

Leatherhead Food Research

The impact of anti-obesity regulations on the food industry

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Science Group fact sheet



R&D Consultancy

Leading provider of science-led advisory and product development services

sagentia
innovation



Regulatory Compliance

International provider of regulatory and scientific services to chemicals, medical device, and food & beverage sectors

tsg **leatherhead**
food research



Frontier Smart Technologies

Market leader in technologies for digital and SmartRadio

FRONTIER
SMARTTECHNOLOGIES



400+

Scale: 400 employees



12

Global presence:
12 offices and
30+ languages spoken



£73M

Growing: revenue increasing
year on year



2

Investment:
2 dedicated,
state of the art
R&D facilities



25%

Deep expertise:
25% of staff have PhD's

We are proud to operate a membership programme representing a true cross-section of the global food and beverage industry

- ✓ Manufacturers
- ✓ Retailers
- ✓ Ingredient companies

- ✓ Government bodies
- ✓ Industry associations



150+
territories covered

More than
4000?
helpline queries
answered annually

1000+
member locations globally

Agenda

1. Introduction to Leatherhead Food Research and regulatory support
2. Tackling the global obesity crisis
3. Improving food labelling to support healthy choices
4. Case study – Canada introducing front-of-package labelling symbols
5. Restrictions on marketing and advertising
6. Case study – Marketing, placement and promotion restrictions in the UK
7. Sugar Taxes
8. Case Study – South Africa's sugar tax
9. Conclusions and how Leatherhead can help

Tackling the global obesity crisis

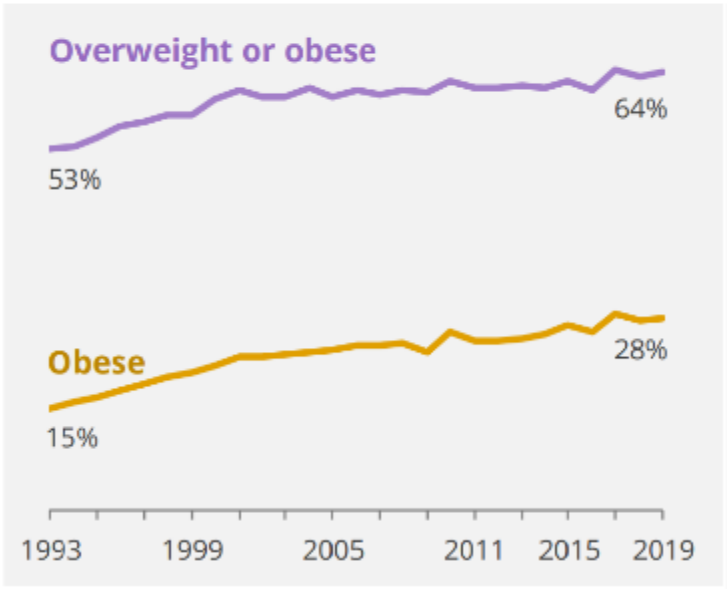
- According to World Health Organization (WHO) figures, worldwide obesity has nearly tripled since 1975
- Being obese increases the risk of a number of chronic diseases such as cardiovascular disease, type-2 diabetes, hypertension, coronary heart diseases and certain cancers
- Governments are increasingly looking to regulatory tools such as mandatory labelling, marketing restrictions & taxation to tackle obesity in their populations

“To reduce over-consumption of sugars and halt the epidemic of obesity and diabetes, countries need comprehensive action plans that combine taxation, restriction of marketing of sugary products to children, and education.”

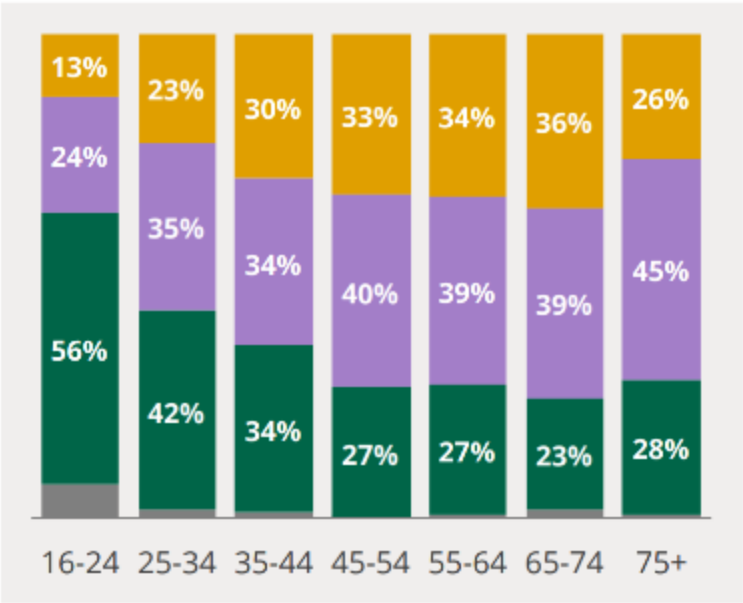
World Health Organization. (2017). Taxes on sugary drinks: Why do it?

