

Inside our Supermarkets

Australia 2018



Assessment of company
policies and commitments
related to **obesity prevention**
and **nutrition**

insideourfoodcompanies.com.au

Inside our Supermarkets

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The project forms part of INFORMAS (International Network for Food and Obesity/NCDs Research, Monitoring and Action Support), a global network of public-interest organisations and researchers that seek to monitor and benchmark public and private sector actions to create healthy food environments and reduce obesity and non-communicable diseases (NCDs) globally. Prof Boyd Swinburn, Dr Lana Vanderlee, Dr Stefanie Vandevijvere, Prof Anna Peeters and several other researchers provided guidance to the project as part of INFORMAS and GLOBE. The project team would like to thank the many company representatives that provided data and helpful suggestions to support this project.

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Unhealthy diets are creating a public health crisis in Australia.

Along with obesity, they are leading contributors to poor health.¹ This has a high cost to the economy, including large impacts on the health care system and productivity.²

Tackling obesity and improving population diets requires a **comprehensive societal response**, including government policies, community support, and wide-scale action from the food industry.

IN AUSTRALIA,
2 OUT OF EVERY 3
ADULTS ARE
OVERWEIGHT
OR OBESE³



1 IN 4 CHILDREN
ARE OVERWEIGHT
OR OBESE³



Supermarkets have an important role to play in addressing obesity and improving population diets

Australians buy most of their food from supermarkets. The supermarket environment (including the products available for sale, their prices, and the way they are promoted) has a major impact on what people choose to buy. In addition, through their own-brand products, supermarkets are now also the largest food manufacturers in Australia.⁴ There are a number of ways that supermarkets can support their customers to make healthier food choices.

Benchmarking company nutrition policies and commitments

This study assessed the four largest Australian supermarket companies on their policies and commitments related to obesity prevention and improving population nutrition. The objective was to highlight where Australian supermarket companies are demonstrating leadership in relation to obesity prevention and nutrition, and identify areas for improvement.

Globally-developed assessment methods, tailored to the Australian context

Company policies and commitments related to obesity prevention and nutrition were assessed using the BIA-Obesity (Business Impact Assessment - Obesity and population nutrition) tool developed by INFORMAS, a global network of public health researchers that monitors food environments in >20 countries worldwide.⁵ The methods were adapted from the Access to Nutrition Index (ATNI) that benchmarks the nutrition-related commitments, performance and disclosure practices of global food and beverage manufacturers.⁶ For each company, publicly available information on their policies and commitments was collected up to the end of 2017. The project team also liaised with company representatives to validate and supplement publicly available information, and review recommended actions.

¹ Australian Institute of Health and Welfare 2016. Australian Burden of Disease Study (2011)

² Colagiuri S, et al. The cost of overweight and obesity in Australia. MJA 2010; 192 (5):260-264

³ Australian Institute of Health and Welfare (AIHW). Overweight and obesity. 2017. AIHW: Canberra

⁴ Euromonitor Passport database 2017

⁵ www.informas.org

⁶ www.accesstonutrition.org

Domains assessed

The BIA-Obesity tool considers company policies and commitments across six key domains related to obesity prevention and nutrition.

In each domain, a number of indicators were assessed based on the **transparency**, **comprehensiveness** and **specificity** of each company's policies and commitments.

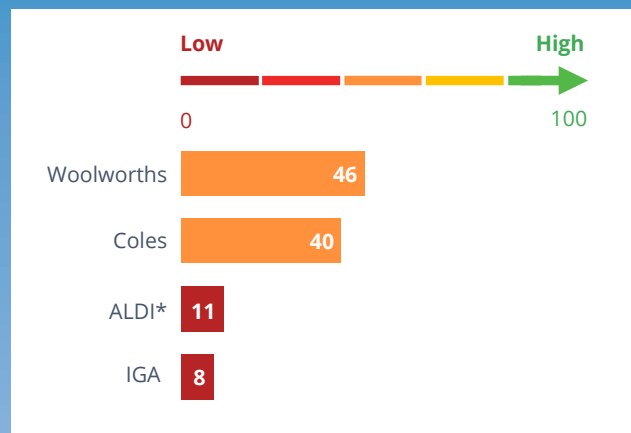
Scores were combined across domains to derive an overall score out of 100.

A Corporate strategy	Overarching policies and commitments to improving population nutrition and addressing obesity
B Product formulation	Policies and commitments regarding product development and reformulation to reduce nutrients of concern (i.e., sodium, saturated fat, trans fat, sugar) and energy content
C Nutrition labelling	Policies and commitments regarding disclosure and presentation of nutrition information on product packaging and online
D Promotion practices	Policies and commitments for reducing the exposure of children and adolescents to promotion of 'less healthy' foods, and responsible promotion to all consumers
E Product accessibility	Policies and commitments related to the availability and affordability of healthy compared to 'less healthy' products
F Relationships with external groups	Policies and commitments related to support provided to external groups (e.g., professional associations, research organisations, community and industry groups) related to health and/or nutrition

Key findings

Australian **supermarkets** demonstrated some commitment to addressing health and nutrition issues, but **much stronger action is needed across the sector**

Assessment of Australian supermarket company policies and commitments related to obesity prevention and nutrition (scores out of 100)



* Assessment based on publicly available information only

Areas in which Australian supermarkets have shown good progress:

- **Corporate strategy:** Discussing nutrition and health as part of corporate reporting (3 out of 4 companies)
- **Product formulation:** Reporting on efforts to reduce levels of sodium, sugar and saturated fat in own-brand products (2 out of 4 companies)
- **Nutrition labelling:** Committing to implement the Australian government's Health Star Rating system across own-brand products (2 out of 4 companies)

Priority recommendations for the supermarket sector:

- 1| **Corporate strategy:** Prioritise nutrition and health as part of the overall company strategy, with relevant objectives, targets and appropriate resourcing
- 2| **Product formulation:** Set measurable targets and timelines to reduce sugar, sodium, saturated fat and artificially produced trans fat content in own-brand products
- 3| **Nutrition labelling:** All companies commit to implement the Australian government's Health Star Rating system across all own-brand products
- 4| **Promotion practices:** Establish a policy on marketing to children designed to reduce the exposure of children and adolescents (up to age 18) to promotion of 'less healthy' foods
- 5| **Product availability:** Introduce universal healthy checkouts (with no 'less healthy' products, such as confectionery and sugar-sweetened beverages, on display near registers) across all stores nationally
- 6| **Product affordability:** Limit price promotions (e.g., price discounts and 'buy-one-get-one-free' specials) on 'less healthy' products, whilst working to improve affordability of healthy foods

Conclusion and implications

- While Australian supermarkets have taken some positive steps as part of a societal response to unhealthy diets and obesity, there is a much greater role for them to play
- Companies need to elevate the importance of nutrition as part of their overall strategy, and commit to implementing a broad range of actions to improve the healthiness of Australian supermarket environments
- Governments need to closely monitor the healthiness of supermarket environments, and consider stronger policy intervention where voluntary company actions are insufficient.

