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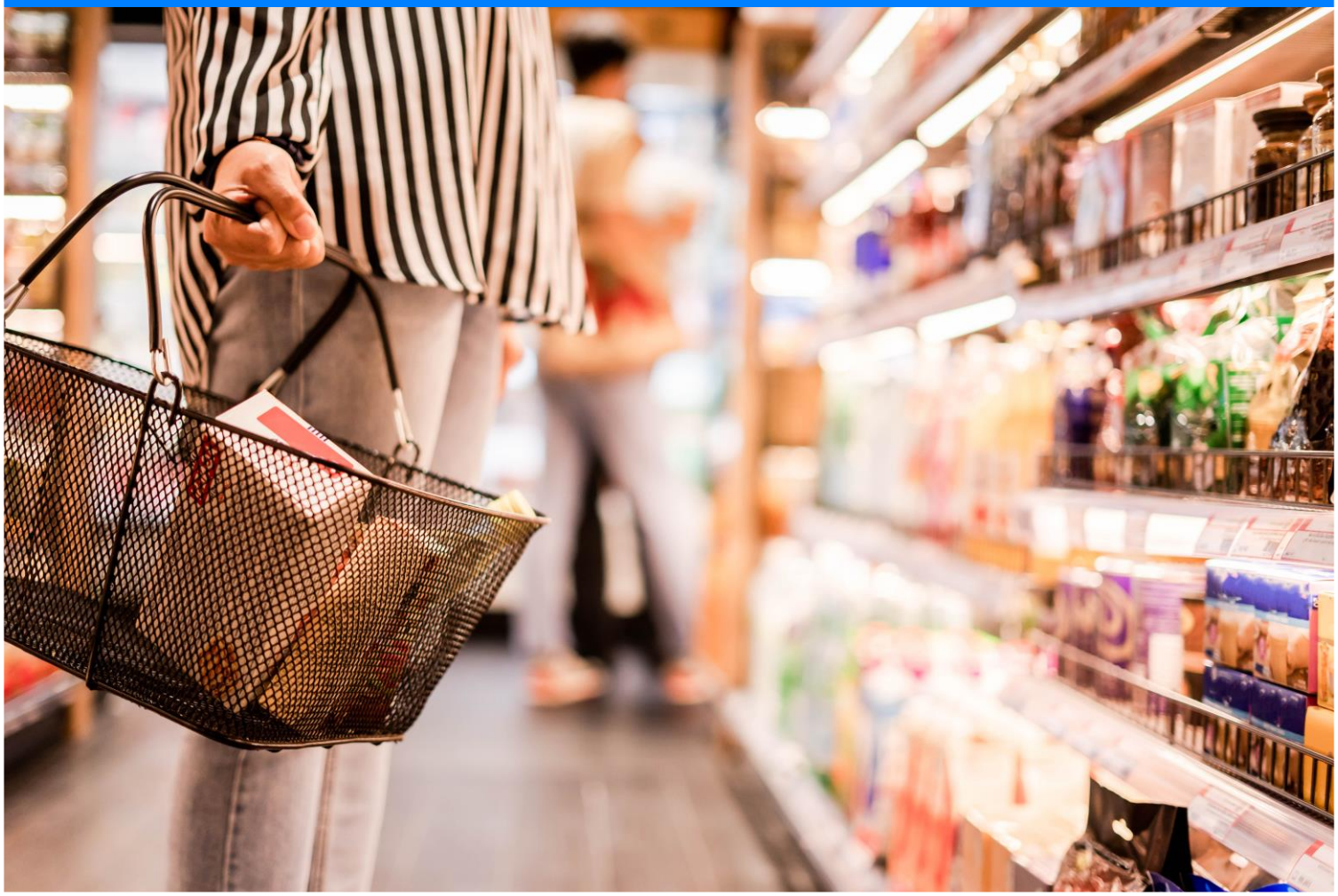
ACCESS TO NUTRITION INITIATIVE

U.K. Product Profile

2021



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Abbreviations

ATNI	Access to Nutrition Initiative
AUM	Assets Under Management
CGF	The Consumer Goods Forum
CVD	Cardiovascular Disease
DALY	Disability-Adjusted Life Years
EWG	Eatwell Guide
FDF	Food and Drink Federation
FSA	Food Standards Agency
FVNL	Fruit, Vegetables, Nuts and Legumes
HSR	Health Star Rating
HSSF	High in Sugar, Salt and Fat
NHS	National Health Service
NPM	Nutrient Profile Model
PHE	Public Health England
SDIL	Soft Drink Industry Levy
TGI	The George Institute
UNESDA	Union of European Beverages Associations
WHO	World Health Organization

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Foreword

I am pleased to present the second iteration of the U.K. Product Profile, following the edition from 2019. This report provides extensive, comparable data on the nutrition quality of the U.K. product portfolios of 16 major food and beverage companies. In 2019, they accounted for around half of all sales of manufacturer brands' packaged food and beverages in the U.K.

The U.K. is still, like many other countries, facing a health crisis. This U.K. Product Profile 2021 shows that the average mean HSR for all products assessed is still only 2.2 out of 5 stars. It is therefore imperative that the food and beverage manufacturers accelerate their efforts to improve the nutritional quality of their products and portfolios. From the results in this second U.K. Product Profile, it is encouraging to also see positive changes from global manufacturers selling branded foods and beverages in the U.K. From all 16 companies combined, a 7% increase in proportion of sales from healthy products can be observed compared to the previous iteration. And overall, from nine companies the sales-weighted mean Health Star Rating increased. This shows that even within a relatively short period of time manufacturers can make progress through measures that introduce more healthy product varieties in their portfolios. We need to scale this further, and I strongly urge manufacturers to commit to do much more to improve the nutritional quality of foods and beverages with the goal of offering healthier portfolios (e.g., through research and development, investment, or divestment). There are many opportunities to express these commitments, as it is the Nutrition Year of Growth and the publication of this report coincides with the start of the UN Food Systems Summit. Furthermore, the Nutrition for Growth summit is upcoming, and in the U.K. the dialogue around the recently released National Food Strategy all offer great opportunities for companies to publicly commit to bold new actions.

The Access to Nutrition Initiative develops and publishes private sector accountability tools for various countries, tailored to their specific context. ATNI intends to play its part on tackling the U.K.'s diet-driven health challenges by rating and tracking over time the contribution that major U.K. food companies make to addressing them. Every action we take is intended to encourage businesses to do more to achieve good health through improved diets and nutrition. Our engagement with companies and other stakeholders, our research and our partnerships are all focused on driving positive change.

I would like to thank ShareAction, through a grant from Impact on Urban Health, part of Guy's & St Thomas' Foundation, 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 as well as the food and beverage manufacturers.

Inge Kauer
Executive Director, Access to Nutrition Foundation

Executive Summary

ATNI's second U.K. Product Profile

The U.K. urgently needs to reverse its health crises driven, in large, by poor diets and social inequalities. Approximately two in three adults and one in three children in the U.K. are overweight. While the COVID-19 pandemic has sparked increased interest in the role of diets in health and obesity prevention, it is evident that a concerted effort is needed to transform the nutritional quality of foods and beverages for sale in the U.K.

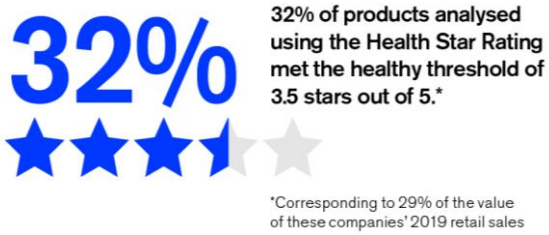
ATNI rates the contribution made by major U.K. food companies to address the U.K.'s diet-driven health crises and tracks that contribution over time, by assessing the healthiness of those companies' product portfolios. In 2019, ATNI published the first U.K. Product Profile, with support from ShareAction.[1] This first Product Profile included over 3000 products from 18 of the world's largest manufacturers operating in the U.K. and revealed that just 31% of food and (non-alcoholic) beverage products assessed met the healthy criteria (i.e., a Health Star Rating (HSR) of 3.5 or more stars out of 5). For this second U.K. Product Profile 2021, the nutritional quality of more than 4,000 products was analysed, using the 2021 Global Access to Nutrition Index data. These products accounted for approximately 50% of total U.K. retail sales of manufacturer brands' packaged foods and beverages in 2019.

A total of 16 food and beverage manufacturers operating in the U.K., which had combined retail sales between £18-20 billion in 2019[a], are included in this report. Like the previous study, two different nutrient profiling systems were used to assess the healthiness of products: the HSR system and the WHO Europe model. The third section of this report presents changes in companies' portfolios over time.

Key findings

[a] Retail value estimates considered in this report are pre-pandemic, hence significant changes in consumer demand and manufacturers' practices resulting from the COVID-19 pandemic will not be reflected.

Similar to the first U.K. Product Profile in 2019, the average HSR for all products assessed is 2.2 out of 5 stars in the 2021 Product Profile. Also similar, only 32% of products analysed using the Health Star Rating met the healthy threshold of 3.5 stars out of 5. Overall, only 13% of products analysed for all companies combined met nutritional standards for products that can be marketed to children, compared to 15% in previous report.



Overall, 7% more sales derived from products meeting the healthy threshold for all companies combined in the U.K. Product Profile 2021, going up from 22% to 29%. These results were largely driven by PepsiCo, as it is one of the largest companies assessed in terms of retail sales. Other companies contributing to this change were Danone, Arla and Nestlé.

Sales from products meeting the healthy threshold has grown from 22% in 2019 to 29% in the 2021 Product Profile

Despite a short period of time between the first and second U.K Product Profile reports, positive changes can be observed. Nine out of the 16 companies assessed were found to have improved to some extent the healthiness of their portfolios (using the sales-weighted mean HSR) when comparing results with the U.K. Product Profile 2019. Danone's sales-weighted mean HSR improved the most by 0.7 stars (from 3.3 to 4.0). This improvement was driven by changes in the dairy product mix, and by a larger proportion of total U.K sales deriving from dairy products compared to the previous iteration. Nestlé's mean HSR also increased (+0.5), in part attributed to sales of plain bottled water (which is now assessed as a separate product category, see methodology section), and Arla's mean HSR improved (+0.2) due to changes in its dairy product mix. The company that improved the most in the overall ranking was PepsiCo, moving up three places. Compared to the previous assessment, the mean HSR for its 'Savoury snacks' and

'Carbonates' categories improved due to changes in the product mix (e.g., new healthier snacks varieties in the U.K. portfolio).

The average healthiness of product portfolios by some of the largest manufacturers selling in U.K. remains concerning. Food and beverage manufacturers can and should do more. Improvement is possible as shown by the introduction of healthier product varieties in companies' product lines associated with a relative increase in sales of healthy products.

Recommendations

We recommend that food and beverage manufacturers do more to improve the healthiness of their product portfolio's by:

Accelerating measures that introduce more healthy product variation in portfolios, such as reformulation of products to improve their nutritional quality and/or portfolio diversification and change to increase the share of healthier products in the portfolio.

Adopting a robust nutrient profiling model (NPM) to establish what the company defines as healthy and to guide product formulation and reformulation efforts and benchmark performance against a government endorsed model (e.g., HSR, Ofcom/ FSA, or Nutri-score).

Improving accountability through better annual reporting including disclosing the proportion of sales derived from healthy foods (as defined by a robust NPM), and by setting concrete and timebound targets for introducing and selling healthier products in their portfolios.

Re-direct investments towards marketing of healthier products and raise age limits in marketing policies to include all children (up to 18).

We recommend that institutional investors to:

Assess all risks and opportunities related to nutrition and factor them into valuation models and stock selection

Use independent product assessments and nutrition indexes to understand how companies can improve on and contribute to the nutritional quality of products sold in the U.K.

Engage with food and beverage manufacturers to demand urgent action on improving the nutritional quality of companies' product portfolios and within product categories and their sales in the U.K.

Context

Good diets are critical to everyone's health. The most recent Global Burden of Disease report found that poor diets were responsible for 22% of all deaths among adults in 2017, with cardiovascular disease (CVD) as the leading cause, followed by cancers and diabetes.[2] Poor diet represents 16% of all disability-adjusted life years (DALYs) among adults globally.[3] The 2020 Global Nutrition Report declares that one of the main health challenges of this century is poor diets, which leads to disability and inequalities.[4] Reducing diet-related diseases has become a global public health priority, as captured by Sustainable Development Goal 3 (Good Health and Wellbeing)[5] and in the WHO's Global Nutrition Targets for 2025.[6]

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

With the majority of adults in the U.K. classified as overweight or obese (in England, 68% among men and 60% among women),[7] and rising childhood obesity (in England, 21% for children aged 10-11 years),[8] reducing these high and climbing levels of malnutrition is a public health priority. Since the first publication of the U.K. Product Profile in 2019, there has not been significant improvements in the burden that diet-related illnesses have on the U.K. population. Five out of the 10 major risk factors that drive the most death and disability combined in the U.K. are diet-related,[9] as can be seen in *Figure 1*.

Figure 1: Top 10 risk factors for death and disability in the U.K. in 2019, and percentage change since 2009

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

Source: Global Burden of Disease, Country Profiles, The Institute of Health Metrics and Evaluation (INHME)

Evidence shows that the typical U.K. diet is improving in some ways; for example, between 2016 and 2019, the average intake of free sugars for 19- to 64-year-olds was significantly lower than between 2014 and 2016.[10] However individual health impacts, obesity and related illnesses continue to have large social and economic implications. By 2050, the annual cost of obesity is expected to rise to £9.7 billion for the NHS and nearly £50 billion for society as a whole.[11] Furthermore, the COVID-19 pandemic and its related impacts have shed light on existing food-related inequities which demand more attention (see *Box 1*).

Box 1: COVID-19, inequities, and changing demand

The COVID-19 pandemic has underlined strengths and weaknesses of the U.K. food system. After the initial outbreak, when offices, schools, restaurants, and food service options were shut down, a shift was seen in consumer behaviours, such an increased demand for e-commerce. Most food and beverage manufacturers were able to continue operations under strict safety measures, while accelerating innovations to meet rising demands like improved e-commerce technologies. At the same time, the crisis immediately uncovered existing inequities that not only relate to obesity and diet-related chronic diseases but also to hunger, food insecurity and the position of food workers. The 2021 Broken Plate report found that the poorest quintile of U.K. households needs to spend 40% of their disposable income on food to consume diets that meet government guidelines (Eatwell Guide or EWG), compared to 7% for the richest quintile.[12] Another publication from the Food Foundation found that despite the emergency measures put in place, COVID-19 has left more people than ever before struggling to afford or access a nutritious diet.[13]

Emerging survey evidence about changes to U.K. diets due to the pandemic is mixed. Some evidence suggests that demand for products that support nutrition and health has been accelerated by the pandemic, with a growing number of people looking to support their immune systems in response to COVID-19 and more people looking after their health by reducing sugar intake.[14] The Food Standards Agency (FSA) has been carrying out research in England, Wales and Northern Ireland on consumer behaviour. In March 2021, they found that 53% of participants cited the 'healthiness' of foods as one of three major concerns.[15] A survey commissioned by the British Nutrition Foundation conducted online as part of the Healthy Eating Week 2021 found that 62% of respondents have made a change to their diet to get healthier over the past year, with 33% of respondents stating that they have included more fruit and vegetables in their diets.[16] However, a survey published in December 2020 found that British people were snacking more than people in other European countries during the pandemic.[17] During the first lockdown, people living with obesity in the U.K. reported a deterioration in behaviours, including diet and physical activity.[18]

Efforts to improve the U.K. diet

The U.K. government continues to recommend limiting the consumption of foods high in fat, salt and/or sugar (HFSS) in alignment with the Eat Well Guide (EWG) published in 2016.[19] However, data has shown that less than 0.1% of the U.K. population adheres to all nine EWG recommendations.[20] During the Covid-19 pandemic, in 2020, the government approved legislation to prohibit price promotions on HFSS foods and restrict their advertising online and before 9pm on TV, which will come into effect in 2022.[21] This strategy builds on the 2016 Childhood Obesity Plan, which was updated in 2018 to introduce the Soft Drink Industry Levy (SDIL) along with the existing voluntary salt, sugar and calorie reduction programmes led by Public Health England (PHE). There is evidence on the positive impact of SDIL on sugar content with less examples in relation to the voluntary programmes (see *Box 2*).

Box 2: Impacts of regulatory and voluntary reformulation measures in the U.K.

