HOUSE OF COMMONS

Health and Social Care Committee

Oral evidence: Food and Weight Management, HC 1181

Wednesday 28 January 2026

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Watch the meeting

Members present: Layla Moran (Chair); Danny Beales; Ben Coleman; Dr Beccy Cooper; Jen Craft; Josh Fenton-Glynn; Andrew George; Paulette Hamilton; Alex McIntyre; Joe Robertson; Gregory Stafford.

Questions 293-496

Witnesses

I: Beth Fowler, Senior Manager, Healthy and Sustainable Choices, Asda; Liz Fox, National Sustainability Director, Aldi; Nilani Sritharan, Head of Healthy and Sustainable Diets, Sainsbury's; and Oonagh Turnbull, Head of Health and Sustainable Diets Campaigns, Tesco.

Examination of witnesses

Witnesses: Beth Fowler, Senior Manager, Healthy and Sustainable Choices, Asda; Liz Fox, National Sustainability Director, Aldi; Nilani Sritharan, Head of Healthy and Sustainable Diets, Sainsbury's; and Oonagh Turnbull, Head of Health and Sustainable Diets Campaigns, Tesco.

Q293 **Chair:** Welcome to this evidence session of the Health and Social Care Committee. This is our fourth session on food and weight management. After a very busy Christmas period, and some toing and froing on dates, we are very happy to have with us representatives from the top four major supermarkets to talk about food, food affordability and food availability, as pertaining to this inquiry. Can I start by asking you to say who you are and what you do?

Nilani Sritharan: I am Nilani Sritharan, and I head up healthy and sustainable diets for Sainsbury's.

Liz Fox: Good morning. My name is Liz Fox, and I am the sustainability director at Aldi.

Beth Fowler: Good morning. My name is Beth Fowler, and I lead Asda's health and sustainable choices team. I lead a team of nutritionists who run Asda's health strategy, voluntary initiatives and response to legislation on things like high fat, salt and sugar. Asda is the third largest retailer in the UK, with operations across the UK that serve about 20 million customers a week. I am really proud to share the work that we are doing.

Oonagh Turnbull: Hi everybody. I am Oonagh Turnbull, and I am head of health and sustainable diets campaigns at Tesco. My job is to work to support our millions of customers through their health journeys, and I do that by working with partners across the business and externally.

Q294 **Chair:** Lovely. Can you briefly describe what are some actions that you have been taking in this space? When I say "briefly", I really mean it. What are the top two or three things that you have been doing most recently to meet the needs of our wider population in healthy diets?

Oonagh Turnbull: At Tesco, we are really committed to health, and we have been for a long time. Health is a strategic priority for us and our business, and it is owned at a board level. Our focus and our understanding of our role in health are really clear. It is about addressing the barriers that we know our customers face in health. They are really simple but obviously really important. First and foremost, there is affordability, and we then look at accessibility and, thirdly, inspiration—or doing what we can to inspire customers to get access to the information they need for great food.

Beth Fowler: From our perspective, we have been working on health for over two decades, including lots of voluntary initiatives that I would be happy to share more detail on.

Q295 **Chair:** How will you share more detail? Will you write to us?

Beth Fowler: Yes, I am happy to write about voluntary initiatives that we have implemented in the past. With regards to our current approach, we have a health strategy embedded across our business with key pillars of activity, similar to what Oonagh touched on with Tesco. Product is really important, such as robust nutritional criteria from our own-brand portfolio.

Also, accessibility is key to our approach, and it is something that is fundamental to our customers. We disproportionately serve customers from lower socioeconomic groups who are really struggling with budgets and day-to-day challenges around that, so that is key to our approach. As part of that accessibility work, we have had a two-year partnership with Nesta, where we have been looking at the healthiness of our sales and setting a sales-weighted health metric, as well as running trials to look at opportunities to shift to health baskets.

Finally, similar to Oonagh, comms is a key part of our strategy. There is lots of work ongoing. Our health target goes to 2030, so we have activity coming up over the next four years to deliver that.

Liz Fox: At Aldi we are built on the principle that we want to provide access to healthy affordable food. That has been the pillar of our strategy as a limited-line discounter, and we need to ensure that we increase the healthiness of our range across our entire portfolio.

