

## SIGNPOST LABELLING

### Executive Summary

1. The Government is committed to a range of initiatives designed to improve diets, and in so doing contribute to reducing the prevalence of diet-related diseases, such as diabetes, coronary heart disease and some cancers.
2. As part of this programme of work, the Agency has been developing a voluntary front of pack signpost labelling scheme to help consumers see at a glance the fat, saturated fat, salt and sugars levels in foods sold through retail outlets. Several different schemes are in use; the aim is to reduce confusion by encouraging a consistent approach.
3. Since 2004, an extensive evidence base has been generated, drawing on ideas and advice from stakeholders. The proposals based on this evidence have now been subject to public consultation. This paper describes the evidence, summarises the consultation responses and proposes an approach based on a set of core principles. It also considers how the impact of signpost labelling on consumer behaviour might be assessed.
4. The Board is invited to:
  - **note** the variety of different manufacturer and retailer front of pack signpost labelling schemes operating in the UK;
  - **note** the evidence on consumer understanding of the information presented in the signpost labelling schemes tested and on consumer preferences;
  - **note** the outcome of the consultation on the signpost labelling proposals;
  - **recommend** that businesses adopt signposting schemes based on the core principles set out in paragraph 22; and
  - **agree** the further recommendations in paragraphs 27 to 29; and

- **agree** that the Agency should work with stakeholders to promote the recommended scheme and use of it; and that it should work with adopters to develop a strategy to communicate agreed core messages relating to the issues raised in paragraph 30.
- **agree** that the Agency should work with stakeholders to assess the impact of signpost labelling schemes as proposed in paragraph 31.

## **NUTRITION DIVISION**

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## SIGNPOST LABELLING

### Issue

1. To agree the nature and scope of the voluntary front of pack signpost labelling scheme which the Agency will recommend to industry for use in the UK.

### Strategic Objectives

2. This work contributes to the Agency's commitment in the Strategic Plan 2005/2010 to develop and promote a simple system for highlighting the salt, fat and sugar content of foods by 2006 which will help consumers make healthier choices.

### Background

3. Many consumers have difficulty using nutritional information as currently presented on food labels<sup>1</sup>. A number of food manufacturers and retailers in the UK have responded to this by introducing front of pack schemes which aim to provide prominent, easy to use information on nutrient composition. This profusion of different schemes undermines the principle of simplification on which they are based and risks consumer confusion; research shows that consumers would prefer a single standardised front of pack signposting system, developed and controlled by an independent and authoritative body such as the Agency<sup>2</sup>.
4. The programme of work set out in the Government's White Paper: Choosing Health includes a commitment in England and Wales to work with industry to develop by early 2006<sup>3</sup>:

*'a clear, straightforward coding system that is in common use, and that busy people can understand at a glance which foods can make a positive*

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<sup>1</sup> Food Standards Agency Nutritional Labelling Qualitative Research, Final report November 2001

<sup>2</sup> [www.food.gov.uk/foodlabelling/signposting/refine](http://www.food.gov.uk/foodlabelling/signposting/refine)

<sup>3</sup> In Scotland, the Scottish Executive's Eating for Health: Meeting the Challenge (2004). In Wales, the Food Standards Agency and Welsh Assembly Government's Food and Well Being: Reducing inequalities through a nutrition strategy for Wales (2003). In Northern Ireland, work is progressing to develop a Department of Health's food and nutrition strategy.

*contribution to a healthy diet, and which are recommended to be eaten only in moderation or sparingly*’

5. It is hoped that signposting labelling will encourage consumers to look for and demand healthier products and provide an incentive to business to produce foods that are lower in fat, salt or sugar. It will be important to assess the impact of these new developments on consumers and products in a robust manner so as to identify opportunities for improvement.
6. In recent months there has been a strong shift towards front of pack signpost labelling across the food industry. The Table at **Annex 1** provides details of the **main schemes currently in use in the UK**. This development has the potential to be very helpful to consumers.

