The Nutritional Labelling Landscape

Seeking opportunities in Savoury Snacks

A White Paper by Griffith Foods

Creating Better Together™

Griffith FOODS™

We blend care and creativity to nourish the world.

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Introduction

Over the past two decades, Nutritional Labelling on food packaging has become increasingly important from a customer and a consumer perspective.

It's clear that consumer sentiment around improving health coupled with a food industry desire to support that agenda has driven faster change.

There has been increasing global interest in nutrition labelling as a policy tool through which governments can guide consumers to make informed food purchases and healthier eating choices.

This interest comes as countries contend with an emerging epidemic of diet-related Noncommunicable diseases (NCDs) and low population compliance with dietary recommendations.

During the past decade, the World Health Organisation (WHO) and its regional offices have intensified calls for countries to adopt policy, legal, and regulatory measures to help reduce the incidence of obesity and other Noncommunicable diseases (NCDs) associated with unhealthy diets.

Regulatory measures for foods and beverages include mandatory labelling requirements for a comprehensive declaration of key nutrients such as calories, amount of fats, sugar, and salt.

Within that evolution, government regulators in both the UK and Europe have been quick to utilise the opportunity to educate consumers and seed healthier eating habits for millions of people, noting immediate benefits for health services and public health in general.

A differentiated regulation picture between the UK and Europe and within Europe has been splintering between countries for the past decade. Prospects of harmonisation look inviting though perhaps less likely to materialise in the immediate future which puts pressure on food retailers to manage an array of legislative labelling changes which differ widely across the European Economic Area (EEA).

This white paper will capture a broad analysis of the current Nutritional Labelling picture explaining and examining Traffic Light versus Nutri-Score systems, their benefits and methods by which they might be improved alongside the impact of a changing regulatory picture.

It will also share the latest research from our European Consumer Snack surveys that illustrate in detail behavioural trends which can assist customer decision making.

The paper will also illustrate how those system scorings can be better managed by snacks manufacturers, improving ratings and product perception to shift buying intentions and commercial returns.

What is Front-of-Pack (FOP) Nutrition Labelling

Front-of-pack labelling (FOPL) is an important policy tool for countries to help consumers to make healthier food choices. It was first introduced in the late 1980s by NGOs and government agencies.

Front-of-pack nutrition labelling is usually represented in the form of infographic that simplifies nutrition information provided on food labels.

This type of package labelling has been voluntarily implemented by food companies since the beginning of the 20th century.

In the past 20 years, government and non-government organisations began to implement different FOP and nutritional labelling systems offered as guidance but in infact close to law.

Today, both the European Commission and the UK government are planning and introducing a mandatory nutritional label for food products in the fourth quarter of 2022. These Field to Fork programmes will impact foods that are High in Fat Salt & Sugar (HFSS).

As such, new legislation and laws, especially in the UK, will add additional pressures and promotional restrictions to food manufacturers but also offer new opportunities to reframe nutritional ratings and secure, for some, commercial advantage.

While these opportunities exist, countless products will score lower nutritionally and this presents challenges to address product processing and composition. In the push to offer healthier concepts to market, whilst retaining great taste and texture, portfolio management and product development is taking on a new, more complex period of experimentation and change.

The Nutritional Labelling Landscape

The food labelling landscape of the UK and Europe is in greater flux with more moving parts than in previous years.

There is a requirement to be compliant with government guidelines and regulation, fulfil the requests of snack processors, retailers offering 'Better for You' products, and meet the consumer needs for a healthier lifestyle.

The challenge to diversify portfolios to address different demographic groups and audiences is now front of mind for food manufacturers.

One on-going issue for (Pan-European) food companies, especially those that operate across the UK and EU is the chequer board of systems being used in the European Economic Area (EU).

In Europe, there are several schemes operating in accordance with the Food Information to Consumers Regulations (EU) 1169/2011 and the Nutrition and Health Claims Regulation (EC) 1924/2006.

These include the Nutri-Score (used in France, Belgium, Spain, Germany and the Netherlands), the traffic light scheme (UK/Ireland), the Keyhole logo (Sweden, Denmark) and the Choices Logo (Poland, Czech Republic).