Today's UK

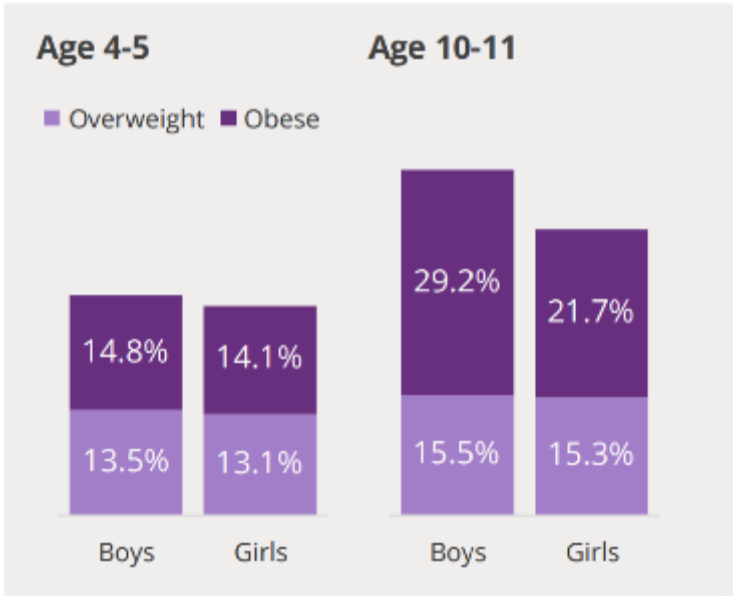
Obesity levels have increased from 15% to 28% since 1993.



Around three quarters of those aged 45-74 are **overweight** or **obese**



One in seven children is obese by age 5, rising to one in four by age 11.



Source: Obesity Statistics, House of Commons, 2022

Regulatory strategies to combat obesity fall into three broad categories

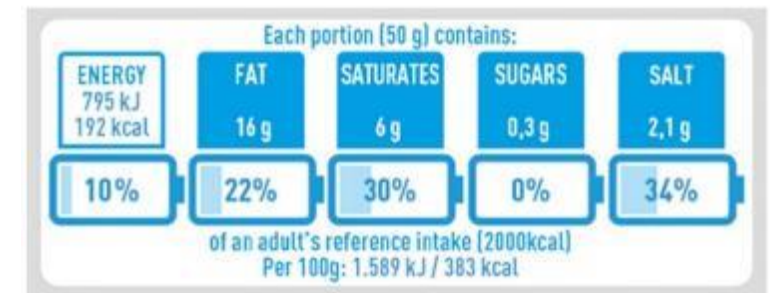


Front-of-Pack Nutritional Labelling



Improving food labelling to support healthy choices

- **EU** - Improving food labelling to 'make the healthy option the easier option' is part of the EU's Action Plan on Childhood Obesity with harmonised front of pack nutritional labelling (FOPNL) is a Farm to Fork Strategy commitment
- **UK** – In 2020 consulted on FOPNL, comparing the UK Traffic-light Labelling System with Nutri-Score and Nutrient Warning Labels currently used in **Chile** (black octagons)
- **Argentina** - Recently published Decree adopting the warning black octagons
- **India** - Looking to introduce its own colour coded FOPNL
- **USA** - Not currently looking at FOPNL but researching use of a “healthy” symbol for front of pack
- **Canada** - Looking seriously at FOPNL