### **Development of Signposting Proposals**

7. The Agency has worked with stakeholders to explore how best to provide simplified nutritional information which is helpful to busy shoppers. Proposals for consultation were based on evidence generated in consultation with interested parties, including manufacturers, retailers, consumer organisations, public health bodies and other government departments. The **research and stakeholder engagement activities** that have taken place since 2004 are outlined in **Annex 2**.
8. A total of 10 possible formats were generated in discussion with stakeholders and tested with UK consumers in focus groups. The performance of each of the four most liked signposting options was then tested alongside a ‘no signposting’ option in two scenarios designed to reflect typical shopping decisions. A ‘single product’ test assessed how quickly and accurately consumers judged the nutritional quality of a food and the ‘two product’ test assessed speed and accuracy in a product comparison. This was a quantitative study involving a UK population representative sample of more than 2,500 consumers<sup>4</sup>. The study design, including the options to be tested, was agreed following public consultation and with the help of a stakeholder advisory group. The study also explored consumer preferences and views on the types of products consumers would like to see signposting used on. **Annex 3** sets out the **results of all the**

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<sup>4</sup> <http://www.food.gov.uk/foodlabelling/signposting/alt>

**research studies** carried out and shows the options tested. The key findings were that:

- signposting helped consumers to make quick and accurate assessments of the nutritional quality of foods;
- overall, of the signposting formats tested, the Multiple Traffic Light (MTL) was well liked and performed best, particularly in identifying quickly the key nutritional characteristics of a single food;
- a colour coded GDA (Guideline Daily Amount) format (CGDA) also performed well, particularly when comparing two foods, and was the format most liked by consumers. The information on nutrient levels was helpful for product comparisons, but in practice consumers had some difficulty in using GDA information;
- the monochrome GDA (MGDA) option performed less well than CGDA and MTL. The level of correct assessment for individual products was less than 50%. Only 3% of consumers described MGDA as their preferred signpost, compared to 95% who preferred a colour-coded scheme;
- the single traffic light (STL) worked least well and was not well liked. This was because it did not provide consumers with enough information to take account of individual concerns about specific nutrients; and
- consumers particularly wanted signpost labelling on ready meals, breakfast cereals, pizzas, sandwiches and meal components such as burgers, sausages, pies, breaded, coated or formed meat, meat alternative, poultry and fish products. The key reason given was the difficulty in assessing the nutritional quality of these foods.

## **Consultation**

9. In November 2005 a consultation package was published, seeking views on:

- the relative merits of the two better performing and better liked signpost formats (MTL and CGDA);

- the nutritional criteria underpinning the colour coding;
- the foods to which the scheme should be applied<sup>5</sup>;
- draft technical guidance on how to apply the scheme and
- a draft Regulatory Impact Assessment

Industry respondents were asked whether they would adopt one of the proposed schemes and if so which one. The consultation also proposed recommending that front of pack signposting should be complemented by provision of GDA information on back of pack, as recommended by the Institute of Grocery Distribution (IGD).

10. In total **103** responses were received from a broad range of stakeholders including consumer and public health NGOs, enforcement bodies, representatives of nutrition and dietetics experts, food manufacturers and retailers and their trade associations, and MPs. They are **summarised** in **Annex 4**.

### ***Need for Front of Pack Signpost Nutrition Labelling***

11. Although a few industry respondents argued that information available on back of pack is sufficient, the overwhelming majority of responses across the board supported provision of **front of pack simplified nutrition labelling**. It was also generally agreed by stakeholders, other than by manufacturers, that consumers would be best served by agreement on a **single consistent scheme**.

### ***Format of the signpost***

12. There was strong support from consumer and health NGOs, a number of major retailers, MPs, some enforcement bodies and a few manufacturers for a scheme based on the **four nutrients** identified in the consultation and for use of a **red/amber/green colour code**. Most of those supporting a colour coded scheme preferred MTL. Some preferred a hybrid system which included information on the level of nutrient per portion of the product, but not the GDA. A small number

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<sup>5</sup> ready meals, breakfast cereals, pizzas, sandwiches and meal components such as burgers, sausages, pies, breaded, coated or formed meat, meat alternative, poultry and fish products

of respondents (an academic institution, a retailer, an industry trade body, and a health promotion body) supported the CGDA format. The vast majority of manufacturers, their trade associations and a retailer were opposed to any signpost labelling scheme which included a red/amber/green colour code. Many of these supported an approach which provides information on the percentage contribution to the GDA of each nutrient but does not indicate whether the level is high, medium or low. A number of respondents felt that it would be helpful to include information on calories.

13. Three retailers (Sainsbury, Marks and Spencer and Tesco) indicated that the use of their signposts has led to consumers making healthier choices. Sainsbury and Marks and Spencer reported that their scheme had provided an incentive that has delivered an increased rate of product reformulation.
14. A number of industry respondents and Tesco expressed some concern about how consumers would interpret the message provided by a mix of different colours.

