it has conducted of the healthiness of children's meals at restaurant chains and visitor attractions.<sup>68</sup> The Healthier Catering Commitment (HCC) is a voluntary scheme that works at the local (borough) level in London to support fast food and café businesses to make simple and affordable changes to the food they sell.<sup>69</sup>

ShareAction's new Healthy Markets campaign (for which this report was produced) aims to leverage the power of investors to drive action on childhood obesity by major stock-market listed food and beverage companies.<sup>70</sup>



**Box 3: Peas Please!**

In 2017, U.K. think-tank the Food Foundation launched its five-year initiative 'Peas Please', designed to make it easier for everyone in the U.K. to eat more vegetables. Retailers, manufacturers, out-of-home chains, as well as towns, cities and broadcasters are asked to make specific timebound, quantitative pledges. The Food Foundation then tracks and reports on their delivery against these pledges. The types of pledges the companies are encouraged to make are, for example:

- retailers can commit to increase sales of veg by adopting new measures that drive increased consumption while maintaining their existing commitments to reduce waste
- retailers and manufacturers can commit to increase the volume of veg in ready meals (whole-meal replacements) and meal ingredients
- quick service, food-on-the-go businesses, casual dining restaurants, workplace canteens and public sector food settings can commit to increase the volume of veg they sell, aiming for two portions in every main meal while maintaining commitments to reduce waste
- quick service and casual dining restaurants can commit to offer two portions of veg inclusive in every children's meal.

The first audit of progress showed 41 organisations had made pledges, of which 26 were on track to achieve their pledge or had already done so. In total, eight months after making their commitments, 4.8 million additional portions of vegetables had been sold, though nearly 100 billion is estimated to be the amount needed in total to achieve the levels set out in the national dietary recommendations, indicating that there is a huge veg mountain still to climb.

Source: *Peas Please Progress Report 2018. From Pledges to Portions.*<sup>71</sup>

## Summary

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The U.K., like many other countries, is facing a health crisis driven in large part by the nation's poor diet. Those that eat poor diets – be they high in fat, salt and sugar and/or low in fruit, vegetables and wholegrains – are at risk of developing a wide range of serious illnesses and early death. While up to 40% of those with a normal BMI have metabolic abnormalities typically associated with obesity, cutting the high and climbing levels of overweight and obesity in the U.K. is a public health priority, given that the U.K. already has the highest level of adult obesity in Europe. Childhood obesity is also accorded a high priority because it is a ticking time-bomb: children who are obese are five times more likely to be obese adults. A concerted effort is therefore urgently needed to transform the country's food system so that everyone is able to afford to eat a healthy diet. Food and beverage companies need to be central to this effort.



# The role of ATNI

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## Introduction to the Access to Nutrition Initiative

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The Access to Nutrition Initiative (ATNI) aims to encourage the world's largest food and beverage companies to do everything they can to address all forms of malnutrition. This encompasses tackling overweight and obesity as well as stunting, wasting and micronutrient deficiencies that persist in many of the world's poorer countries.

ATNI believes that the food and beverage industry can and should play a central role in addressing the world's nutrition challenges. The packaged food the industry produces makes up an increasing proportion of the food we eat. In the U.K., for example<sup>72</sup>, families dedicate on average two-thirds of their food budget on eating at home. In addition, given how much food and beverage companies shape the food consumption environment, principally through their advertising, marketing and promotional activities, they have the power to change the prevailing food environment that is fuelling unhealthy diets.

## Context for the U.K. Product Profile

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ATNI principally aims to achieve its goals by publishing Global Access to Nutrition Indexes and similar single-country Indexes. To date, it has published three Global Indexes (2013, 2016 and 2018) and two Spotlight Indexes for India and the U.S. In addition, ATNI is developing other private sector accountability tools, often in partnership with other organisations.

The Access to Nutrition Indexes assess companies' contributions to ameliorating all forms of malnutrition in two ways: i) The Corporate Profile assesses companies' policies, practices and disclosure in relation to a range of business areas. ATNI undertakes this analysis in-house, based on companies' own data and information, published or provided to ATNI under confidentiality agreements; ii) The Product Profile analyses both the nutritional quality of the companies' food and beverage products and the extent to which companies' products are suitable to be marketed to children. This work is undertaken in partnership with an expert, independent third-party – The George Institute for Global Health (TGI) – based at the University of Sydney.

ATNI first piloted the Product Profile concept in 2012 in Mexico, South Africa and India, working with a team led by Professor Mike Rayner at the University of Oxford (a member of the ATNI Expert Group).<sup>73</sup> Building on that experience, and feedback from stakeholders, ATNI then undertook a Product Profile in India in 2016 for the [first India Access to Nutrition Index](#) and most recently for the [2018 Global Access to Nutrition Index](#) published in May 2018. This Index rates 22 of the world's largest food and beverage manufacturers. The Product Profile analysed 23,000 products made by 21 of these companies in nine markets,<sup>74</sup> again working with the Food Policy Division of TGI, advised by Professor Mike Rayner. A full description of the methods used for the study is available in [TGI's report](#) on the nine-country Product Profile.

With funding from Guy's and St Thomas' Charity, ATNI has teamed up with ShareAction – a U.K.-based charity – to provide analysis for its new [Healthy Markets](#) campaign designed to tackle rising childhood obesity levels in the U.K. As with other ShareAction initiatives, Healthy Markets will harness the power of investors to create and support healthier options for U.K. consumers. As a first step, ATNI is publishing this U.K. Product Profile, excerpted from research initially published within its 2018 Global Index. The U.K. Product Profile paints a picture of the overall nutritional quality of the products sold by 18 of the world's largest food and beverage manufacturers that operate in the U.K. market. ATNI's future work to support Healthy Markets will assess major food and beverage companies' policies, practices and disclosure relating to tackling childhood obesity, including analysis of their product portfolios.

# U.K. Product Profile

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## Introduction to the U.K. Product Profile

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This first U.K. Product Profile utilises the U.K. data within the wider nine-country Product Profile undertaken in 2017, using 2016 data, published in the 2018 Global Access to Nutrition Index. While that Index included 22 of the world's largest food and beverage manufacturers, only 18 sell their products in the U.K. Therefore, it is only these companies that are included in this study. The study analyses products in their five best-selling food and beverage categories. The combined sales of these categories accounted for 49% of total 2016 sales. Only 5% of their total sales in 2016 were not covered by focusing on their top five categories. In total, more than 3,000 products were analysed.

This report sets out two analyses:

- i) an overview of the 'healthiness' of these companies' products, i.e. the nutritional quality of the products they sell in the U.K., determined by the levels of saturated fat, salt, sugar, fruit, vegetables and other ingredients, and;
- ii) the extent to which their products are suitable to be marketed to children.

## Methodology

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This section summarises how the study was undertaken. The methodology is more fully explained in [TGI's report](#). It is important to note that the data presented here is derived from the 2018 Product Profile, which included nine countries rather than being designed for the U.K. specifically. The same two nutrient profiling systems (NPS) were used for all nine countries to enable comparison of the results across all countries. A more detailed explanation of the science of nutrient profiling is provided in Box 4.

### How products' nutritional quality was determined

There is no international consensus about the superiority of any one nutrient profiling system, in part due to the different purposes and contexts for which such systems are designed. For the nine-country study, ATNI's Expert Group developed and used a set of criteria to identify the most appropriate systems from a catalogue of 67 developed for the World Health Organization.<sup>75</sup> An NPS was suitable for consideration if it:

- was developed with appropriate stakeholder consultation
- covered the majority of categories of processed food and beverage products
- took into account both 'positive' and 'negative' food components/nutrients
- was well-validated with results of the validation published in the peer-reviewed literature demonstrating that the model produces internally consistent classifications of 'healthy' and 'unhealthy' foods, consistent with general nutrition principles
- enabled differentiation of nutritional quality within and between categories
- was available in the public domain and allowed free access to the full algorithm (i.e. not a proprietary model)
- would generate meaningful results across all countries.

For the model to be suitable for consideration to assess the suitability of foods to be marketed to be children, it must not have been designed solely to address school foods, given the intention to assess foods available in the general market.

While the U.K.'s 2004/5 NPS used by Ofcom was among those considered for use, it was not selected because it did not sufficiently meet the above criteria. The two systems considered to best meet the criteria were:<sup>76</sup>

1. The [Health Star Rating \(HSR\) nutrient profiling system](#), developed through an extensive consultative process by the Australian, state and territory governments in collaboration with industry, public health and consumer groups. It has been used by manufacturers and retailers on a voluntary basis in Australia and New Zealand since 2014 and is applicable in any market. It is designed to compare products within similar food categories. Products are rated between 0.5 stars (least healthy) to 5 stars (most healthy). Any product that scores 3.5 or above is considered healthy.<sup>77</sup> (See Box 5 for further explanation of how Health Star Ratings are calculated.)