Different member states are hardwired with their current systems and have strong opinions for what is effective. That said, some countries are working together to examine how alignment might work and the way in which an umbrella system could in time, harmonise, or at least align the current system.

Harmonisation may be slightly further away, but its merits and health advantages are understood to make sense.

Traffic Light Overview

Traffic Light as a system has been adopted in the UK and Ireland. Generally, it's front-of-pack appearance gives four nutrient and calorie readings including fat, saturated fat, sugar and salt.

Pack information is in grams and in % of daily intakes per portion but energy is not colour coded.

The regulatory picture in the UK is moving quickly forward. New requirements have been introduced to agree definitions on what constitutes a healthy snack.

Within that, there will be restrictions on promotional activity and advertising via High in Fat Salt and Sugar (HFSS) guidelines.

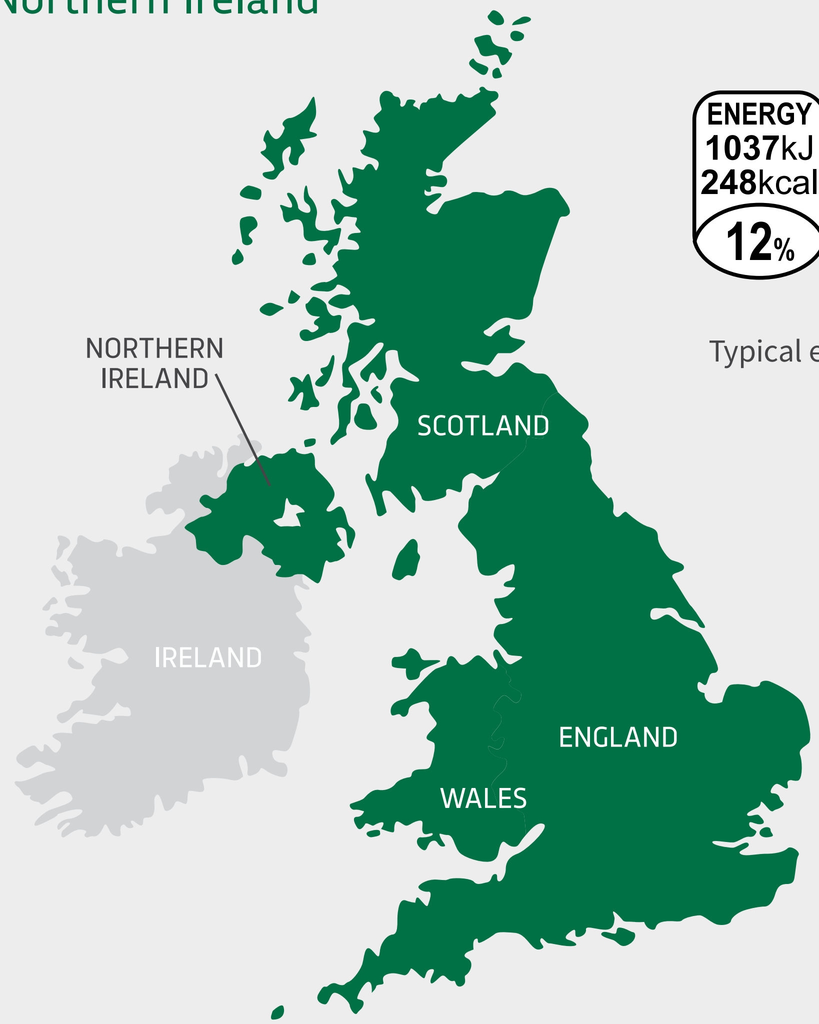
When a product does not meet these guidelines, advertising and in-store promotional restrictions mean exposure only after the watershed and never in any online communication. There will also be a removal of all multi buys extra free, free samples, incentives and rewards.

With expectations these guidelines will likely become law by October 2023, so industry opportunity to address product modifications right now is great.

Further down the line, there is calorie reduction target of 5% by 2024 knowing that other categories have their own targets.