### ***Nutritional Criteria for Colour Coding***

15. The basis for the proposed **nutritional criteria** was understood and generally accepted by those respondents who supported use of a colour code. A few manufacturers and retailers felt however that the nutritional criteria were inappropriate for foods consumed in **small portion sizes**. A number of respondents expressed concern about the proposed cut off point between the categories for **salt**, which they felt did not fit well with the Agency's proposed category specific salt targets. They argued that less restrictive criteria would encourage progress in their salt reduction work. A number of public health NGOs expressed concern that the salt criteria were not strict enough and might allow some products to appear healthier than they really were.
16. Most respondents agreed that **sugar criteria** should be based on total sugar because of the practical difficulties in measuring non-milk extrinsic sugar (NMES) or added sugar. Since expert advice on sugar intakes relates to NMES, stakeholders were invited to submit evidence pertinent to consideration of an appropriate GDA for total sugars. An expert group was convened to review this evidence, and that on which the GDA value of 90g for total sugars set by the IGD was based. The group considered that the benchmark should be based on a

figure which takes account of Committee on Medical Aspects of Food Policy (COMA) advice on NMES consumption and allows for the contribution of fruit and milk sugars found in processed foods. The majority view in the group was that the appropriate figure was 60g.

17. Most respondents agreed that back of pack GDA information was helpful. There was some concern, however, about GDA terminology, which might be taken as a target to aim for rather than a maximum.

### ***Products***

18. Most respondents agreed that in the first instance the scheme should focus on the proposed **composite processed foods**. Some suggested that the scheme should be applied more widely with 'treat foods', snacks, drinks and products specifically aimed at children being suggested most often. Others felt that the scheme should be extended to all processed foods. Some foods were suggested as not being appropriate for signpost labelling because they were an important part of a balanced diet, eg fresh meat and fish, milk, cheese, fruit juice, fruit, vegetables, nuts.

### ***Partial Regulatory Impact Assessment***

19. Respondents confirmed that for large companies **labelling costs** could be incorporated in scheduled packaging redesigns, however additional packaging costs might be incurred by some small suppliers. Some additional information on costs associated with implementing the scheme was provided.

### ***Advisory Committees***

20. The Northern Ireland Food Advisory Committee (NIFAC) and the Scotland Food Advisory Committee (SFAC) have met to discuss the Agency's proposed front of pack labelling schemes. They supported the introduction of a colour-coded scheme to indicate the levels of the four nutrients. They also favoured the inclusion of additional numerical information to help consumers differentiate between products and felt that the scope of the scheme should be extended to cover a wider range of foods. SFAC expressed concern over consumer understanding of the term 'Guideline Daily Amount', and suggest that an alternative phrase should be developed. NIFAC suggested that the Agency

should consider developing separate nutritional criteria for foods aimed at children.

## Discussion

21. It is clear that there is now broad agreement that front of pack simplified nutritional information is needed to support consumer choices and that the scheme should provide separate information on fat, saturated fat, total sugar and salt. Whilst it is generally accepted that a profusion of different schemes is unhelpful, businesses are keen to maintain design flexibility because of the link to brand values.

22. It is likely that the level of consistency in signpost schemes necessary to avoid consumer confusion could be achieved by agreement on use of the **core elements**. Provided these core requirements were met, variations in execution could be readily accommodated, and indeed might drive helpful competition. The research and consultation responses indicate that the key elements of a successful front of pack nutritional labelling scheme are:

- separate information on: fat, saturated fat, sugar and salt;
- use of red, amber or green colour coding to provide at a glance information on the level (ie whether high, medium or low) of individual nutrients in the product;
- provision of information on the levels of nutrients present in a portion of the product; and
- use of nutritional criteria developed by an authoritative, trusted and independent body such as the Food Standards Agency.

This represents the common elements of the MTL and CGDA schemes, with the level of nutrient per portion included because it helps product comparisons and is favoured by likely adopters of the scheme. Information on **calories** may also be included because, although our research did not suggest it was necessary, it may be helpful for some consumers.

**It is proposed that the Agency should recommend that businesses adopt front of pack signposting schemes based on these core elements. Annex 5 illustrates a number of possible design executions that incorporate these core elements.**

23. The Agency's consumer research suggests that provision of percentage GDA information as adopted by Tesco and several major manufacturers is not helpful, and may be misleading. In addition it is possible that an approach which uses colours in a way which does not indicate the levels of the individual nutrients may mislead.