The SDIL is a standard rate tax of 18p per litre that is paid by manufacturers directly to HM Revenue & Customs. It is applied to drinks with a sugar content between 5 grams and up to (but not including) 8 grams per 100ml.[22] By March 2019, compared with the estimated trends before the Levy was introduced, there had been a 44% reduction in the average sugar content for retailers and manufacturer branded drinks subject to SDIL.[23]

In the voluntary sugar reduction programme, the government challenged the food and hospitality industry to reduce sugar by 20% in foods that most contribute to children's sugar consumption.[24] PHE's 2019 progress report found that overall, there was a 2.9% reduction in total sugar per 100 grams in products sold between 2015 and 2018.[25] PHE's 2018 progress report found that for retailers' own-brand and manufacturers' branded products of this kind, a 2% reduction in calories was recorded.[26]

A review of the U.K. food system - The National Food Strategy, Part One - was released in 2020.[27] Part Two, called 'The Plan', released in July 2021, sets out fourteen recommendations for the U.K. government, encapsulating all areas of the food system from trade to agriculture.[28] ., the newly released National Food Strategy includes a recommendation to the government to make reporting for large food companies mandatory, including sales of food and drinks high in fat, sugar, or salt (HFSS) excluding alcohol. The second of these recommendations is the introduction of mandatory reporting from large food companies on the sale of HFSS food and drink, excluding alcohol. The National Food Strategy also sets out a proposal for a sugar and salt reformulation tax aimed at forcing manufacturers to make packaged foods healthier.

In this context, food and beverage manufacturers are facing growing pressure to accelerate their reformulation efforts to develop healthier foods and improve the overall nutritional quality of their portfolios.

Non-governmental and industry initiatives

Different organisations run initiatives that directly target policymakers, investors, companies or the public to address the U.K.'s dietary challenges. For example:

- 'Eat them to defeat them' is a partnership between Veg Power (a community interest company) and broadcasters ITV, Channel 4 and Sky.[29] They are using advertising and communication to inspire children between the ages of 5-11 to eat vegetables and develop life-long good food habits.
- Similarly, the Food Foundation's 'Peas Please' initiative, is designed to encourage vegetable consumption. The 2020 progress report showed that U.K. food businesses have served 162 million vegetable portions since 2018; however, the rate of increase of the cumulative portion total has slowed.[30]
- The Food Foundation also produces the 'Plating up Progress' reports, which assess the progress being made by major U.K. operating businesses within the food sector across key themes relating to the transition to a healthy and sustainable food system.[31]
- ShareAction's Healthy Markets Initiative aims to leverage the power of investors to drive action on obesity by pressing major stock-market listed food and beverage companies to disclose and set targets to increase the proportion of healthier products that they sell.[32] In February 2021, a coalition of seven institutional investors led by ShareAction filed a shareholder proposal to Tesco. In May 2021, Tesco committed to increase its sales of healthier food and drink products across all its group retail business, in response to the investor engagement.

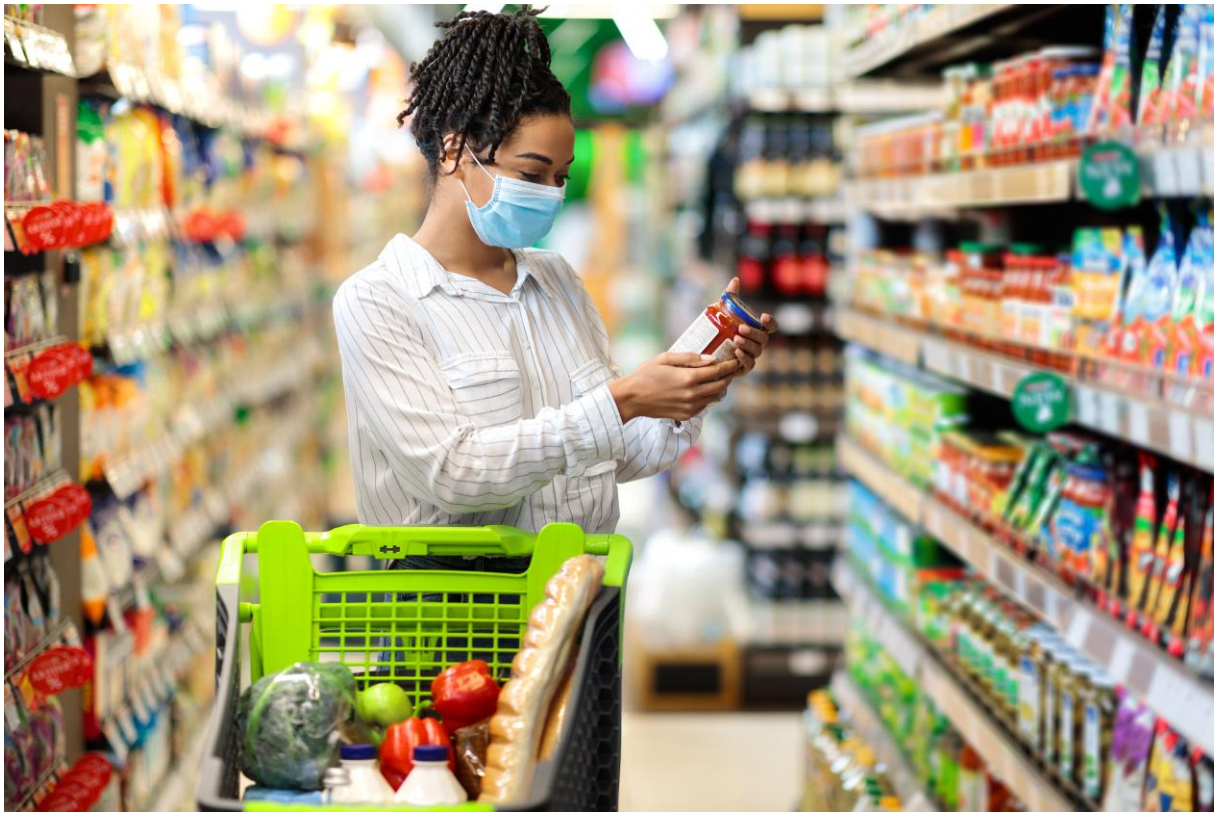
The Consumer Goods Forum's 'Collaboration for Healthier Lives' U.K. initiative was launched in 2019. This aims to collectively develop a series of structural and behavioural interventions – both in-store and through digital channels – to help customers and employees understand, find and choose healthier options, while also ensuring shared business value.[33]

Industry associations in the U.K. are also active in monitoring developments by their members. According to the Food and Drink Federation (FDF) between 2015 and 2019, the average shopping basket for an FDF member became 11% lower in calories, 11% lower in sugar and 14% lower in salt.[34] The Union of European Beverages Associations (UNESDA) announced a commitment to reduce average added sugars by across the Europe (including the U.K.) by a further 10% between 2019 and 2025.[35]

Example of individual companies taking steps to reduce negative ingredients in their products are also found for the U.K. For example, Kellogg recently announced it is aiming to cut salt and sugar in all U.K. cereals by the end of 2022 as part of its new Wellbeing Manifesto.[36]

A unique opportunity

The U.K. continues to face a health crisis driven in large part by poor diets. While different initiatives and companies are monitoring progress on improvements in the packaged food and beverages supply, there are different metrics being used with different timelines. It is therefore essential that external evaluations on the nutritional quality of companies' portfolios are conducted on a periodic basis. Furthermore, it is vital that leading food manufacturers step up their efforts to play an active role in addressing the U.K.'s health crisis with a greater emphasis on the consumption of healthy foods and beverages.



Introduction to the second U.K. Product Profile

ATNI is committed to improving the contribution of the food industry to addressing the world's nutrition challenges. ATNI rates the contribution made by major U.K. food companies to address the U.K.'s diet-driven health crises and tracks that contribution over time.

With support from ShareAction, in September 2019, ATNI published the first-ever U.K. Product Profile, which analysed the nutritional quality of over 3,000 packaged food and beverage products made by 18 major brand manufacturers operating in the U.K. The results revealed that just 31% of food and (non-alcoholic) beverage products assessed met the healthy criteria (i.e., a Health Star Rating (HSR) of 3.5 or more stars out of 5).

This second U.K. Product Profile 2021 is again funded by ShareAction through a grant from Impact on Urban Health, an initiative of Guy's & St Thomas' Foundation. It provides a snapshot of the relative healthiness of 16 of the world's largest food and beverage manufacturers U.K. portfolios and shows changes in the nutritional quality of companies' portfolios over time. Results are presented in three sections:

Section 1: An overview of the relative 'healthiness' of companies' product portfolios utilising the HSR nutrient profiling system.

Section 2: The extent to which companies' food and beverage products are suitable to be marketed to children according to the WHO Europe NPM.

Section 3: Changes in the nutritional quality of companies' product portfolios over time.

Methodology & scope

This study was undertaken with the same approach used to produce the U.K. Product Profile report in 2019. The U.K. data was derived from ATNI's Global Index 2021 Product Profile. ATNI works in partnership with The George Institute for Global Health (TGI), with additional data input from Innova Market Insights, to generate the Product Profile. More details on the Product Profile methodology are found in this TGI report.[37]

How products' nutritional quality is determined

There is still no international consensus about the superiority of one nutrient profiling model, and there are many different models available with different purposes. To enable comparability over time, two NPMs were selected to evaluate each company's product portfolio, similar to the previous edition: the HSR system and the WHO Europe (Regional Office for Europe) model. Each of these models' characteristics are summarised in *Table 1*. For each company, products from the top five best-selling categories (in retail value) were identified according to the Euromonitor International database to avoid assessing large numbers of niche products with low sales.

This NPMs selection is originally based on a set of criteria developed by ATNI's Expert Group to identify the most appropriate systems from a catalogue of 67 criteria developed for the World Health Organization. An NPM was considered suitable 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 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.

Box 3: U.K. NPM & HSR model used by ATNI

The U.K.'s 2004/5 Ofcom/ FSA NPM was developed by the FSA. It was intended as a tool to enable the Office of Communications (Ofcom), the U.K. broadcast regulator, to restrict media marketing to children of foods high in HFSS. The government run a consultation in 2018 on updating the 2004/05 FSA Ofcom model, but no changes have been implemented yet.[38]

While the HSR was developed for a different purpose, i.e. to promote advertisements on products' healthiness as a front-of-pack nutrition labelling system, its underlying algorithm is based on the U.K. 2004/5 NPM.39 Like U.K.'s model, 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).

Table 1: Comparison of the HSR and WHO Europe model

	HSR*	WHO Europe**
Year of development	2014	2015
Scoring method	Negative nutrients score is combined with positive nutrients score to arrive at a final 'score' which is then converted to a HSR 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, vegetables, nuts and legumes (FVNL) Calcium	n/a
Negative nutrients	Energy Saturated fat Total sugar Sodium	Total fat Saturated fat Total sugar Added sugar Artificial sweeteners Trans fat Sodium
Categories excluded	n/a	Chocolate and sugar confectionery, energy bars, sweet toppings and desserts Cakes, sweet biscuits and pastries Other sweet bakery wares Juices Energy drinks Edible ices
Categories with exceptions	Plain bottled water - automatic max HSR of 5	Fresh and frozen meat, poultry, fish and similar Fresh and frozen fruit, vegetables and legumes

* In 2020 updates to the HSR algorithm were released; however, as analysis for ATNI's Global Index 2021 project began in August 2020, the previous version (Version 6, Feb 2018 Guide for Industry to the HSR Calculator) of the HSR algorithm was used. This decision was also taken to ensure that ATNI could compare results with the previous Product Profile. ** WHO (2015) WHO Regional Office for Europe Nutrient Profiling model available at: https://www.euro.who.int/__data/assets/pdf_file/0005/270716/Nutrient-children_web-new.pdf

Companies assessed & scope of sales represented

A total of16 companies are included in this assessment. Two companies (Ajinomoto and Campbell included in the first U.K. Product Profile 2019) were dropped from the U.K. data set drawn from ATNI's Global Index Product Profile 2021 due to the U.K. being a relatively small market for these companies.

The 16 companies assessed had a combined U.K. retail sales value between £18-20 billion in 2019 (excluding baby foods, plain coffee and tea).[b] *Table 2* shows the estimated percentage of each company's 2019 sales covered by this analysis. For most companies, the scope of this assessment captures between 95-100% of their total U.K. sales in 2019 (excluding baby foods, plain tea and coffee), demonstrating that the products assessed provide a good representation of the companies' total U.K. sales. It important to note that the exclusion of plain tea, coffee and baby foods for some

[b] Derived from Euromonitor International's industry publications of: Packaged Food 2020, Soft Drinks 2020, and Hot Drinks 2020

companies means that parts of their retail sales are not covered (e.g. Unilever derives 5-10% of its total packaged food and beverages sales in the U.K. from plain tea, for Nestlé this is 15-20% for plain coffee).[c]

The total number of products included in this study account for approximately 25% of the total U.K. food and beverage sales in 2019 (excluding plain tea and coffee and all baby foods) or 50% of total U.K retail sales of manufacturer brands' packaged foods and beverages in 2019. This report only covers manufacturers' brands (retailers' own-brand/private label products are excluded).

Table 2: Percentage of 2019 U.K. manufacturer retail sales and categories eligible for inclusion in this study

Company	% of 2019 global retail sales the U.K. market accounted for*	% U.K. 2019 manufacturer -brand products retail sales** represented	Total no. products used for HSR analysis	Total no. products used for WHO analysis	Categories included in the analysis	Examples of brands included in the study
Arla	10-15%	100%	140	140	1) Dairy	Apetina, Arla, Costello, Lurpak, Yeo Valley
Coca-Cola	0-5%	95-100%	258	297	1) Bottled water (plain); 2) Bottled water (other); 3) Carbonates; 4) Juice, 5) Sport Drinks	Innocent, Glaceau, Schweppes, Coca-Cola, Fanta, Sprite, Kia Ora, Powerade
Danone	0-5%	100%	177	183	1) Bottled water (plain); 2) Bottled water (other); 3) Dairy; 4) Juice***	Evian, Volvic, Activia, Danone, Alpro, Oykos, Actimel,
Ferrero	0-5%	95-100%	375	391	1) Baked goods; 2) Confectionery; 3) Sweet spreads	Thorntons, Ferrero Rocher, Kinder, Nutella, Tic Tac
FrieslandCampina	0-5%	100%	11	11	1) Dairy	Yazoo
General Mills	0-5%	90-95%	232	235	1) Breakfast Cereals; 2) Dairy; 3) Ice cream + frozen desserts; 4) Ready meals; 5) Sweet biscuits, snack bars + fruit snacks	Cheerios, Nesquik, Harvest Home, Liberté, Yoplait, Weight Watchers, Haagen Dazs, Old El Paso, Nature Valley
Grupo Bimbo	<1%	100%	16	16	1) Baked goods	New York Bakery Co.
Kellogg	5-10%	100%	196	196	1) Breakfast Cereals; 2) Savoury snacks; 3) Sweet biscuits, snack bars + fruit snacks	Corn Flakes, Special K, All-Bran, Coco Pops, Pringles, Nutri-Grain, Rice Krispies

[c] Derived from Euromonitor International's industry publications of: Packaged Food 2020, Soft Drinks 2020, and Hot Drinks 2020

Kraft Heinz	0-5%	95-100%	195	238	1) Processed fruit + vegetables; 2) Ready meals; 3) Sauces, dressings + condiments; 4) Soup	Heinz, Amoy, Weight Watchers, HP
Lactalis	0-5%	100%	97	112	1) Dairy	Galbani, President, Siggis, Ski
Mars	10-15%	95-100%	618	668	1) Confectionery; 2) Dairy; 3) Ice cream + frozen desserts; 4) Rice pasta + noodles; 5) Sauces, dressings + condiments	Galaxy, M&Ms. Maltesers, Mars, Twix, Bounty, Dolmio, Seeds of Change, Uncle Ben's
Mondelēz	5-10%	95-100%	724	780	1) Baked goods; 2) Confectionery; 3) Dairy; 4) Other hot Drinks; 5) Sweet biscuits, snack bars + fruit snacks	Cadbury, Bassetts, Green And Blacks, Halls, Milka, Toblerone, Philadelphia, Oreo, Lu, Belvita
Nestlé	0-5%	80-85%	263	265	1) Bottled water (plain); 2) Breakfast cereals; 3) Carbonates; 4) Confectionery; 5) Dairy	Pure Life, Buxton, Acqua Panna, Perrier, S Pellegrino, Nestlé, Cheerios, Aero, Kit Kat, Natures Heart, Lion, Coffee-mate, Nido, Nesquik
PepsiCo	0-5%	95-100%	340	349	1) Breakfast cereals; 2) Carbonates; 3) Juice; 4) Sauces, dressings + condiments; 5) Savoury snacks	Quaker, Pepsi, Naked, Lipton, Tropicana, Doritos, Sensations, Snack A Jacks, Sunbites, Walkers, Smiths
Suntory	5-10%	95-100%	156	166	1) Carbonates; 2) Concentrates; 3) Energy drinks; 4) Juice; 5) Sport drinks	Lucozade, Just Juice, Ribena, Orangina
Unilever	0-5%	95-100%	409	409	1) Ice cream + frozen desserts; 2) Rice, pasta + noodles; 3) Sauces, dressings + condiments; 4) Sweet spreads	Max, Solero, Ben & Jerry's, Magnum, Cornetto, Knorr, Hellmann's, Colman's, Marmite
Total		**50%**	**4,207**	**4,456**		

* Derived from Euromonitor International's publications of: Packaged Food 2020, Soft Drinks 2020, and Hot Drinks 2020, excluding sales of plain coffee, tea and baby foods.