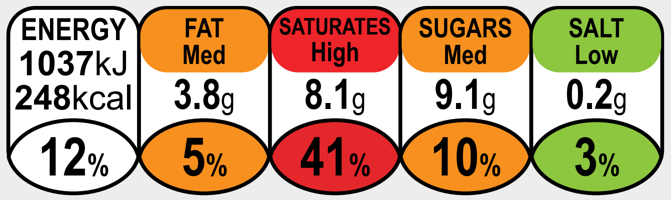
TEXT	LOW	MEDIUM	HIGH	
Colour code	Green	Amber	Red	
Fat	≤ 3.0g / 100g	> 3.0g to ≤ 17.5g / 100g	> 17.5g / 100g	> 21g / portion
Saturates	≤ 1.5g / 100g	> 1.5g to ≤ 5.0g / 100g	> 5.0g / 100g	> 6.0g / portion
(Total) Sugars	≤ 5.0g/100g	> 5.0g to ≤ 22.5g / 100g	> 22.5g / 100g	> 27g / portion
Salt	≤ 0.3g/100g	> 0.3g to ≤ 1.5g / 100g	> 1.5g / 100g	> 1.8g / portion

Adopted in the UK & Northern Ireland



Traffic Light Example

Each XXX serving contains



of your reference intake
Typical energy values per 100g: 2058kJ/498kcal

Nutri-Score Overview

Nutri-Score is a FOP directive nutritional label graded across five colours, advising over seven nutrients per 100 grams.

It's been broadly adopted by Belgian, French Spanish and Dutch authorities. Its advocates say it is the only proposed labelling scheme that adheres entirely to the concepts and processes that were published by the WHO.

Unfortunately, the European picture, one member state to another is fragmented and more nuanced. Despite Nutri-Score being a frontrunner for wider adoption, not everyone is an enthusiast.

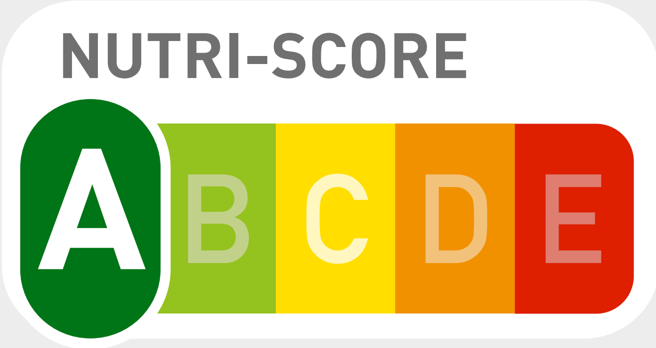
For example, Italy has yet to adopt it, claiming it oversimplifies the nutritional value of certain products and unfairly penalises aspect of the Mediterranean diet. It uses Nutriform as an alternative.

Similarly, Sweden uses the Keyhole system where you will rarely see Nutri-Scores except those on imported food.