**It is proposed that the Agency should discourage use of colours other than traffic light colours since these might mislead consumers. It is also proposed that the Agency should gather further research evidence on consumer understanding of percentage GDA information and issue advice to help consumers use this information.**

24. It is important that salt reduction activities which contribute to achievement of reductions in average population intakes to 6g a day are recognised in ways which encourage businesses to reformulate and consumers to buy salt reduced products. While it will not be possible to reflect each gradual reduction in salt content in a change in colour code, the aim should be that most products meeting FSA salt targets should rate at least amber. To achieve this will require a small adjustment of the proposed criteria, however these criteria should then be reviewed over time with progress on salt reduction.

**It is proposed that salt criteria should be adjusted to reflect salt targets to be published shortly and reviewed in two years time (see Annex 6).**

25. It is important that the information on total sugars should help consumers to follow advice to reduce intake of added sugars. The approach developed in the expert group offers an opportunity to achieve this.

**It is proposed that the criteria for sugar should be amended to reflect this approach (see Annex 6).**

26. The research and consultation responses confirm that signposting is most helpful for composite processed foods. The potential added benefit to consumers of

applying the scheme more widely will vary across product categories. For some, for example where clear advice is to eat more, such as for fresh fruit and vegetables, there may be no added benefit.

**It is proposed that the scheme is applied to ready meals, breakfast cereals, pizzas, sandwiches and meal components such as burgers, sausages, pies, breaded, coated or formed meat, meat alternative, poultry and fish products.**

## **Recommendation**

27. The evidence and consultation responses indicate that the best way forward is to recommend an approach based on elements of both MTL and CGDA which are clearly helpful to consumers whilst leaving the detailed design of schemes to individual businesses. It is therefore proposed that the Agency recommend that industry use a consistent front of pack signposting scheme based on **the core elements** set out in paragraph 22 on the **products** set out in paragraph 26.

28. It is also proposed that clear **technical guidance** on how to apply the signposting scheme, incorporating advice on **use of colours** (paragraph 23) and the nutritional criteria adjusted as indicated in paragraphs 24 and 25, should be published shortly, once we have sought views on the sugar criteria.

29. In response to development of schemes based on **percentage GDA information**, it is proposed that consumer **research** into the use of such information should be carried out and **consumer advice** provided as appropriate.

## **Communication and Promotion**

30. We will provide consumer advice linked to the scheme, and will work with adopters to agree appropriate ways to communicate messages to:

- encourage consumers to use the scheme to make healthier choices, and
- re-inforce existing advice about choosing a varied and balanced diet.

We will also consider how we can give positive recognition to those manufacturers and retailers who adopt the Agency's recommended approach.

## **Monitoring and Evaluation**

31. It will be important to monitor the impact of front of pack signpost labelling schemes. We hope to work with industry and consumer stakeholders to agree a robust independent assessment methodology which will identify what works best for all consumers.

## **EU Aspects**

32. There is interest throughout the European Union in providing more helpful nutritional labelling. Some other EU Member States have their own national front of pack signpost labelling schemes (e.g. the Swedish Keyhole), and some are considering introducing schemes including the Dutch and the Danes. Although the Commission intends to undertake a review of the EU nutrition labelling legislation, we do not expect to have seen a proposal on this topic before 2007. Recognising that the number of different governmental and industry schemes confuses consumers, the Bureau Europeen des Unions de Consommateurs (BEUC) (The European Consumers' Organisation) has recently formed a discussion group<sup>6</sup> to develop consensus on the basis for providing simplified front of pack nutritional information for pre-packaged foods.

## **Risks**

33. The vision of consistent signposting will not be achieved if there is low uptake of the scheme; the Agency will therefore work with industry to promote this scheme. Monitoring might show that the scheme does not work in practice. If this is the case it will be necessary to identify why and seek improvements

## **Impact**

34. Delivery of this initiative can be handled within existing resources.

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<sup>6</sup> made up of representatives from retailers, manufacturers, consumer bodies, the Commission, independent consumer research advisors and officials from the UK, Netherlands and France.

## **Board Action Required**

35. The Board is invited to:

- **note** the variety of different manufacturer and retailer front of pack signpost labelling schemes operating in the UK;
- **note** the evidence on consumer understanding of the information presented in the signpost labelling schemes tested and on consumer preferences;
- **note** the outcome of the consultation on the signpost labelling proposals;
- **recommend** that businesses adopt signposting schemes based on the core principles set out in paragraph 22; and
- **agree** the further recommendations in paragraphs 27 to 29; and
- **agree** that the Agency should work with stakeholders to promote the recommended scheme and use of it; and that it should work with adopters to develop a strategy to communicate agreed core messages relating to the issues raised in paragraph 30.
- **agree** that the Agency should work with stakeholders to assess the impact of signpost labelling schemes as proposed in paragraph 31.