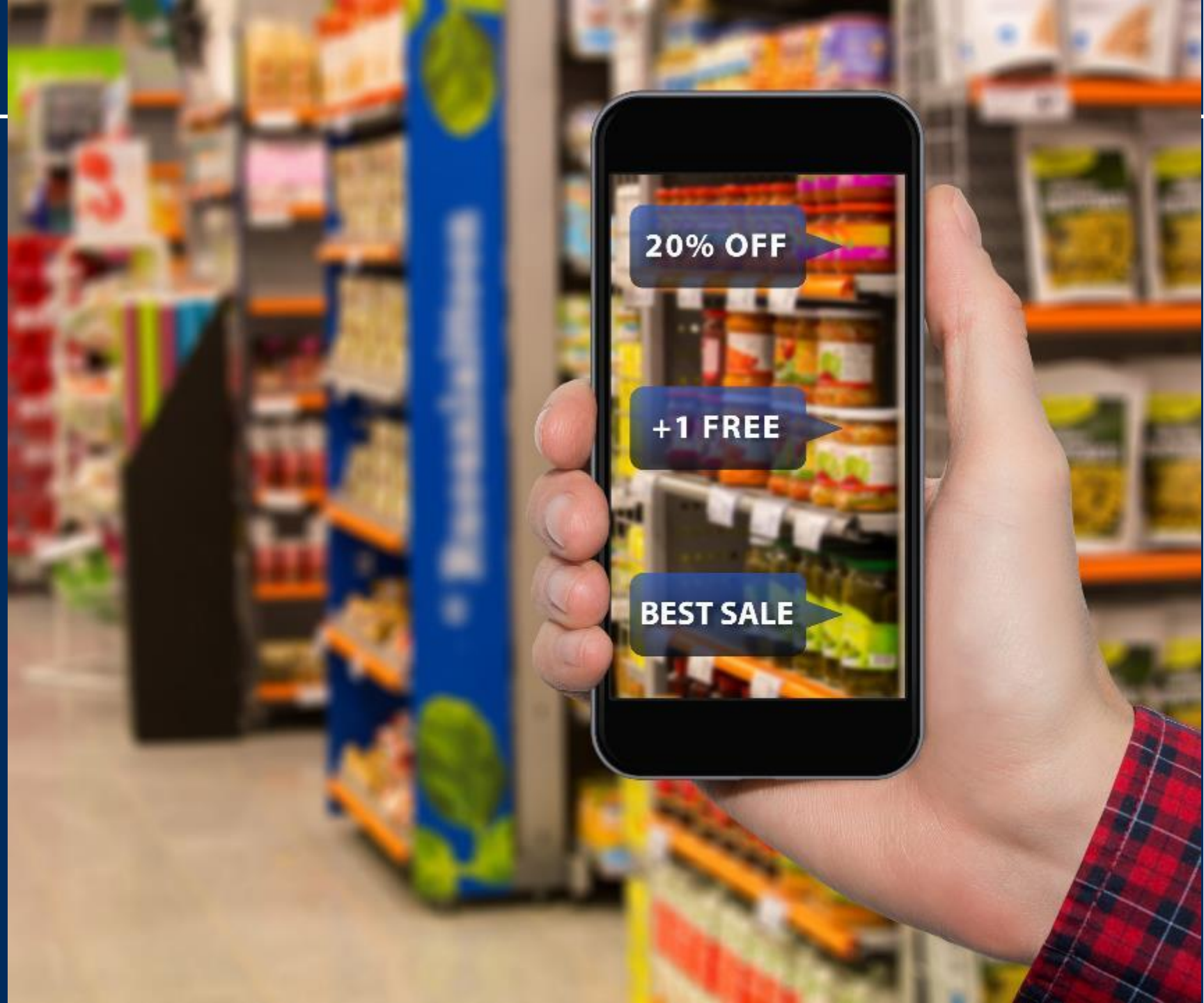


Case study – Canada introducing front-of-package labelling symbols



- Canada is consulting on amendments to the Food and Drug Regulations that would introduce front-of-package labelling symbols
- This proposal is part of Health Canada's 2016 Healthy Eating Strategy
- The symbols are warning type logo and would need to be applied to products containing nutrients of public health concern (sodium, saturated fats and/or sugars) at or above a certain threshold
- Different symbol designs are being tested
- Health Canada plans to publish the finalised proposed changes in spring 2022 and the target compliance date will be 1 January 2026

Restrictions on Marketing & Advertising



Restrictions on marketing and advertising

Increasingly more interventionist measures can be seen in the marketing & advertising space.