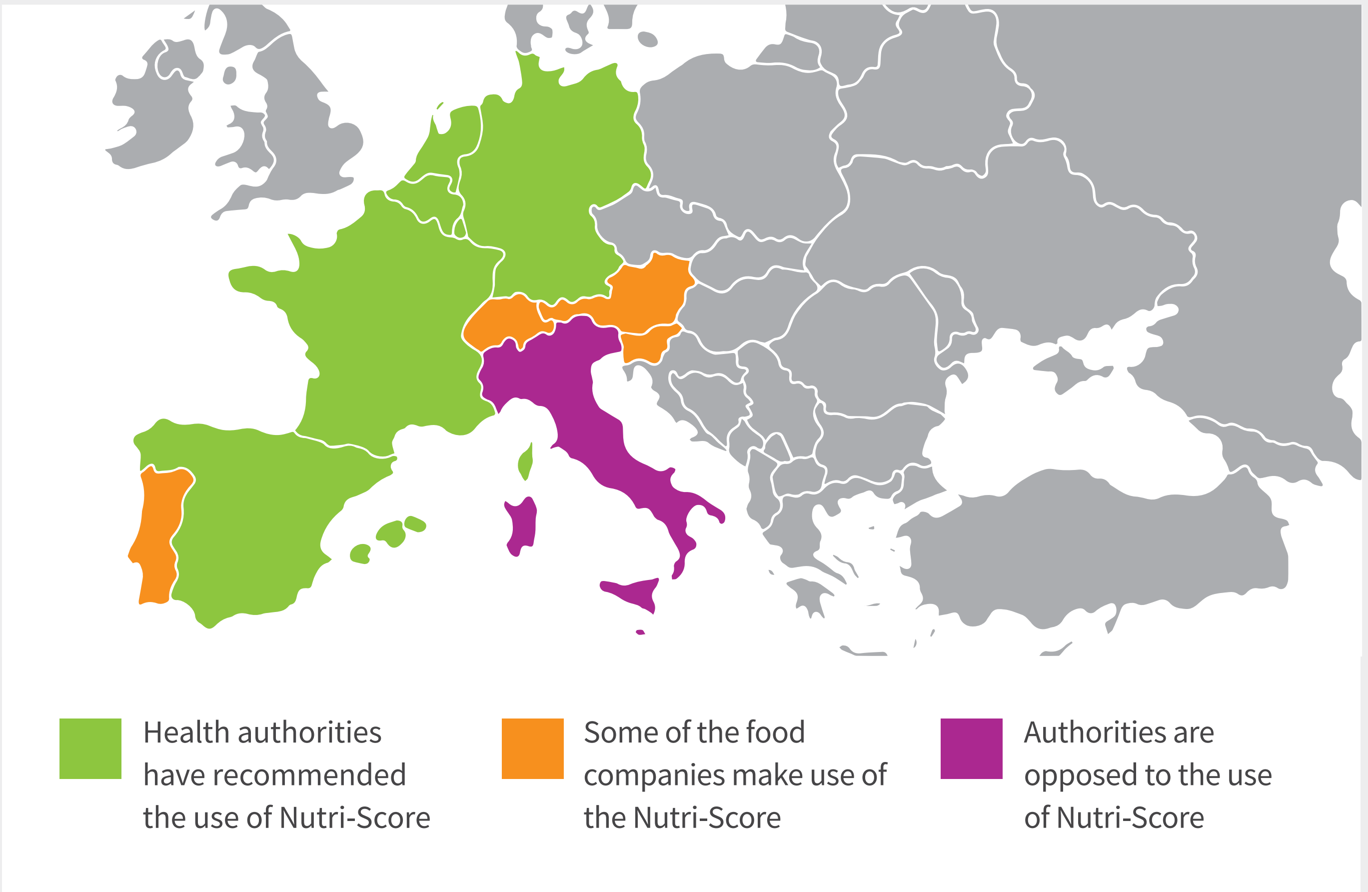
Farm Europe, a think tank, is also a Nutri-Score critic. It argues that more FOP labelling should lead to further detailing on back-of-pack. There should also be a greater push for wider education based on normal portions, not 100 grams.

Yet, despite these differences and the need for greater alignment across all countries, the fact that all these countries trade with each other does illustrate the need for broader harmonisation.

Nutri-Score Label



Adoption of the Nutri-Score in Europe (December 2019)



Navigating the Regulatory Landscape in Detail

"Unhealthy promotions will be banned from key locations."

UK: High Fat Salt & Sugar (HFSS) Regulatory Change

The UK Government has recently published new HFSS guidance which has been set out more clearly since the initial announcement in 2020. The Department of Health and Social Care (DHSC) has now published the guidance notes for the Food (Promotion and Placement) (England) Regulations 2021.

- Offers for unhealthy foods like 'buy one get one free' and promotions in prominent locations in stores and online will be restricted from October 2023.
- Free refills of sugary soft drinks will also be prohibited in the eating-out sector.
- Restrictions will apply to medium and large stores.

The new rules, designed for people to make healthier choices, will prohibit retailers from offering multibuy promotions such as 'buy one get one free' or '3 for 2' offers on these products. Unhealthy promotions will be banned from key locations, such as at checkouts, store entrances, aisle ends and their online equivalents.

Promotions often appear to help shoppers save money but data shows that these deals increase purchases of promoted products by almost 20%. Consumers engage unintentionally. Free refills of sugary soft drinks will also be prohibited in the eating-out sector.