Unhealthy diets and obesity are leading contributors to poor health in Australia¹

Obesity and diet-related disease are major public health problems in Australia. Less than 7% of Australians consume diets that are consistent with the Australian Dietary Guidelines.² Two in three Australian adults and one in four children are now overweight or obese.³ Overweight and obesity contribute significantly to rates of disease (cancers, diabetes, cardiovascular disease, strokes) and death. This has a high cost to the economy, including large impacts on the health care system and productivity.⁴



Improving population nutrition represents an important step in achieving the United Nations (UN) Sustainable Development Goals (SDGs). Nutrition is considered a component of all 17 SDGs,⁵ and can be definitively linked to performance targets of several SDGs including:

- **SDG 2** Zero hunger
- **SDG 3** Good health and wellbeing
- **SDG 12** Responsible consumption and production



The food industry has an important role to play in addressing obesity and improving population diets

Tackling obesity and improving population diets requires a comprehensive societal response, including government policies, community support, and wide-scale action from the food industry. The World Health Organization (WHO) has identified a number of actions that the food industry can take to improve population nutrition and create healthier food environments,⁶ including:

- Reformulating products to reduce nutrients of concern (sugar, saturated fat, trans fat, sodium)
- Ensuring that healthy and nutritious choices are available and affordable to all consumers
- Restricting marketing of foods high in sugars, salt and fats, especially those foods aimed at children and teenagers
- Providing consumers with clear, easily understood nutrition information and evidence-based food labels

Supermarkets bridge the gap between consumers and the food system

Australians buy most of their food from supermarkets. The supermarket environment (including the products available for sale, their prices, and the way they are promoted) has a major impact on what people choose to buy. In addition, through their own-brand products, supermarkets are now also the largest food manufacturers in Australia.⁷ There are a number of ways that supermarkets can support their customers to make healthier food choices, and improve the health of the communities in which they operate.

¹ Australian Institute of Health and Welfare 2016. Australian Burden of Disease Study (2011)

² Australian Bureau of Statistics (ABS). Australian health survey: first results, 2011–12

³ Australian Institute of Health and Welfare (AIHW). Overweight and obesity. 2017. AIHW: Canberra

⁴ Colagiuri S, et al. The cost of overweight and obesity in Australia. MJA. 2010;192(5):260–264

⁵ Global Nutrition Report 2017: Nourishing the SDGs. Bristol, UK: Development Initiatives

⁶ World Health Organization. Global Strategy on Diet, Physical activity and Health, 2004

⁷ Euromonitor Passport database 2017

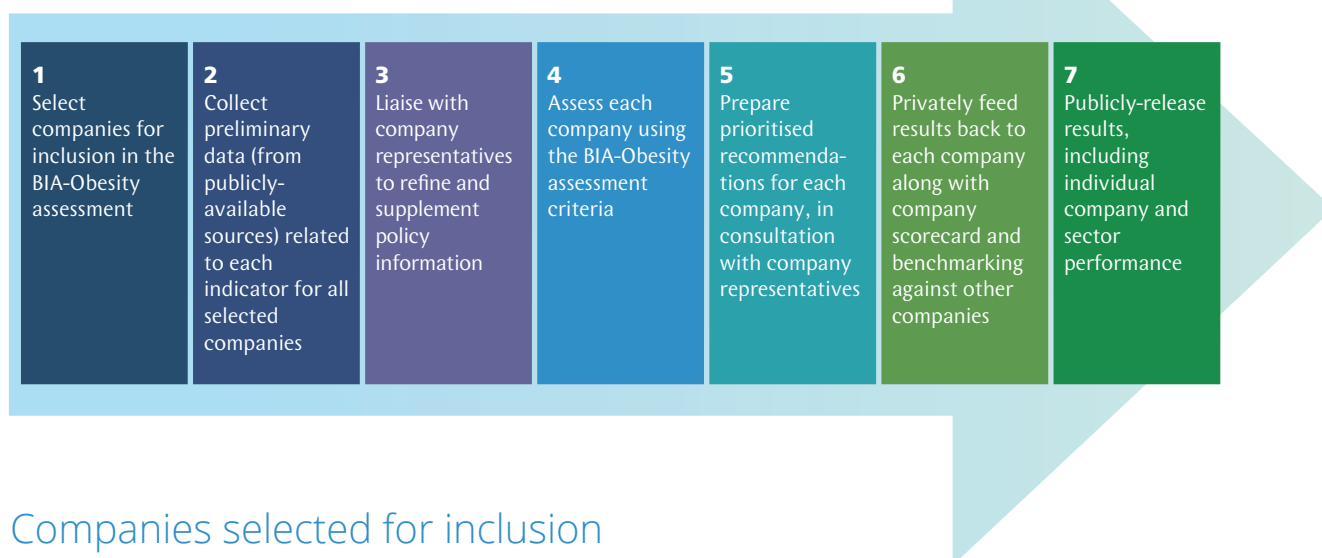
Study aims

This study aimed to assess the largest Australian supermarket companies on their policies and commitments related to obesity prevention and nutrition. The objective was to highlight where Australian supermarket companies are demonstrating leadership in relation to obesity prevention and nutrition, and identify areas for improvement. The study forms part of a broader initiative to assess company policies across different sectors of the food industry, also including food and non-alcoholic beverage manufacturers, and quick service restaurants (fast-food outlets).