We do that by listening to what our customers tell us—we do not have a huge amount of data on our customers, because we do not have loyalty apps. However, from the insight sessions that we have with our customers, the key thing they tell us is that they want us to keep it simple, so that is what you see when you walk into an Aldi store. The first thing you will see when you work in is our fruit and veg. We have Super 6 offers on those fruit and veg. Also, placement is really important; we had adopted healthy tills years before the HFFS legislation came in. As I said, prices are a key driving factor here to ensure that we have a high quality of food at that low price. We want to make that as simple to our customers as possible.

One example of where you might see that in our stores is that we have a lot of a mixed-case format. In the same place, you might see full-fat yoghurt next to reduced-fat yoghurt—at the same price, in the same place on the shelf. Our key mission is to make it as simple as possible for our customers to make the healthy choice.

Nilani Sritharan: At Sainsbury's, I want to start by saying we really welcome this inquiry. I think it is super important that we address the health of our nation, and obesity is part of that. It is something we see as a very serious issue. I also want to make the point that it is really important that we get to a healthy food system, which would mean that everyone has access to healthy and affordable food. That is something we take very seriously.

We are proud of our initiatives on health. I will give you two long-standing examples and then I will go into a couple of specifics. We were the first to introduce colour-coded, front-of-pack labelling in 2006, in the form of our wheel of health, if you remember that back then; and we were the first to introduce restrictions on unhealthy multi-buys in 2016, so almost a decade before they were regulated.

I have a couple of specific issues, although through this inquiry we will probably talk about some others. On affordability, we know that this is especially important to our customers. We have invested in something called the Aldi Price Match, which is one of the most extensive on the market. We also extend to convenience stores, and over 75% of those are a Healthy Choice, a better-for-you choice. We have invested nearly £1 billion in that over the past four years.

On reformulation, which we may not talk about quite so much today but is still an important part of the puzzle, I will give just one example of that. We have had many years of reformulating our products, but we focused on sugar reduction in the five categories that contribute most to volumes at Sainsbury's, and we have reduced sugar by over 35% since 2015—a very significant reduction. We think that action needs to happen right across the system and that we need to develop a positive food culture where healthy food is celebrated. We welcome further discussion.

Q296 **Chair:** I will start by understanding importance. Forgive me, but who said that this is managed at board level?

Oonagh Turnbull: I did.

Q297 **Chair:** Thank you. Is that the same for all the supermarkets? Is that a specific standing order? At Tesco, is that something that is looked at at every board meeting, or is it once a year? How does that work in terms of the board papers?

Oonagh Turnbull: Health is one of our sustainability KPIs, so along with our commercial KPIs, you would expect that to be managed at the board level. We have sustainability committees, which meet regularly, and absolutely, we will report back to that committee on all our sustainability KPIs, including—

Chair: Is that you who reports back, or do you go through—

Oonagh Turnbull: Yes, and the team I work with.

Q298 **Chair:** Understood. In the org chart of Tesco, where do you sit compared with the top job?

Oonagh Turnbull: I work for a director who manages—

Q299 **Chair:** Which director?

Oonagh Turnbull: The director of campaigns and central Europe. He reports to Christine Heffernan, who sits on our board.

Chair: Who sits on the board, and then that reports to the board.

Oonagh Turnbull: No, she is at group level.

Q300 **Chair:** She is at group level. Is she chair of the board?

Oonagh Turnbull: No.

Q301 **Chair:** She just sits on the board—so that is four levels removed from the chair of the board—

Oonagh Turnbull: Three.

Q302 **Chair:** Thank you. Beth, where do you sit in the org chart of the organisation, please?

Beth Fowler: In terms of our ESG strategy and where health sits within that, we have assessed materiality of issues across Asda, our business and our customers, and health is a priority in terms of our approach on ESG strategy. In terms of how the strategy is managed, we have a monthly governance forum, which is chaired by an exec member, and we have leaders from across the business on that forum, from retail operations—

Q303 **Chair:** Is that a sub-committee of the board? Is it managed? Let us start with a simple question. Like Tesco, is health and this agenda something that, in a standing orders kind of way, comes back to board level as a regular occurrence? Yes or no—may I just go down the line?

Oonagh Turnbull: Yes.

Beth Fowler: Yes.

Liz Fox: Yes. We have regular reformulation meetings.