**2019 manufacturer brand products retail sales covered by the analysis as a percentage of all eligible categories but not including sales from categories excluded from ATNI's Product Profile, e.g. plain tea and coffee and baby foods. Data derived from Euromonitor International's publications of: Packaged Food 2020, Soft Drinks 2020, and Hot Drinks 2020.

*** No products for Juice in HSR calculations, only WHO.

Final number of products analysed

In total, 4,207 products had sufficient nutrition information to be assessed using the HSR model and 4,456 could be assessed using the WHO Europe model. More products are assessed using the WHO Europe model compared to the HSR model, as the WHO model requires less nutrition content information to generate results (see *Table 2)*. There is variation across companies in the number of products assessed using the two models. For example, fibre (and other positive nutrients) is required in the HSR calculations, but it is not mandatory to label in the U.K. Therefore, some companies might report information on fibre (e.g. linked to a health or nutrition claim 'high in fibre') more than others, which might result in the inclusion of more products in the analysis. For Coca-Cola, Kraft Heinz, Mars and Mondelēz, the total number of products assessed in the HSR and WHO models varies significantly.

Calculation mean HSR and sales-weighted mean HSR

The HSR uses a scale of 0.5 to 5 stars. When comparing similar foods, the more stars a product has, the healthier it is. Two sets of results are produced for each company, the mean HSR for all products assessed and the sales-weighted mean HSR. The HSR is first calculated for each unique product. A mean HSR for the category is determined by adding up the HSRs for each unique product in the category and dividing the sum by the number of products in the category assessed. To generate each company's sales-weighted results, the mean HSR for each of its categories is weighted by the corresponding U.K. retail sales value (derived from Euromonitor International's industry publications of: Packaged Food 2020, Soft Drinks 2020, and Hot Drinks 2020). The sales data were those for the calendar year 2019.

Calculation proportions of sales derived from 'healthy' products (HSR of 3.5 or more)

Another way to evaluate and compare companies' portfolios is by calculating what proportion of their products can be considered 'healthy' and what proportion of their sales comes from products meeting the 'healthy' threshold. It provides a binary approach for classifying foods and beverages assessed. ATNI uses the independent threshold of 3.5 stars or more to classify products as generally healthy.[d] To estimate the proportion of sales derived from 'healthy' products for each company, the company's total estimated 2019 retail sales value per product category are multiplied with the percentage of products in that category meeting the healthy threshold (HSR of 3.5 or more). If more than one category is included in the assessment for a given company, the total sales from 'healthy' products are aggregated for all categories and divided by the company's total estimated retail sales of packaged foods and (non-alcoholic) beverages in the U.K. in 2019.[e]

Calculation percentage of products suitable to be marketed to children using WHO Europe

The WHO Europe NPM has been developed for the purpose of restricting the marketing of unhealthy foods to children. The model takes a binary approach, classifying food and beverages across different categories as either suitable to be marketed to children or not.

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[d] The threshold of 3.5 or above (≥3.5 HSR) is based on work commissioned by the New South Wales Ministry of Health in Australia, which concluded that "healthy core foods with a HSR of ≥3.5 can be confidently promoted in public settings as healthier choices." Reference: Dunford E, Cobcroft M, Thomas M, Wu JH. Technical Report: Alignment of the NSW Healthy Food Provision Policy with the Health Star Rating System. Sydney, NSW: NSW: NSW Ministry of Health; 2015. Available at http://www.health.nsw.gov.au/heal/Publications/health-star-rating-system.pdf

[e] This approach does not take into account 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. Product-level sales data would ideally be used, rather than the product category-level sales data that is used currently. However, ATNI is currently unable to obtain that data set from information providers.

Relevant changes in methodology

Although a large part this study was carried out in the same way as in 2019, there are important changes in the methodology which are summarised below:

For pragmatic reasons, ATNI normally excludes joint ventures from Product Profile assessments. For this iteration, large and relevant exceptions were made. As a result, for the first time, products and sales from the Cereal Partners Worldwide joint venture between Nestlé and General Mills have been included in 2021. Therefore, for Nestlé and General Mills, the top five best-selling categories included may be different to the inclusion of the 'Breakfast cereals' category.

The Bottled water category has been split into two subsets by ATNI in 2021: Bottled water (plain) and Bottled water (other).

Euromonitor International updated category definitions, changing the 'Spreads' category into 'Sweet spreads' and the 'Sport drinks and energy drinks' is now two separate categories ('Sport drinks' & 'energy drinks').

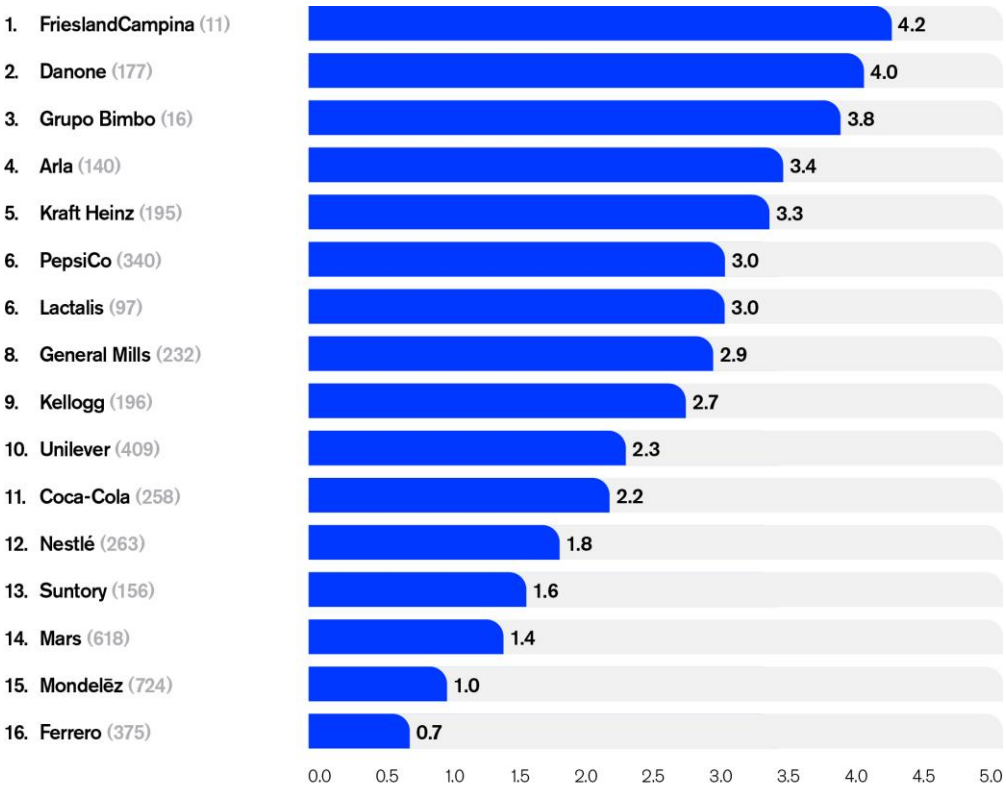
Section 1: Relative 'healthiness' of companies' product portfolios using the HSR nutrient profiling system

How healthy are companies' portfolios?

With a relatively small number of products[f] (11) for sale in the U.K. and included in this assessment, FrieslandCampina ranks first in the U.K. Product Profile 2021, with a sales-weighted average HSR of 4.2 out of 5. With a sales-weighted average HSR of 4.0, Danone ranks second with 177 products assessed, and Grupo Bimbo ranks third with 16 products assessed and a sales-weighted average HSR of 3.8, as illustrated in *Figure 2*.

As in the previous report, companies that derive the majority of their retail sales in the U.K. from the 'Dairy' product category rank highest and companies that derive the majority of their retail sales from 'Confectionery' rank lowest. The mean HSR for all companies' products was 2.2 out of 5 stars, with substantial variation between companies when taking category sales into account (from Ferrero with 0.7 stars to FrieslandCampina with 4.2 stars). This trend can also be observed in ATNI's Global Index Product Profile 2021 results, with a mean HSR of 2.4 and with substantial variation between companies observed in their sales-weighted mean HSRs (from Ferrero with 1.0 to Danone with 3.5 stars).

Figure 2: Sales-weighted mean Health Star Rating and ranking



Note: Figure in brackets is the number of products included in the assessment (HSR calculations, excluding e.g. plain tea, coffee, baby foods). To generate each company's score, the mean HSR for each of its categories is weighted by the corresponding 2019 U.K. retail sales value. Maximum score = 5 stars.

[f] FrieslandCampina was only assessed on the 'Dairy' category

The Danone and Nestlé sales-weighted mean HSRs improved the most compared to the U.K. Product Profile 2019, while the company that improved the most in the overall ranking is PepsiCo (rising three places). More information about changes in companies' portfolios can be found in the third section of this report, which examines the changes in the mean healthiness of products for each company included in the 2019 and 2021 U.K. Product Profiles.

What percentage of the companies' portfolios in the U.K. are healthy?

In the 2019 U.K. Product Profile, 31% of the products assessed (937 out of 3,069) met the healthy threshold. The 2021 result is similar, with 32% (or 1,337 out of 4,207) products meeting the healthy threshold (HSR of 3.5 or more), as can be seen in *Table 3*. Findings in the U.K. correspond with ATNI's Global Index results, were 31% of over 38,000 products assessed manufactured by 25 companies globally meet the healthy threshold.

While 99 more products were rated the highest HSR (5 stars) in the 2021 edition compared to the 2019 edition, 490 more products received the lowest rating (HSR 0.5). The significant increase in the number of products with the lowest rating is mostly due to a larger number of products included in this assessment manufactured by Ferrero, Mondelēz and Mars, who predominantly sell confectionery products.

FrieslandCampina is the company with the highest percentage of 'healthy' products in its U.K. portfolio, at 100% (but only 11 products sold in the U.K. were included this assessment), followed by Grupo Bimbo (88%) and Danone (76%). As in 2019, the bottom-ranked companies on this benchmark are Ferrero, Mondelēz, and Suntory.

Table 3: Number of products with 0.5-5 HSR overall and by company

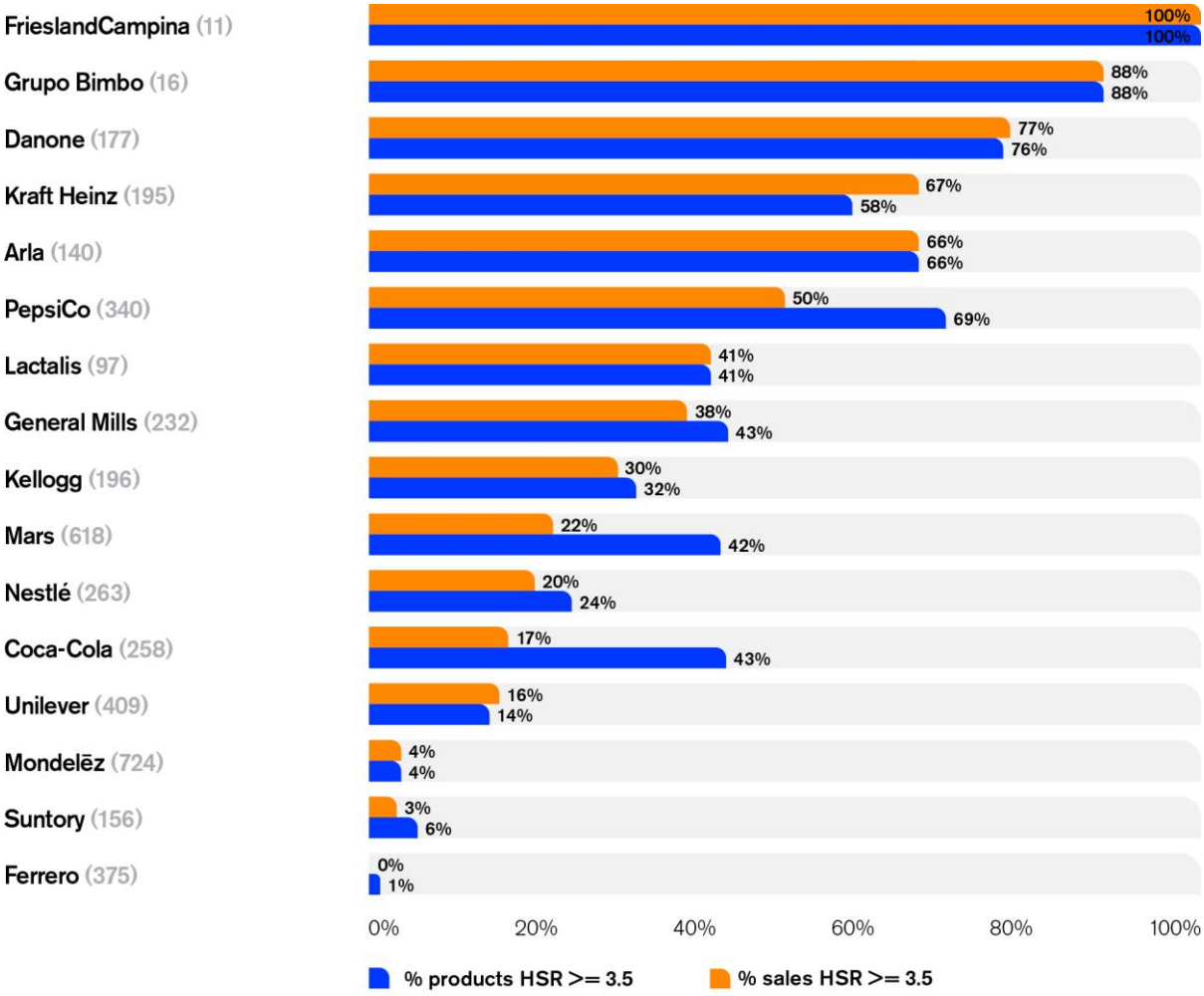
Manufacturer	Total no. products assessed	Number of products below the healthy threshold						Number of products that meet or exceed the healthy threshold				% products HSR >=3.5
HSR		0.5	1	1.5	2	2.5	3	3.5	4	4.5	5	
Arla	140	22	10	4	5	5	2	8	19	7	58	66%
Coca-Cola	258	1	18	35	92	0	0	2	2	12	96	43%
Danone	177	10	0	0	16	1	16	12	50	35	37	76%
Ferrero	375	303	42	24	3	0	1	2	0	0	0	1%
FrieslandCampina	11	0	0	0	0	0	0	3	2	5	1	100%
General Mills	232	7	6	29	21	39	30	43	15	32	10	43%
Grupo Bimbo	16	0	0	1	0	1	0	1	10	3	0	88%
Kellogg	196	0	6	20	57	27	23	21	32	7	3	32%
Kraft Heinz	195	5	2	16	17	29	12	79	29	4	2	58%
Lactalis	97	7	2	7	20	7	14	11	7	7	15	41%
Mars	618	205	24	23	6	31	70	147	107	5	0	42%
Mondelēz	724	402	114	112	27	27	10	19	4	1	8	4%
Nestlé	263	109	11	22	20	16	22	11	29	7	16	24%

PepsiCo	340	3	3	20	31	28	20	89	75	17	54	69%
Suntory	156	5	38	23	80	0	0	4	3	2	1	6%
Unilever	409	46	34	86	49	54	84	40	11	3	2	14%
Total	4,207	1.125	310	422	444	265	304	492	395	147	303	32%
No. products		**2,870**						**1,337**				**4,207**
% products		**68%**						**32%**				**100%**

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

Figure 3 shows that most manufacturers have significant scope to redirect marketing spending towards products with healthier composition and/or diversification of their product portfolio towards more healthy offerings. PepsiCo, Mars and Coca-Cola have a proportionally higher number of distinct products in their portfolio rated 'healthy,' but these products generate a smaller percentage of sales compared to other companies' 'healthy' products (the orange bar is lower than the blue bar). Conversely, for Kraft Heinz, 'healthy' products drive a larger part of the company's overall sales in the U.K. (the blue bar is lower than the orange bar).