2. The [WHO Regional Office for Europe nutrient profile model](#) (WHO Europe), developed for use by WHO's European member states to identify which products are suitable to be marketed to children.

The scoring model and nutrients used by each system are shown in Table 2.

**Table 2** Scoring model and nutrients used by the HSR and WHO Europe nutrient profiling systems

	HSR	WHO Europe
Scoring method	Negative nutrients score is combined with positive nutrients score to arrive at a final 'score', which is then converted to a Health Star Rating from 0.5 to 5.0.	Products must not exceed category-specific thresholds per 100g/mL to be permitted to market to children.
Positive nutrients	Protein Fibre Fruit, vegetable, nut and legume content (FVNL) Calcium	N/A
Negative nutrients	Energy Saturated fat Total sugars Sodium	Total fat Saturated fat Total sugars Added sugars Artificial sweeteners Trans fat Sodium

### Food and beverage categories and products included in the study

For each of the 18 companies assessed for the U.K. Product Profile, ATNI first identified all categories in which the companies sold products (data extracted from Euromonitor International's industry publications of: Packaged Food 2018, Soft Drinks 2018 and Hot Drinks 2018).<sup>78</sup> Products eligible for inclusion were defined as 'all packaged foods and non-alcoholic beverages manufactured by the included companies available for purchase in the U.K.'

The study includes at most the five best-selling categories of each company in the U.K.: some companies sell in only one category (e.g. Arla, dairy only) and others sell products in more than five categories in the U.K., but only the largest five are included. For nine companies, 100% of their portfolios are covered; for another four, more than 90% is captured by including five categories. The percentage ranges are set out in Table 3.

**Box 4: What are nutrient profiling systems (NPS) and how do they work?**

Nutrient profiling is 'the science of classifying or ranking foods according to their nutritional composition for reasons related to preventing disease and promoting health'.<sup>79</sup> Nutrient profile models or systems (referred to as NPS in this report) have been developed by academics, government departments, health-related charities and the food industry for a variety of applications to, inter alia, underpin food labelling, inform product development and reformulation, restrict advertising and marketing of products to children and to regulate health and nutrition claims. Although nutrient profiling is a tool to quantify aspects of individual foods, not diets, NPS are commonly used to underpin policies designed to improve the overall nutritional quality of diets. There is currently no international consensus about the superiority of any particular NPS, in part due to the different purposes and contexts in which each model has been developed – but they all work broadly the same way.

Each NPS has a different equation – or algorithm – at its heart, which converts the levels of nutrients and other food components into classifications or scores. Some then combine those scores to generate a final score for each product that reflects its healthiness. Some place foods on a spectrum of healthiness while others use a simple binary classification, where certain foods are deemed 'healthy' and so suitable to be considered to carry a health claim or be marketed to children, for example.

For further explanation, see M. Rayner 'Nutrient profiling for regulatory purposes', *Proceedings of the Nutrition Society* (2017), 76, 230-236

**Box 5: How Health Star Ratings are calculated**

The HSR takes into account the four aspects of a food associated with increasing the risk factors for chronic diseases (energy, saturated fat, sodium and total sugars content) along with certain 'positive' aspects of a food (such as fruit and vegetable content, and in some instances, dietary fibre, calcium and protein content). Taking these components into account, points are allocated based on the nutritional composition of 100g or 100mL, following the units used in the nutrition information panel of a food.

'HSR baseline points' are first allocated for the energy, saturated fat, total sugars and sodium content of the food. 'HSR modifying points' can then be obtained for the percentage of the food that is fruits, vegetables, nuts and legumes – and including coconut, spices, herbs, fungi, seeds and algae (FVNL). These are known as 'HSR V' points. Some foods are able to score further modifying points for the protein and dietary fibre content in the food. These are known as 'protein' or 'HSR P' points and 'fibre' or 'HSR F' points respectively. A final HSR score is calculated by subtracting the HSR modifying points (V, P and F points) from the HSR baseline points. The HSR score is then assigned a star rating.

Source: *Guide for Industry to the Health Star Rating Calculator (HSRC)*, Version 6, February 2018 available at: <http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/guide-for-industry-document>

A food or beverage was considered a unique item based upon the brand name and description irrespective of serving size and packaging (i.e. a specific brand of cola sold in 330mL cans was considered to be the same food item as the same specific brand of cola sold in 600mL bottles).

The following products were excluded from the HSR and WHO Europe analysis:

- unprocessed meat, poultry, fish and raw agricultural commodities such as plain cereals (on the basis that such foods are not generally required to carry a nutrient declaration)
- plain tea and coffee (on the basis that these make an inherently low nutritional contribution and are thereby not required to display a nutrient declaration)
- condiments such as herbs, salt, pepper, vinegars and spices (on the basis that these make an inherently low nutritional contribution and are thereby not required to display a nutrient declaration)
- infant formulas, supplements and baby food and baby beverages (excluded because these products are not consumed by the general population and the selected models are not appropriate for their evaluation).

### **Source of nutrient content data**

Nutrient content data was extracted from photographs of product packaging and entered into the [U.K. FoodSwitch database](#) developed by TGI, Consensus Action on Salt, Sugar and Health and the Medical Research Council Elsie Widdowson Laboratory. Products with data entered or updated from 2013 onwards were used to generate product lists for each company. In September 2017, the companies were provided with the product lists and nutrient content of their five best-selling categories (data extracted from Euromonitor International's industry publications of: Packaged Food 2018, Soft Drinks 2018 and Hot Drinks 2018) for review and offered an opportunity to make corrections or additions to information about their product range.

ATNI was pleased that ten of the companies present in the U.K. accepted the request to supply their full product list or to check, correct or add to their information (Coca-Cola, Danone, Ferrero, General Mills, Grupo Bimbo, Kellogg, Mondelez, PepsiCo and Unilever). Mars checked its data and confirmed it did not want to add any information.<sup>80</sup> The other seven companies did not respond, potentially putting themselves at a disadvantage compared to their ten competitors whose results are based on full and accurate nutrition content data.

### **Imputation of essential missing data**

For those products where the available nutritional information was insufficient to apply the selected nutrient profile models, it was necessary to impute missing data. Proxy values for fruit, vegetables, nuts and legumes content were drawn from a database developed by TGI using the average value of the products with available data. These proxy values were estimated for each category and assigned to those products in that category with missing data. Proxy values were also used for fibre. For free sugars a standard proportion of total sugars was assumed and was specified at the category level. It is worth noting that some companies provided the required missing information, so imputation was not necessary in all cases.

### **Scope of sales represented**

The percentage of each company's 2016 sales covered by this analysis is shown in Table 3. This illustrates that these datasets provide a good representation of the companies' total U.K. sales in that year. For ten companies, the analysis encompasses 100% of their U.K. sales; for all others, apart from Danone and Nestlé, the coverage is above 80% with the remainder being made up of their lesser-selling categories in the U.K. For Danone and Nestlé, between 60% and 70% of their sales respectively are covered; a substantial proportion for each is due to sales of infant formulas and baby foods, which are excluded from this analysis. The figures of Nestlé and Unilever exclude plain tea and coffee.

**Table 3** Percentage of 2016 U.K. sales and categories eligible for inclusion in the study

Company	% U.K. 2016 sales* represented	Total no. products used for HSR analysis	Total no. products used for WHO analysis	Categories included in the analysis
<b>Ajinomoto</b>	100%	26	27	1) Rice, pasta + noodles; 2) Sauces, dressings + condiments
<b>Arla</b>	100%	73	73	1) Dairy
<b>Campbell</b>	100%	28	28	1) Juice; 2) Soups
<b>Coca-Cola</b>	100%	150	157	1) Bottled waters; 2) Carbonates; 3) Sports + energy drinks
<b>Danone</b>	60% - 70%	113	113	1) Dairy; 2) Bottled water
<b>Ferrero</b>	100%	141	151	1) Baked goods; 2) Confectionery; 3) Spreads
<b>Friesland Campina</b>	100%	8	8	1) Dairy
<b>General Mills</b>	>90%	192	198	1) Baked goods; 2) Dairy; 3) Ice cream + frozen desserts; 4) Ready meals; 5) Sweet biscuits, snack bars + fruit snacks
<b>Grupo Bimbo</b>	100%	16	16	1) Baked goods
<b>Kellogg</b>	100%	243	243	1) Breakfast cereals; 2) Savoury snacks; 3) Sweet biscuits, snack bars and fruit snacks
<b>Kraft Heinz</b>	> 90%	284	286	1) Processed fruit + vegetables; 2) Ready meals; 3) Sauces, dressings and condiments; 4). Soup; 5) Spreads
<b>Lactalis</b>	100%	77	91	1) Dairy
<b>Mars</b>	>90%	323	373	1) Confectionery; 2) Ice cream and frozen desserts; 3) Rice, pasta and noodles; 4) Sauces, dressings and condiments; 5) Sweet biscuits, snack bars and fruit snacks
<b>Mondelez</b>	> 90%	573	624	1) Baked goods; 2) Confectionery; 3) Dairy; 4) Other hot drinks; 5) Sweet biscuits, snack bars and fruit snacks
<b>Nestlé</b>	60% - 70%	260	262	1) Bottled water; 2) Breakfast cereals; 3) Confectionery; 4) Dairy; 5) Ice cream and frozen desserts.
<b>PepsiCo</b>	>90%	222	227	1) Breakfast cereals; 2) Carbonates; 3) Juice; 4) Savoury snacks; 5) Sports and energy drinks
<b>Suntory</b>	100%	68	43	1) Carbonates; 2) Concentrates; 3) Ice cream and frozen desserts; 4) Juice; 5) Sports and energy drinks
<b>Unilever</b>	>80%	272	272	1) Dairy; 2) Ice cream and frozen desserts; 3) Rice, pasta + noodles; 4) Sauces, dressings and condiments; 5) Spreads
<b>Total</b>	<b>49%</b>	<b>3,069</b>	<b>3,192</b>	

The list of brands included in the study by company is provided in Annex 1.