HFSS Delay in the UK:

The UK government is delaying the restrictions on multibuy deals and advertising foods high in fat, salt or sugar (HFSS) for a year as a result of the "unprecedented" squeeze on living standards. Despite being planned for this October, the high in fat, sugar and salt (HFSS) foods and drinks multi-buy promotion ban has now been pushed back by a full year.

Rules banning multibuy deals on 'unhealthy' foods and drinks – including buy one get one free (BOGOF), '3 for 2', and restricting free refills for soft drinks – will now be delayed until October 2023. A ban on TV adverts for HFSS products before the 9pm watershed and on paid-for adverts online has also been delayed to January 2024.

However, restrictions on where HFSS foods can be placed in-store will still go ahead in October 2022 as planned. According to the Department of Health and Social Care (DHSC) officials, the deferral of the buy-one-get-one-free ban was to give ministers a chance to assess the impact on household finances as inflation and household bills continue to rise.

Key clarifications from the guidance document:

- Products that include volume promotions on their packaging that cannot be removed will be permitted to be sold for 12 months until October 2023.
- Businesses that have fewer than 50 employees are exempt (subject to symbol / franchise definitions).
- Vending machines that are operated by a separate business are not subject to location restrictions, although the Department of Health encourages retailers not to put vending machines selling HFSS products in otherwise restricted areas of their stores.

The guidance aims to clarify many of the points of confusion around the implementation of the regulations, including confirmation of which stores are exempt and how restrictions on volume promotions will play out in practice. Initial food industry reactions argue that more answers are provided for the overall introduction of the rules. That said, there is still a lot of interpretation that will be left up to enforcement officers when the regulations come in. As ever, implementation will be a process over time.

Thus far, the Food & Drink Federation (FDF) response has been muted, not least because these changes have come at a critical time for the food industry as inflation surges:

> *"The UK Government has pressed ahead with restrictions on how everyday food and drink products, including breakfast cereals, ready meals, yoghurts and desserts, are promoted in shops. This will have a negative impact on the food and drink industry - the Government's own estimates suggest businesses across the country will be hit bycosts of over £1 billion a year - while the measures are not expected to impact rates of obesity."*

European Regulatory Changes

To date, in Europe, FOP nutrition labelling remains voluntary. However, according to the action plan for the EU's Farm to Fork Strategy, the European Commission will submit a proposal for a harmonised mandatory scheme, by the end of 2022.

The mission is to provide consumers with easy-to-understand nutritional information of food products. However, given the existence of several types of front-of-pack nutrition labelling schemes (numerical, colour-coded, graded, etc.), the European Commission will identify the preferred option or a policy mix.

Nutri-Score is one of the preferred options, but some countries are opposed to this front-of-pack scheme arguing that it oversimplifies the nutritious value of certain products and is too critical of some foods that are widely consumed as part of the Mediterranean diet, olive oil being a good example.

Nevertheless, experts from many EU Member States argue that the co-existence of a range of FOP schemes in the EU market will lead to more market fragmentation and consumer confusion.

Whilst a harmonised EU-wide system is clearly the right solution, mandatory nutrition labelling on the front of packaging will have a dramatic impact for food manufacturers.

This will likely include the redesign of food packaging, for all concerned food categories, the reformulation of food products to improve the nutritional score without compromising taste, and the development of regulatory and technical knowledge.

Certainly, there is opportunity to get ahead of these changes and start to address product and portfolio reformulation now.

Consumer Behaviours & Insights

In any period of transition, making decisions based on the right insights and data is central to commercial success. Griffith Foods enjoys a tradition of research and insights that constantly inform customers on key decision making and portfolio innovation.

Over the last year, it has conducted two large pan European surveys across 6000 consumers - examining firstly broader consumer snacking behaviours and secondly attitudes to low, reduced fat snacks.

The results reinforce existing perceptions of the consumer snacking habits but with some interesting consistencies one country to another.

Obviously, consumer behaviours differ but the overall trend towards healthy snacking in now absolute with healthier choices made by far more people and for more meal occasions.

This is driven in part by the pandemic and by a major shift in healthier snacking in play for the past decade which is now accelerating.