Figure 3: Percentage of distinct products meeting the healthy threshold and sales of healthy products

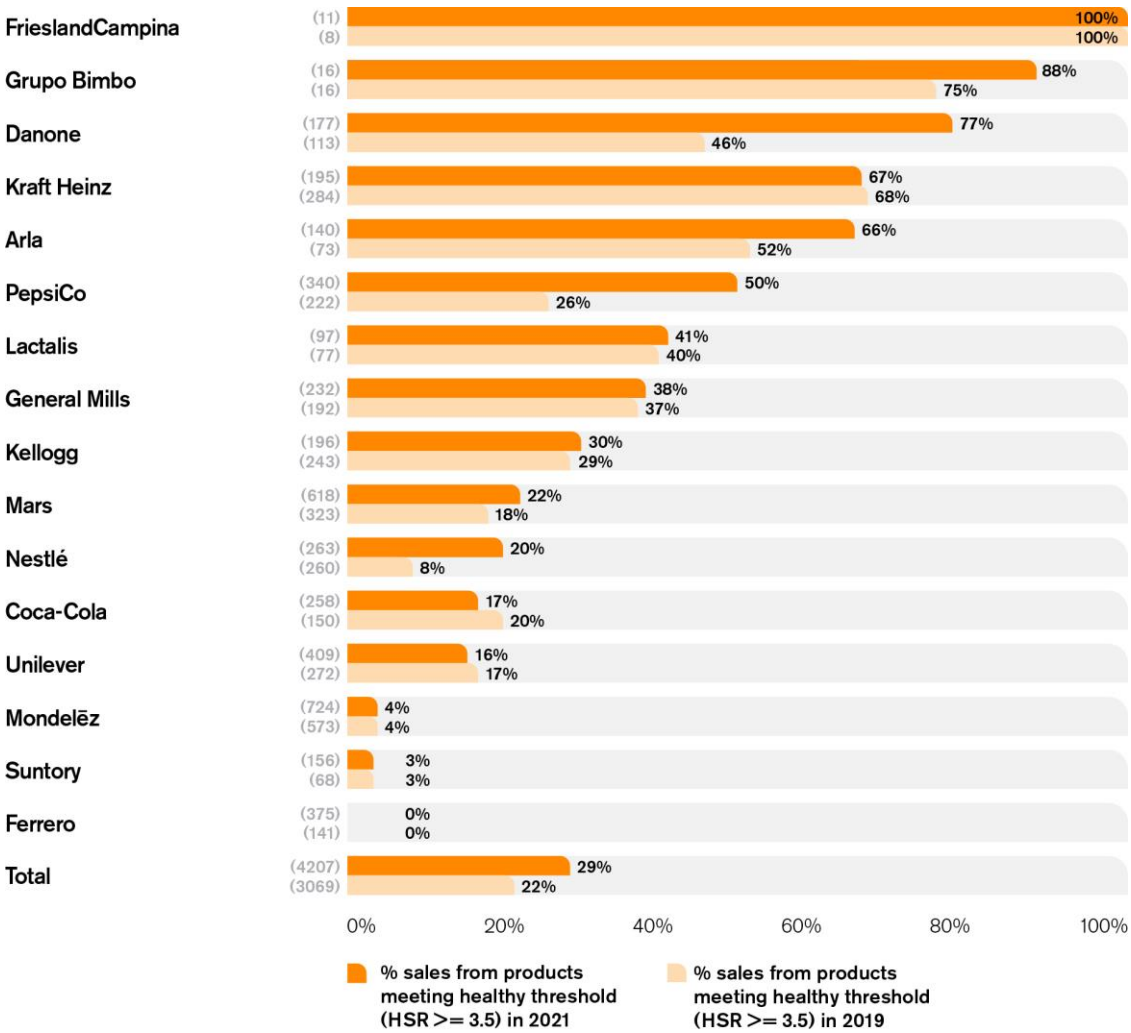


Note: Figure in brackets is the number of products included in the assessment of HSR calculations (excluding e.g. plain tea, coffee, baby foods).

In total, it was estimated that 29% of the combined retail sales in 2019 of the 16 companies in this Product Profile were generated by 'healthy' products. While this figure is low, it represents a significant improvement compared to the previous U.K. Product Profile 2019, when ATNI estimated that only 22% of the 2016 retail sales of the 18 companies assessed derived from products meeting the healthy threshold (shown in *Figure 4*).

This improvement can be attributed, to a large extent, to an increase in sales from healthier foods by PepsiCo (one of the largest companies in this assessment in terms of overall sales of packaged food and beverages that improved healthiness in its 'Savoury snacks' and 'Carbonates' product categories compared to last edition), higher sales from the dairy category by Danone and Arla, as well as higher sales from healthier foods by Nestlé (which is now assessed as a separate product category, see methodology section). In contrast, Kraft Heinz was found to derive less sales from 'healthy' products in this 2021 Product Profile, mostly due a decrease in the mean HSR for its 'Sauces, dressings, and condiments' category (2.4 in 2019 to 2.2 in 2021 report) while, at the same time, increasing proportion of total U.K sales derived from this category. However, due to the scope of this assessment, it is not possible to determine the exact factors responsible for this change while fewer products in this category were assessed in this 2021 report compared to the previous edition.

Figure 4: Percentage of retail sales at portfolio-level derived from products meeting the healthy threshold in U.K. Product Profile reports



Note: Figure in brackets is the number of products included in the assessment (HSR calculations, excluding e.g. plain tea, coffee, baby foods). Calculated by multiplying the percentage of healthy products in each category by the total sales of that category in year 2019 for the 2021 report and in year 2016 for the 2019 report. Data extracted from Euromonitor International's industry publications of: Packaged Food 2020, Soft Drinks 2020, and Hot Drinks 2020.

It was estimated that six companies generated 50% or more of their U.K. 2019 retail sales from 'healthy' products, two more companies than compared to the previous U.K. Product Profile. Danone improved significantly from an estimated 46% of 'healthy' sales in 2016 to 77% in 2019, and PepsiCo from 26% in 2016 to 50% in 2019, as illustrated in *Figure 4*. Comparisons with the U.K. Product Profile 2019 should be interpreted with caution, as the number of products assessed for each company in both assessments might differ due to changes in product mix, brand acquisitions or divestments linked to risk reductions, as well as improved engagement with ATNI during the data collection process.

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

Table 4 shows that there can be significant differences in the mean HSR of company products within product categories. While some variation is due to companies offering different types of products within the category, it also shows products that, because of their name and appearance, seem similar but they can have different nutritional quality because of different levels of positive nutrients and nutrients of concern. For example, in 'Breakfast cereal,' PepsiCo's 67 analysed products achieved the highest mean HSR score of 4.1 out of 5, while Kellogg's 98 products achieved a mean HSR score of 3.1.

As in the U.K Product Profile 2019, within the U.K. market, there are 12 food categories identified by ATNI's methodology in which two or more companies compete. Kraft Heinz is the only company selling products in the category 'Processed fruit and vegetables,' with 10 products included in the assessment in total. It is therefore omitted from *Table 4*. The results in Dairy range from a mean HSR 2.7 (Mondelēz) to 4.2 (FrieslandCampina). This is unsurprising, as products manufactured by Mondelēz in this category are cheese spreads, which are usually higher in fat and sodium, while FrieslandCampina's dairy products are flavoured milks. Despite differences in product mix, these findings show that companies have significant scope to reformulate their products or offer a wider variety of more nutritious alternatives within selected categories and/or diversity portfolios to incorporate healthier brands.

Table 4: Within food category comparisons of mean HSR

Categories in which 2 or more companies compete	Mean HSR	Arla	Danone	Ferrero	FrieslandCampina	General Mills	Grupo Bimbo	Kellogg	Kraft Heinz	Lactalis	Mars	Mondelēz	Nestlé	PepsiCo	Unilever	Total no. products
Baked goods	1.8			1.0 (41)			3.8 (16)					1.2 (3)				60
Breakfast cereals	3.6					3,8 (13)		3.1 (98)					3.7 (33)	4.1 (67)		211
Confectionery	0.8			0.6 (332)							1.0 (270)	0.8 (475)	1.0 (146)			1223
Dairy	3.4	3.4 (140)	3.9 (152)		4.2 (11)	3.5 (109)				3.0 (97)	2.8 (13)	2.7 (47)	3.0 (56)			625
Ice cream + frozen desserts	1.9					1.7 (33)					1.6 (26)				2.0 (193)	252
Ready meals	3.2					2.7 (33)			3.6 (36)							69
Rice, pasta + noodles	3.5										3.6 (118)				3.2 (36)	154
Sauces, dressings + condiments	2.6								2.2 (82)		3.3 (191)			3.1 (4)	1.9 (149)	426

Savoury snacks	2.9							2.1 (43)						3.1 (189)		232
Soup	3.4								3.6 (67)						3.2 (30)	97
Sweet biscuits, snack bars + fruit snacks	1.8					2.5 (44)		2.5 (55)				1.4 (179)				278
Sweet spreads	2.0			1.0 (2)											4.0 (1)	3
Total no. food products		**140**	**152**	**375**	**11**	**232**	**16**	**196**	**195**	**97**	**618**	**704**	**235**	**260**	**409**	**3640**
Mean HSR across all food categories	**2.2**	**3.4**	**3.9**	**0.7**	**4.2**	**3.0**	**3.8**	**2.7**	**3.0**	**3.0**	**2.3**	**1.1**	**1.8**	**3.4**	**2.1**	

Note: in parenthesis number of products analysed.

Only two food categories ('Breakfast cereals' and 'Rice, pasta and noodles') achieved a mean HSR of 3.5 or above. These results are similar to the 2019 U.K. Product Profile findings, where the 'Breakfast cereals,' 'Rice, pasta and noodles' and 'Soup' categories performed the best. Overall, all packaged foods assessed (3,640 individual products) sold by the 16 manufacturers in the U.K. achieved a mean HSR of 2.2, the same mean HSR for foods assessed in the U.K Product Profile 2019. This demonstrates the urgent need for these companies to scale-up reformulation investments and/or portfolio diversification to improve the nutritional quality of the U.K. packaged food supply. Companies that compete within each category are urged to match the rating of the products with the highest HSR.

Annex I contains tables comparing the HSR of food and beverage categories to the U.K. Product Profile 2019.

Box 4: Analysis by food category

Baked goods: Three companies were assessed in this category, compared to four in the U.K. Product Profile 2019. This category was no longer selected for General Mills because of the inclusion of 'Breakfast cereals' instead. A total of 60 products manufactured by Ferrero, Grupo Bimbo, and Mondelēz were analysed, achieving a mean HSR of 2.0. As in 2019, Grupo Bimbo achieved the highest mean HSR with 16 products achieving an overall 'healthy' mean score of 3.8.

Breakfast cereals: Four companies were assessed in this category, compared to three in 2019. Products from the joint venture between Nestlé and General Mills, Cereal Partners Worldwide, were excluded from the previous report, but are now assessed. Therefore, General Mills is also included in this category. The mean HSR for the category is 3.7, a notable improvement from 2019 (3.4), but the scope of this report does not allow for a direct analysis of category and nutrient-level changes over time. As in the 2019 report, PepsiCo achieves the highest mean HSR with 67 products achieving an overall 'healthy' mean of 4.1.

Confectionery: More than 1,200 confectionery products were analysed for Ferrero, Mars, Mondelēz and Nestlé together. Unsurprisingly, this category achieved the lowest mean HSR across all products assessed (0.9). In the 2019 iteration, all four companies assessed scored below 1.0. This time, Nestlé and Mars products obtained an average HSR of 1.0.

Dairy: Eight companies (the same number as in 2019) compete in this category with 625 products, and a mean HSR of 3.3. Three companies achieve a mean HSR equal to or above the healthy threshold - Danone (3.9), FrieslandCampina (4.2), and General Mills (3.5) - compared to two in 2019, which contributed to the higher mean HSR score for the category (3.3) compared to the mean in 2019 (3.1).

Ice cream and frozen desserts: Three companies were assessed in this category, compared to four in 2019 (Suntory is excluded in this iteration). Unilever achieves the highest mean HSR of 2.0, above the mean for General Mills (1.7) and Mars (1.6).

Ready meals: General Mills and Kraft Heinz are the two companies assessed in this category (the same as in 2019). The category achieves a mean HSR of 3.2 with a total of 69 products analysed across both companies.

Rice, pasta and noodles: The results in this category are similar to 2019. Both Mars and Unilever are assessed in this category, with Mars achieving the highest mean HSR of 3.6 for a total of 118 products analysed. A total of 36 products were analysed for Unilever, achieving a mean HSR of 3.2.

Sauces, dressings and condiments: Four companies compete in this category with 426 products, and a mean HSR of 2.6. Similar to 2019 results, Mars achieves the highest mean HSR in this category (3.3).

Savoury snacks: As in 2019, two companies – Kellogg and PepsiCo - are assessed in this category. A total of 232 products achieved a mean HSR of 2.6, slightly higher than the 2019 average of 2.2. PepsiCo appears to have the largest improvement: in 2019, a total of 74 savoury snacks achieved a mean HSR of 2.4, compared to 189 products assessed in 2021 achieving a mean HSR of 3.1.

Soup: Kraft Heinz and Unilever compete in this category and Kraft Heinz achieves the highest healthy threshold (mean HSR of 3.6 with 67 products analysed). This appears to be a slight improvement for the company compared to its 2019 results, when it achieved a mean HSR of

3.5 for 93 products assessed. Unilever is assessed for the first time in this category, with 30 products achieving a mean HSR of 3.2.

Sweet biscuits, snack bars and fruit snacks: General Mills, Kellogg and Mondelēz compete in this category. While the mean HSR remains low (2.1), it appears to have improved compared to the 2019' mean HSR of 1.8. Kellogg is assessed in this category for the first time, and 55 products analysed achieve a mean HSR of 2.5.

Sweet spreads: In 2019, this category included all spreads; however, in the 2021 Product Profile, the subset definition changed to 'sweet spreads.' Only three products in total were analysed: two for Ferrero and one for Unilever. The category mean HSR improved from 1.8 in 2019 to 2.5 in 2021 thanks to the 'healthy' product sold by Unilever (4.0 HSR) in this category.

How does the nutritional quality of products vary within beverage categories?

The mean HSR of the 567 beverage products assessed from all companies combined is 2.7, slightly down from the 2019 figure (where 430 beverages analysed resulted in a mean HSR of 2.8). This again highlights the crucial need for companies to step up their reformulation efforts within each category. Detailed results by company are shown in *Table 5* below. See also *Box 5* for analysis related to the SDIL.

Suntory was found to be the only company in the scope of this report to derive a significant proportion of its total U.K. sales from 'Concentrates.' Suntory was found to sell 16 products achieving a mean HSR of 1.7. Similar for energy drinks, where Suntory was the only company assessed, 40 drinks achieved a mean HSR of 1.3. Mondelēz was the only company to be assessed in the 'other hot drinks category,' with a total of 20 products achieving a mean HSR of only 0.5. Concentrates, Energy drinks and Other hot drinks, are therefore omitted from *Table 5*.

Table 5: Within beverage category comparisons of mean HSR

Categories in which 2 or more companies compete	Mean HSR	Coca-Cola	Danone	Nestlé	PepsiCo	Suntory	Total no. products
Bottled water - other	2.1	2.1 (21)	2.0 (16)				37
Bottled water - plain	5.0	5.0 (4)	5.0 (9)	5.0 (10)			23
Carbonates	1.8	1.8 (104)		1.8 (18)	1.8 (16)	2.0 (23)	161
Juice	3.9	4.4 (124)			4.3 (64)	2.0 (50)	238
Sports drinks	1.9	2.0 (5)				1.9 (27)	32
Total no. beverage products		258	25	28	80	156	567
Mean HSR across all beverage categories	2.7	3.1	3.1	2.9	3.8	1.8	

Note: in parenthesis number of products analysed.

Box 5: Analysis by beverage category

Bottled Water - other: This category includes flavoured bottled water and functional beverages. Coca-Cola and Danone offer products in this category, performing poorly with a category average HSR of 2.1 for a total of 27 products analysed.

Bottled Water - plain: An exception is made by the HSR model for plain water, assigning it an HSR of 5. Coca-Cola, Danone and Nestlé compete in this category.

Carbonates: Coca-Cola, Nestlé, PepsiCo and Suntory compete in this category. A total of 161 products (the largest beverage category assessed after 'Juice') offered by the four companies achieved a mean HSR of only 1.8, the same average as in 2019. While the SDIL was implemented in the U.K. in 2018, the scope of this study is not able to determine its effect on individual products. However, Table 2 in Annex I shows that while the mean HSR for carbonates in both assessment years was 1.8 out of 5 stars, a much larger number of products were assessed in 2021 (161 up from 77 in 2019). This can be partly attributed to companies launching new brands or versions of their products with lower sugar content. For example, in 2021, PepsiCo's carbonates achieved a mean HSR of 1.8, an improvement from 1.6 in 2019, likely due to a slight increase in the proportion of calorie-free options assessed.

Juice: Juice was the largest beverage category assessed. A total of 238 products achieved a mean HSR of 3.6 - above the healthy threshold. Coca-Cola, PepsiCo and Suntory compete in this category. Products offered by Coca-Cola achieved the highest category mean HSR of 4.4 (124 products assessed).

Sport drinks: Coca-Cola and Suntory compete in this category. A total of 32 products assessed obtained a mean HSR of 2.0, showing that the majority of offerings in this category are still high in sugar and that there is an opportunity for these types of products to offer positive nutrients.

Section 2: Products suitable to be marketed to children according to WHO criteria

Overall, 4,456 products from the 16 companies had sufficient nutrition information to be assessed using the WHO Europe model. As noted in the methodology, there is a tendency for most companies to have more products eligible for assessment under the WHO Europe model compared to the HSR, as the WHO model requires less nutrition content information to generate results.