Chair: Reformulation in particular?

Liz Fox: Yes.

Nilani Sritharan: Yes, in terms of our healthy sales performance.

Q304 **Chair:** We will get into the wider ESG and all that, but will you just answer my question—where do you sit compared with the top job?

Beth Fowler: I report to our technical quality and ESG director, who reports to our commercial SVP—so a member of the board.

Chair: Again, three removed.

Liz Fox: I look after our entire sustainability team and health is part of that. I then report to my group director, who reports directly to our chief commercial officer who is on the national board.

Nilani Sritharan: Similarly, I report to our director of sustainability, and that sits within the commercial team—so the director of commercial who sits on the board. I also have very regular briefings with our director of commercial and our CEO.

Chair: Okay, so you get direct access to your CEO on this. Do all our witnesses get direct access to their CEOs on a regular basis?

Oonagh Turnbull: Yes.

Beth Fowler: From our perspective, it is the responsibility of the ESG sponsor—who is an exec member—to take ESG issues to the board and our CEO.

Chair: So no.

Liz Fox: Yes, with our CCO who reports to the CEO.

Q305 **Chair:** The reason this is helpful is that as we question you, first, we understand that you guys are not the ultimate decision makers. That is helpful for the Committee to understand. It is also interesting to see that there is not someone at board level looking at this all the time—and that frames some of our discussions.

When you are reporting to the board, what information are you providing? When they are making their commercial decisions, hiring and firing, looking towards the future and the world economic outlook and wondering if they can keep people in jobs, what information are you providing them to make the necessary decisions?

Nilani Sritharan: Sure. We have very regular conversations on health. It is something that our CEO is particularly passionate about. He actually sits on the food strategy advisory board, which is looking at health among other sustainability related issues. Some of the things that we particularly talk about are things such as the healthy start voucher and how we can help support private sector top-ups of those. Those are benefits for the most vulnerable in society, and he is very keen to use his role to help unlock that with Government.

Q306 **Chair:** When you say he is passionate about that, has it filtered into specific KPIs or strategies? Other than speaking warmly about it, has that translated into concrete changes?

Nilani Sritharan: We have undertaken several initiatives where we topped up those vouchers.

Q307 **Chair:** And that was led by the CEO?

Nilani Sritharan: That was led by the business, but he saw how successful it was and is now trying to champion that at a sector level so that it is not just a Sainsbury's thing, but something that we do across retail.

Q308 **Chair:** That is very helpful. Liz, what information are you providing to the board, so that they can make the right decisions in and among all the other decisions that they need to make?

Liz Fox: We have a specialist nutritionist within our team. It is an important factor for Aldi that we ensure access to healthy and affordable food. That is built into the quality of our products, and therefore a key pillar of our strategy that we would want to move forward with to ensure that we give that offering to our customers. We do that through regular reformulation and making sure that we have clear labelling on pack. As I

mentioned on the reformulation, that is a key driver of how we then drive positive reformulation in our products. What I mean by that is removing salt, sugar and calories and putting in positive nutrients like fibre as an example.

All those reformulations are overseen by either our CCO or CEO. The buyers will present those reformulations to our board, and then my team will help deliver the reporting of how we are progressing against those targets. One way that the board has supported this—yes, my team suggested it but they backed it—is the introduction of our Live Healthy logo to make that decision even easier for customers. They also ask us to provide regular updates on achieving our healthy sales target of 85% by the end of 2027.

Q309 **Chair:** I was going to come to this topic—perhaps it is something that the other witnesses can weave into their answers. Is that healthy sales target by tonnage?

Liz Fox: Yes.

Q310 **Chair:** Could you say the target again?

Liz Fox: By the end of 2027, 85% of our sales need to come from healthy products. Currently, we are at 81% as of the end of 2024.

Q311 **Chair:** Do you feel that that 4% is really a stretch? It does not feel much like a stretch target.

Liz Fox: We feel that we are making good progress in those areas, but it will require continued focus by my team and the buying teams to ensure that we meet that target.

Q312 **Chair:** Lovely. Nilani, have you got a healthy percentage target by tonnage and what is it?