\* 2016 sales covered by the analysis as a percentage of all eligible categories but not including sales from categories excluded from the analysis, e.g. plain tea and coffee and baby foods. Data extracted from Euromonitor International's industry publications of: Packaged Food 2018, Soft Drinks 2018 and Hot Drinks 2018.

**Final number of products analysed**

In total, 3,069 products had sufficient nutrition information to be assessed using the HSR model and 3,192 could be assessed using the WHO Europe model. The reason the total number of products can differ significantly, as is the case for Lactalis, Mars, Mondelez and Suntory, for example, is that even if there is insufficient nutrition information to include a product in the HSR analysis (e.g. one or more of protein, fibre, FVNL or calcium) it can still be included in the WHO analysis, as this model requires less nutrition content information to generate results (specifically, it considers only negative nutrients not positive nutrients). See Table 2 for a comparison of which data is used by each model.



# Overall results

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To generate each company's initial score, the mean Health Star Rating for each of its categories is weighted by the corresponding 2016 UK sales value figure (data extracted from Euromonitor International's industry publications of: Packaged Food 2018, Soft Drinks 2018 and Hot Drinks 2018). The maximum initial score is 5 (because this is the maximum possible rating on the HSR for any individual product). The Product Profile score is simply this figure doubled, so that it is scored out of ten to be comparable to other countries' data, which is presented this way. A score of 10 on the Product Profile would indicate that a company's whole portfolio comprised products and/or sales of products with the maximum HSR of 5. Companies are then ranked on the basis of these scores.

## **How healthy are the companies' portfolios overall?**

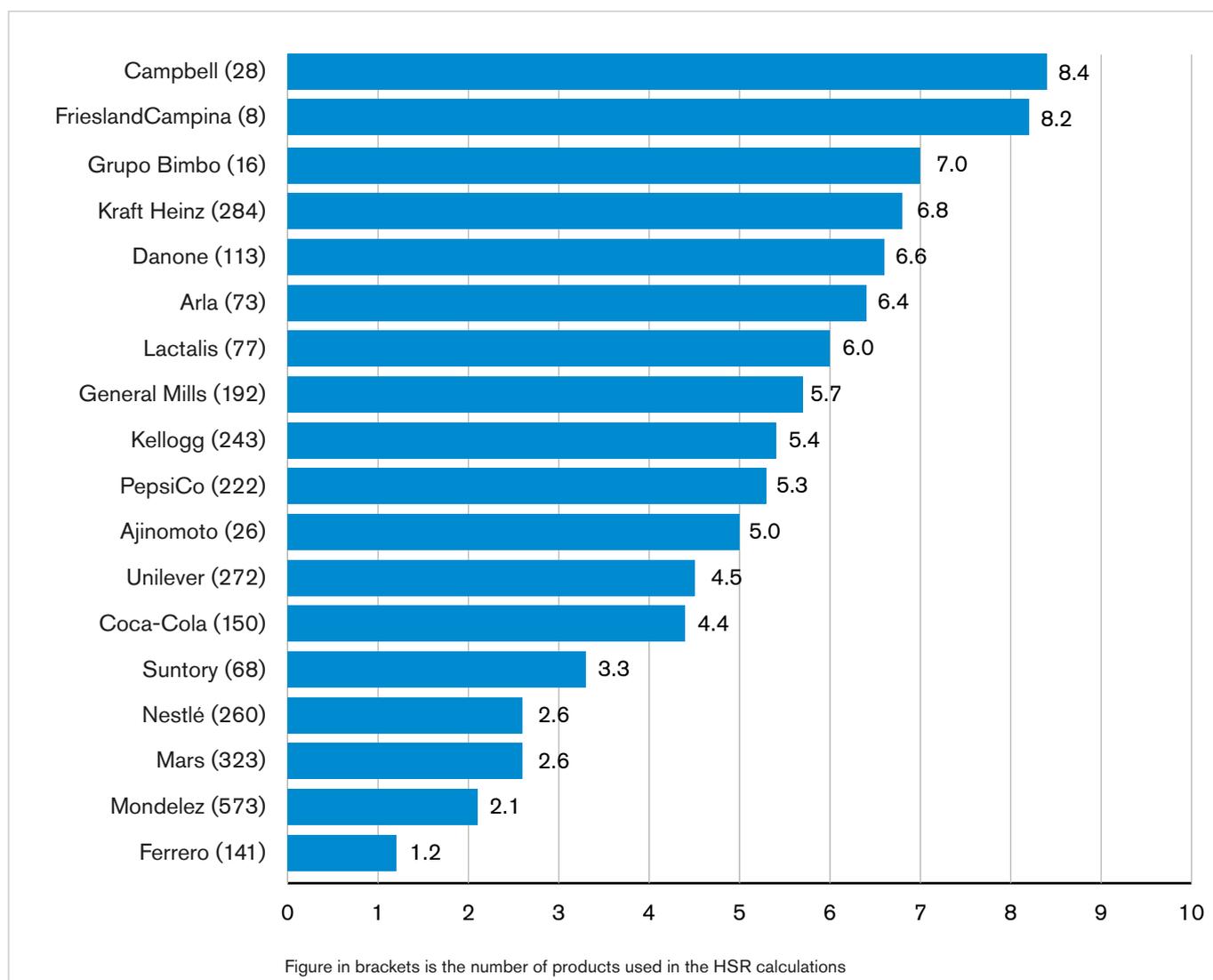
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Campbell tops the Product Profile, with a score of 8.4 out of 10. FrieslandCampina scores 8.2, and ranks second, with Grupo Bimbo ranking third with a score of 7 out of 10, as shown in Figure 5.

Eight companies score between 5 and 7, and the remaining seven score below 5 out of 10. Perhaps not surprisingly, Nestlé, Mars, Mondelez and Ferrero, which generated most of their 2016 U.K. sales from confectionery (of those categories included in the analysis), rank in the last four places. The total number of products assessed is shown on each company's bar in Figure 5.

One factor that may explain the relatively strong performance of the top three companies is that the total number of products assessed was relatively small: 28 products in only two categories for Campbell, 8 products in only 1 category for FrieslandCampina and 16 products in 1 category for Grupo Bimbo. Moreover, these companies' U.K. portfolios comprise categories that tend to be more healthy on average than others. Table 4 provides additional detail, i.e. the number of products by company that have each HSR, from 0.5 to 5.



**Figure 5** Product Profile scores: Maximum possible = 10

## What percentage of the companies' products sold in the U.K. are healthy?

The Product Profile found that only 937 of all products analysed (31%) met the healthy threshold of 3.5 stars, as shown by Table 4. The other 2,132 products (69%) fell below that level.

The company with the highest percentage of healthy products with an HSR of 3.5 or more is FrieslandCampina with 100%, Campbell with 86% and Grupo Bimbo with 75% healthy products overall. The bottom-ranked companies on this metric are Ferrero, with no healthy products, and Mondelez and Suntory with only 6% each. However, 49% of Mars products are healthy, although they were estimated to make up a much smaller proportion of sales (18%). The next three lowest rated companies were: Unilever, with only 15% of its products sold in the U.K. in 2016 rated healthy; the equivalent figure for Nestlé was 20% and for Kellogg it was 24%. (Note that the figures for Nestlé and Unilever exclude plain tea and coffee as these products make an inherently low nutritional contribution and are thereby not required to display a nutrient declaration.)