To what extent are the 16 manufacturer's products suitable to be marketed to children?

Overall, only 13% (596 out of 4,456) products analysed for all companies combined met nutritional standards to be able to be marketed to children. It is estimated that these products accounted for approximately 12% companies' combined sales in 2019. This proportion is lower compared to the HSR analysis (32% of products meeting the HSR healthy threshold of 3.5 or more), given the more stringent criteria applied in the WHO Europe model and considering entire categories are ineligible to be marketed. For example, juices are not allowed to be marketed to children according to the WHO Europe model "in line with the WHO Guidelines on Sugars Intake for Children and Adults (in press), as fruit juices are a significant source of free sugars for children"[40], whereas the HSR uses a cut-off point to determine healthiness for all product categories.

The overall results are similar to the previous U.K. Product Profile, when only 15% of the products analysed met nutritional standards. However, then it was estimated that the products found suitable to be marketed to children accounted for 11% of companies' combined retail sales in 2016. This time, the estimate is slightly higher at 12% of companies' combined retail sales in 2019. The small improvement in the sales of products of high nutritional quality for children shows that U.K. manufacturers can and must step up their efforts to change their portfolios to offer healthier products.

The company with the highest overall proportion of products found suitable to be marketed to children is Grupo Bimbo, with 12 out of 16 products meeting WHO Europe nutrition criteria. The company is only active in one category (Baked goods).

Only four companies (Grupo Bimbo, Kraft Heinz, Arla and Danone), were found to have 35% or more products in their portfolios meeting WHO Europe nutrition criteria to be marketed to children.

Table 6: Proportions of products and sales meeting WHO Europe nutrition criteria for marketing to children – by company

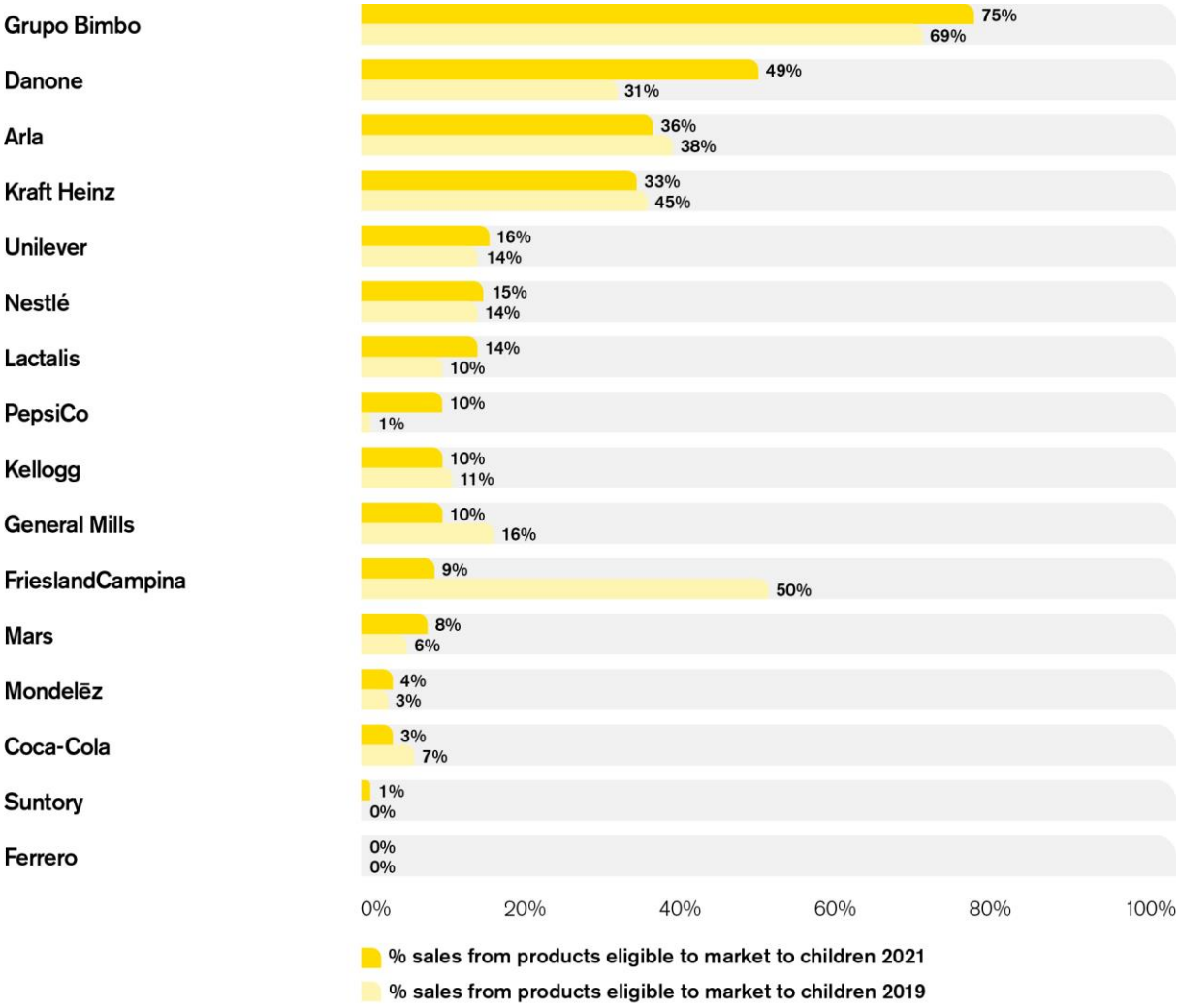
Company name	No. of products eligible to market to children	% products eligible to market to children	% sales from products eligible to market to children	Total no. products assessed WHO
Grupo Bimbo	12	75%	75%	16
Kraft Heinz	106	45%	33%	238
Arla	51	36%	36%	140
Danone	64	35%	49%	183
Mars	129	19%	8%	668
General Mills	37	16%	10%	235
Unilever	63	15%	16%	409
Lactalis	16	14%	14%	112
Nestlé	29	11%	15%	265
Kellogg	18	9%	10%	196
FrieslandCampina	1	9%	9%	11
PepsiCo	27	8%	10%	349
Coca-Cola	13	4%	3%	297
Mondelēz	29	4%	4%	780
Suntory	1	1%	1%	166
Ferrero	0	0%	0%	391
Total	**596**	**13%**	**12%**	**4,456**

Compared to the U.K. Product Profile 2019, a small number of companies improved their performance. Danone, for example, had 35% (64 out of 183) of products found to be suitable to be marketed to children in 2021 compared to 23% (26 out of 113) in 2019. FrieslandCampina was found to have a much lower proportion of products meeting WHO criteria in 2021 (1 out of 11 dairy products or 9%, compared to 4 out of 8 products or 50% in 2019), as illustrated in *Figure 5*. This finding should be interpreted with caution, as for FrieslandCampina more "no added sugar" variants were analysed in the 2019 report compared to 2021.

Although Kraft Heinz was the company with the highest proportion of products found suitable to be marketed to children (106 out of 238 or 45%) compared to the 2019 report, the company was found to derive a significantly smaller proportion of sales from products meeting the criteria (45% of 2016 sales used in the 2019 report compared to 33% of 2019 sales used for the 2021 report).

This assessment does not investigate whether these products are, in practice, marketed to children by the companies, but rather, if they are suitable to be marketed to children. If companies are found to have a large proportion of products that are not suitable to be marketed to children, it is of high priority that the company implement a rigorous responsible marketing policy for children.

Figure 5: Estimated retail sales from products found suitable to be marketed to children in 2019 and 2021 U.K. Product Profile reports



Note: Calculated by multiplying the percentage of products suitable to market to children in each category by the total sales of that category in year 2019 for the 2021 report and in year 2016 for the 2019 report. Data extracted from Euromonitor International's industry publications of: Packaged Food 2020, Soft Drinks 2020, and Hot Drinks 2020. This assessment is excluding e.g. plain tea, coffee, baby foods.

How do food and beverage categories vary in suitability to be marketed to children?

When observing the results by food and beverage category, the percentages of products meeting relevant nutrition criteria to be considered suitable to market to children are low in most categories except for 'Rice, pasta and noodles' and 'Soup' as shown in *Table 7* below. As the WHO Europe model considers no confectionery, ice cream and frozen desserts, or sweet biscuits, snack bars and fruit snacks, or sweet spreads as being suitable to market to children, all figures for these categories are zero.

In the ready meals category, Kraft Heinz's Heinz, Amoy and Weight Watchers brands were assessed. Similar to the HSR results (company's ready meals achieve a 'healthy' average HSR of 3.6), in this assessment, 72% of the company's' ready meals were found to be suitable to be marketed to children.

Table 7: Proportions of products in food categories meeting WHO Europe criteria for marketing to children - by category and company

	Arla	Danone	Ferrero	FrieslandCampina	General Mills	Grupo Bimbo	Kellogg	Kraft Heinz	Lactalis	Mars	Mondelēz	Nestlé	PepsiCo	Unilever
Baked goods			0%			75%					0%			
Breakfast cereals					8%		18%					30%	31%	
Confectionery			0%							0%	0%	0%		
Dairy	36%	36%		9%	33%				14%	0%	57%	16%		
Ice cream + frozen desserts					0%					0%				0%
Processed fruit + vegetables								0%						
Ready meals					0%			72%						
Rice, pasta + noodles										99%				97%
Sauces, dressings + condiments								3%		6%			0%	0%
Savoury snacks							0%						1%	
Soup								87%						93%
Sweet biscuits, snack bars + fruit snacks					0%		0%				0%			
Sweet spreads			0%											0%

Note: reflected in dark grey; the WHO European model considers the following product categories, regardless of nutritional content, to be unsuitable to be marketed to children: chocolate and sugar confectionery, energy bars, and sweet toppings and desserts, cakes, sweet biscuits and pastries other sweet bakery wares, edible ices.

Table 8 illustrates that plain bottled water products are allowed to be marketed to children under the WHO Europe criteria. For most of the beverage categories, no products were found to be suitable to be marketed to children, as the WHO Europe model also excludes entire categories, namely the 'energy drinks' category and the 'juice' category. Compared to 2019, PepsiCo improved the proportion of its carbonates found suitable to be marketed to children to 31% (5 out of 16 products assessed). This figure was 0% in 2019 (none of the 19 products assessed met the criteria). This change is driven by changes in the product mix (inclusion of Kombucha drinks in 2021), rather than specific reformulation efforts.

Table 8: Proportions of products in beverage categories meeting WHO Europe criteria for marketing to children - by category and company

	Coca-Cola	Danone	Mondelēz	Nestlé	PepsiCo	Suntory
Bottled water - other	26%	5%				
Bottled water - plain	100%	100%		100%		

Carbonates	2%			0%	31%	0%
Concentrates						0%
Energy drinks						0%
Juice	0%				0%	0%
Other hot drinks			10%			
Sports drinks	0%					4%

Note: reflected in grey the WHO European model considers the following product categories, regardless of nutritional content, to be unsuitable to be marketed to children: Juices, Energy drinks

Section 3: Changes in the nutritional quality of companies' product portfolios over time

The overall goal of this section is to provide a better understanding of the changes in the nutritional quality of companies' portfolios over time. This analysis compares companies' sales weighted mean HSR in the U.K. Product Profile 2019 with the 2021 results. It is important to note that sales values considered in this analysis are from calendar year 2016 for the 2019 report and from calendar year 2019 for the 2021 report. Retail sales value estimates are derived from Euromonitor International. *Table 11* summarises the results from this analysis for the 16 companies assessed in both reports.

The results presented in this section illustrate that, even in a short period of time, companies can demonstrate substantial changes in the healthiness of their portfolios. These are likely driven by changes to their product mix, changes in marketing practices to drive more sales from healthier categories, and merger and acquisition strategies in part linked to nutrition.

Overall, nine companies' sales-weighted mean HSR increased between 2019 and 2021: Danone, Nestlé, PepsiCo, Grupo Bimbo, Arla, Mars, FrieslandCampina, Ferrero and Unilever. The largest increase was for Danone, from a sales-weighted mean HSR of 3.3 in 2019 to 4.0 in 2021, as shown in *Table 9*. Danone's performance was largely driven by a greater contribution of dairy sales to the company's total U.K. sales, and a higher average HSR for the category in 2021. Detailed results by company can be found in Annex II.

Table 9. Category sales-weighted portfolio mean HSR by company 2019-2021

Manufacturer	Total no. products used for HSR analysis		Category sales-weighted mean HSR		Difference between 2019 and 2021	% company's U.K sales covered by selected product categories *	
	2019	2021	2019	2021		2019	2021
Danone	113	177	3.3	4.0	+0.7	100%	100%
Nestlé	260	263	1.3	1.8	+0.5	78%	84%
PepsiCo	222	340	2.7	3.0	+0.4	98%	99%
Grupo Bimbo	16	16	3.5	3.8	+0.3	100%	100%
Arla	73	140	3.2	3.4	+0.2	100%	100%
Mars	323	618	1.3	1.4	+0.1	98%	98%
FrieslandCampina	8	11	4.1	4.2	+0.1	100%	100%
Ferrero	141	375	0.6	0.7	+0.1	100%	96%
Unilever	272	409	2.2	2.3	+0.1	84%	99%
General Mills	192	232	2.9	2.9	0.0	98%	92%
Coca-Cola	150	258	2.2	2.2	0.0	100%	100%
Kellogg	243	196	2.7	2.7	0.0	100%	100%

Lactalis	77	97	3.0	3.0	0.0	100%	100%
Suntory	68	156	1.7	1.6	0.0	100%	100%
Mondelēz	573	724	1.1	1.0	-0.1	94%	94%
Kraft Heinz	284	195	3.4	3.3	-0.1	100%	100%

*ATNI estimates derived from Euromonitor International.

The sales-weighted mean HSR for Nestlé's 'Breakfast cereal' and 'Confectionery' categories, which contributed significantly to the company's total retail sales in 2019 in the U.K., improved. Overall, the company's mean HSR increased by 0.5 stars using category sales-weighted results. PepsiCo had the third largest improvement (0.4 stars) overall. The mean HSR of its 'Savoury snacks' segment increased from 2.4 in 2019 to 3.1 in 2021, and in its 'Carbonates' category, from 1.6 to 1.8. The sales-weighted mean HSR for Arla, FrieslandCampina and Grupo Bimbo improved (+0.1) for the product categories they carry in the U.K. market: 'Dairy' for Arla and FrieslandCampina, and 'Baked goods' for Grupo Bimbo. The sales-weighted mean HSR for Mars also improved by 0.1 stars. This result was driven by a change in the categories analysed in both years, as well as a slight improvement in mean HSR for confectionery (from 0.9 to 1.0). Similarly for Ferrero, the company derived most of its sales from confectionery products; as a result, the improvement in the mean HSR for this category over time (0.6 to 0.7) substantially impacted the overall results. Unilever's sales-weighted mean HSR increased with just under 0.1 stars, largely driven by changes in the 'Ice cream' product mix, which resulted in a higher mean HSR for the category (1.7 in 2019 to 2.0 in 2021).

It is important to note that the analysis outlined in this section uses summary data for each company at the portfolio-level and thus, distinct changes in products' nutritional values (reformulation efforts) are not explicitly measured (as the analysis does not compare healthiness of single products over time). While results should be interpreted with caution, this analysis is helpful and offers relevant insights related to the types of products and product categories companies are deriving most sales from, reflecting changes driven by both consumer demand and companies' actions to influence the U.K. food supply.

Box 6: How results compare to other U.K. studies

Results presented in this report are in line with other recent research findings, suggesting a lack of progress on improving the nutritional quality of foods in relation to the U.K. voluntary reformulation targets to reduce calories, fat, sugar and salt.[41] While this study does not assess the impact of the SDIL, studies carried out by PHE[42] and others[43] have suggested that mandatory measures seem more effective than voluntary approaches.

In August 2021, researchers from Nuffield Department of Population Health based at University of Oxford published the results of a study into the nutritional quality of 3,273 products utilising the U.K. NPM.[44] The advantage of using that model was that it is currently used in various regulations and rules to identify products that cannot be advertised to children. Researchers were able to track changes over a four-year period, from 2015 to 2018.

Nine out of 10 companies assessed in the Oxford University study are also included in this report (Premier Foods is excluded as it is a U.K.-headquartered company and was not included in the Global Access to Nutrition Index 2021). The ranking in both reports is similar, with Danone and Kraft Heinz at the top and Mondelēz at the bottom suggesting that, despite using a different nutrient profiling model, the rankings are similar. Mars, Coca-Cola, Unilever and Nestlé are in the bottom half of the ranking in both reports, yet in different orders, likely driven by differences in methodologies and number of products assessed. Both reports indicate an improvement in Danone's portfolio over time. Interestingly, while the Oxford University report found Coca-Cola had the largest increase in sales-weighted nutrient profiling score between 2015 and 2018, this report found no significant change in the company's sales-weighted mean HSR between 2019 and 2021. By contrast, ATNI found improvements in PepsiCo's portfolio, while the Oxford University report found no significant changes over time. Results are not directly comparable, as apart from the afore-mentioned methodological differences, the assessment periods are different.