- At the end of last year **Ireland** updated its advertising codes to restrict the advertising of HFSS foods to children and **Spain** will do the same this year
- After a delay of over a decade the **EU** has revived its plans for nutrient profiles which will impact the promotion of food by preventing or restricting the use of nutrition and health claims on foods that do not meet the profile requirements
- The **UK** has been particularly active announcing and implementing a raft of measures that introduce sweeping changes to the way food is promoted and advertised on TV & broadcast media, online and in stores



“Currently, the food and drink that is advertised in the UK does not reflect the healthy balanced diet that would support us all live healthier lives”

Tackling obesity: empowering adults and children to live healthier lives - UK Government policy paper

Case study – Marketing, placement & promotion restrictions in the UK

Promotion and
placement

Marketing

Out of home

Promotion & Placement

The Food (Promotion and Placement) (England) Regulations 2021 introduce significant restrictions on specific categories of food that are HFSS

- Multibuys and 'X% free' offers on HFSS food will be banned
- HFSS food will not be allowed to be offered for sale in certain areas of an online marketplace such as a home page or checkout page.
- HFSS foods will not be allowed to be placed in certain premium store marketing positions such as aisle ends, by the checkout, near the store entrance.

Postponed by
12 months

1 October
2022

Case study – Marketing, placement & promotion restrictions in the UK

Promotion and
placement

Marketing

Out of home

Marketing

Under legislation going through Parliament, the UK Government is looking to restrict the marketing of HFSS food with two noteworthy measures:

- A 9pm watershed for TV ads for HFSS
- A total ban on paid-for advertising online

Due January 2024

Case study – Marketing, placement & promotion restrictions in the UK

Promotion and
placement

Marketing

Out of home

Out of home

From 6 April 2022 it became mandatory to provide calories on menus for food and drink served in restaurants & cafes. It is hoped this will help consumers to make healthier decisions and encourage businesses to reformulate the food and drink they offer.

Timelines

1 October 2022	<ul style="list-style-type: none">• Store placement restriction• Online placement restriction	
1 October 2023	<ul style="list-style-type: none">• Volume/Price promotion restrictions (BOGOFs etc)	
1 January 2024	<ul style="list-style-type: none">• 9pm watershed for TV ads• Total ban on paid-for advertising online	Consultation on this will be launched in the coming weeks

Sugar Taxes



Sugar Taxes

In Europe there are forms of sugar taxes or levies on sugar sweetened beverages (SSB) in **Belgium, Finland, France, Hungary, Ireland, Latvia, Monaco, Norway, Portugal, the UK and Poland** (since 2021).

Poland's sugar tax:

- Fixed payment of 0.50 złoty per litre
- Variable payment depends on the amount of sugar above 5g/100ml
- Additional 0.10 złoty per/l for drinks with caffeine or taurine

Other countries that have declared they are considering a sugar tax include **Nigeria, Kazakhstan, Kenya and Indonesia**



“Taxation is a cost-effective policy that can improve health at national level. By introducing taxes on sugary drinks, countries can reduce consumption levels of these beverages”

Case study – South Africa Health Promotion Levy



- In April 2018, South Africa became the first Sub-Saharan African country to implement a sugar tax on SSBs
- The levy rate was set at 2.1 cent per gram of the sugar content that exceeds 4 grams per 100ml. The first 4 grams per 100ml are levy free
- This was increased to 2.21 cents in February 2019
- During the first year, this policy significantly reduced (by up to 31%) sugar consumption from SSBs
- South Africa's sugar-cane farming sector has been hit hard by the drop in demand caused by the levy with an estimated 9000 job losses
- The levy was due to increase to 2.3 cents on 4 April this year but following considerable protests has been postponed by 12 months

Conclusions and the impact on industry



Conclusions and impacts

Conclusion	Impact
Changes to the regulatory landscape for foods that are high in fat, salt & sugar are happening at a rapid rate & on a global basis	Keeping up to date and horizon scanning has become more important but also more time-consuming and complicated
The changes are happening in a fragmented way with little co-ordination or agreement around approach	This is adding complexity in terms of labelling generally and multi-lingual labelling in particular
There are no agreed definitions on what is healthy/unhealthy with profiles and taxation thresholds being set arbitrarily	Reformulation is increasingly challenging because of this 'moving target'
Costs in certain markets has increased due to taxation strategies and marketing has become more restricted	Sales and marketing strategies must be adapted



Leatherhead can support you

Labelling advice and approval

Product assessment vs global HFSS classification

Horizon scanning to support business compliance and advocacy strategies



Questions

leatherhead food research

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