Consumer Types & Demographics

The healthy snacker in Europe is on average 45 years old. This compared with the unhealthy snacker who is 57 years is old.

Snackers aged between 26 and 35 tend to be even healthier snackers – they are the future mass consumer and can help consolidate predictions. Participants were slightly more female than male with non-healthy snackers mostly outspoken men.

Three out of ten healthy eaters also incorporate healthy snacking into their diet. Clearly, we are seeing a demand for greater transparency and heathier products which are better for you but great taste – that remains an absolute priority and a commercial imperative.

Yet not all consumers are alike. Some consumers are looking for snacks with lower fat, salt and calories with no artificial ingredients whilst others want to see more fortification via proteins, fibres and vitamins.

However, overall, there are more similarities than inconsistencies in their perceptions and needs.

Consumer Behaviour Insight Summary

01 3 out of 10 consumers say they snack healthily.

02 Clearly a large number never buy unhealthy snacks.

03 6 out of 10 snack in a balanced way and intend to snack more healthily.

04 Around half of all participants think snacking is essential to their lifestyle.

05 7 out of 10 consumers read nutritional labelling information.

06 4 out of 10 do so on a regular or very regular basis.

Reasons to Snack Healthily

Consumer Response to Labelling

The survey found that recognisable ingredients are as important as Traffic Lights, Nutri-Score and Keyhole labelling. Consumers check that information just as much.

Health and Nutrition claims on front or back of pack are deemed helpful whilst E-numbers or additives are considered challenging to understand, despite negative associations.

Consumers, broadly speaking, accept a Nutri-Score ‘C’ or Traffic Light to Orange as an acceptable standard.

As such, the expectations are that Nutri-Score ‘B’ will become an industry and consumer standard in the coming year. This does depend on which type of snack in question - from rice cakes and popped snacks mainly.

Claims & Taste Challenge

Claims on packs such as clean label, reduction, fortification, natural or sustainable sourced are are increasingly popular.

Yet, these processes don’t occur without challenges. Reducing fat also impacts taste and can result in a dry mouthfeel which must be carefully managed in the production.

Additionally, new global benchmarks on salt reduction levels set by the World Health Organisation (WHO) in 2025 will add another layer of pressure to adopt changes.

Consumer Behaviour Conclusions

Across all the categories of frequent, occasional and potential adopter, there was a lot of interest in new products and how they might support healthier snacking.

No one can dispute, that the age of healthy snacking is here and across Europe middle aged and younger consumers are driving demand in their millions.

As that demographic grows – from millennial to Generation Z, that demand will only increase even if it is nuanced by changing attitudes and tastes.

The over 50’s are yet to be converted but the opportunity to market to this audience is clear and post pandemic attitudes to health have shifted as you would expect.

Country Findings Summary

UK and Spain
In the UK and Spain, the overall results aligned in the same order of priorities for consumers.

Clean label (natural ingredients, no artificial flavourings, preservatives, or artificial flavourings)