Nilani Sritharan: Yes. We are currently at 81.9% healthy sales by tonnage. We have an ambition to hit 85% by the end of this financial year. We found it very challenging to continue to grow that. We have seen growth, and we have also seen declines—largely driven by a number of external factors. Things went in our favour when there was a Thames Water contamination issue; it meant that we sold more bottled water, which favoured our healthy sales. Equally, if there is a particularly hot year, we may sell a lot more ice cream, and that can negatively impact at high volumes. Nevertheless, we have invested a lot in trying to do the right thing, and we have actually grown fruit and veg sales above market for the last three years.

What all that shows is that it is actually quite a challenge to hit a specific target, but at least we are giving that visibility to our board.

Q313 **Chair:** I think we well understand that; not all of it is in your control, but 85% is.

Again, what information is going to the board, and do you have a healthy proportion by tonnage of healthy sales target? If so, what is it, and what is it now?

Beth Fowler: Sure. We provide information to the monthly ESG steerco, led by the exec member who we referenced earlier. A key part of that update is updates to our ESG metrics. One of those metrics is our healthy sales metric. I will give you a bit more detail on that in a moment.

The other information that we share with the ESG steerco is about risks and opportunities, where we are seeing—to Nilani's point—positive trends around health and where we are seeing negative trends, to try and advise the business in terms of next steps. We also have a working group that sits underneath that steerco to deliver the change, which is at director level.

In terms of our healthy sales metric, that is a sales-weighted average nutrient profiling model metric. We set that as part of our two-year partnership with Nesta. So, we work with them over two years to share our data, to help ratify that we are setting the right level of ambition, and to look at balancing social impact. And they looked at an independent assessment of that, as well as feasibility, commercial risks and so on attached to that target.

The sales-weighted average NPM for information includes the nutrient profiling model of the product—how healthy is that product, based on the definition that the Government have set? There is also the weight of the product, which we think is really important, because if we sell a single chocolate bar, for example, that weighs—I don't know—50 grams, we would want to count—

Q314 **Chair:** So, you don't do it by tonnage, in a simpler way?

Beth Fowler: Weight is incorporated into the measure. Again, it has been independently ratified by Nesta. The reason we incorporate that weight metric is because we would want to count a 16-pack of chocolate bars as being more impactful to the healthiness, or the less-healthiness, of the basket versus a single chocolate bar—

Q315 **Chair:** You have a weighted system. So what—

Beth Fowler: It is weighted also by sales volume, which is the number of products that customers buy and put in their baskets.

Q316 **Chair:** So, you cannot give me a comparable number to before?

Beth Fowler: I can give you a baseline and the progress that we have made and publish; we publish that every year in our ESG report. Our baseline was 1.83 on the sales-weighted average NPM and we are currently sat at 1.77. We will be publishing at the end of this year; we are just analysing that data at the moment.

Oonagh Turnbull: For Tesco, we have been reporting our healthy sales metrics since 2021; that was when we set our healthy sales target. At that

time, we had a figure of 58%; that was our baseline. We set ourselves a really stretching target of 65% by the end of 2025.

I am really pleased to say that we hit that target. It was a really stretching target. At the time, in 2021, I was not sure that we would be able to get there. However, through a huge amount of work across our business, with our suppliers and through all our commercial teams, we were able to get there, as I said, by the end of 2025.

Q317 **Chair:** Okay. Do you have a forward target?

Oonagh Turnbull: Now, our focus is very much on reporting; hopefully, you will be aware of that, but we can come on to talk about it. What we have learned is that getting to the data we need for really accurate reporting based on NPM takes a huge amount of time and effort, not just for us within our business—because, clearly, we are keen to invest in that—but across all of our supply base as well.

Our focus now is very much on looking at what reports and what data are needed. We would ask that that is the focus for this Committee, along with a standardised metric.

Q318 **Chair:** The nutrient profile model in particular?

Oonagh Turnbull: For our healthy sales target, we use the 2004 NPM score, which has been really helpful, as you will be aware. Obviously, it is endorsed by Government and it is shared across all our supplier base. To be able to work with the standard metric has been hugely important, enabling us to compare data year on year.

Q319 **Chair:** Can I take it as read, Liz and Nilani, that you are using the NPM model as the basis? I notice that water is included, which feels a bit—

Nilani Sritharan: Most of us report on food and total sales, and food and soft drink are currently included together. That was the ambition at the time. There is definitely an acceptance that that probably needs to change as we look ahead to mandatory reporting. As I have said, we have learned from that. We don't use the NPM as the measure today, but we do report using the NPM as well.

