



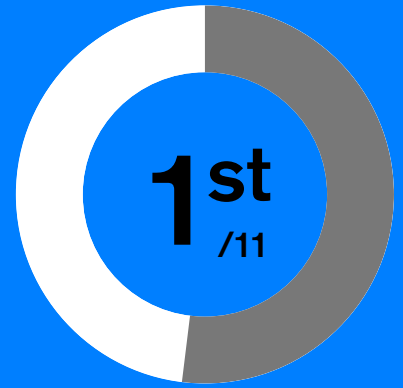
# Tesco

**Estimated UK grocery retail value**  
(£ billion, 2021) 37.4

**Number of employees**  
360,000 (UK)

**Headquarters**  
UK

**Type of ownership**  
Public



**Score 5.2/10**

**Governance** (12.5%)



**Nutrient profiling - defining 'healthy' products** (10%)



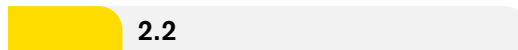
**Product formulation** (20%)



**In-store promotion, pricing and placement** (27.5%)



**Media and on-pack advertising** (7.5%)



**Accessibility of nutritional information and labelling** (10%)



**Engagement with stakeholders and policymakers** (5%)

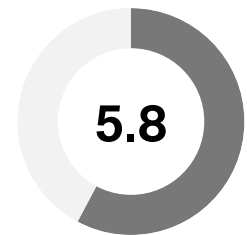


**Infant and young child nutrition** (7.5%)

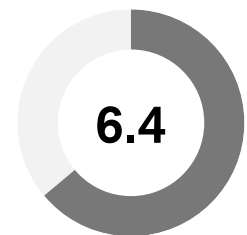


(%) Weight of a topic

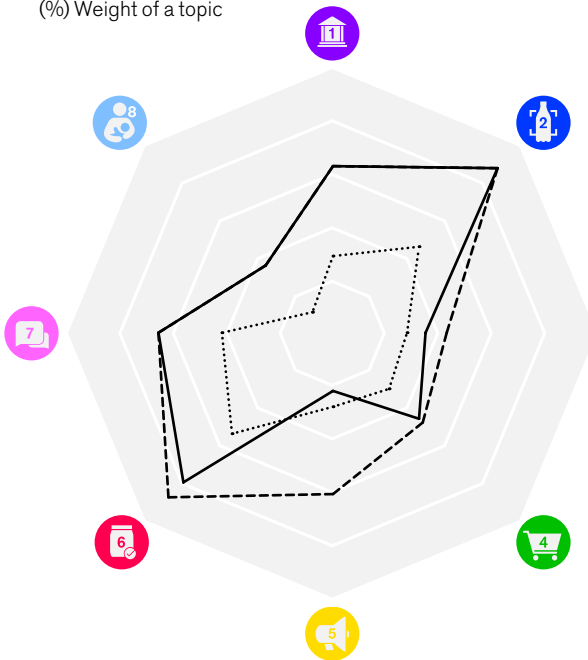
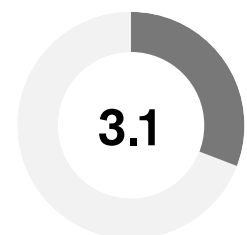
**Commitment**



**Performance**



**Disclosure**



The bar graph to the left shows company scores across the eight Index Topics and scores are shown for each Topic. The circles provide an alternate view on the company's overall results, showing the score per indicator type.

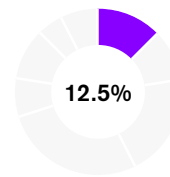


## Scores and ranks

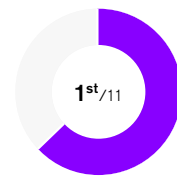
- Tesco ranks first in the UK Retailer Index with a score of 5.2 out of 10 (the average across all retailers is 3.3). This relatively low score highlights the need for continued progress towards achieving nutrition commitments amongst UK retailers.
- Tesco ranks best of all the retailers in Governance, Nutrient profiling - defining 'healthy' products, In-store promotions, pricing and placement, Engagement with stakeholders and policymakers and Infant and young child nutrition. The company ranks in the top three in six out of the eight Topics. Tesco has a clear focus on nutrition in its operations and has a strong reporting framework. Further, Tesco has set targets to increase the proportion of healthy products from 58% in 2019-2020 to 65% of volume sold by 2025, a positive improvement since the assessment for the Supermarket Spotlight 2020.
- Tesco's lowest score, of 2.2 out of 10, is in Media and on-pack advertising, an area where the company could improve by developing a responsible marketing policy for all consumers including children up to the age of 18.