Limitations

The limitations of the Global Index 2021 Product Profile are set out in TGI's full report.[g] Most limitations to this research are similar to those from the 2019 U.K. Product Profile research, although it is important to note that this time, ATNI received more input from companies, which strengthened the quality of the data analysed. Limitations that are particular to this U.K. study are as follows:

Scope: this study does not present the full picture of the nutritional quality of all branded manufacturers' foods sold in the U.K. The companies included in this report are selected based on ATNI's Global Index Product Profile data availability; thus, they include large manufacturers operating in the U.K., as opposed to the largest U.K. manufacturers. Categories included in this report account for approximately 25% of the total U.K. food and beverage sales in 2019 (excluding plain tea and coffee and all baby foods) or 50% of total U.K retail sales of manufacturer brands' packaged foods and beverages in 2019. This study excludes retailer/private label brands which have significant market share in the U.K. Ideally, this analysis would include all products sold by all companies in the U.K.; however, for pragmatic reasons and to avoid analysing a small subset of niche products, the assessment is limited to companies' top five best-selling product categories. This does not have significant implications, as shown in Table 2 in the methodology section of this report.

Nutrition data: All 16 companies were provided the opportunity to review product lists and nutrient content for their five best-selling categories in 2019, and to make corrections. A total of 14 companies engaged with ATNI during the Product Profile data collection process (Lactalis and Suntory did not) and were able to check the U.K. data. Some products had to be excluded from analysis because data was insufficient or not available to run the NPMs. In addition, products included in the assessment were those found in the market up to the early months of 2020 and in the recent two to three years. Therefore, any updates in the recipes since then might not be reflected, as well as more recent changes in portfolios, i.e., new acquisitions or divestments.

Use of proxy data: As with the previous U.K. Product Profile 2019, proxy data were imputed (based on category averages) when specific nutrient values required by the algorithm were missing. Saturated fat, total sugar, sodium, fruit, vegetable, nuts and legumes (FVNL) and fibre content proxies had to be used for some products where nutrient composition data was available, nor the companies were able to provide that data to ATNI. Out of the 4,207 products assessed with the HSR model, 41% did not require proxy values, 39% required proxy data for one component (nutrient), and 20% required proxy data for two or three components.

Calculations of sales estimates: The estimates of category-level retail sales values were extracted for the calendar year 2019 from Euromonitor International. Product-level sales data would ideally be used to calculate sales-weighted figures, rather than the product category-level sales data that is currently used. However, ATNI is currently unable to obtain that dataset at an affordable cost from information providers.

Excluded products: The HSR model does not score some 'non-nutritive' products such as tea and instant coffee; as a result, these products are not 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. Plain water, on the other hand, is given a maximum HSR of five to encourage its consumption.

Baby foods are also excluded from this study as the two selected NPMs are not designed to assess these specialised products, as they are minimally processed agricultural products.

[g] https://accesstonutrition.org/app/uploads/2021/06/GI_Global-Index_TGI-product-profile_2021-2-1.pdf

Serving size of products not considered: Neither of the NPMs used in this assessment take serving size into account. Some argue that NPMs should include a consideration of serving size — and some of the companies' systems do. 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 this study.

Implications and recommendations

Food and beverage manufacturers

Similar to the results of the first ATNI U.K. Product Profile, only 32% of the products analysed for this report met the healthy threshold (HSR 3.5 or more), corresponding to 29% of these companies' 2019 retail sales values; and only 13% of products were found suitable to be marketed to children based on analysis using the WHO European NPM, corresponding to 12% of companies' 2019 retail sales values.

Despite these poor results, there seems to be a slow shift in demand for, and sales of products with higher nutritional quality among U.K. consumers. And with an estimated 50% of the total manufacturer brands' packaged foods and beverages U.K. retail sales value in 2019, the 16 manufacturers in this report have significant scope to influence the diets of the U.K. population by improving the nutrition quality of their packaged foods and beverages. ATNI therefore urges food and beverage manufacturers selling in the U.K. to:

- **Evaluate their entire portfolios and ensure to quickly improve nutritional quality**. Accelerate measures that introduce more healthy product varieties in portfolios, such as reformulation of products to improve their nutritional quality and/or portfolio diversification and change to increase the share of healthier products in the portfolio.
- **Adopt a robust nutrient profiling model** to establish what the company defines as healthy and to guide (re)formulation efforts and benchmark performance against a similar widely applicable, well-validated, peer-reviewed, publicly available and government endorsed model (e.g., HSR, Ofcom/ FSA model, or Nutri-score). Companies that already use an NPM are advised to review it to ensure it is in line with latest dietary recommendations in the U.K..
- **Define U.K.-specific portfolio-level targets and improve accountability** through better annual reporting by disclosing the proportion of sales derived from healthy foods (as defined by a robust NPM), and by setting concrete and timebound targets for introducing and selling healthier products. This would provide all stakeholders with the information they need to assess companies' contribution to healthier diets.
- **Re-direct investments towards marketing of healthier products** and linking disposal, merger and acquisition strategies to nutrition.
- **Do not market products that are unsuitable to be marketed to children**, as assessed by the WHO Europe model or equivalent. And raise age limits in marketing policies to include all children (i.e. every person under the age of 18).

Investors

To support investors' research and engagement, ATNI developed the Investor Expectations on Nutrition, Diets and Health, which, at the time of writing, are backed by 71 investors and investment organizations representing $16.1 trillion in assets under management (AUM). The Expectations set out, for the first time, the policies, practices and disclosure that investors expect food and beverage companies to adopt to demonstrate that they are addressing the risks and opportunities associated with nutrition.

In the U.K. context, several major institutional investors have been actively working to secure substantial action from food manufacturers and retailers to tackle obesity and diet-related diseases in the U.K. This is exemplified by ShareAction's Healthy Markets Investor Coalition, with 28 members that have over $2 trillion in AUM. The coalition's members have undertaken engagement and used their voting rights to

secure new commitments from companies to set ambitious targets to increase sales of healthy products and publish more information.[45]

Major risks, as well as opportunities related to nutrition in this sector remain and institutional investors can be a major force for good by:

- **Carefully assessing risks and opportunities related to nutrition** and factoring them into valuation models and stock selection, using the Investor Expectations on Nutrition, Diets and Health.
- **Using independent product assessments and nutrition indexes** to understand how companies can improve on and contribute to the nutritional quality of products sold in the U.K.
- **Engaging with food and beverage manufacturers** to demand urgent action on improving the relative healthiness of products within product categories and improving relative sales of healthier products varieties in the U.K

Conclusions

Compared to the first U.K. Product Profile published in 2019, this study shows encouraging changes from global manufacturers selling branded food and beverages in the U.K. The proportion of sales from all 16 companies combined derived from products meeting the HSR healthy threshold increased from 22% to 29%. Furthermore, nine companies were found to have improved the relative healthiness their portfolios (using the sales-weighted mean HSR) compared to the previous iteration. This shows that, even within a relatively short period of time, manufacturers can take steps to offer more healthier products to U.K. consumers. This includes introducing healthier varieties in companies' product lines (i.e. offering more low or zero sugar variants), as well as focusing on increasing the sales from healthier products.

It is important to note that the scope of this report does not enable explicit nutritional changes of companies' individual products to be tracked over time. The companies assessed have different types of product portfolios, for example some derive most of their sales from dairy with higher mean HSRs, while others have mixed portfolios. Therefore, it is important that not only the proportion of products and sales from products meeting the healthy threshold is monitored over time, but also the relative changes in the overall nutritional quality of companies' portfolios (including improvements within the less healthy products/ product categories). As the percentage of sales from 'healthy' products compares products meeting the healthy threshold (3.5 stars or above) versus less healthy products not meeting the healthy threshold (below 3.5 stars), companies that might consistently derive a lower percentage of sales from healthier products can still show improvements at product category level in the mean HSR score (from 0.5 to 5). Conversely, companies that already derive most of their U.K. sales from products meeting the healthy threshold can still improve the mean HSR score within their portfolios by accelerating reformulation efforts or evaluating their product mix within specific categories. Independent analysis on the healthiness of companies' product portfolios using a consistent metric is important to monitor changes over time and essential for all relevant stakeholders to be able to compare relative healthiness of companies' portfolios.

This report also shows that the average HSR for all products assessed is still alarmingly low with 2.2 out of 5 stars. The serious nutrition and health challenges in the U.K. underline the urgency for companies to take action. The recently released National Food Strategy report with its ambitious proposals to tackle obesity and diet related ill-health and specific recommendations presents a unique opportunity for major food and beverage manufacturers to demonstrate their commitment and progress towards delivering healthier options in the U.K. and supporting a future where healthy foods are more easily accessible for all communities. Current efforts need to be scaled-up further, and ATNI strongly urges manufacturers selling in the U.K. to improve the healthiness of their portfolios. It is hoped that the next iteration of the U.K. Product Profile will show more substantial improvements by all companies at the category and portfolio level, and higher proportions of sales derived from foods meeting healthy standards.

Annex 1

Table 1. Within food category comparisons of mean HSR 2019/2021

	U.K. Product Profile 2019				U.K. Product Profile 2021			
	No. products	Mean HSR across all companies' products	Company with lowest mean HSR	Company with highest mean HSR	No. products	Mean HSR across all companies' products	Company with lowest mean HSR	Company with highest mean HSR
Baked Goods	162	1.6	Mondelēz (1.0)	Grupo Bimbo (3.5)	60	2.0	Ferrero (1.0)	Grupo Bimbo (3.8)
Breakfast cereals	194	3.4	Kellogg (3.2)	PepsiCo (4.0)	211	3.7	Kellogg (3.1)	PepsiCo (4.1)
Confectionery	647	0.8	Ferrero (0.6)	Mars (0.9)	1,223	0.9	Ferrero (0.6)	Mars/Nestlé (1.0)
Dairy	465	3.1	Nestlé (2.8)	Friesland-Campina (4.1)	625	3.3	Mondelēz (2.7)	Friesland-Campina (4.2)
Ice cream + frozen desserts	130	1.7	Mars/Unilever (1.7)	Suntory (3.0)	252	1.8	Mars (1.6)	Unilever (2.0)
Ready meals	64	3.2	General Mills (2.5)	Kraft Heinz (3.5)	69	3.2	General Mills (2.7)	Kraft Heinz (3.6)
Rice, pasta + noodles	108	3.6	Unilever (3.2)	Ajinomoto (3.9)	154	3.4	Unilever (3.2)	Mars (3.6)
Sauces, dressings + condiments	360	2.7	Ajinomoto (1.7)	Mars (3.4)	426	2.6	Unilever (1.9)	Mars (3.3)
Savoury snacks	141	2.2	Kellogg (2.0)	PepsiCo (2.4)	232	2.6	Kellogg (2.1)	PepsiCo (3.1)
Soup	118	3.5	Campbell (3.4)	Kraft Heinz (3.5)	97	3.4	Unilever (3.2)	Kraft Heinz (3.6)
Sweet biscuits, snack bars + fruit snacks	204	1.8	Mars /Mondelēz (1.4)	General Mills (2.5)	278	2.3	Mondelēz (1.4)	General Mills/Kellogg's (2.5)
Sweet spreads (2019 'Spreads')	8	1.3	Ferrero (0.5)	Kraft Heinz (2.0)	3	2.5	Ferrero (1.0)	Unilever (4.0)
Total Foods	2,639	2.2	Friesland-Campina (4.1)	Ferrero (0.7)	3,640	2.2	Friesland-Campina (4.2)	Ferrero (0.7)

In dark grey, categories that improved in mean HSR between 2019 and 2021.

Table 2. Within beverage category comparisons of mean HSR 2019/2021

	U.K. Product Profile 2019				U.K. Product Profile 2021			
	No. products	Mean HSR across all companies' products	Company with lowest mean HSR	Company with highest mean HSR	No. products	Mean HSR across all companies' products	Company with lowest mean HSR	Company with highest mean HSR
Bottled water - other	54	3.1	Nestlé (2.0)	Danone (3.5)	37	2.1	Danone (2.0)	Coca-Cola (2.1)
Bottled water - plain*					23	5.0	n.a.	
Carbonates	77	1.8	PepsiCo (1.6)	Suntory (2.5)	161	1.8	Coca-Cola/Nestlé/ PepsiCo (1.8)	Suntory (2.0)
Concentrates	18	1.9	n.a.	Coca-Cola/Suntory (1.9)	16	1.7	n.a.	Suntory (1.3)
Energy drinks	49	1.5	PepsiCo (1.0)	Coca-Cola (1.8)	40	1.3	n.a.	Suntory (1.3)
Sports drinks					32	1.9	Suntory (1.9)	Coca-Cola (2.0)
Juice	160	4.0	Campbell (5.0)	PepsiCo (4.6)	238	3.9	Suntory (2.0)	Coca-Cola (4.4)
Other hot drinks	72	1.3	Mondelēz (0.5)	Nestlé (2.2)	20	0.5	n.a.	Mondelēz (0.5)
Total Beverages	430	2.8 (2.7 excluding Ajinomoto & Campbell)	Mondelēz (0.5)	Campbell (5.0)	567	2.7	Mondelēz (0.5)	PepsiCo (3.8)

No category appears to have improved in overall nutritional quality over time.

Table 3. Proportions of products and sales meeting WHO Europe criteria for marketing to children – by company 2019-2021

	U.K. Product Profile 2019			U.K. Product Profile 2021		
	% eligible	% sales eligible	Total no. products assessed	% eligible	% sales eligible	Total no. products assessed
Arla	38%	38%	73	36%	36%	140
Coca-Cola	6%	7%	157	4%	3%	297
Danone	23%	31%	113	35%	49%	183
Ferrero	0%	0%	151	0%	0%	391
FrieslandCampina	50%	50%	8	9%	9%	11
General Mills	16%	16%	198	16%	10%	235
Grupo Bimbo	69%	69%	16	75%	75%	16
Kellogg	9%	11%	243	9%	10%	196
Kraft Heinz	48%	45%	286	45%	33%	238
Lactalis	10%	10%	91	14%	14%	112
Mars	21%	6%	373	19%	8%	668
Mondelēz	4%	3%	624	4%	4%	780
Nestlé	7%	14%	262	11%	15%	265
PepsiCo	5%	1%	227	8%	10%	349
Suntory	0%	0%	43	1%	1%	166
Unilever	10%	14%	272	15%	16%	409
Total	15%	11%	3,192	13%	12%	4,047

Annex 2

1 Companies with improved sales-weighted mean HSR 2019-2021[h]

Danone

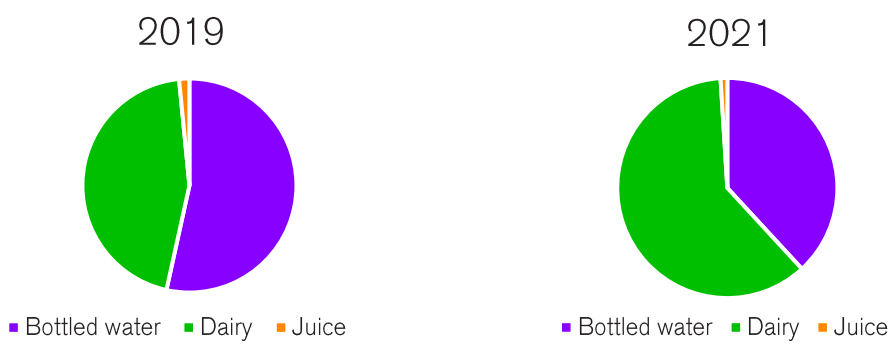
When examining the healthiness of Danone's U.K. portfolio in 2019 and 2021, the company was found to improve its mean HSR by 0.7 stars using category sales-weighted results, as shown in *Table 1.1*. This improvement is driven by changes in the dairy product mix, with more products being analysed in 2021 compared to 2019, largely associated with Danone's acquisition of the Whitewave/Alpro brand in 2017. In 2021, the dairy category achieves the healthy mean HSR of 3.9, up from 3.1 in 2019. Dairy products account for most of the company's total U.K. sales (as shown in *Figure 1.1*), and thus changes in the category significantly impact the company's portfolio-level results. In addition, juice products were not assessed in 2021 due to a lack of data; however, this category accounts for a small proportion of the company's total U.K. sales in both assessment periods.

Table 1.1: Danone overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Bottled water (other)	33	16	3.5	2.0
Bottled water (plain)		9		5.0
Dairy	73	152	3.1	3.9
Juice	7	0	1.9	n.a.
Total/mean HSR	113	117	3.1	3.8
sales weighted mean HSR			3.3	4.0
Difference in sales-weighted mean HSR			+0.7	

Note: Bottled water category has been split into two categories for the 2021 assessment (Bottled water (other) and Bottled water (plain). ATNI's Product Profile excludes baby foods.