Assessment tool

Company policies and commitments (up to **31 December 2017**) related to obesity prevention and nutrition were assessed using the BIA-Obesity (Business Impact Assessment - Obesity and population nutrition) tool developed by INFORMAS, a global network of public health researchers that monitors food environments in >20 countries worldwide.¹ These methods were adapted from the Access to Nutrition Index (ATNI) that benchmarks the nutrition-related commitments, performance and disclosure practices of global food and beverage manufacturers.² The BIA-Obesity tool includes sector specific indicators, that were tailored to the Australian context.³

Process for conducting the BIA-Obesity assessment



Companies selected for inclusion

Supermarket retailer	Share of grocery retail market (%)*
Woolworths	34.1
Coles (Wesfarmers)	29.8
IGA (Metcash)	7.0
ALDI	5.7

*Based on Euromonitor 2017 data (grocery retailing in Australia)

¹ www.informas.org

² www.accesstonutrition.org

³ Full methods of the BIA-Obesity tool are available at: www.insideourfoodcompanies.com.au

DOMAINS ASSESSED

The BIA-Obesity tool considers company policies and commitments across six key domains related to obesity prevention and nutrition. In each domain, a number of indicators were assessed based on the **transparency**, **comprehensiveness** and **specificity** of each company's policies and commitments. Scores were combined across domains to derive an overall score out of 100 for each company.

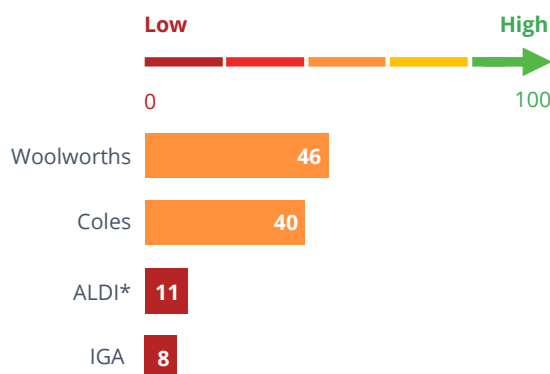
Domain	Policy area	Key indicator categories	Weighting (out of 100)*
A Corporate strategy	Overarching policies and commitments to improving population nutrition and addressing obesity	<ul style="list-style-type: none"> ✓ Commitment to nutrition and health in corporate strategy ✓ Reporting against nutrition and health objectives and targets 	10
B Product formulation	Policies and commitments regarding product development and reformulation to reduce nutrients of concern (i.e., sodium, saturated fat, trans fat, sugar) and energy content	<ul style="list-style-type: none"> ✓ Targets and actions related to reduction of sodium, saturated fat, trans fat, sugar and portion size/energy content across own-brand portfolio ✓ Engagement with government-led initiatives related to product formulation (e.g., the Healthy Food Partnership) 	25
C Nutrition labelling	Policies and commitments regarding disclosure and presentation of nutrition information on product packaging and online	<ul style="list-style-type: none"> ✓ Commitment to implement the Health Star Rating system across own-brand portfolio ✓ Online nutrition information ✓ Use of health and nutrition claims 	15
D Promotion practices	Policies and commitments for reducing the exposure of children and adolescents to promotion of 'less healthy' foods, and responsible promotion to all consumers	<ul style="list-style-type: none"> ✓ Broadcast and non-broadcast media policy ✓ Use of marketing techniques that appeal to children and adolescents ✓ In-store promotion practices, and products featured in catalogues ✓ Rewards programs 	25
E Product accessibility	Policies and commitments related to the availability and affordability of healthy compared to 'less healthy' foods	<ul style="list-style-type: none"> ✓ Increasing availability of healthy products in-store ✓ Restricting availability of 'less healthy' products in-store ✓ Pricing and discounting strategies 	20
F Relationships with external groups	Policies and commitments related to support provided to external groups (e.g., professional associations, research organisations, community and industry groups) related to health and nutrition	<ul style="list-style-type: none"> ✓ Disclosure and transparency of relevant relationships ✓ Accessibility of relevant information 	5

*Weighting derived based on the relative importance of company policies in each domain, as determined by INFORMAS experts

RESULTS: OVERALL FINDINGS

Australian supermarkets demonstrated some commitment to addressing health and nutrition issues but much stronger action is needed across the sector

Assessment of Australian supermarket company policies and commitments related to obesity prevention and nutrition (scores out of 100)



* Assessment based on publicly available information only

Areas in which Australian supermarkets have shown good progress¹:

- **Corporate strategy:** Discussing nutrition and health as part of corporate reporting (3 out of 4 companies)
- **Product formulation:** Reporting on efforts to reduce levels of sodium, sugar and fat in own-brand products (2 out of 4 companies)
- **Nutrition labelling:** Committing to implement the Australian government's Health Star Rating system across own-brand products (2 out of 4 companies)

Key areas for improvement across the sector:

- No companies had in place formal policies to reduce the exposure of children and adolescents to 'less healthy' food marketing
- No companies had taken significant action to restrict the availability of 'less healthy' foods in-store (e.g., at checkouts, high-traffic areas)
- No companies had made a commitment to restrict promotions (e.g., in catalogues and in-store) on 'less healthy' products

¹ Refer to Appendix for individual company scorecards

A] Corporate strategy

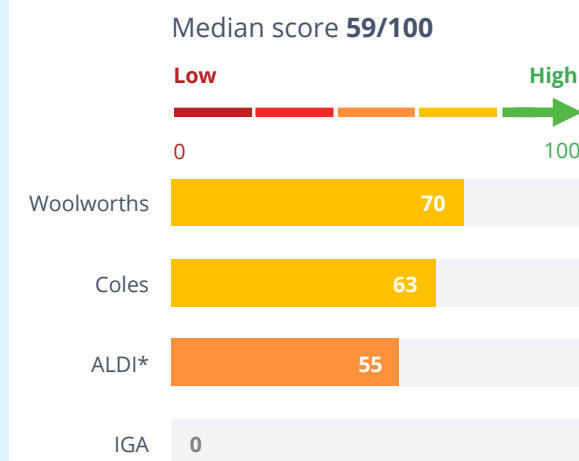
Good practice statement

The company has a strategic document or collection of documents that outline the company's overarching commitment to population nutrition and health. This may include mission statements, strategies and/or overarching policies that are publicly available and apply to the national context.