### Governance



Topic weight



Score 6.3/10

Topic average 2.9

- Tesco has a strategy to grow through a focus on nutrition and health in the UK, as part of the Little Helps Plan (the framework for shaping Tesco's approach to sustainability at the time of research), and with a specific focus on helping customers to reach the UK dietary guidelines.
- Tesco commits to increase the proportion of healthy products from 58% in 2019/20 to 65% of volume sold by 2025, and provides evidence of progress made to date to achieve this goal. Tesco indicates that these targets apply to manufacturer-brand products as well as their own-brand products. Tesco is the only company in the Index that provided evidence of having increased sales of healthy products in the last financial year.
- Tesco transparently reports on its efforts to increase the sales of fruit and vegetables – for example, it discloses that the percentage volume of fruit and vegetable content in Tesco own-brand products increased from 0.6% to 3.2% between 2019/20 and 2020/21.
- Tesco aims to contribute to reduced sugar consumption as it reduced not only the amount paid to the UK government for the Soft Drinks Industry Levy (SDIL), but also reduced the total volume of drinks sold (including manufacturer-brand) which are subject to the SDIL.
- Tesco is one of only two companies that has reported on efforts to contribute to healthier diets in the UK in its annual report (as well as in additional reports).

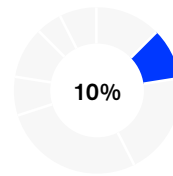


### Areas of improvement

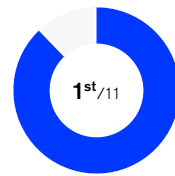
- The company is encouraged to strengthen its governance by ensuring that formal accountability for the nutrition strategy rests right at the top of the organisation, with either the CEO or a senior executive, rather than with a committee that reports to the Board.
- Tesco is encouraged to reference business risks explicitly linked to rising rates of obesity and diet-related diseases in its risk register.
- Tesco should aim to use independent research to deliver on its nutrition strategy, specifically addressing the nutrition needs of priority population groups at higher risk of diet-related disease or food insecurity.
- Tesco is encouraged to improve transparency by providing reporting for the last financial year on:
  - the percentage of sales generated by fruit and vegetables;
  - the ratio of sales growth of healthy products versus overall sales growth; and
  - the ratio of sales growth on fruit and vegetables versus overall sales growth.



### Nutrient profiling - defining 'healthy' products



Topic weight



Score 8.8/10  
Topic average 4.6

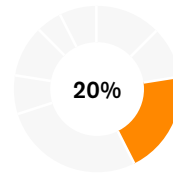
- Tesco's nutrient profiling model (NPM), the Tesco Health Score, is based on the Food Standard Agency (FSA) 2004/5 NPM to assess the nutritional quality of products, with a small adaptation. The Tesco Health Score uses the same criteria as those of the FSA 2004/5 NPM, but, additionally, 'only counts the health benefits of fruit, vegetables or nuts that are sold as whole products, not within "composite" products (e.g., a whole pepper would be scored, but pepper slices on a pizza wouldn't be).'
- Tesco is one of two companies to use its NPM to guide its product formulation and marketing.

### Areas of improvement

- Tesco is advised to publish its NPM in full on its website, including scoring and criteria showing how exactly the Tesco Health Score is calculated and where and how it is applied.



## Product formulation



Topic weight



Score 3.5/10  
Topic average 2.8

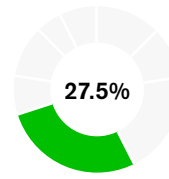
- Tesco commits to adhere to the government's 2020 ambition on sugar reduction to all government-specified categories. Tesco also reports on some progress against the government's previous sugar ambition:
  - In 2019, the retailer reported having achieved a sales weighted average for sugar at 19.8g sugar/100g of product across the products in scope, which represented a 9.3% sugar reduction (the government's ambition was a 10% reduction).
- Tesco commits to increasing levels of fruit and vegetables as well as wholegrains in packaged products. In the 2020/21 Little Helps Plan, the retailer commits to increasing the percentage of ready meals that contain at least one of the recommended five-a-day portions of fruit and vegetables from 50% to 66% by 2025.