Figure 1.1: Danone U.K. Product Profile category sales 2019-2021



[h] Listed in order according to improvement in sales-weighted HSR.

Nestlé

When examining the healthiness of Nestlé's U.K. portfolio in 2019 and 2021, the company was found to improve its mean HSR by 0.5 stars using category sales-weighted results, as shown in *Table 1.2*. This improvement is due a combination of factors, including the methodological change of splitting the bottled water category into two sub-categories in 2021[i]. Because of this category split, plain bottled water products are only included in 2021, which results in a higher mean HSR compared to 2018, when other (flavoured/functional) bottled water products were also included in the analysis. Apart from this, both the breakfast cereal and the confectionery category, which are significant contributors to the company's total sales in the U.K. (shown in *Figure 1.2*), improved in mean HSR. However, the scope of this analysis does not include an explicit examination of the details of the specific nutritional improvements in these categories. Although Nestlé seems to have improved the healthiness of its product portfolio over time, the company's overall U.K. mean HSR is still low (1.8 out of 5), given most products and sales are confectionery.

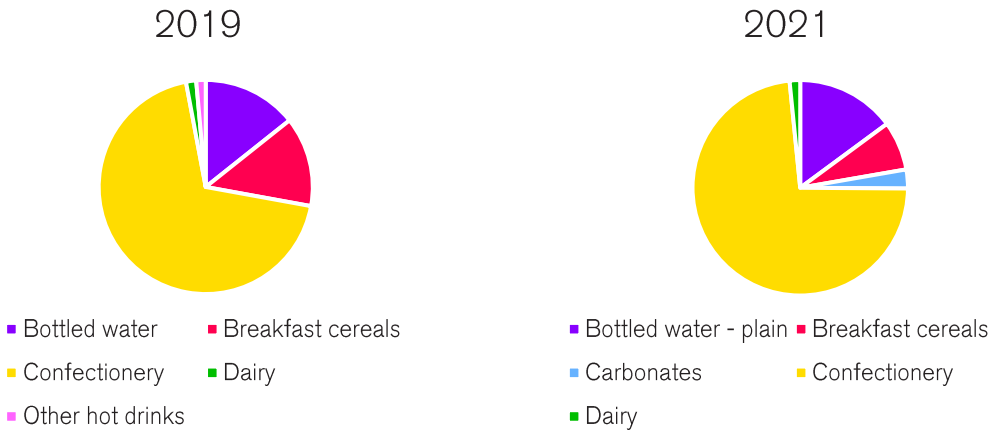
Table 1.2: Nestlé overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Bottled water (other)	10	-	2.0	-
Bottled water (plain)		10		5.0
Breakfast cereal	30	33	3.4	3.7
Carbonates	-	18	-	1.8
Confectionery	119	146	0.7	1.0
Dairy	67	56	2.8	3.0
Other hot drinks	34	-	2.2	-
Total/mean HSR	260	263	1.8	1.9
sales weighted mean HSR			1.3	1.8
Difference in sales-weighted mean HSR			+0.5	

Note: Bottled water category has been split into two categories for the 2021 assessment (Bottled water (other) and Bottled water (plain). ATNI's Product Profile excludes Nestlé's U.K. sales of baby foods and plain coffee.

[i] Plain water is given a maximum HSR of five to encourage its consumption. For this reason, the Bottled water category has been split into two subsets by ATNI in 2021: Bottled water (plain) and Bottled water (other).

Figure 1.2: Nestlé U.K. Product Profile category sales 2019-2021



PepsiCo

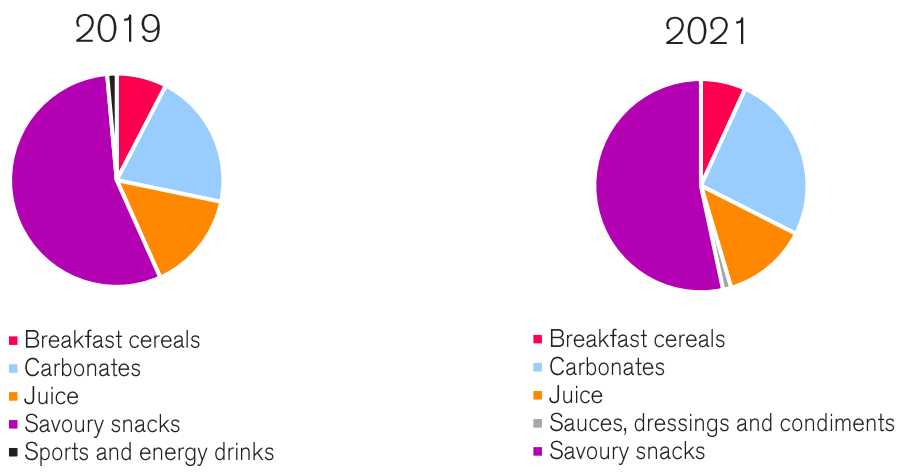
When examining the healthiness of PepsiCo's U.K. portfolio in 2019 and 2021, the company was found to improve its mean HSR by 0.4 stars using category sales-weighted results, as shown in *Table 1.3*. The results are driven by an improvement in the mean healthiness of the company's savoury snacks segment (from a mean HSR of 2.4 in 2019 to 3.1 in 2021) and the carbonates category (from 1.6 in 2019 to 1.8 in 2021). These are also the company's largest categories by revenue in the U.K., so they have a significant impact in the overall results. It is important to note that the number of savoury snack products assessed in 2021 more than doubled compared to 2019. This is related to the introduction of new products and brands in the better-for-you category,[j] and could be a sign of higher consumer demand for 'healthier' snacks.

Table 1.3: PepsiCo's overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Breakfast cereals	59	67	4.0	4.1
Carbonates	17	16	1.6	1.8
Juice	65	64	4.6	4.3
Sauces, dressings and condiments	-	4	-	3.1
Savoury snacks	74	189	2.4	3.1
Energy drinks	7	-	1.0	-
Sport drinks				
Total/mean HSR	222	340	3.4	3.5
sales weighted mean HSR			2.7	3.0
Difference in sales weighted mean HSR			+0.4	

[j] https://www.fooddive.com/news/pepsico-introduces-new-brand-of-chips-containing-rice-chickpeas-and-black/519174/

Figure 1.3: PepsiCo's U.K. Product Profile category sales 2019-2021



Grupo Bimbo

When examining the healthiness of Grupo Bimbo's U.K. portfolio in 2019 and 2021, the company was found to improve its mean HSR by 0.3 stars using category sales-weighted results, as shown in *Table 1.4*. The results are driven by an improvement in the mean healthiness of the company's baked goods products. The scope of this analysis does not extend to determining which product qualities or nutrients improved over time.

Table 1.4: Grupo Bimbo's overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Baked goods	16	16	3.5	3.8
Total	16	16	3.5	3.8
Difference in mean HSR			+0.3	

Figure 1.4: Grupo Bimbo's U.K. Product Profile category sales 2019-2021

Arla

When examining the healthiness of Arla's U.K. portfolio in 2019 and 2021, the company was found to improve its mean HSR by 0.2 stars using category sales-weighted results, as shown in *Table 1.5.* The results are driven by an improvement in the mean healthiness of the company's dairy products. The scope of this analysis is unable to determine which product qualities or nutrients improved over time.

Table 1.5: Arla's overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Dairy	73	140	3.2	3.4
Total	73	140	3.2	3.4
Difference in mean HSR			+0.2	

Figure 1.5: Arla's U.K. Product Profile category sales 2019-2021

Mars

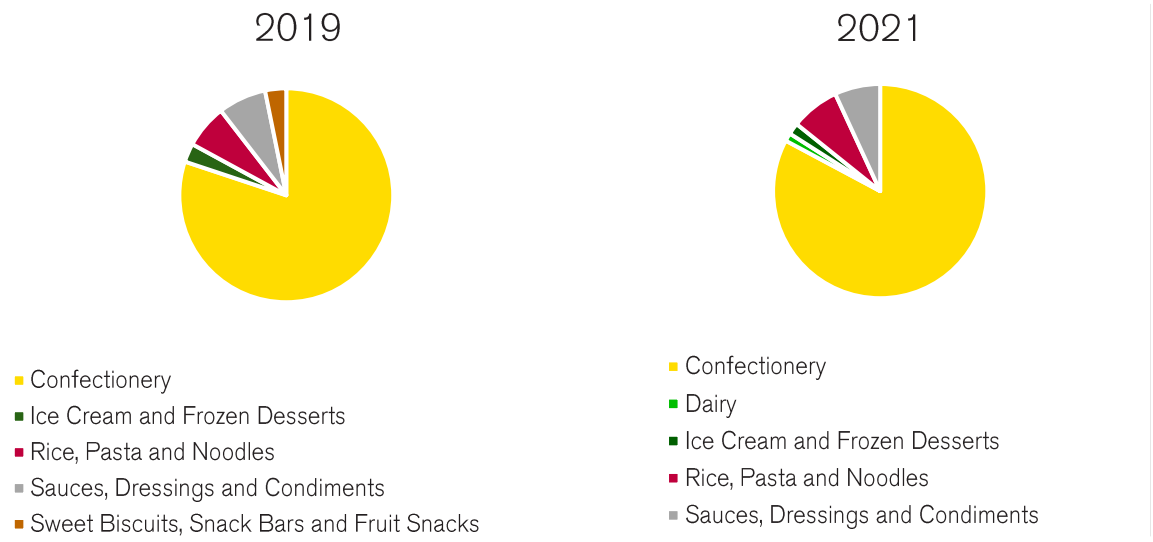
When examining the healthiness of Mars' U.K. portfolio in 2019 and 2021, the company was found to improve its mean HSR by 0.1 stars using category sales-weighted results, as shown in Table 1.6. The results are driven by a change in the categories analysed in both years, as well as a slight improvement in the mean HSR of confectionery. The scope of this assessment does not allow for a conclusion as to whether, on average, negative nutrients in the company's confectionery products were reduced in 2021 compared to 2019, as a much larger number of products were assessed in 2021 than in 2019.

In addition, the company was found to derive more sales from dairy in 2021 than in 2019, and therefore, the dairy category was included within the top 5 categories in the scope of assessment in 2021, replacing the 'Sweet biscuits, snack bars and fruit snacks' category, which was included in 2019. Although the 'Dairy' category has a significantly higher mean HSR (2.8) than the 'Sweet biscuits, snack bars and fruit snacks' category (1.4), most products are still within the less healthy range.

Table 1.6: Mars overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Confectionery	107	270	0.9	1.0
Dairy	-	13	-	2.8
Ice cream and frozen desserts	8	26	1.7	1.6
Rice, pasta and noodles	80	118	3.6	3.6
Sauces, dressings and condiments	123	191	3.4	3.3
Sweet biscuits, snack bars and fruit snacks	5	-	1.4	-
Total/mean HSR	323	618	2.5	2.3
Sales-weighted mean HSR			1.3	1.4
Difference in sales-weighted mean HSR			+0.1	

Figure 1.6: Mars U.K. Product Profile category sales 2019-2021



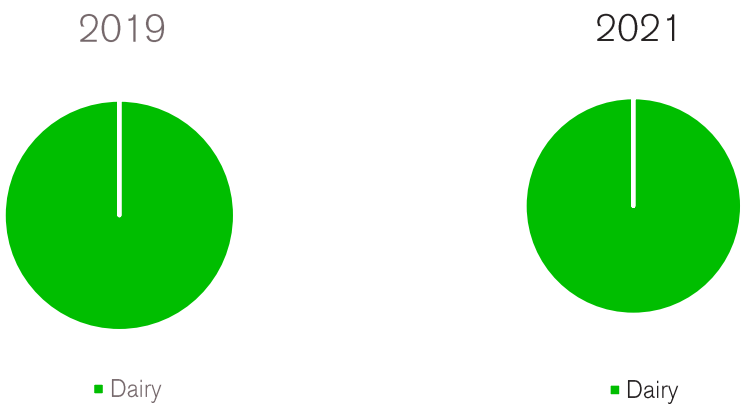
FrieslandCampina

When examining the healthiness of FrieslandCampina's U.K. portfolio in 2019 and 2021, the company was found to improve its mean HSR by 0.1 stars using category sales-weighted results, as shown in *Table 1.7*. The results are driven by an improvement in the mean healthiness of the company's dairy products. The scope of this analysis is unable to determine which product qualities or nutrients improved over time.

Table 1.7: FrieslandCampina overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Dairy	8	11	4.1	4.2
Total	8	11	4.1	4.2
Difference in mean HSR			+0.1	

Figure 1.7: FrieslandCampina U.K. Product Profile category sales 2019-2021



Ferrero

When examining the healthiness of Ferrero's U.K. portfolio in 2019 and 2021, the company was found to improve its mean HSR by 0.1 stars using category sales-weighted results, as shown in *Table 1.8*. The company derives most of its sales from confectionery products; as such, the improvement in the mean HSR for this category over time (0.6 to 0.7) substantially impacted the overall results. Many more confectionery products were assessed in 2021 compared to 2019, although it is not possible to determine the reason for this. Apart from this, the company derived more sales in 2021 from the 'Sweet spreads' category and less from confectionery and, as the mean HSR for sweet spreads is higher, the overall results show an improvement in HSR. Despite this slight improvement, the company has a very low HSR and one of the lowest scores in both 2019 and 2021 U.K. Produce Profile reports.

Table 1.8: Ferrero overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Baked goods	29	41	1.1	1.0
Confectionery	111	332	0.6	0.6
Spreads/Sweet spreads	1	2	0.5	1.0
Total/mean HSR	141	375	0.7	0.7
Sales-weighted mean HSR			0.6	0.7
Difference in sales-weighted mean HSR			+0.1	

Figure 1.8: Ferrero U.K. Product Profile category sales 2019-2021

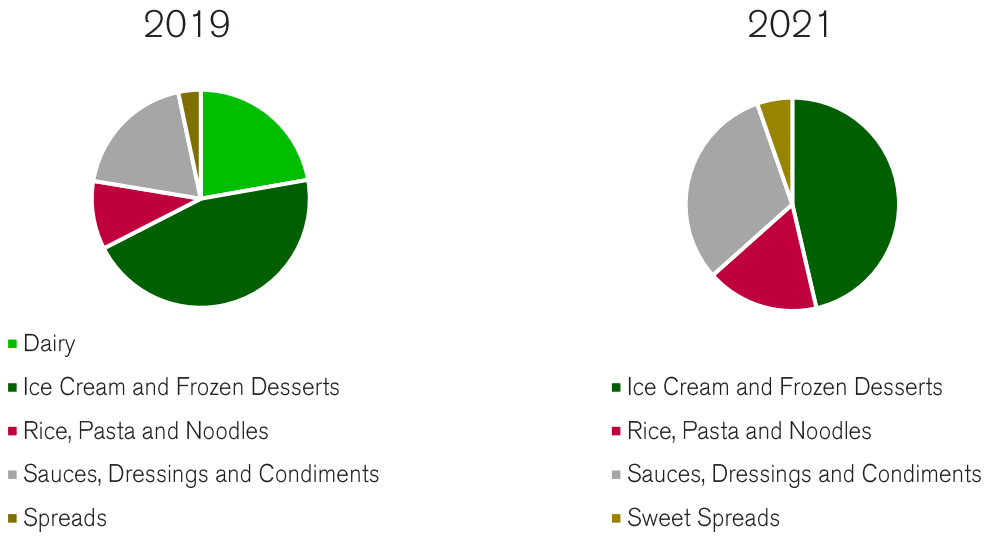
Unilever

Unilever slightly improved its sales-weighted mean HSR between 2019 and 2021 (+0.1 stars, see *Table 1.9*) based on an analysis of products in the top five best-selling categories in the U.K. (excluding plain tea). Unilever divested its spreads business, and therefore the dairy category was not included in the 2021 analysis. The company's 'Sauces, dressings and condiments' category mean HSR decreased (from 2.5 to 1.9) while, at the same time, this category accounted for a larger proportion of total sales in 2021 compared to the analysis in 2019, as illustrated in *Figure 1.9*. This drop is offset by an increase in the mean HSR of the company's 'Ice cream' category (1.7 to 2.0), although more products were included in the analysis in 2021, as well as an increase in 'Sweet spreads' (one product assessed).