**Table 4** Number of products with each Health Star Rating overall and by company

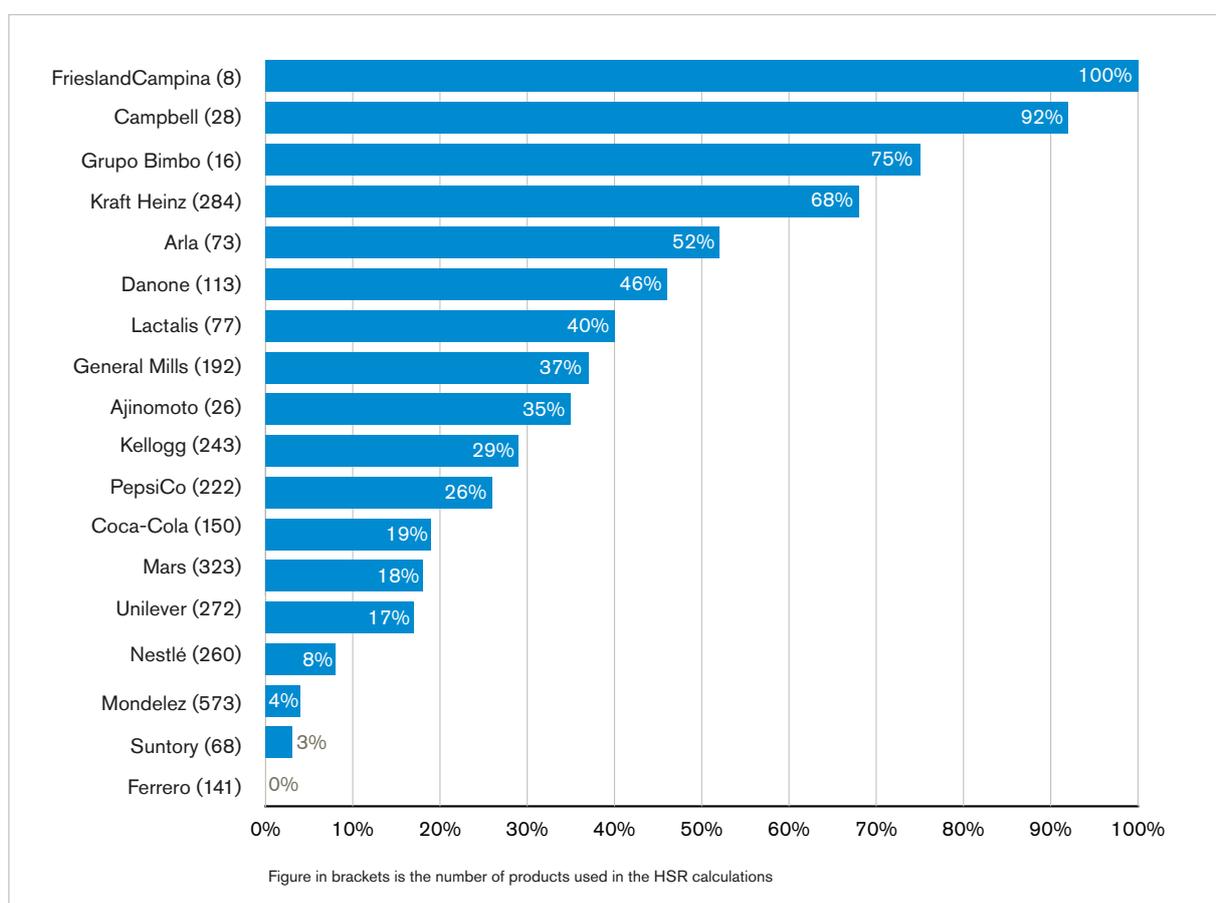
Manufacturer	Number of products below the healthy threshold						Number of products that meet or exceed the healthy threshold				% products HSR >= 3.5
	Health Star Rating	0.5	1	1.5	2	2.5	3	3.5	4	4.5	
Ajinomoto	5	1	0	5	7	0	2	6	0	0	31%
Arla	8	11	2	5	5	4	5	4	1	28	52%
Campbell	0	0	0	0	0	4	21	0	0	3	86%
Coca-Cola	0	17	19	54	1	0	2	1	5	51	39%
Danone	9	1	3	23	15	14	10	5	11	22	42%
Ferrero	103	18	16	3	0	1	0	0	0	0	0%
FrieslandCampina	0	0	0	0	0	0	3	1	3	1	100%
General Mills	11	14	31	23	20	22	29	5	24	13	37%
Grupo Bimbo	0	0	0	2	2	0	4	7	1	0	75%
Kellogg	0	11	20	91	40	23	16	33	6	3	24%
Kraft Heinz	0	4	19	30	30	29	124	26	20	2	61%
Lactalis	6	1	1	9	11	18	13	7	5	6	40%
Mars	87	7	14	1	16	41	91	65	1	0	49%
Mondelez	290	112	83	21	14	20	12	8	0	13	6%
Nestlé	102	11	19	46	13	18	19	17	11	4	20%
PepsiCo	2	10	21	27	26	15	15	39	12	55	55%
Suntory	4	16	8	34	0	2	3	1	0	0	6%
Unilever	8	45	50	33	35	59	26	5	8	3	15%
<b>Total</b>	<b>635</b>	<b>279</b>	<b>306</b>	<b>407</b>	<b>235</b>	<b>270</b>	<b>395</b>	<b>230</b>	<b>108</b>	<b>204</b>	<b>31%</b>
<b>No. of products</b>	<b>2,132</b>						<b>937</b>				<b>3,069</b>
<b>% products</b>	<b>69%</b>						<b>31%</b>				<b>100%</b>

## To what extent do companies generate their U.K. sales from healthy products?

Five companies were estimated to have generated more than 50% of their 2016 sales from healthy products and six generated 20% or less from healthy products. Overall, 22% of these 18 companies' 2016 sales were estimated to derive from healthy products.

Figure 6 shows manufacturers ordered by the percentage of 2016 sales estimated to have been generated by healthy products. These figures were estimated by multiplying the total 2016 retail sales value per category by the proportion of products in that category with an HSR of 3.5 or more. It is recognised that this is an estimate of the actual level of such sales.<sup>81</sup> Note that ATNI cannot publish retail sales information used in the calculations due to data licence agreement limitations.

**Figure 6** Estimated 2016 sales value from healthy products (HSR of 3.5 or higher)



Note: Calculated by multiplying the percentage of healthy products in each category by the total sales of that category in 2016. Data extracted from Euromonitor International's industry publications of: Packaged Food 2018, Soft Drinks 2018 and Hot Drinks 2018.

## How does the nutritional quality of products vary within food categories?

Overall, foods for sale in the U.K. market made by the 18 manufacturers assessed achieved a mean HSR of only 2.2, illustrating the need for much greater investment in reformulation to improve their nutritional quality.

## Overall results

Within the U.K. market, there are 12 food categories in which two or more companies compete. (Kraft Heinz is the only company to sell products in the category 'processed fruit and vegetables' – 38 in total. It is therefore omitted from Table 5.) A total of 2,601 products are encompassed by these 12 categories. In most of these categories, a considerable variation in the nutritional quality of each company's products is apparent, as illustrated by the mean HSR, shown in Table 5. While some of the variation is due to companies offering different types of products within the category, some is due to different formulations of similar products.

**Table 5** Within-category comparisons of mean HSR values between companies, in food categories where two or more companies compete

Categories in which 2 or more companies compete	Mean HSR	Ajinomoto	Arla	Campbell	Danone	Ferrero	FrieslandCampina	General Mills	Grupo Bimbo	Kellogg	Kraft Heinz	Lactalis	Mars	Mondelez	Nestlé	PepsiCo	Suntory	Unilever	Total no. of products
Total food products		26	73	25	73	141	8	192	16	243	284	77	323	535	216	133	2	272	2,639
Baked goods	1.6					1.1		1.8	3.5					1.0					162
Breakfast cereals	3.4									3.2					3.4	4.0			194
Confectionery	0.8					0.6							0.9	0.8	0.7				647
Dairy	3.1		3.2		3.1		4.1	3.6				3.0		3.1	2.8			2.9	465
Ice cream and frozen desserts	1.7							1.8					1.7				3.0	1.7	130
Ready meals	3.2							2.5			3.5								64
Rice, pasta and noodles	3.6	3.9											3.6					3.2	108
Sauces, dressings and condiments	2.7	1.7									2.4		3.4					2.5	360
Savoury snacks	2.2									2.0						2.4			141
Soups	3.5			3.4							3.5								118
Spreads	1.3					0.5					2.0							0.7	8
Sweet biscuits, snack bars and fruit snacks	1.8							2.5					1.4	1.4					204
Mean HSR across all food categories	2.2	2.4	3.2	3.4	3.1	0.7	4.1	2.7	3.5	2.6	3.1	3.0	2.5	1.2	1.7	3.1	3.0	2.3	

Only two categories have a mean HSR of 3.5 or above: rice, pasta and noodles, with a mean HSR of 3.6 and soups, with a mean HSR of 3.5. The next highest-scoring category is breakfast cereals with a mean of 3.4. In general, most categories have quite a wide range of mean HSR; for example, sauces, dressings and condiments includes products with mean HSRs between 1.7 (Ajinomoto) and 3.4 (Mars). Dairy ranges from 2.8 (Nestlé) to 4.1 (FrieslandCampina), and spreads from 0.5 (Ferrero) to 2.0 (Kraft Heinz). See Box 6 for more detail.