Key findings

While health and nutrition was on the agenda for some supermarkets, it was not a priority area of focus across the sector

- Three out of the four companies identified nutrition and health-related activities in corporate reporting
- Woolworths and Coles had introduced some reporting against their approach to nutrition and health
- ALDI reported on nutrition and health at the global level, with little reference to Australia, while IGA made no mention of nutrition or health in company reporting
- Woolworths was the only company to explicitly align their nutrition and health approach with priorities set out by the United Nations Sustainable Development Goals. However, no companies explicitly recognised other relevant recommendations laid out by the WHO and the Australian government



*Assessment based on publicly available information only

Key recommendations for the supermarket sector:

- **Identify** health and nutrition as a priority focus area for the company, with relevant objectives, targets and appropriate resourcing
- **Report** progress against specific health and nutrition targets and objectives on a regular basis
- **Participate** in / implement a strategy to adopt relevant recommendations from government-led programs (e.g., Healthy Food Partnership) to improve the healthiness of the food supply

B] Product formulation

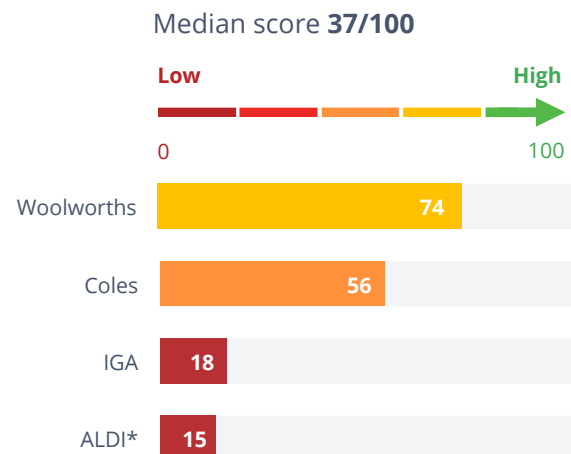
Good practice statement

The company has a set of product formulation commitments relating to new (own-brand) product development and reformulation of existing (own-brand) products to limit or reduce nutrients of concern (including sodium, saturated fat, trans fat and added sugars) and reduce energy content per serving / provide smaller portion sizes, whilst increasing desirable nutrients.

Key findings

Leading companies were taking some action to reformulate own-brand products

- The top performers in this domain (Woolworths and Coles) had made a public commitment to reduce levels of nutrients of concern in own-brand products. Woolworths was the leader in this domain, reporting reductions in levels of saturated fat, sodium and sugar across its own-brand range
- Woolworths and Coles are involved in the Australian government's Healthy Food Partnership
- No companies had set public, time-bound targets for future product development and reformulation of existing products
- Overall, companies had limited disclosure of progress in achieving reformulation targets and did not report compliance with commitments in the public domain



*Assessment based on publicly available information only

Key recommendations for the supermarket sector:

- **Develop** specific, time-bound targets for the reduction of nutrients of concern (sodium, added sugar, saturated fat, and artificially produced trans fat) in own-brand products. Routinely report on progress in achieving reformulation targets

C] Nutrition labelling

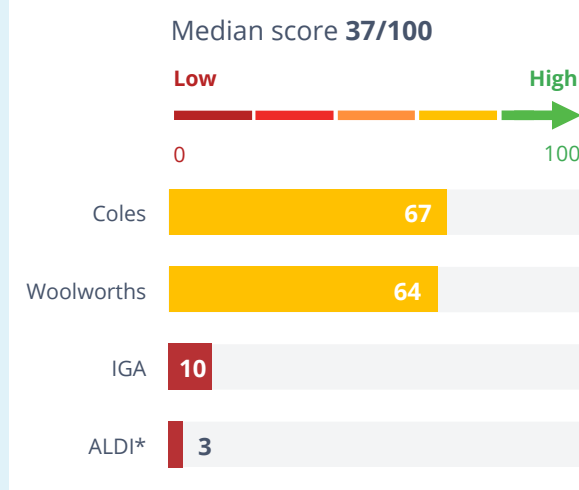
Good practice statement

The company has a set of published commitments relating to nutrition labelling that are designed to inform consumers about the nutrient composition of products, including nutrition content claims, implementation of interpretive front-of-pack labelling, and the provision of comprehensive online nutrition information.

Key findings

Some companies were demonstrating clear commitments in the area of nutrition labelling, including implementation of the Health Star Rating (HSR) system

- The top performers in this domain (Coles and Woolworths) committed to full implementation of the HSR system across own-brand products
- IGA and ALDI had made no public commitment to implement the HSR system on own-brand products, and provided limited nutrition information online
- Coles had in place a clear system for determining whether nutrition claims (on own-brand products) were made in a responsible way e.g., only making claims of '99% fat free' on products considered 'healthy' overall
- Woolworths provided comprehensive online nutrition information for the majority of products available for sale
- None of the companies routinely labelled added sugars or artificially produced trans fats on own-brand products



*Assessment based on publicly available information only

Industry practice example

Coles and Woolworths have a published commitment to implement the Australian government-endorsed Health Star Rating (HSR) system across their own-brand product portfolio. Both companies picture HSR labelling in online and print catalogues for the majority of their own-brand products.



© Commonwealth of Australia

Key recommendations for the supermarket sector:

- **Commit** to implement the Health Star Rating system across all own-brand products, with specific roll-out plan
- **Introduce** a policy to only make nutrient content claims (e.g., "99% fat free") on own-brand products that are classified as 'healthy' (using government guidelines for defining 'healthy' foods)
- **Provide** comprehensive nutrition information for all products in-store (e.g., delis) and online

D] Promotion practices

Good practice statement

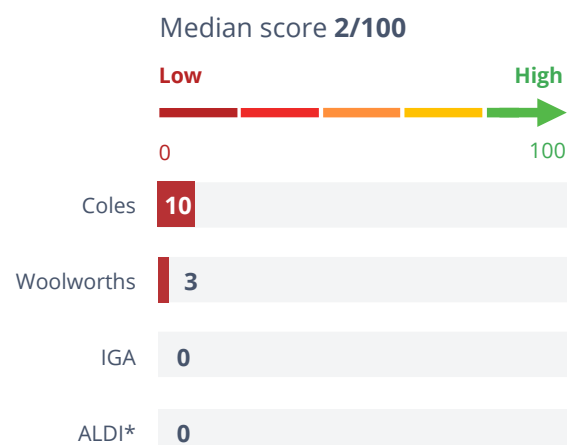
The company has a comprehensive policy/commitment to reduce the exposure of children and adolescents to 'less healthy' food marketing. This policy encompasses promotion in-store, online, in broadcast and non-broadcast media, and all marketing techniques designed to appeal to children. Compliance with this policy is audited by third party auditors on a regular basis. The company also commits to practice responsible marketing to all customers, including limits on promotion of 'less healthy' products in-store and in catalogues.