### Areas of improvement

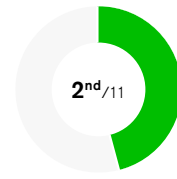
- Tesco is advised to commit to the government's latest salt and calorie reduction programmes in addition to its commitment to the sugar reduction programme.
- Tesco is encouraged to develop clear and timebound targets with a baseline for salt and calorie reduction efforts, and, as a minimum, align these with the government's latest voluntary targets. Tesco is also advised to publish clear and timebound targets with baseline to reduce levels of saturated fats.
- Tesco is encouraged to set a target and baseline for all products and product categories, linked to its commitment to increase levels of fruit, vegetables as well as wholegrains in packaged products.
- Tesco should develop standardised reporting frameworks for tracking progress on product (re)formulation efforts, including the percentage change in positive food components as well as negative nutrients added to or removed from products, and report regularly and comprehensively both online and in annual reporting.
- Tesco is advised to commit to smaller-sized portions on products not meeting the Tesco Health Score.
- Tesco does not permit the use of industrial trans fatty acids (iTFAs) in Tesco own-brand products, but it does not have an ongoing commitment in this area. Tesco is advised to explicitly commit to and follow the recommendations by the World Health Organization (WHO) that iTFAs should be less than 2g per 100g of fats/oils.
- Tesco shows evidence of some initial engagement with its suppliers on product reformulation, although to a limited extent. The company is advised to extend this engagement and to report publicly on these efforts.



## In-store promotion, pricing and placement



Topic weight



Score 4.6/10  
Topic average 3.0

- Tesco is one of three retailers with a commitment to address the affordability of its healthy products not only for the general consumer but also, specifically, for low-income groups.
- Tesco makes (and discloses) a price promise that healthy options will always be the same price or cheaper than less healthy products, stating that it is committed to 'help remove cost barriers to healthy eating by ensuring that customers always pay the same price or less for the healthier version'.
- Tesco is one of only two retailers found to use its NPM to underpin promotions and one of five retailers to commit to use it to guide product positioning in store.
- Tesco applies a range of marketing and promotional techniques to drive sales of healthy products, including Helpful Little Swaps health events, discounting fruit and vegetable lines and including more fruit, vegetables and wholegrains in meal deals. Tesco is one of four companies to provide evidence of impact of price-based promotions: a basket of 'helpful little swaps' costs 12% less than a regular basket and sales of 'helpful little swaps' increased by 17% in September 2018 compared with the previous year.
- Tesco has committed both to increasing the number/percentage of healthy products in more prominent locations relative to less healthy products, and to remove some less healthy items from checkouts.
- Tesco has committed to use pricing and price promotions, as well as marketing and other promotional techniques, to drive the sales of healthy products and has provided evidence of using shelf and in-store labelling to signpost healthier products.
- Tesco uses its loyalty scheme, the Tesco Clubcard, to incentivise the sale of healthy products.

### Areas of improvement

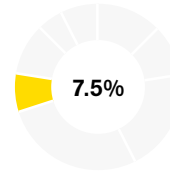
- Tesco is encouraged to report on examples and impact of its commitment to address the affordability and accessibility of healthy products for the general consumer and low-income groups.
- Tesco is advised to extend its price promise explicitly to all products and product categories and to report on examples and impact of its actions in this area to date.
- Tesco is encouraged to commit to stocking healthier variants for all products for which such a variant exists and with as many facings as the original products. Tesco is encouraged to publish information about how it guides product positioning of both own-brand and manufacturer-brand products.
- There is scope for Tesco to improve in promoting healthier products for children and refraining from the in-store promotion directed at children of unhealthy products, as currently no such commitments are in place and specific commitments would be welcome.
- Tesco is encouraged to report more transparently on its use of Clubcard data to incentivise healthier eating patterns, and to implement its reward system more widely.



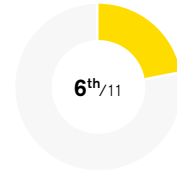
- Tesco is encouraged to improve its commitment to ban sales of energy drinks to children by extending the restriction from age 16 to age 18, and to provide evidence of having implemented this, for instance by indicating that Tesco staff receive training on the issue.