Companies that compete in each category are urged to look at what more they can do to reformulate their products to increase their overall nutritional quality, and at least come closer to the rating of the products with the highest HSRs, and ultimately an HSR of 3.5 or more.

#### **Box 6: Analysis by food category**

**Baked goods:** Four companies compete in this category, which spans a diverse range of goods, offering 162 products between them. Grupo Bimbo achieves an overall healthy mean of 3.5 for its products. The three other companies – General Mills, Ferrero and Mondelez – fare more poorly, with mean HSRs of 1.8, 1.1 and 1.0 respectively.

**Breakfast cereals:** Three companies offer a total of 194 products in this category with a mean of 3.4 – just below the healthy threshold. PepsiCo's products achieve a mean HSR of 4.0, with those of Nestlé are just below the healthy threshold at 3.4, and those of Kellogg have a mean of 3.2.

**Confectionery:** Unsurprisingly, the mean HSR for this category is 0.8, with all four companies scoring below 1.0. Together Ferrero, Mars, Mondelez and Nestlé offer 647 products in this category, by far the largest of the food categories assessed in terms of number of products.

**Dairy:** Eight companies compete in this relatively large category with 465 products, and a mean HSR of 3.1. Individual companies' scores range widely, with two companies achieving a mean HSR above the healthy threshold: FrieslandCampina (4.1) and General Mills (3.6).

**Ice-cream and frozen desserts:** Four companies offer 130 products in this category. Suntory achieves the highest mean HSR of 3.0, while the others' ratings are lower: General Mills scores 1.8, and Unilever and Mars, 1.7.

**Ready meals:** Two companies offer a total of 64 products in this category. The mean HSR is relatively high at 3.2. Those of Kraft Heinz meet the healthy threshold at 3.5, whereas those of General Mills fall below, at 2.5 on average.

**Rice, pasta and noodles:** A total of 108 products are offered in this category by three companies. It has a mean HSR above the healthy threshold of 3.6. Ajinomoto's products have the highest average rating, at 3.9, while those of Mars are rated 3.6 and those of Unilever, 3.2.

**Sauces, dressings and condiments:** This is a relatively large category, with 360 products offered by four companies. Those of Mars have the highest mean HSR, just below the healthy threshold at 3.4. In contrast, Unilever and Kraft Heinz products are rated 2.5 and 2.4 respectively, with those of Ajinomoto scoring lowest at 1.7 on average.

**Savoury snacks:** Two companies offer a total of 141 savoury snacks in this category. Those of Kellogg achieve a mean HSR of 2.0 and those of PepsiCo a little higher at 2.4.

**Soups:** The 118 products in this category on average achieve an HSR of 3.5, the healthy threshold. There is little difference between the mean value for the two competitors: Kraft Heinz's products rate 3.5 on average, and those of Campbell 3.4.

**Spreads:** There are only eight products in this category, offered by three companies. The mean HSR is 1.3, with Kraft Heinz mean rating being the highest, at 2.0. The products of Unilever achieve a mean HSR of 0.7 and those of Ferrero, 0.5, the lowest rating possible.

**Sweet biscuits, snack bars and fruit snacks:** Four companies offer a total of 204 products in this category. However, the mean HSR is low, at only 1.8. The highest average rating of 2.5 is achieved by General Mills; Mars' and Mondelez' ratings are much lower at 1.4. Kellogg's products' mean HSR is 2.2.

## How does the nutritional quality of products vary within beverage categories, and what percentage are healthy?

The mean HSR for the 430 beverages offered by seven manufacturers within the cohort assessed is 2.8. This again indicates substantial scope for all companies to reformulate products within each category to improve their nutritional quality. Table 6 illustrates the variation in nutritional quality of products within categories using the mean HSR value for the category. See Box 7 for more detail.

**Table 6** Beverages: overall and within-category comparisons of mean HSR values among beverage manufacturers

	Mean HSR	Coca-Cola	Danone	Nestlé	PepsiCo	Campbell	Mondelez	Suntory	Total no. of products
Total no. of products		150	40	44	89	3	38	66	430
Bottled water	3.1	2.8	3.5	2					54
Carbonates	1.8	1.8			1.6			2.5	77
Concentrates	1.9	1.9						1.9	18
Other hot drinks	1.3			2.2			0.5		72
Juice	4.0	4.2	1.9		4.6	5		1.7	160
Sports and energy drinks	1.5	1.8			1			1.6	49
Mean HSR	2.8	3.0	3.2	2.2	3.8	5.0	0.5	1.7	

**Box 7: Analysis by beverage category**

**Bottled water:** This category includes not only plain water but also those products with added flavour and/or sweeteners. While an exception is made by HSR for plain water, assigning it an HSR of 5, other bottled waters products score more poorly as they do not deliver the nutrients that attract positive scores in the HSR system (e.g. fruits, nuts, vegetables, legumes, protein etc.). As a result, the mean HSR of the 54 products offered by three competitors in this category are relatively low, with only Danone's products reaching the healthy threshold of 3.5 on average, while Coca-Cola and Nestlé's products perform more poorly on average, with HSRs of 2.8 and 2.0 respectively.

**Carbonates:** Coca-Cola, PepsiCo and Suntory offer 77 products in this category in total. Suntory's products achieve an HSR of 2.5, whereas those of Coca-Cola have a mean HSR of only 1.8 and those of PepsiCo achieve only 1.6, illustrating that the nutritional quality of Suntory's carbonates portfolio in the U.K. is slightly higher than that of its two competitors.

**Concentrates:** Coca-Cola and Suntory sell 18 concentrates in the U.K. market. Both companies' products have a mean HSR of 1.9.<sup>82</sup>

**Juice:** Five companies offer 160 products in this category, the largest category among beverages. Those offered by Campbell achieve the maximum HSR of 5.0; both Coca-Cola and PepsiCo's products achieve high HSRs, of 4.2 and 4.6 respectively, well above the healthy threshold of 3.5. Danone's mean HSR is much lower at 1.9 however, as are Suntory's products.

**Sports and energy drinks:** Coca-Cola, PepsiCo and Suntory offer a total of 49 products in this category. Coca-Cola's products have a mean HSR of 1.8, those of Suntory 1.6, and PepsiCo's are rated lowest at 1.0.

**Other hot drinks:** Mondelez and Nestlé offer 72 products in this category, which include pre-mixed coffees, for example (i.e. not simply coffee granules) and hot chocolate mixes. The average HSR for the products in this category is only 1.3. Mondelez' products have on average a much lower HSR, at 0.5, while those of Nestlé achieve 2.2.

Plain tea and coffee are excluded because these products make an inherently low nutritional contribution to diets and are thereby not required to display a nutrient declaration.

## To what extent are these 18 manufacturers' products suitable to be marketed to children?

Only 15% of the products analysed met the nutritional standards to be marketed to children according to the WHO Europe criteria. Further, the study estimated that, overall, companies generated only 11% of their sales from these products.

Food and beverage companies do not market all of their products to children nor necessarily make products specifically aimed at children. In fact, most products are more typically intended to be consumed by the population as a whole. Few companies make, for example, ready meals or spreads branded and marketed to appeal particularly to children. Nevertheless, to maintain a healthy weight it is important that children's diets should limit foods and beverages that are relatively high in saturated fats, free sugars, salt and calories.

The WHO Europe Nutrient Profiling Model deems certain categories as prima facie not being suitable to market to children, including, for example, confectionery, many spreads and sweet biscuits, and most savoury snacks. This rule affects most those companies that make a large

number of these product such as Nestlé and Mars. The model is then applied to products within 20 standard selected food and beverage categories (i.e. not limited to products typically targeted at children). For these categories within its scope, the model identifies those products that exceed set thresholds, linked to agreed daily intake values for children, and recommends that any that exceed those limits should not be marketed to children.

A total of 3,192 products were assessed. As shown in Table 7, only 468 were found to be suitable to market to children, i.e. 15%. Among the companies there is a wide variation of the proportion of products eligible for marketing to children: Campbell has the highest proportion, at 71%, followed by Grupo Bimbo and FrieslandCampina. Conversely, nine companies have less than 10% of products suitable to be marketed to children.