We developed our own internal system to help identify "Better for You" and "Healthy Choice" by category, linked to things such as traffic-light labelling and Public Health England reformulation targets, but we also report in a way that allows comparison with others through our reports. We have one of the most extensive disclosures on healthy sales, which is available annually through our sustainability report.

Chair: What I am getting from this is that everyone is doing it ever so slightly differently. We would love to be able to compare—not just with you, though you are the top four and therefore have largest market penetration; obviously other supermarkets are available—but it is hard for us to do that and therefore judge whether these policies will work or not.

It would be really helpful to me, if you are willing, if you could write to the

Committee after this session with the specifics of how you measure and what exactly you do. The thesis question is: what is the board looking at, and what are you guys looking at to make your recommendations to the board? It sounds like everyone's in a slightly different place on this, and we just don't have time to go into the detail that we would need to understand it fully. I have a feeling that this might be important.

Q320 **Dr Cooper:** I will continue with this line of questioning. As the Chair said, you all do things slightly differently. Obviously, you are competitors, but you have all made the commitment today that improving people's access to affordable, healthy food is the goal of your supermarkets. When it comes to the various health initiatives that you have done, on the basis of the data that you have collected, what evidence do you have that particular initiatives have or have not worked? Let's go down the line, and you can tell us, based on data and evidence only, what works and what doesn't.

Nilani Sritharan: At Sainsbury's, we have some of the most extensive test and learns, which we have published externally. There have been nearly 12 since 2017. Let me give you two examples of things that worked and two where things didn't quite happen as we expected.

What has worked is a promotion we did on fruit and veg pricing, reducing the price of 11 fruit and veg to 60p. I think we ran it in 2022. We saw a 78% uplift in fruit and veg sales during the promotional period on at least nine of the 11 that were in there.

Q321 **Dr Cooper:** Have you continued that, or did you just have it as a promotion and then the price went back afterwards?

Nilani Sritharan: We continue to include a lot of fruit and veg in our Aldi Price Match campaign, and you may have seen that, just yesterday, we launched half-price Nectar stunt that features quite a number of fruit and veg.

Q322 **Dr Cooper:** So if you have a Nectar card, you can get the reductions in healthy food; if you don't have a Nectar card, it is more problematic.

Nilani Sritharan: The vast majority of customers now have one, but, even if they didn't, the Aldi Price Match applies to a high number of fruit and vegetables, and is included in convenience stores, too.

Q323 **Dr Cooper:** So price elasticity works. What else?

Nilani Sritharan: The second is our fruit and veg challenge, which we have done through Nectar, where we incentivise and use gamification to give customers personalised rewards for adding more fruit and veg to their basket. That has led to 780,000 customers joining that scheme and 113 million extra fruit and veg being purchased.

Q324 **Dr Cooper:** Gamification—that is basically rewarding people for making healthy choices.

Nilani Sritharan: Yes, exactly.

Q325 **Dr Cooper:** Could you give me just one example of something that didn't work out, then I will move on?

Nilani Sritharan: Yes, no problem. Pricing didn't work when we included fibre-rich products in the Aldi Price Match scheme. We included wholewheat pasta and brown rice in it. We expected to see customers being more tempted to try them. Unfortunately, what we saw was that existing high-fibre customers switched into the lines that were in the Aldi Price Match scheme, but we didn't see more customers willing to try those products.

Q326 **Dr Cooper:** Do you have any insight as to why that might be the case?

Nilani Sritharan: Price alone might not be the barrier to trying those products. I don't have the answers, but I suspect it is more than just price.

Q327 **Dr Cooper:** Do you think it is, perhaps, around food preparation?

Nilani Sritharan: Perhaps, yes.

Q328 **Dr Cooper:** Thank you, that is really interesting. Is there anything else to add from your perspective, Liz?

Liz Fox: From an Aldi perspective, data is limited from a customer-insight specific point of view. That said, we are very clear that our customers want us to keep it simple for them. That is why we have moved fruit and veg to the front—

Q329 **Dr Cooper:** When you say simple, do you mean they want to come into the supermarket and for it to be very clear what's on offer so they can pick it up?