## Media and on-pack advertising



Topic weight



Score 2.2/10  
Topic average 2.8

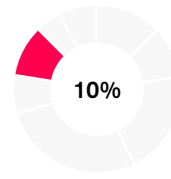
- Tesco has not published a responsible marketing /advertising policy for all consumers including children.
- Tesco uses the age of 18 (rather than 16) to define 'child' for online advertising purposes. It is one of just four of the retailers to apply this higher age.
- Tesco commits to align the portrayal of food in advertising with on-pack portion/serving size.
- Tesco, along with the other retailers, provides evidence of sponsoring initiatives promoting children and/or adults' healthy eating. For example, it is one of the retailers on the Child Food Poverty Task Force of the #EndChildFoodPoverty campaign started by British football player Marcus Rashford during the COVID-19 pandemic. Additionally, Tesco is a member of the British Nutrition Foundation, which uses charitable donations from Tesco to promote healthy eating in schools.

### Areas of improvement

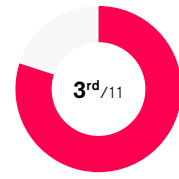
- Tesco is strongly encouraged to develop and publish a clearly articulated responsible marketing/advertising policy in line with International Chamber of Commerce (ICC) guidance, covering all consumers including children (defined as being those aged under 18), including all marketing communication channels, and is applied to all products and all stores.
- Tesco is advised to go beyond the UK Code of Broadcast Advertising (BCAP Code) by committing not to advertise HFSS products at all, on any forms of media on which it markets to children.
- Tesco should publicly commit to go beyond the UK Code of Non-Broadcast Advertising and Direct & Promotional Marketing (CAP Code) by committing not to use child-oriented characters on HFSS products, neither on pack nor in store/online.
- Tesco is encouraged to commit not to sponsor materials, people or activities popular with children and/or adults except in conjunction with healthy products/products low in sugar/calories/salt/fat.
- Tesco is encouraged to report on the impact of the initiatives it sponsors.
- Tesco is encouraged to commit to advertising a wider range of healthy products, and to commit to increase the proportion of advertising spend on healthy products relative to overall advertising spend and publish a commentary outlining the changes to the company's advertising spending in support of healthier eating.



## Accessibility of nutrition information and labelling



Topic weight



Score 8.0/10  
Topic average 5.4

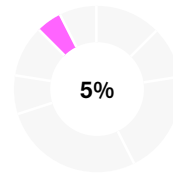
- Tesco sets out clearly its approach to labelling based on national labelling guidance/schemes.
- Tesco commits to (and provides evidence of) using colour-coded FOP labels on most own-brand products. Tesco informed ATNI about specific products that are exempt from this.
- Tesco provides evidence of a specific labelling policy with evidence of using: energy + 4 (energy value (kJ and kcal) plus amounts (in grammes) of fat, saturates, sugars and salt), displaying reference intake information, displaying typical energy per 100g/100ml and using traffic-light colour-coding.
- Tesco provides both back-of-pack (BOP) and FOP nutrition information for products online. Tesco displays FOP labels together with product pictures online to make them as accessible as they are in store. Tesco states that nutrition information on the Tesco website is populated from Tesco's recipe specification system (which creates product labels) and that there is a direct data feed between the two databases.
- Tesco has several filter functions online for healthy products, including 'low-salt', 'high fibre' and '1 of 5 a day'.

### Areas of improvement

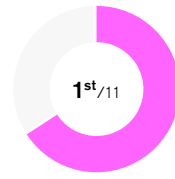
- Tesco is advised to publish its approach to FOP labelling and accessibility of nutritional information online. This should include clarification on the criteria for exemption from FOP labelling and the percentage of its portfolio that is compliant.
- Tesco currently uses its own nutrition criteria to assess whether a product can have a health claim (including the Healthy Choice logo) placed on it, stating that nutrition and health claims cannot be made if any nutrient is 'red' on the FOP label and the product is therefore high in fat, sat fat, salt or sugar. Some products are exempt from this rule. Tesco is advised to publicly commit to not placing health claims (including logos) on a product unless it is explicitly defined as healthy under the company's NPM (the Tesco Health Score).