Key findings

The supermarket sector had introduced several measures to increase promotion of healthy food, but there is little action to restrict the promotion of 'less healthy' foods

- This was the lowest scoring domain
- Woolworths had made a commitment to provide free fruit to children in-store
- No companies had developed formal policies that would effectively restrict the exposure of children and adolescents to promotion of 'less healthy' products
- No companies had formal policies to increase the promotion of healthy foods and/or decrease the promotion of 'less healthy' foods in-store, in catalogues and through other marketing channels

****References:** Charlton E, et al. Supermarkets and unhealthy food marketing: An international comparison of the content of supermarket catalogues/circulars. *Prev Med* 2015; 81:168-173
Cameron A, et al. Do the foods advertised in Australian supermarket catalogues reflect national dietary guidelines? *Health Prom Int* 2017; 32(1):113-121



*Assessment based on publicly available information only

Industry practice example

A 2015 analysis of weekly supermarket catalogues in twelve countries showed that a high proportion of advertised products were 'less healthy' foods. Catalogues from Australian supermarkets included amongst the highest proportion of 'less healthy' products. Across all the major Australian supermarket chains combined, a higher percentage of foods advertised were for 'less healthy' than 'healthy' foods.**

Key recommendations for the supermarket sector:

- **Implement** a policy on marketing to children that effectively restricts the exposure of children and adolescents (up to age 18) to promotion of 'less healthy' foods across broadcast and non-broadcast media, using government-endorsed guidelines for classifying the healthiness of foods. Routinely report on compliance with the policy
- **Commit** to increase the proportion of healthy products (using government guidelines for defining 'healthy' foods) featured in catalogues and other advertising
- **Eliminate** use of promotion techniques (e.g., cartoon characters, interactive games) with strong appeal to children in relation to 'less healthy' products

E] Product accessibility

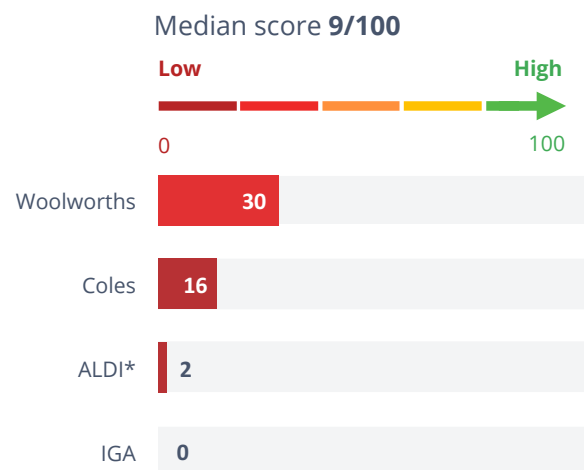
Good practice statement

The company has a commitment to address the availability and affordability of healthy products relative to 'less healthy' products. This includes commitments around pricing, positioning and display of healthy compared to 'less healthy' products, and use of rewards as part of loyalty programs.

Key findings

Companies had few commitments to restrict accessibility of 'less healthy' foods and improve accessibility of healthy foods

- Product accessibility was the second lowest scoring domain, with few clear policies to address the accessibility of healthy compared to 'less healthy' products
- Woolworths was the only company to commit to providing some confectionery-free checkouts (one in the majority of stores nationally)
- Woolworths committed to dedicate more space to fruit and vegetables in its 'next generation' stores
- Woolworths and Coles had both made a public commitment to work with producers to reduce the cost of fresh produce
- ALDI and IGA had no clear policies or commitments in place to address the pricing or availability of healthy compared to 'less healthy' products



*Assessment based on publicly available information only

Industry practice example

In the United Kingdom (UK), supermarket chains Tesco and Lidl have removed confectionery from checkouts in all stores. These items have been replaced with healthier snack options such as dried fruit and nuts. Other leading (UK) supermarket chains, including ALDI, Sainsbury, Morrison's, Marks and Spencer, and Co-Op have also taken steps to remove confectionery from checkouts in larger stores nationwide.

Key recommendations for the supermarket sector:

- **Introduce** universal healthy checkouts (with no 'less healthy' products, such as confectionery and sugar-sweetened beverages, on display near registers) across all stores nationally
- **Limit** price promotions (e.g., price discounts and 'buy-one-get-one-free' specials) on 'less healthy' products, whilst working to improve affordability of healthy foods
- **Increase** the proportion of 'healthy' products displayed in high-traffic areas (e.g., end-of-aisle displays)
- **Link** rewards through loyalty programs to healthier purchases

F] Relationships with external groups

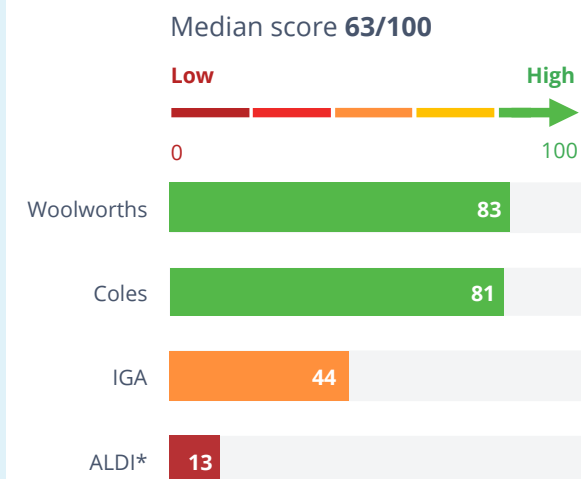
Good practice statement

The company has a policy or document(s) that outlines the types of relationships with external organisations in which the company will engage. The company adopts full transparency regarding the amount and type of external support provided to external organisations. This assists all stakeholders in understanding the relationships between different groups, the nature of lobbying activities, sponsorship arrangements, and potential sources of bias in research activities.

Key findings

Leading supermarkets have adopted some transparency around support for external groups

- Coles and Woolworths both demonstrated good public disclosure of company support for external groups related to nutrition and/or health, with Coles also publishing its membership of industry associations
- IGA had some limited reporting of its support for external groups. ALDI disclosed philanthropic support provided, but not other external relationships
- Woolworths disclosed all political donations annually in its sustainability report, and Coles had an ongoing commitment to not make political donations under the Wesfarmers anti-bribery policy. All political donations made by Wesfarmers were disclosed



*Assessment based on publicly available information only

Key recommendations for the supermarket sector:

- **Disclose** relationships (including funding and support) with external groups (e.g., professional associations, research organisations, community and industry groups) related to health and/or nutrition
- **Disclose** all political donations in real time, or **commit** to not make political donations