Table 1.9: Unilever overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Dairy	24	-	2.9	-
Ice cream and frozen desserts	111	193	1.7	2.0
Rice, pasta and noodles	20	36	3.2	3.2
Sauces, dressings and condiments	114	149	2.5	1.9
Soup	-	30	-	3.2
Spreads/Sweet spreads	3	1	0.7	4.0
Total/mean HSR	272	409	2.3	2.1
sales weighted mean HSR			2.2	2.3
Difference in sales-weighted mean HSR			+0.1	

Figure 1.9: Unilever U.K. Product Profile category sales 2019-2021



2 Companies with a decrease in sales-weighted mean HSR 2019-2021

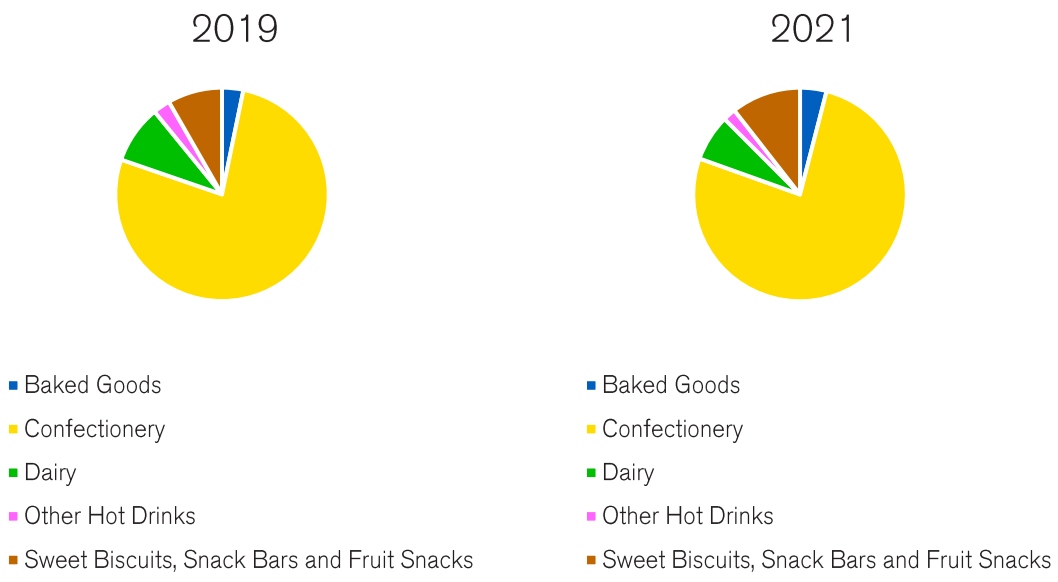
Mondelēz

When examining the healthiness of Mondelēz' U.K. portfolio in 2019 and 2021, the company was found to have decreased its mean HSR by 0.1 stars using category sales-weighted results, as shown in *Table 2.1*. On average, the company's dairy products appear to have had a lower mean HSR in 2021 compared to 2019. In addition, the company was found to derive less sales from this category, which impacted its overall results.

Table 2.1: Mondelēz overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Baked goods	52	3	1.0	1.2
Confectionery	310	475	0.8	0.8
Dairy	59	47	3.1	2.7
Other hot drinks	38	20	0.5	0.5
Sweet biscuits, snack bars and fruit snacks	114	179	1.4	1.4
Total	573	724	1.1	1.0
Difference in mean HSR			-0.1	

Figure 2.1: Mondelēz U.K. Product Profile category sales 2019-2021



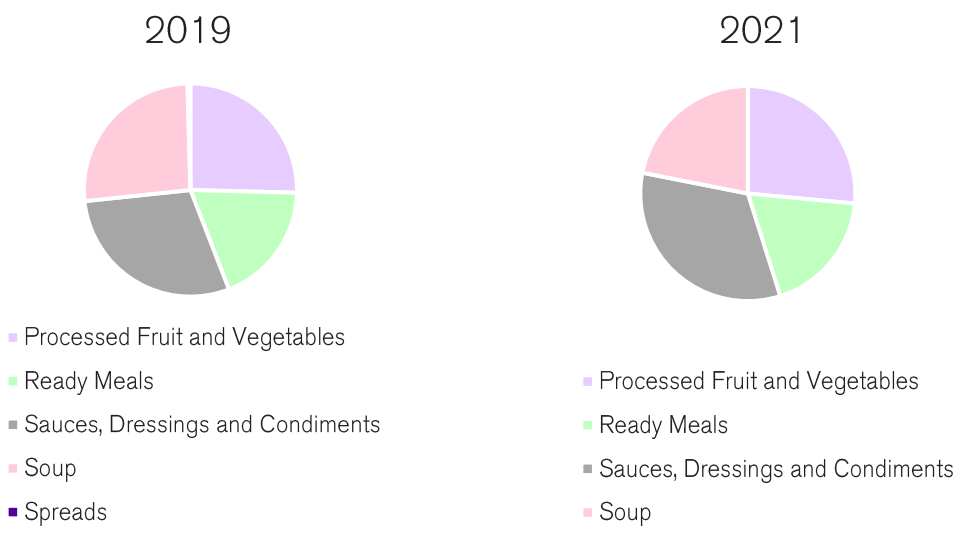
Kraft Heinz

Kraft Heinz was found to have slightly decreased its U.K. portfolio-level mean HSR by 0.1 stars between 2019 and 2021 using category sales-weighted results, as shown in *Table 2.2*. The results are driven by a decrease in the mean HSR in the sauces, dressings and condiments category (2.4 in 2019 to 2.2 in 2021). The scope of this assessment is unable to determine the nutritional factors responsible for a perceived decrease in the average nutritional quality of the company's sauces, dressings and condiments. It is important to note that fewer products were assessed in 2021 compared to 2019 for this category, and results must be interpreted with caution, as improvements are also observed in some categories (ready meals and soup). In addition, the company was found to derive more sales from the sauces, dressings and condiments category in 2021 compared to 2019 as shown in *Figure 2.2*.

Table 2.2: Kraft Heinz overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Processed fruit and Vegetables	38	10	4.3	4.3
Ready meals	44	36	3.5	3.6
Sauces, dressings and condiments	105	82	2.4	2.2
Soup	93	67	3.5	3.6
Spreads	4	-	2.0	-
Total/mean HSR	284	195	3.1	3.0
Sales-weighted mean HSR			3.4	3.3
Difference in sales weighted mean HSR			-0.1	

Figure 2.2: Kraft Heinz U.K. Product Profile category sales 2019-2021



3 Companies with no change in sales-weighted mean HSR 2019-2021

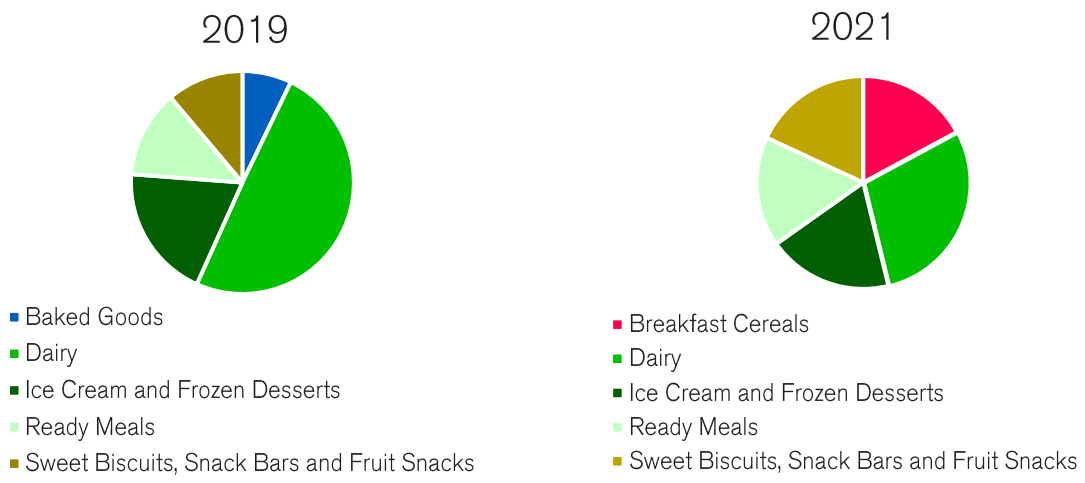
General Mills

Despite an increase in the mean HSR of products assessed in 2019 and 2021 (2.7 to 3.0), General Mills showed no change in sales-weighted mean HSR between 2019 and 2021 (2.9 in both years) when analysing products from the top five best-selling categories in the U.K., as shown in *Table 3.1*. However, due to changes in the methodology, these results should be interpreted with caution. The inclusion of the joint venture 'Breakfast Cereals Worldwide', included only in 2021, caused a shift in the top 5 best-selling categories for the company in the U.K and the 'breakfast cereals' category replaced the 'baked goods' category in the ATNI U.K. Product Profile analysis for General Mills in 2021. Breakfast cereals also account for a significant proportion of the company's total sales in the U.K. and, on average, achieved the healthy threshold (HSR 3.5). Despite this, the company was found to derive less sales from the dairy category in 2021, which also achieved a lower mean HSR in 2021 compared to 2019 (as illustrated in Figure 3.1), which might have impacted the overall results.

Table 3.1: General Mills overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Baked goods	65	-	1.8	-
Breakfast cereals	-	13	-	3.5
Dairy	84	109	3.6	3.5
Ice cream and frozen desserts	9	33	1.8	1.7
Ready meals	20	33	2.5	2.7
Sweet biscuits, snack bars and fruit snacks	14	44	2.5	2.5
Total/mean HSR	192	232	2.7	3.0
Sales weighted mean HSR			2.9	2.9
Difference in sales-weighted mean HSR			0.0	

Figure 3.1: General Mills U.K. Product Profile category sales 2019-2021



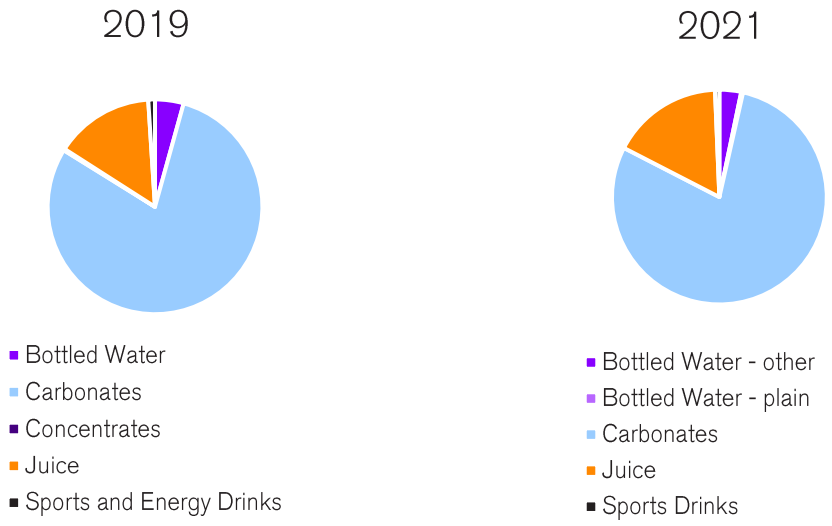
Coca-Cola

Coca-Cola showed no significant change in its sales-weighted (unrounded) mean HSR between 2019 and 2021 (see *Table 3.2*). Despite this, the company was found to improve its mean HSR (3.0 to 3.1), most likely driven by the average increase in HSR for juices and sport drinks. The company's largest category (by sales) was carbonates in both years and no increase in HSR was found, despite a larger number of products assessed in 2021 compared to 2019.

Table 3.2: Coca-Cola overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Bottled water- other	11	21	2.8	2.1
Bottled water- plain		4		5.0
Carbonates	56	104	1.8	1.8
Concentrates	7	-	1.9	-
Juice	68	124	4.2	4.4
Sport Drinks	8	5	1.8	2.0
Energy drinks		-		-
Total/mean HSR	150	258	3.0	3.1
Sales weighted mean HSR			2.2	2.2
Difference in sales-weighted mean HSR			0.0	

Figure 3.2: Coca-Cola U.K. Product Profile category sales 2019-2021



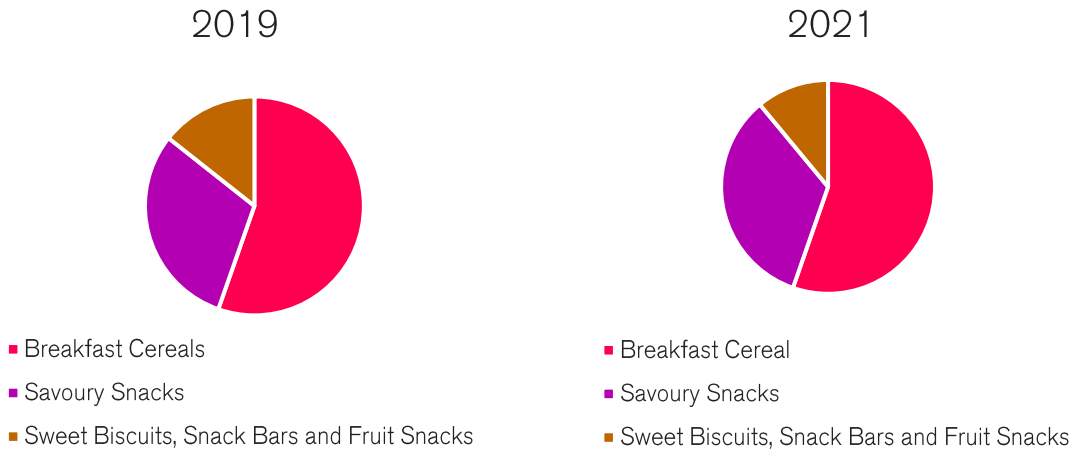
Kellogg

Kellogg showed no significant change in its sales-weighted mean HSR between 2019 and 2021 (see Table 3.3). Although the company improved the mean HSR in two out of the three categories it is active in (savoury snacks and sweet biscuits), the mean HSR for the breakfast cereals category decreased slightly (from 3.2 in 2019 to 3.1 in 2021). Breakfast cereal accounted for more than half of the company's estimated retail sales in both 2019 and 2021, as illustrated in *Figure 3.3*, therefore outweighing improvements in other categories, and more substantially impacting portfolio-level mean healthiness results.

Table 3.3: Kellogg overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Breakfast cereals	105	98	3.2	3.1
Savoury snacks	67	43	2.0	2.1
Sweet biscuits, snack bars and fruit snacks	71	55	2.0	2.5
Total/mean HSR	243	196	2.6	2.7
Sales weighted mean HSR			2.7	2.7
Difference in sales-weighted mean HSR			0.0	

Figure 3.3: Kellogg U.K. Product Profile category sales 2019-2021



Lactalis

Lactalis showed no significant change in its sales-weighted mean HSR between 2019 and 2021 (see *Table 3.4*). The company is only active in one category - dairy - and, on average, there was no observed improvement in the nutritional quality of the company's products or the category product mix over time.

Table 3.4: Lactalis overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Dairy	77	97	3.0	3.0
Total/mean HSR	77	97	3.0	3.0
Sales weighted mean HSR			3.0	3.0
Difference in sales-weighted mean HSR			0.0	

Figure 3.4: Lactalis U.K. Product Profile category sales 2019-2021

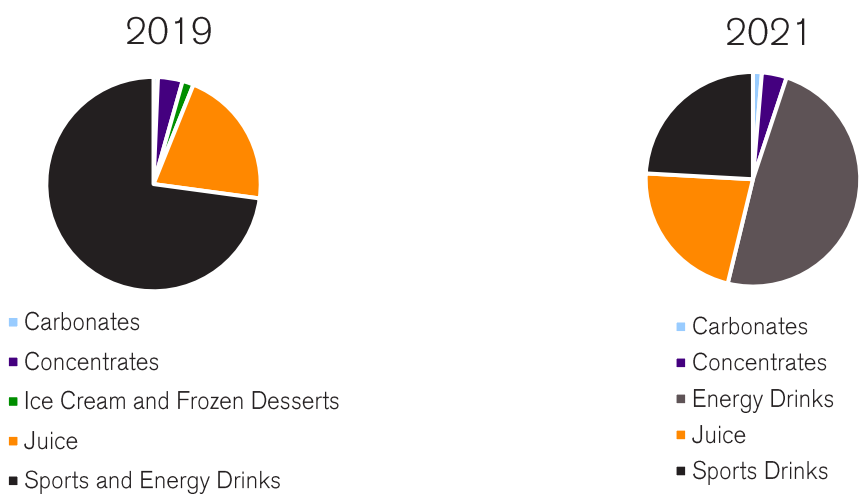
Suntory

Suntory showed no significant change in its sales-weighted mean HSR between 2019 and 2021 (see *Table 3.5*). The improvement in the mean healthiness of juice products over time (1.7 to 2.0) was offset by a decrease in the average mean HSR for carbonates and concentrates. A significantly larger number of beverages was assessed for the company in 2021 compared to 2019; therefore, these results should be interpreted with caution. The two ice cream products assessed in 2021 were no longer found in the 2021 analysis.

Table 3.5: Suntory overall 2019-2021 mean HSR

Categories	Total no. products used for HSR analysis		Category mean HSR	
	2019	2021	2019	2021
Carbonates	4	23	2.5	2.0
Concentrates	11	16	1.9	1.7
Ice cream and frozen desserts	2	-	3.0	-
Juice	17	50	1.7	2.0
Energy drinks	34	40	1.6	1.3
Sport drinks		27		1.9
Total/mean HSR	68	156	1.8	1.8
Sales weighted mean HSR			1.7	1.6
Difference in sales-weighted mean HSR			0.0	

Figure 3.5: Suntory U.K. Product Profile category sales 2019-2021



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