Liz Fox: They would like us to make the healthy choices for them as easy as possible, which is why we have fruit and veg at the front of the store. We know that Super 6 is a big driver of footfall into our stores, so we know that customers want to have access to healthy food at a good price.

Other initiatives have been received really well. Alongside access to healthy, affordable food in store, from a wider perspective we also have our Get Set to Eat Fresh programme. That is through our sponsorship of the British Olympic Foundation and it has managed to reach over 3 million children.

Q330 **Dr Cooper:** Fine. That is great advertising for you. Is there anything that has not worked particularly well?

Liz Fox: What we have not seen work well is a loyalty app, which is why we have not introduced one at Aldi. It adds confusion for our customers that they do not want. We do not offer promotions—for example, buy one, get one free—in store. It is simple pricing. There is a level of equality when you walk into the store. As you walk in, you know that you have the same price as everybody else in there, and it will be the lowest possible price for you.

Q331 **Dr Cooper:** Thank you. Beth, very quickly, what has or has not worked in your area?

Beth Fowler: We think this is a really important question. Customer behaviour is complicated. We see various behaviours across different categories. Our ask is for policy to be outcomes-based and to allow us to prescribe the routes to deliver change. We are in a similar position to others in that we have trialled initiatives over previous years. We have collaborated with the IGD, Nesta, Leeds University and so on to independently analyse the results.

Q332 **Dr Cooper:** Can you tell us anything that has or has not worked?

Beth Fowler: Yes. We try to publish those results so that they are available for others to access the learnings of what we have done. What has and has not worked is a really good question. We have trialled similar initiatives in different categories or in different ways, and we see different results. As the custodian of our customer, we feel that we are best placed to understand their behaviour.

Q333 **Dr Cooper:** Beth, what has worked and what has not worked?

Beth Fowler: In terms of results of trials, we have talked to merchandising about the way that we position products in our stores. We did a trial with the IGD on meat-free, for example. We were looking at driving healthy and sustainable choices across meat. We saw in the academia that if we moved products in a certain way, we could achieve behaviour change. When we actually did that in store, we saw a significant reduction in the sales that we were trying to drive. Again, it speaks to customer behaviour being very specific to the category and the way that customers shop our stores.

Signposting is another example where we have seen very different results for the same intervention on messaging health within one category.

Q334 **Dr Cooper:** You have a lot of data and you have just told us about an impressive way of working with academia. Is it fair to say that you acknowledge that the way your supermarket is set up very much influences how your customers shop and their health choices, or otherwise?

Beth Fowler: We think that there are lots of levers that we can pull to drive positive—

Q335 **Dr Cooper:** There is evidence that the set-up of the supermarket has an influence. Would you agree with that?

Beth Fowler: I would agree that there are levers that we can pull as a business to drive behaviour change. HFSS legislation, for example, is really complex and really costly for us to implement. When we have worked together across retail to analyse that independently through Leeds University, there is a very minimal reduction in sales of less healthy food.

Q336 **Dr Cooper:** Okay. I think we will come to HFSS later. Oonagh, do you have anything to add?

Oonagh Turnbull: I mentioned at the beginning the barriers that our customers face when it comes to healthy food. Our focus is on introducing and continuing initiatives that address each of those barriers. I can give you examples for affordability, accessibility and inspiration.

From an affordability perspective, we all know that the cost of living is the most important thing. Our focus as a business is to ensure that, for price, we are competitive on healthy lines. A good example of that is our Aldi Price Match scheme, where we commit day in, day out to have two thirds of the 650 lines as healthy. That has been really successful for us. In addition to that, Clubcard pricing is an important mechanism.

From an accessibility point of view, reformulation is an important lever, as others have talked about. If I can use the example of the children's yoghurts category, which I know has been mentioned by others on this Committee before, over the last couple of years we have worked hard to take sugar out of that important category for young people—so much so that we have removed 16 tonnes of sugar from that category. We are now a market leader. We will continue to move forward on reformulation.

The final area is inspiration. As you can imagine, we are continually looking to see how we can inspire customers through all our customer channels: the Tesco magazine, which is the biggest consumer magazine; our app; and what we do in stores, as you mentioned.