SUMMARY OF RECOMMENDED ACTIONS FOR COMPANIES

Domain	Recommendation actions	Examples of food industry leaders
A Corporate strategy	<ol style="list-style-type: none"> 1 Identify health and nutrition as a priority focus area for the company, with relevant objectives, targets and appropriate resourcing 2 Report progress against specific health and nutrition targets and objectives on a regular basis 3 Participate in / implement a strategy to adopt relevant recommendations from government-led programs (e.g., Healthy Food Partnership) to improve the healthiness of the food supply 	Unilever has made a strong commitment to nutrition and health, and highlights health as one of three key pillars in the company's Sustainable Living Plan. It sets out specific, time-bound health and nutrition targets and objectives that are reported against publicly. It aligns its approach with priorities set out by the World Health Organization and the UN's Sustainable Development Goals.
B Product formulation	<ol style="list-style-type: none"> 4 Develop specific, time-bound targets for the reduction of nutrients of concern (sodium, sugar, saturated fat and artificially produced trans fat) in own-brand products. Routinely report on progress in achieving reformulation targets 	Nestle has set specific, time-bound reformulation targets for the reduction of saturated fat, salt and added sugar across the company's global portfolio, and has reported removal of all artificially produced trans fats from its food and beverage products. Compliance with reformulation targets is audited and publicly disclosed on a regular basis.
C Nutrition labelling	<ol style="list-style-type: none"> 5 Commit to implement the HSR system across all own-brand products, with specific roll-out plan 6 Introduce a policy to only make nutrient content claims (e.g., "99% fat free") on own-brand products that are classified as 'healthy' (using government guidelines* for classifying the healthiness of foods) 7 Provide comprehensive nutrition information for all products in-store (e.g., delis) and online 	Woolworths and Coles have committed to implement the Australian government-endorsed HSR system across all own-brand products.

* Primarily the Australian Dietary Guidelines. This could be supplemented by other Australian government-endorsed criteria (e.g., the Health Star Rating system, and the nutrient profiling criteria used to assess eligibility for health claims) for classifying the healthiness of food.

SUMMARY OF RECOMMENDED ACTIONS FOR COMPANIES

Domain	Recommendation actions	Examples of food industry leaders
D Promotion practices	<p>8 Implement a policy on marketing to children that effectively restricts the exposure of children and adolescents (up to age 18) to promotion of 'less healthy' foods across broadcast and non-broadcast media, using government guidelines* for classifying the healthiness of foods. Routinely report on compliance with the policy</p> <p>9 Commit to increase the proportion of 'healthy' products (using government guidelines* for classifying the healthiness of foods) featured in catalogues and other advertising</p> <p>10 Eliminate use of promotion techniques (e.g., cartoon characters, interactive games) with strong appeal to children in relation to 'less healthy' products</p>	<p>Danone (International) implements a marketing to children policy (applying to children under 12 years) that covers broadcast and non-broadcast media. It commits to not use promotional techniques that appeal to children, and does not market in the vicinity of schools, in secondary schools, or in places where children gather (e.g., day care centres, activity centres). Danone makes a global commitment to not use messaging that encourages a 'less healthy' lifestyle or overconsumption of any of its products. Danone reports compliance with its policies, and discloses and independently audits its marketing spending on healthy products, with a view to increase marketing spending on these products over time.</p>
E Product accessibility	<p>11 Introduce universal healthy checkouts (with no 'less healthy' products, such as confectionery and sugar-sweetened beverages, on display near registers) across all stores nationally</p> <p>12 Limit price promotions (e.g., price discounts and 'buy-one-get-one-free' specials) on 'less healthy' products, whilst working to improve affordability of healthy foods</p> <p>13 Increase the proportion of 'healthy' products displayed in high-traffic areas (e.g., end-of-aisle displays)</p> <p>14 Link rewards through loyalty programs to healthier purchases</p>	<p>Tesco UK has removed all confectionery from its checkouts across all stores nationally (from 2015). ALDI UK commits to increasing the consumption of fruit and vegetables through pricing and promotion initiatives. They offer discounted fruit and vegetables, price promotions at point of sale, and weekly low cost fruit and vegetable deals.</p>
F Relationships with external groups	<p>15 Disclose relationships (including funding and support) with external groups (e.g., professional associations, research organisations, community and industry groups) related to health and/or nutrition</p> <p>16 Disclose all political donations in real time, or commit to not make political donations</p>	<p>Coca-Cola International publishes a full list of the external groups it funds/supports, including details of the nature, date and amount of support/funding given to research institutions, health professionals, scientific experts, professional associations and partnerships related to health and nutrition. They disclose all nutrition and active lifestyle programs with which they are affiliated, and all information is updated annually.</p>

* Primarily the Australian Dietary Guidelines. This could be supplemented by other Australian government-endorsed criteria (e.g., the Health Star Rating system, and the nutrient profiling criteria used to assess eligibility for health claims) for classifying the healthiness of food.

CONCLUSION AND IMPLICATIONS

While Australian supermarkets have taken some positive steps as part of a societal response to unhealthy diets and obesity, there is a much greater role for them to play



Implications for Australian supermarkets

- Develop a plan for implementing the recommended actions to improve the healthiness of supermarket environments
- Routinely report on progress



Implications for Australian governments (Federal, State/Territory and local)

- Closely monitor the policies and commitments of supermarkets, the extent to which they are implemented, and the healthiness of supermarket environments
- Consider stronger policy intervention in the supermarket sector where voluntary company actions are insufficient, as part of a broad strategy to improve population nutrition and address obesity



Implications for the broader community

- Be vocal in support of healthier supermarket environments that make it easier to choose healthy baskets of food
- Encourage supermarkets to commit to healthy policies, and to make sure that they are implemented in practice

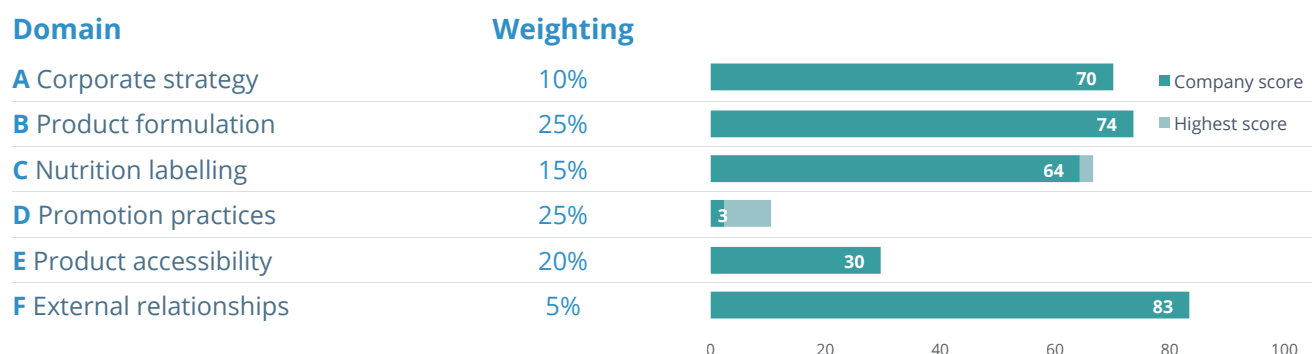


Woolworths

1st

OUT OF 4
SUPERMARKETS

46

OVERALL SCORE
(OUT OF 100)