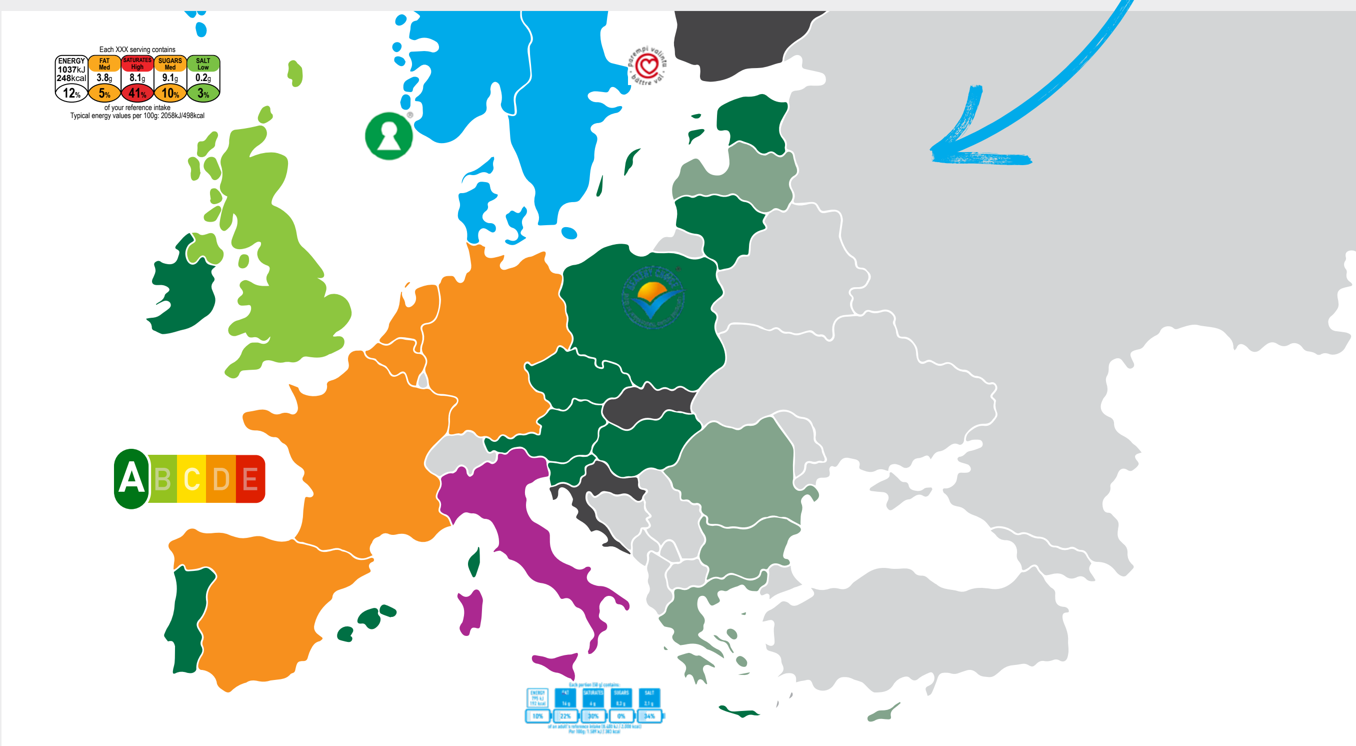
Reduction (fat, sugar, salt) fortification (vitamins, fibres, proteins) sustainability (ingredients) were ranked in that order.

France
In France, clean label, reduction, organic and fortification showed a slight difference in priorities.

Netherlands
Here reduction, clean label, fortification and sustainability mapped a shift in priorities.

Germany
Clean label, reduction, sustainability and fortification highlighted priorities with an emphasis on clean label.

FOP Nutritional Labelling



Colour Explanation: Traffic Light - Nutri-Score - Heart Logo - No Clear Position on Local Packing Regulation Websites - Keyhole Logo - Nutrihorm Battery - Healthy Choice

Delivering on impressive taste and texture.

Impacting Nutri-Score with Griffith Foods Capabilities

It's clear that a combination of consumer demand, regulatory pressure and commercial interests of food companies are combining to drive change. Many believe there will be significant market advantage to tackle and embed modifications now and prepare products ahead of any regulatory or legislative curve.

There is also a commercial argument to review portfolios and products now and this is where Griffith Foods can provide expertise, advice, support and ultimately solutions that improve scorings. Ultimately, this is not just about tweaking products piecemeal although that option is always on the table. Our view is that entire strategies and portfolios can be reinvented and now there is greater incentive to lead the charge and steal a march on the competition.

Label Impact via Reduction

Salt/sodium can be reduced or eliminated via salt replacers or boosters. Then it's core functionality as a taste enhancer must also be replaced. Fat can be reduced using oleic oils, using the dust-on application instead of slurry, to manage mouthfeel and fat content of the product seasoning. Oven baked and unsaturated fats also helps.

Sugar replacers or naturally sweet ingredients can assist but sugar must be replaced for functionality. Products can be fortified using fruit vegetables nuts and pulses only count when above 40% of the content; nuts are positive but add to the total energy value.