## Engagement with stakeholders and policymakers



Topic weight



Score 6.6/10  
Topic average 4.2

- Tesco has an Anti-Bribery Policy, which states: 'Giving or receiving bribes, whatever their size, is never acceptable and we take a zero-tolerance approach to bribery and to those involved in bribery.' The company also has a gifts and entertainments policy.
- Tesco is 'supportive of the Government creating a level playing field through legislating in this area, provided any new rules are evidence-based and proportionate'. Tesco shares data with the Department of Health and Social Care (DHSC) to support evidence-based approaches, and it is one of two companies indicating that it has not 'publicly or privately sought to oppose the Government's plans to bring in new regulations'.
- Tesco is engaged with several initiatives that aim to address the nutrition challenges in the UK, including the government's Change4Life campaign, a pledge to the Food Foundation's Peas Please initiative, the Consumer Goods Forum's Collaboration for Healthier Lives initiative and support for the Veg Power 'Eat them to defeat them' campaign. The company also committed to increasing the value of Healthy Start Vouchers (by £1.15) in its stores after the publication of the National Food Strategy Part 1, and the Tesco Health Charity Partnership works with 'Diabetes UK, Cancer Research UK and British Heart Foundation to address the UK's biggest health issues'.
- Tesco's partnership with the British Nutrition Foundation (BNF) is evidence of engaging with stakeholders to develop nutrition policies/programmes. In Tesco's report 'A Balanced Diet for A Better Future' (a collaboration with the BNF), the company states that 'to help people put the Eatwell Guide into practice, we've worked with nutrition experts at the British Nutrition Foundation to create an example 7-day meal planner'.

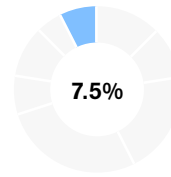
### Areas of improvement

- Tesco should publish a clear and comprehensive lobbying policy or code of conduct in line with the [Responsible Lobbying Framework](#), in which it commits to:
  - only engage with government, political parties, policymakers and policymaking bodies in support of measures to improve health and nutrition, aligned with public-health interest as identified by government; and
  - only engage in lobbying activities that support an evidence-based approach to policymaking, with the emphasis on independent, peer-reviewed science and its lobbying positions on key nutrition topics.
- It is recommended that Tesco strengthens its transparency on lobbying practices by disclosing a comprehensive list of its membership of industry and trade associations.

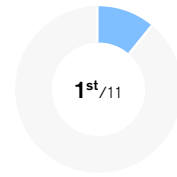




## Infant and young child nutrition



Topic weight



Score 3.6/10  
Topic average 1.1

- Tesco manufactures and sells complementary foods for infants and young children under three years, and sells (but does not manufacture) breast-milk substitutes (BMS: infant and follow-on formula and growing-up milk, also known as toddler milk). The company has not published any policies in this area in the public domain.
- Tesco has developed extensive guidance on the nutritional and labelling requirements for the different types and age ranges of its own-brand foods for infants and young children. The standards are based on the government guidance, ensuring that most of these foods do not contain added sugar or added salt, and also include targets for the level of vegetables in these foods for children to taste.
- Of the retailers assessed for this Index, Tesco's standards are the only ones that address the water content of complementary foods to ensure it does not compromise the nutritional and caloric density of the products.

### Areas of improvement

- Tesco should put policies and procedures in place that comply with the WHO's International Code on the Marketing of Breast-milk Substitutes and subsequent World Health Assembly resolutions, which also provide guidance on the marketing of complementary foods, going beyond national regulations covering the marketing of infant and follow-on formula (which only include the advertising, point-of-sale promotions and labelling of infant formula, and include some labelling requirements for follow-on formula).
- Although Tesco has comprehensive standards on restricting the marketing of most products that are classified by WHO as unsuitable for children under three years of age, the company is advised to extend these restrictions to apply not only to own-brand products but to those made by other companies and sold by Tesco.
- As a manufacturer of complementary foods, Tesco is encouraged rigorously to comply with government guidance (including forthcoming government guidance) but also strive to follow WHO/Europe recommendations relating to the nutritional composition and labelling requirements of foods aimed at older infants and young children. Tesco is also encouraged to commit to continuously improving the nutritional quality of its complementary foods, given that standards are regularly revised and updated.

## **General disclaimer**

*This company scorecard has been based on research carried out by ATNI based on publicly available data and company engagement between March and August 2021. Any action taken by the retailer after 29 August 2021 has, therefore, not been included in the scoring. The findings of this Index regarding retailers' performance rely to a large extent on information shared by the companies themselves, additional to information available on the company's website. Several factors beyond the retailers' control (such as the COVID-19 pandemic) may have impacted their capacity to collate and share the information (publicly or directly with ATNI) that is needed for this Index. Particularly where retailers have been involved in only limited or no engagement, this Index may not represent the full extent of these companies' efforts.*

*As a multistakeholder, collaborative project, the findings, interpretations and conclusions expressed in the report may not necessarily reflect the views of the retailers, of members of the different stakeholder groups consulted for this research (including the Expert Group, industry associations and investors) or the organisations they represent, or of the funders of the project.*

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