**Table 7** Proportions of products and sales meeting WHO Europe criteria for marketing to children – by company

Manufacturer	No. of products eligible to market to children	% products eligible to market to children	% sales from products eligible to market to children	Total no. of products assessed using WHO model
Campbell	20	71%	40%	28
Grupo Bimbo	11	69%	69%	16
FrieslandCampina	4	50%	50%	8
Kraft Heinz	136	48%	45%	286
Arla	28	38%	38%	73
Ajinomoto	8	30%	35%	27
Danone	26	23%	31%	113
Mars	80	21%	6%	373
General Mills	32	16%	16%	198
Unilever	27	10%	14%	272
Lactalis	9	10%	10%	91
Kellogg	21	9%	11%	243
Nestlé	19	7%	14%	262
PepsiCo	11	5%	1%	227
Coca-Cola	7	4%	7%	157
Mondelez	26	4%	3%	624
Ferrero	0	0%	0%	151
Suntory	0	0%	0%	43
<b>Total</b>	<b>465</b>	<b>15%</b>	<b>11%</b>	<b>3,192</b>

In terms of categories of products typically eaten by children, the percentages of products suitable to market to children are very low in all categories except rice, pasta and noodles, as shown in Table 8. Less than a third of breakfast cereals meet this threshold, for example, and the extent to which dairy products are suitable varies considerably. As the WHO Europe model considers no confectionery, ice cream and frozen desserts, savoury snacks or sweet biscuits, snack bars and fruit snacks as being suitable to market to children, all figures for these categories are zero.<sup>83</sup>

**Table 8** Proportions of products in selected food categories meeting WHO Europe criteria for marketing to children – by company and category

	Ajinomoto	Arla	Danone	Ferrero	Friesland Campina	General Mills	Kellogg	Lactalis	Mars	Mondelez	Nestlé	PepsiCo	Suntory	Unilever
Breakfast cereals							20%				27%	19%		
Confectionery				0%					0%	0%	0%			
Dairy		38%	15%		50%	32%		10%		35%	1%			33%
Ice cream and frozen desserts						0%			0%				0%	0%
Rice, pasta and noodles	100%								99%					85%
Savoury snacks							0%					0%		
Sweet biscuits, snack bars and fruit snacks	0%					0%	0%		0%					

Further, as Table 9 illustrates, other than Nestlé's bottled water products, all of which are plain water and therefore meet the WHO Europe threshold, a considerably lower proportion of the other company's beverages – or none – are considered suitable to market to children.

**Table 9** Proportions of products in selected beverage categories meeting WHO Europe criteria for marketing to children – by company and category

	Coca-Cola	Danone	Nestlé	PepsiCo	Campbell	Mondelez	Suntory
Bottled water	27%	48%	100%				
Carbonates	7%			0%			0%
Concentrates	0%						0%
Other hot drinks			0%			5%	
Juice	0%	0%		0%	0%		0%
Sports and energy drinks	0%			0%			

# Limitations

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The limitations of the nine-country Product Profile are set out more fully in the full report of The George Institute. Those that relate particularly to this U.K. study are as follows.

## **Nutrition data**

As noted, all 18 companies were provided with the opportunity to review the product lists and nutrient content of their five best-selling categories in 2016 and to make corrections or additions to information about their product range.<sup>84</sup> Ten companies accepted the offer to supply their full product list or to check, correct or add to their information (Coca-Cola, Danone, Ferrero, General Mills, Grupo Bimbo, Kellogg, Mondelez, PepsiCo and Unilever). Mars checked its data and confirmed it did not want to add any information. The other companies did not respond. Thus, only some of the nutrition content data used was validated by them. In future, we hope that all companies will check and confirm the accuracy of the nutrition data used. Some products had to be excluded from the analysis because data was not available for the nutrients needed to run each nutrient profiling model. Finally, the nutrition content data used was for products in the market in 2016. Companies may have made changes to the recipes for those products since then, in which case their nutrition profile may therefore now be different (either better or worse).

## **Use of proxy data**

Proxy data for FVNL and fibre had to be used for some products where the companies did not provide that data. The most likely impact of using proxy nutrient values is that the real differences between products will be underestimated (because proxy values were imputed at the sub-category level), and correspondingly, therefore, that the real differences between companies are underestimated.

## **Scope of products covered**

Ideally the analysis would have included all products sold by all companies in the U.K. rather than being restricted to their five best-selling categories. However, the study had to be limited to these categories given the resources available. Further, the study focused only on the largest manufacturers in the U.K., not all of them, and omits the remainder of processed foods made by other manufacturers, by retailers under their own labels, and café, restaurant and food service sectors, which account for an increasing amount of consumption. While it does not provide an overall picture of the nutritional quality of all packaged foods and beverages consumed by the U.K. population, the categories included in this report account for a large proportion of such products – 49% of the total U.K. food and beverage sales in 2016.

## **Calculations of sales estimates**

The estimates of the category-level sales values for healthy products were calculated using data for calendar year 2016 extracted from Euromonitor International's industry publications of Packaged Food 2018, Soft Drinks 2018 and Hot Drinks 2018, rather than data provided by the companies. Had the latter data been used, the results would likely have been different – with the figures of healthy sales values being either higher or lower than the figures based on category-level sales.

Moreover, product-level sales data would ideally be used to calculate actual sales-weighted figures rather than having to estimate them using category-level data. However, product-level sales data is not currently available from Euromonitor International and ATNI did not have the funding to buy such a large data set from another provider. Future studies would ideally utilise product-level sales data provided by the companies, if they are willing to provide them.

## **Nutrient profiling models used**

The U.K. data presented here is extracted from the larger data set of nine countries included in the 2018 Global Index Product Profile. While the U.K.'s 2004/5 NPS used by Ofcom to

restrict media marketing to children was one of the models considered for use, it was not selected because it did not meet the criteria adopted by ATNI's Expert Group. Future U.K. Product Profiles could instead use the Ofcom model (which is being revised at the time of writing) to determine products' suitability to market to children instead of the WHO Europe model. This would facilitate comparison of these results with other analysis that uses the Ofcom model, but it would then not be possible to compare any U.K. results to those from other countries generated using the WHO Europe model.

Further, ATNI recognises that both the HSR and WHO Europe models are in the relatively early stages of implementation and subject to ongoing evaluation and refinement. While these models are based upon extensive research and validation, there is continuing discussion of how each applies to some food categories, particularly dairy and oils within the HSR, for example. In addition, the HSR model does not score 'non-nutritive' products such as tea and instant coffee. As a result, these products have not been included in the analysis. This means that the results for companies such as Unilever and Nestlé, for example, are based on their sales excluding these products.

### **Serving size of products not considered**

Neither of the nutrient profiling models used takes serving size into account. Some experts consider this to be a limitation, while others believe it is a strength. One important determinant of being overweight and obese is the quantity of food people choose to consume at one sitting (portion size). The serving size recommended on a multi-pack or provided within a single pack can influence how much of a product is eaten. Some argue that nutrient profiling models should include consideration of serving size – and some of the companies' systems do so. However, the absence of agreed national and international standards has meant that, to date, it has not proved possible to consider serving size with the models used for the nine-country study, and therefore, for the U.K. data set.

# Implications and recommendations

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## **Food and beverage manufacturers**

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With an estimated 22% of the retail sales in 2016 of the 18 largest food and beverage manufacturers in the U.K. being generated by healthy products, these companies need to increase their sales of such products quickly and substantially to demonstrate they are serious about making a meaningful contribution to diets and public health. Doing so should also help them avoid the mounting business risks associated with poor diets, from regulatory intervention to impacts on productivity among their own workforces, while at the same time capitalising on the emerging healthy eating trend.

### **Reformulate products**

Given that only 31% of the more than 3,000 products analysed met the healthy threshold of an HSR of 3.5 or more, food and beverage manufacturers should, first and foremost, work quickly to improve the nutritional quality of their existing products.

The wide variation in the nutritional quality of products in most of the 18 food and beverage categories shows the substantial opportunity available to many companies, particularly those with the lowest mean HSRs, to improve their competitive position within categories by improving the nutritional quality of their products compared to those of their competitors. Manufacturers could also look to identify opportunities to reduce the package sizes of single-serve products of low nutritional quality.

To avoid future costs and potentially boost revenues, manufacturers would also be well advised to prioritise investment in improving the nutritional profile of well-established products sold in high volumes due to the relatively large contribution they make to diets overall. Another priority should be to improve the nutritional composition of products in categories that form a significant part of children's diets in the U.K. i.e. those in the sub-categories that are the focus of the Government's Sugar and Calorie Reduction Programmes. This would help to 'future proof' their portfolios against future regulatory action. For example, the Government indicated that it would consider bringing sugary milk drinks within the scope of the SDIL if insufficient progress on sugar reduction has been made by 2020.<sup>85</sup> Moreover, it stated that it may also consider further use of the tax system to promote healthy food if the voluntary Sugar Reduction Programme does not deliver sufficient progress.