A recent example there is our 5-a-day campaign, which we launched last August. We are very aware, as many of you will be, that not enough people at all get access to their five a day across the UK; indeed, only one in 10 children do. What we wanted to do, and still want to do, was change that, so we launched an always-on campaign through all of our comms channels, and that has been really successful. At the end of the first run of that campaign in August, 42% of the basket focused on fruit and veg—

Q337 **Dr Cooper:** I am so sorry, Oonagh; we are running short on time, and I would just like to say for the record that five a day is the minimum and we really should be aiming for a lot more than that, but thank you so much.

It is really interesting to hear that you are doing lots of different health initiatives. Obviously, they are very good marketing initiatives as well—let us not be naive about that—but we do want to marry those two things together. In terms of Government support, as the Chair pointed out, you are all doing slightly different things and you are all competitors. Would you be supportive of regulation to level the playing field? You are all competitors in other things, but you are not competitors in the healthy food area in that you all have to hit certain standards. Would you be supportive of regulation to ensure that you are all starting from the same place—yes or no?

Oonagh Turnbull: Well, we are—

Dr Cooper: Just yes or no.

Oonagh Turnbull: I think it is really complicated actually, because we are a really big supporter of evidence-based regulation and policy.

Q338 **Dr Cooper:** So the answer is yes if it is evidence based, basically?

Oonagh Turnbull: And if it is developed with implementation in mind.

Q339 **Dr Cooper:** So it is a provisional yes. Beth, yes or no?

Beth Fowler: We are supportive of evidence-based measures and mandatory reporting, but I think HFSS has shown us that evidence needs to be well based and that we need to be able to implement it—

Q340 **Dr Cooper:** Absolutely. I am all for evidence-based regulation. I am just asking about regulation across all of you to essentially level the playing field. Liz?

Liz Fox: Yes. We are supportive of mandatory reporting. We would want to build on existing data so that we do not invest time in bureaucracy where we can be investing that in areas where we know we can win.

Q341 **Dr Cooper:** Excellent. Nilani?

Nilani Sritharan: We are supportive of mandatory reporting, supportive of better enforcement of existing regulation and supportive of regulation that does affect the whole of the system and so levels the playing field.

Dr Cooper: Excellent. So that is a yes.

Chair: We are going to come back to all these points.

Q342 **Paulette Hamilton:** Good morning, all. Let me set the scene. Between 1993 and 2022, the proportion of adults living with obesity rose from 14.9% to 28.9%. The proportion who either were overweight or living with obesity rose from 52.9% to 63.9%. With that in mind, it has been suggested that voluntary initiatives have failed to reduce the rate of obesity and we should be looking at more mandatory policies. What are your views? Let us start with you, Nilani.

Nilani Sritharan: Some of the voluntary mechanisms have worked. We have certainly reformulated a great number of products, and we wish there was better data to show that. However, we would support mandatory reporting, as I said earlier. Where regulation has come in, we support better enforcement of that. The HFSS placement regulations are a good example of where better enforcement is needed, and we recognise that. We support the HFSS advertising regulations that we voluntarily brought in in October, but were regulated on just in January this year.

Looking ahead, mandatory reporting exactly as you have described would lead to one metric being used across the whole of the sector. That would require us to have automated data to be able to report against. That would give us the visibility and allow us to evaluate policy better to inform future policy outcomes.

Q343 **Paulette Hamilton:** So you do think we should move towards mandatory

rather than voluntary?

Nilani Sritharan: Where it is evidence based and where it levels the playing field, that can be very helpful.

Q344 **Paulette Hamilton:** Liz? Please be succinct.

Liz Fox: Understood. Voluntary reporting certainly has a place, but in a competitive market, it drives few incentives for progressive companies to go further. That is why Aldi does support mandatory reporting, given all the considerations that we have already discussed.

Beth Fowler: From our perspective, I do want to say that most of the progress, or at least a lot of it, that has been made to date has been voluntary, and as a sector, we have always worked proactively on this. I do want to call that out. You have heard from us today around healthy sales metrics, and we have set those on a voluntary basis.

We are supportive of mandatory reporting around healthy sales. Outcomes-based policy is key for us, and we feel that it is important that prescriptive measures are not introduced by the Government because we understand customers, our businesses and the efficiencies required to deliver low-cost shopping, which, to the points raised around incomes and the pressures on the cost of living, is really important. Evaluation is key, and Nilani touched on that—

Q345 **Paulette Hamilton:** I need you get to the point, or we are going to run out of time.