Label Impact via Adding

Soluble and insoluble fibers are preferred which can help the moisture balance. Adding protein can lower the score by 8%. Fruit, vegetables, pulses and nuts only count when above 40% of the content. Vegetable or fruit powders do not count.

Our Capabilities – Upgrading Nutri-Score

Using our Sodium Flex and Sugar Flex toolboxes, we can provide guidance, advice and actions that will upgrade the Nutri-Score rating. Critically, this can mean a Nutri-Score 'C' becomes a 'B' which can make a significant difference for consumers with commercial returns for our customers.
In the event that 'B' becomes an industry standard, our capabilities especially in terms of taste and texture retention will play a major role in portfolio modifications.

NUTRI-SCORE → NUTRI-SCORE

How it works?

In most instances, we offer partners two options – either to create a new formula from scratch or address the substrate itself.

We feel privileged that there is so much trust between us and our partners as its essential that they open their recipe books and share their data.

That way we can pour all the required information into a collective calculator to examine at what precise point reduction is required to lower the score.

In savoury snacks, saturated fat and sodium are the challenges which must be managed.

If you lower the salt, taste is lost so that functionality must be replaced. When fibres are added to gain points and that too must be calculated. You need 5% of fibres to make that score effective as a positive.

The fact is that most food manufacturers accept that they will have to start from scatch when they bring new products to market – they will aim for a 'B'.

For now, there is a general trend towards optimisation.

Griffith Foods is prepared and has expertise to change Nutri-Score and Traffic Lights via seasonings as well as other ingredients.

	MARKET PRODUCT (g/100g)	GRIFFITH'S PRODUCT (g/100g)
Energy	2113 kJ	2024 kJ
Fat	26.8g	27.567g
Of which saturated	2.6g	3.38g
Carbohydrates	57.2g	57.778g
Of which sugars	5.2g	4.53g
Dietary fibre	/	5.22g
Proteins	7.4g	4.2g
Salt	1.67g	0.01g
	NUTRI-SCORE	NUTRI-SCORE

Product	Griffith extrudates - SODIUM FLEX
Energy (KJ / 100g or 100mL)	2024.982
Total Fat (g/100g or 100mL)	-
Saturated fatty acids (g/100g or 100mL)	3
Sugars (g/100g or 100mL)	4.52
Proteins (g/100g or 100mL)	4.2
Salt (g/100g or 100mL)	0.0143
Fibres AOAC (g/100g or 100mL)	5.22
Unit of nutritional values (list menu)	-
Fruits, vegetables, pulses, nuts & olive oils	0
Sodium (g/100g or 100mL)	6
Score	2
Nutri-Score	B
Colour	Light Green

Conclusions and how Griffith Foods can help.

It's clear that the food industry both in the UK and Europe is facing significant change across Nutritional labelling.

Certain dynamics such as unclear timelines on legislative changes are shaping further uncertainties. It's that expectation that is forcing more forward-thinking companies to act now.

One more popular decision is to benchmark as much of the next generation of portfolios as possible so that processes begin with a specific Nutri-Score 'B' score for all products from the outset.

This will guarantee a healthy status across all snacks for certain providers which makes commercial sense given market expectations. Yet it will also put added pressure to deliver on taste and texture.

The role of product development partners to support the industry cannot be overstated as its their technical expertise to reduce sodium and sugar and add fibres and other nutrients that become central to Nutri-Score and Traffic light upgrades.

The race on two counts is on for snacks manufacturers – both to modify their current ranges as best they can to avoid promotional bans and to lay down new conditions on how to manage the future products and portfolio vision. That means taking a very different approach to the creative process and product development.

Griffith Foods has a 103 plus year track record of supporting partners in this way. We discuss ideas and options from the earliest opportunity and value an ongoing two-way conversation that enables the purest form of collaboration.

We are trusted to see every ingredient list and recipe which provides the foundation to make the right decisions, securing the very best outcomes.

Our message is simple. We are experts in taste and texture, but we are also culinary experts that know how to leverage the taste and eating experience of a huge range of snacks.

So, whether your mission is more about modifications short term or an entire portfolio transformation for the medium or long term, please come talk to us. There is no time to lose as the legislative landscape is fluid and first mover advantage will count for those that plan ahead.

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