### **Improve the category and product mix**

Manufacturers should look to increase the proportion of healthier products within their portfolios, particularly those they market to children and/or which play a large part in children's diets. This can be done, for example, by investing in making existing products healthier – as outlined above – and/or by developing new healthier products. One approach is to ensure that healthier options are available in every range and gradually to phase out less healthy options. Companies should also ensure that they are doing what they can to promote any healthy products they already have. Alternatively, they can buy other companies with healthier product portfolios or sell brands or divisions whose sales are predominantly based on less healthy products and which might become 'stranded assets' if, as expected, consumers move towards more healthy diets over time. Moves such as these should also put them in a stronger position to profit from emerging consumer trends and avoid fiscal or regulatory measures that target less healthy products.

**Adopt a stringent nutrient profiling system**

Companies' efforts to improve the nutritional quality of their products must be underpinned by a well-validated NPS developed with independent experts. Those companies that already use an NPS should review it to ensure it is in line with prevailing dietary recommendations. Moreover, ATNI recommends that all companies benchmark their NPS and related definitions of healthy products against the HSR and the 3.5 healthy threshold, to enable like-for-like comparisons between companies, especially within similar product categories. Those companies that do not have a system or that use multiple classifications for products that meet particular nutrition criteria (e.g. good for heart health or limited in certain nutrients) should streamline their approach so that they use only one appropriate NPS to underpin all of their new product development and reformulation.

**Stop marketing to children products that are not healthy, as assessed by the WHO Europe nutrient profiling model or equivalent**

Given that only 15% of products analysed were found to be suitable to market to children, companies should ensure that their policies restrict the marketing of products that do not meet the standards of the WHO Europe nutrient profiling model. Those policies should apply to children up to 18 years of age and across all media, in store and on packaging.

**Increase the proportion of marketing dedicated to healthy products**

The level of sales of healthy products is driven in large part by their price and by the amount and type of marketing allocated to them. To help support the shift towards healthier diets, it is essential that manufacturers put substantial marketing resources behind their healthier products to drive their sales. Manufacturers should not simply aim to level the playing field between healthy and less healthy products but to tilt it strongly in favour of healthy products. Food companies' marketing strategies for their healthy products should include product positioning in stores, use of pricing policies, discounts and promotions, store, shelf and pack signage, and the many other marketing techniques at their disposal.

**Take a structured approach to addressing nutrition, based on SMART targets**

All companies should set and publish specific, measurable, achievable, relevant and time-bound (SMART) targets that will increase their offering of products of a high level of nutritional quality for each category and/or within each brand. Companies are also encouraged to set and publish their own clear SMART targets for all key nutrients across all relevant categories, e.g. for saturated fat or added sugar – irrespective of whether they have made pledges through organisations such as IFBA or the Consumer Goods Forum, or are covered by the PHE Sugar and Calorie Reduction Programmes. They should also invest further in delivering progress year-on-year, in both existing products and new product launches, especially on sugar and calories given the relatively small aggregate reductions recorded by PHE in its 2018 report on progress.

**Improve accountability through better annual reporting**

It is currently not possible for stakeholders to understand the extent to which the nutritional quality of food and beverage manufacturers' U.K. portfolios is improving over time, if at all. Food and beverage manufacturers should consider particularly whether their reporting makes clear to their investors – who are becoming increasingly interested in this topic – how they are tackling nutrition-related risks and opportunities. All companies should strive to provide quantitative evidence so that investors can determine their positioning relative to their peers and whether they are improving their performance over time.

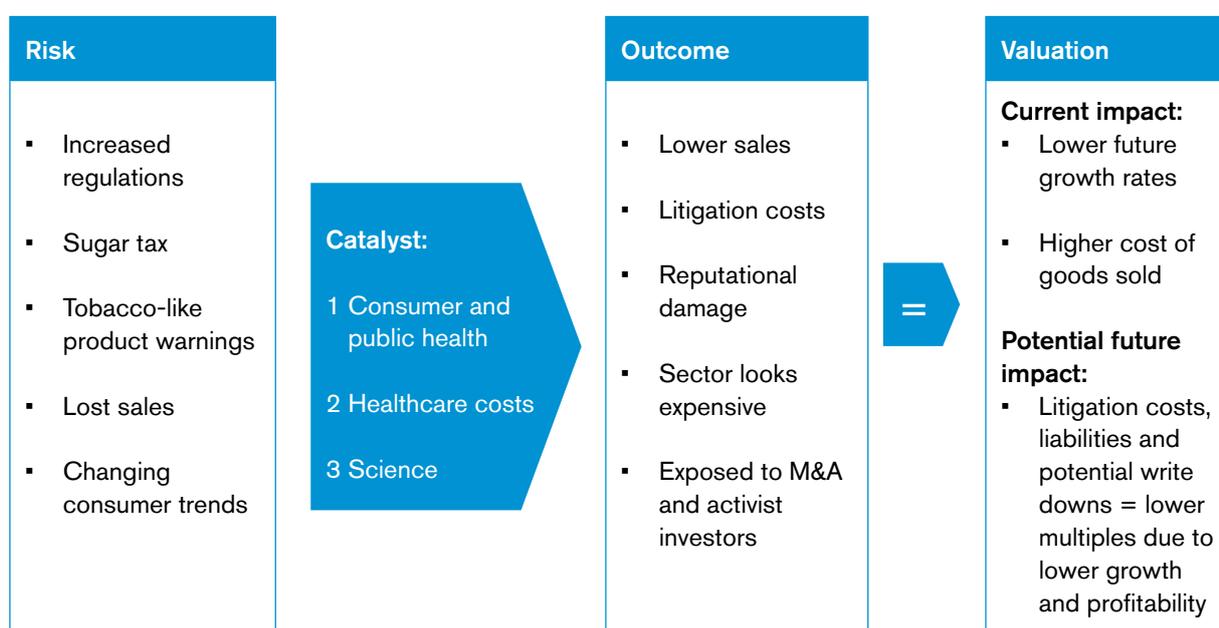
One key metric that could be used is the proportion of products per category that meet the healthy standard defined using a robust NPS, and – ideally – the revenues generated annually from healthy versus unhealthy products overall. To enable proper comparison of the nutritional quality of companies' portfolios using a standardised measure, they should also calculate and publish these figures using the HSR, if they choose not to adopt the HSR as their internal NPS. They should also report on progress against their SMART targets, outlined above.

Additional metrics could be reported by companies to show whether, for example, their financial growth is decoupling from the sale of products high in fat, sugar and salt, and shifting towards the sale of fruit, vegetables, wholegrains, legumes and fibre and/or measures of plant-based, whole foods versus meat.

## Investors

It is clear that food and beverage manufacturers face strengthening risks due to increasing evidence, concern and action by governments and consumers to tackle poor diets and their related health impacts. These are summarised in Figure 7. These companies also, however, have the opportunity to protect or increase their market share and revenues by responding to increasing consumer demand for healthier foods and beverages.

**Figure 7** Risks, outcomes and valuation impacts related for food and beverage companies driven by poor diets and their health impacts



Source: *Sugar, Obesity and Noncommunicable Disease: Investor Expectations*, Schroders 2016

Institutional investors are urged to carefully assess the risks and opportunities related to nutrition in this sector and factor them into valuation models and stock selection. ATNI's Product Profiles can help them to understand which companies have the healthiest portfolios – and which do not – opening themselves up to the greatest potential risk and losses. These investors should also discharge their fiduciary duty by engaging actively with these companies on product formulation, marketing policy and practices, pricing, distribution and reporting.

## Policymakers

The U.K. Government has stated its intention several times in recent years to take further measures to tackle childhood obesity, and the wider diet-related health crisis, given the huge burden they are placing on the public purse, and the drag on U.K. productivity and economic growth.

We urge policymakers to consider the nutritional quality of products in the round and adopt policy measures that create a food policy environment that drives improvement drive improvements in the healthiness of packaged foods and beverages in the U.K. market. Attention should also be given to how to make healthier products as widely accessible and affordable as possible to all.

# Conclusions

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ATNI hopes that the data presented in this report will be acted on by the food and beverage manufacturers rated, as well as by food retailers and food service companies that buy their products. Similarly, we hope that their investors, policymakers, civil society and others working to improve diets and health in the U.K. will find it valuable. This set of data provides a baseline alongside other indicators against which to measure any improvements made by these 18 manufacturers to the formulation of their products. It also offers a range of valuable insights into which companies are best positioned in terms of offering healthier products and which have the most work to do. ATNI strongly welcomed the willingness of ten of the companies to share their nutrition content data that helped to ensure that the analysis was as accurate as possible.