Areas of strength

- A Corporate strategy** - Woolworths identifies nutrition and health as a priority, communicated through the company's overarching mission statement and corporate reporting. Woolworths' approach to nutrition and health is reported against annually, and references priorities laid out by the United Nations Sustainable Development Goals
- B Product formulation** - Woolworths commits to reducing levels of sugar, sodium and saturated fat across portions of its own-brand portfolio. Woolworths published its support for the Australian government's Healthy Food Partnership in company reporting
- C Nutrition labelling** - Woolworths publicly commits to implement the Australian government-endorsed HSR system across all products in its own-brand portfolio. The company reports progress on implementing HSR labelling, and uses the interpretive form (i.e. star ratings) across all product categories. Woolworths provides comprehensive nutrition information online for the majority of products available for sale
- E Product accessibility** - Woolworths provides 'free fruit for kids' in all stores nationally

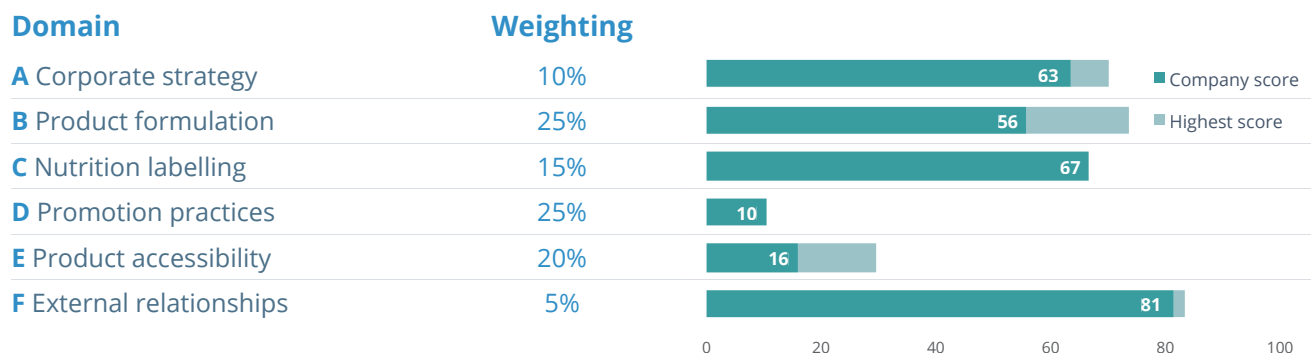
Recommended actions for Woolworths Short-term (next 12 months)

- Develop** and publicise specific, time-bound targets for the reduction of sodium, sugar, saturated fat and portion size/energy content across **all** product categories in the company's own-brand portfolio. Routinely report on progress in achieving reformulation targets
- Implement** a policy on marketing to children that effectively restricts the exposure of children and adolescents (up to age 18) to promotion of 'less healthy' foods across broadcast and non-broadcast media, using government guidelines for classifying the healthiness of foods. Routinely report on compliance with the policy

Longer term (2-3 years)

- Introduce** universal healthy checkouts (with no 'less healthy' products, such as confectionery and sugar-sweetened beverages, on display near registers) across all stores nationally
- Commit** to increase the proportion of healthy products (using government guidelines for classifying the healthiness of foods) featured in catalogues and other advertising
- Limit** price promotions (e.g., price discounts and 'buy-one-get-one-free' specials) on 'less healthy' products, whilst continuing to increase affordability of healthy products
- Link** rewards through loyalty programs to healthier products
- Increase** the proportion of healthy products displayed in high-traffic areas (e.g., end-of-aisle displays)

Coles

2nd OUT OF 4
SUPERMARKETS40 OVERALL SCORE
(OUT OF 100)

Areas of strength

- A Corporate strategy** - Coles highlights nutrition as an area of focus for the company in Wesfarmers Sustainability reporting and reports against some of its progress in achieving nutrition objectives on an annual basis
- B Product formulation** - Coles publicly commits to reducing levels of sodium and sugar across a portion of its own-brand product portfolio. The company is involved in the Australian government's Healthy Food Partnership
- C Nutrition labelling** - Coles publicly commits to implement the Australian government endorsed HSR system across all products in its own brand portfolio. The company uses the interpretive form of HSR labelling (i.e. star ratings) across all product categories
- F External relationships** - Coles publishes a comprehensive list of external groups related to nutrition and health that it supports, and commits to not make political donations

Recommended actions for Coles

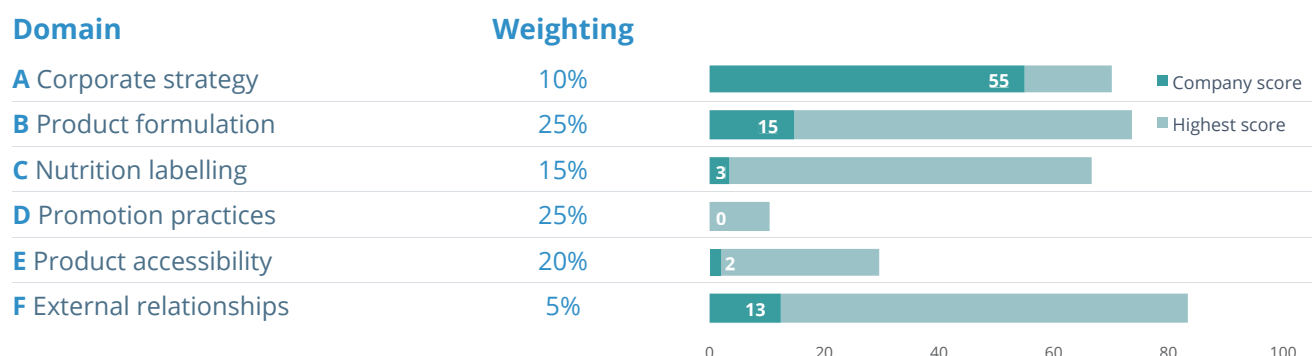
Short-term (next 12 months)