While PHE is tracking the food industry's aggregate progress in meeting its targets to reduce levels of sugar and calories in key product categories, ATNI hopes that this and any future Product Profiles will provide a complementary tool to illustrate both on a company-by-company basis and an industry basis whether the nutritional quality of packaged foods and drinks are improving over time. Ultimately, should funding be available, ATNI aspires to publish a suite of full Access to Nutrition Indexes for the U.K., rating separately the policies, practices and disclosure of manufacturers, retailers, café and restaurant chains and food service companies. These Indexes would provide stakeholders with an accountability mechanism by which to track the contribution companies in these sectors are making to achieving the U.K.'s goals on diet and health. Each Index could incorporate a Product Profile, which would enable stakeholders to track the progress being made by all companies in that sector to reducing the unacceptably high and rising rates of diet-related diseases afflicting the country.

More immediately, ATNI is pleased to be supporting ShareAction's Healthy Markets campaign by developing new tools to monitor the progress that U.K. food companies are making to address childhood obesity in the U.K. As with other ShareAction initiatives, Healthy Markets will harness the power of investors to create and support healthier options for U.K. consumers. ATNI's role will be first to develop a benchmark to analyse the performance on this agenda of the major retailers operating in the U.K. market. That analysis will inform investor engagement with those firms. Thereafter, ATNI hopes to develop a tool to track reductions of calories and sugar in products typically consumed by children, in both retailers' own brands and the branded products they sell.

# Annex 1

Company	Category	Brands included in the study
Ajinomoto	1) Rice, pasta + noodles 2) Sauces, dressings + condiments	Amoy
Arla	1) Dairy	Arla, Castello, Cravendale, Lurpak
Campbell	1) Juice 2) Soups	V8, Campbell's
Coca-Cola	1) Bottled waters, 2) Carbonates 3) Sports + energy drinks	5 Alive, Coca-Cola, Coca-Cola Life, Coca-Cola Zero, Diet Coke, Dr Pepper, Fanta, Glaceau, Innocent, Kia Ora, Lilt, Oasis, Powerade, Schweppes, Sprite
Danone	1) Dairy 2) Bottled water	Actimel, Activia, Badoit, Danio, Evian, Hayat, Light & Free, Oykos, Volvic
Ferrero	1) Baked goods 2) Confectionery 3) Spreads	Ferrero Rocher, Kinder, Nutella, Thorntons, Tic Tac
Friesland Campina	1) Dairy	Yazoo
General Mills	1) Baked goods 2) Dairy 3) Ice cream + frozen desserts 4) Ready meals 5) Biscuits, snack bars + fruit snacks	Betty Crocker, Calin+, Frubes, Haagen-Dazs, Jus-Rol, Liberté, Minions, Nature Valley, Old El Paso, Perle de Lait, Petits Filous, Smooth, Superfruitii, Weight Watchers, Wildlife, Yop
Grupo Bimbo	1) Baked goods	Little Adventures, New York Bakery Co.
Kellogg	1) Breakfast cereals 2) Savoury snacks 3) Sweet biscuits, snack bars and fruit snacks	Kellogg's, Pringles
Kraft Heinz	1) Processed fruit + vegetables 2) Ready meals 3) Sauces, dressings and condiments 4) Soups 5) Spreads	Daddies, Heinz, HP, Lea & Perrins, Rose's
Lactalis	1) Dairy	Galbani, Munch Bunch, President, Rachel's, Seriously Strong, Ski

Company	Category	Brands included in the study
Mars	<ol style="list-style-type: none"> <li>1) Confectionery</li> <li>2) Ice cream and frozen desserts</li> <li>3) Rice, pasta and noodles</li> <li>4) Sauces, dressings and condiments</li> <li>5) Sweet biscuits, snack bars and fruit snacks</li> </ol>	Bounty, Cadbury, Celebrations, Dolmio, Galaxy, Locketts, M&M's, Maltesers, Mars, Milky Way, Revels, Seeds of Change, Skittles, Snickers, Starburst, Tracker, Twix, Uncle Ben's, Wrigley's
Mondelez	<ol style="list-style-type: none"> <li>1) Baked goods</li> <li>2) Confectionery</li> <li>3) Dairy</li> <li>4) Other hot drinks</li> <li>5) Sweet biscuits, snack bars and fruit snacks</li> </ol>	Bassetts, Belvita, Bubbaloo, Cadbury, Dairylea, Green & Black's, Halls, LU, Maynards Bassetts, Mikado, Milka, Oreo, Philadelphia, Terry's, Toblerone, Trebor, Trident
Nestlé	<ol style="list-style-type: none"> <li>1) Bottled water</li> <li>2) Breakfast cereals</li> <li>3) Confectionery</li> <li>4) Dairy</li> <li>5) Ice cream and frozen desserts</li> </ol>	Aero Original, Black Magic, Blue Riband, Buxton, Carnation, Coffee-mate, Crack it, Creations, Dairy Box, Flanby, Heavenly, Kit Kat, Milkybar, Munch Bunch, Nescafé, Nesquik, Nestlé, Nestlé Milo, Nestlé Pure Life, Nestlé Tip Top, NIDO, PERRIER, Polo, Quality Street, Rolo, Rowntree's, San Pellegrino, Smarties, Split Pots, Toffee Crisp, Toffee Penny Creme Dessert, Vittel, Yorkie
PepsiCo	<ol style="list-style-type: none"> <li>1) Breakfast cereals</li> <li>2) Carbonates</li> <li>3) Juice</li> <li>4) Savoury snacks</li> <li>5) Sports and energy drinks</li> </ol>	7UP, Copella, Diet Pepsi, Doritos, Gatorade, Lay's, Mountain Dew, Naked, Nobby's, Pepsi, Pepsi Max, Quaker, Scott's, Snack A Jacks, Tropicana, Walkers
Suntory	<ol style="list-style-type: none"> <li>1) Carbonates</li> <li>2) Concentrates</li> <li>3) Ice cream and frozen desserts</li> <li>4) Juice</li> <li>5) Sports and energy drinks</li> </ol>	Just Juice, Lucozade, Orangina, Ribena, Sunny D
Unilever	<ol style="list-style-type: none"> <li>1) Dairy</li> <li>2) Ice cream and frozen desserts</li> <li>3) Rice, pasta + noodles</li> <li>4) Sauces, dressings and condiments</li> <li>5) Spreads</li> </ol>	Ben & Jerry's, Bertolli, Bovril, Carte d'Or, Colman's, Cornetto, Elmlea, Flora, Gold, Heart LB, Hellmann's, ICBINB!, Jif (Foods), Knorr, Magnum, Maille, Marmite, Max, Pot Noodle, Pro Activ, Snog, Solero, Stork, Viennetta

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73. The document summarising the methods for these studies are available from ATNI on request.
74. One company made too few products to be included.
75. Research conducted by Professor Mike Rayner of the University of Oxford.
76. Note that the HSR model was not developed specifically to determine products' suitability to be marketed to children though it was derived from the one that has been used in the U.K. by Ofcom – the U.K.'s communications regulator – since 2007 to identify foods and drinks high in fat, sugar and/or salt, which cannot be advertised during children's television programmes and, since 2017, in non-broadcast media.
77. In consultation with TGI and based on research performed in Australia, ATNI set a threshold of 3.5 stars for a product to be considered 'healthy', i.e. this threshold is not used by HSR.

78. Euromonitor International is an independent, privately owned global market research firm conducting in-country research in 100 countries worldwide analysing 26 consumer industries including: Hot Drinks, Packaged Food and Soft Drinks. Euromonitor International produces historic and forecast cross-comparable market data and strategic reports to narrate the current and future drivers shaping each one.

While every attempt has been made to ensure accuracy and reliability, Euromonitor International cannot be held responsible for omissions or errors of historic figures or analyses and take no responsibility nor is liable for any damage caused through the use of our data and holds no accountability of how it is interpreted or used by any third party.

79. World Health Organization (2013) 'Nutrient profiling': <https://www.who.int/nutrition/topics/profiling/en/> (accessed 14 July 2019).

80. For products that required additional ingredients to be added before consumption (e.g. a beverage powder or dry cake mix), companies were asked to provide information for the product 'as consumed' for this project. However, if these values were not available, the 'as sold' nutrient values were used in analysis.

81. This approach does not take account of price differences between products within a product category. If the average price of products with an HSR of 3.5 or more differs from the average price of other products within categories, the estimated percentage of sales from healthy products will deviate from the true value.

82. Note that if products packs provide nutrition values for when they are diluted, those values are used, on a 100ml as consumed basis.

83. The WHO Europe category definitions and those of Euromonitor International are different.

84. Department of Health and Social Care (2018) *Childhood Obesity: A Plan for Action, Chapter 2*: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/718903/childhood-obesity-a-plan-for-action-chapter-2.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718903/childhood-obesity-a-plan-for-action-chapter-2.pdf) (accessed 23 April 2019).

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