- Elevate** health and nutrition to a higher priority focus area within the business, and ensure adequate resources are allocated to this area.
- Develop** and publicise specific, time-bound targets for the reduction of sodium, sugar, saturated fat and portion size/energy content across all relevant products in the company's own-brand portfolio. Routinely report on progress in achieving reformulation targets
- Implement** a marketing to children policy that effectively restricts the exposure of children and adolescents (up to age 18) to promotion of 'less healthy' foods across broadcast and non-broadcast media, using government guidelines for classifying the healthiness of foods. Routinely report on compliance with the policy
- Expand** online nutrition information to include all products available for sale

Longer term (2-3 years)

- Introduce** universal healthy checkouts (with no 'less healthy' products, such as confectionery and sugar-sweetened beverages, on display near registers) across all stores nationally
- Commit** to increase the proportion of healthy products (using government guidelines for classifying the healthiness of foods) featured in catalogues and other advertising
- Limit** price promotions (e.g., price discounts and 'buy-one-get-one-free' specials) on 'less healthy' products, whilst continuing to increase affordability of healthy products
- Link** rewards through loyalty programs to healthier products
- Increase** the proportion of healthy products displayed in high-traffic areas (e.g., end-of-aisle displays)

ALDI*

3rd OUT OF 4
SUPERMARKETS11 OVERALL SCORE
(OUT OF 100)

Areas of strength

- A| Corporate strategy** - ALDI makes some commitment to nutrition and health through international Corporate Responsibility reporting. Globally, the company references the United Nations Sustainable Development Goals, and reports against some of its country-specific nutrition objectives and targets
- B| Product formulation** - ALDI globally commits to reduce artificially produced trans fat across its own-brand portfolio to less than 2% of total fat. This commitment applied to all markets in which it operates, including Australia
- F| External relationships** - ALDI Australia publishes a full list of the philanthropic groups it supports

Recommended actions for ALDI

Short-term (next 12 months)

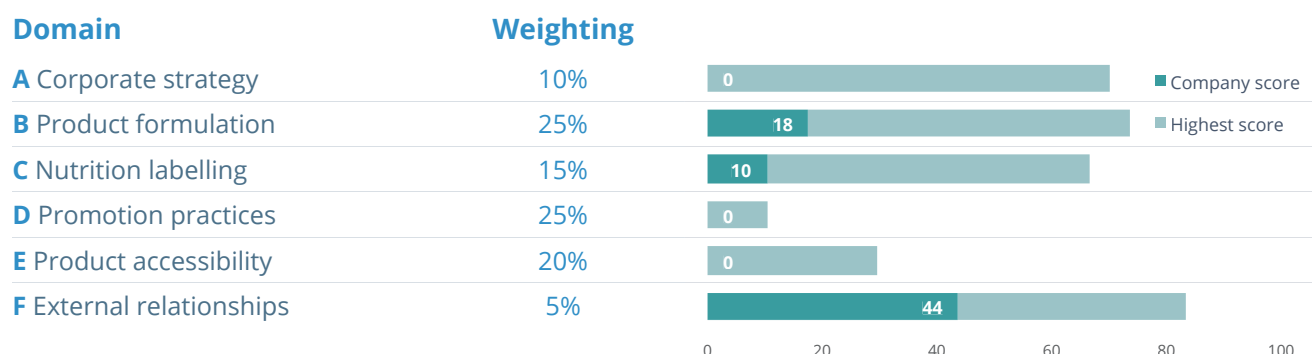
- 1| Identify** health and nutrition as a priority focus area for the company at the **national** level, and appropriately resource health and nutrition within the business.
- 2| Develop** and publicise specific, time-bound targets for the reduction of sodium, sugar, saturated fat and portion size/energy content in the company's product portfolio. Routinely report on progress in achieving reformulation targets
- 3| Commit** to implement the Health Star Rating system across all own-brand products, with specific roll-out plan
- 4| Provide** online nutrition information for all products available for sale
- 5| Implement** a policy on marketing to children that effectively restricts the exposure of children and adolescents (up to age 18) to promotion of 'less healthy' foods across broadcast and non-broadcast media, using government guidelines for classifying the healthiness of foods. Routinely report on compliance with the policy

Longer term (2-3 years)

- 6| Introduce** universal healthy checkouts (with no 'less healthy' products, such as confectionery and sugar-sweetened beverages, on display near registers) across all stores nationally
- 7| Commit** to increase the proportion of healthy products (using government guidelines for classifying the healthiness of foods) featured in catalogues and other advertising
- 8| Limit** price promotions (e.g., price discounts and 'buy-one-get-one-free' specials) on 'less healthy' products, whilst continuing to increase affordability of healthy products

*Assessment based on publicly available information only

IGA

4th OUT OF 4
SUPERMARKETS8 OVERALL SCORE
(OUT OF 100)

Areas of strength

- IGA had little public disclosure of its approach to nutrition and health. As such, no clear areas of strength were identified
- Selected IGA stores in Victoria are involved in a trial, *Eat Well @ IGA*, of interventions designed to improve the healthiness of customer purchases, in partnership with VicHealth, the City of Greater Bendigo and Deakin University

Recommended actions for IGA

Short-term (next 12 months)

- 1| Identify** health and nutrition as a priority focus area for the company, articulated through the company's mission statement and sustainability reporting. Centralise the company's nutrition and health approach so that it applies to all IGA's nationally, and appropriately resource nutrition and health within the business.
- 2| Develop** and publicise specific, time-bound targets for the reduction of sodium, sugar, saturated fat and portion size/energy content in the company's product portfolio. Routinely report on progress in achieving reformulation targets
- 3| Commit** to implement the Health Star Rating system across all own-brand products in all stores nationally and develop a time-bound roll-out plan
- 4| Provide** online nutrition information for all products available for sale
- 5| Implement** a policy on marketing to children that effectively restricts the exposure of children and adolescents (up to age 18) to promotion of 'less healthy' foods across broadcast and non-broadcast media, using government guidelines classifying the healthiness of foods. Routinely report on compliance with the policy

Longer term (2-3 years)

- 6| Introduce** universal healthy checkouts (with no 'less healthy' products, such as confectionery and sugar-sweetened beverages, on display near registers) across all stores nationally
- 7| Commit** to increase the proportion of healthy products (using government guidelines for classifying the healthiness of foods) featured in catalogues and other advertising
- 8| Limit** price promotions (e.g., price discounts and 'buy-one-get-one-free' specials) on 'less healthy' products across all IGA stores nationally