Beth Fowler: Two more points, I promise.

Paulette Hamilton: You are just reading from a list. Just answer the question, please.

Beth Fowler: I do genuinely believe in this, and I care about our customers—

Chair: I know, but we have limited time, so let's get to it.

Beth Fowler: They are at the lower end of the socioeconomic scale. For us—final two points—pragmatism and we have—

Paulette Hamilton: Pragmatism, and what is the final point?

Beth Fowler: The final point is a whole-systems approach.

Q346 **Paulette Hamilton:** Whole-systems approach. Thank you very much. Over to you, Oonagh.

Oonagh Turnbull: Along with others, we also support mandatory reporting, so much so that back in May, our CEO along with the CEOs of our health charity partners—British Heart Foundation, Cancer Research UK, Diabetes UK—put an ask in to Government for that. We are really pleased that that is being looked at seriously now and we very much welcome it. For us, that is the focus as we move forward. In addition to

that, we also think that there is a role for voluntary reporting and initiatives.

Q347 **Paulette Hamilton:** I am going to stop you there and go back to you, Nilani. You were the only one to talk about enforcement. Why have you highlighted that?

Nilani Sritharan: For good regulation to exist, it is not about just mandating it, but about it being enforced. If it isn't enforced, there isn't a sense that there is an actual regulation there. We have invested so much money in implementing this regulation. We want it to be a fair and level playing field, and that is why enforcement is so important.

Q348 **Paulette Hamilton:** We talked about voluntary measures. Do you think we are at the end of what we can do with them—yes or no? Is there more we can do?

Nilani Sritharan: There is always more we can do, but the mandatory reporting will unlock a lot more insight.

Q349 **Paulette Hamilton:** So you think we've got as far as we can with people doing things voluntarily.

Nilani Sritharan: No. I do not think that is fair.

Q350 **Paulette Hamilton:** So you don't think we've got to the end. What about you, Liz?

Liz Fox: I think mandatory reporting can, if done in the right way, encourage more voluntary reporting.

Q351 **Paulette Hamilton:** Right; I like that. Over to you, Beth.

Beth Fowler: No. We think we can definitely go further in terms of voluntary measures. By definition, our healthy sales target is for the future, for 2030—so there is more work to be done.

Q352 **Paulette Hamilton:** Brilliant. Over to you, Oonagh.

Oonagh Turnbull: We think that there is always more that we can all do to accelerate the change that is needed.

Q353 **Paulette Hamilton:** Right. My final question is: do you feel that the Government should concentrate more on mandatory reporting than it currently does, and where do you think that would place your organisations? I am going to start with you, Oonagh.

Oonagh Turnbull: As I mentioned, we are a big supporter of mandatory reporting. As I said, we asked for it last year, and we would ask that that is the focus, from a policy perspective, as we move forward, along with a standardised metric to allow us to compare like with like across the industry.

Beth Fowler: We are supportive of healthy sales metrics and reporting, so we would welcome more focus from the Government on the policy.

Liz Fox: Aldi agrees that we need to focus on simple reporting measures and building on existing data to ensure that we increase access to healthy products and clarity for customers rather than narrowing range, which links into the new nutrient profiling model discussion that we will probably have later.

Nilani Sritharan: Yes, we are supportive of mandatory reporting. As you have seen from this panel, most retailers are already reporting, so it is a question of adjusting to a common metric, but in fact, the vast majority of the sector is not reporting, and that is where we need to see progress being made.

Q354 **Paulette Hamilton:** I realise I have got another minute or so. This is a personal thing that I am passionate about: at Christmas, for the first time ever, I saw the retailers seem to come together. Most retailers were selling the fruit and vegetables that you would have on your Christmas table for 5p. Some went up a little bit further, but it was around 5p to 15p. How often do you come together and do that type of work? Because if the retailers worked more closely together to do some of that work, it would really help. People in my constituency were ringing each other to say, "At that shop, it's 5p"—it really caused a buzz at Christmas with fruit and vegetables.

Beth Fowler: I am really pleased with your feedback on that. Price is important to all our customers. It is a really important initiative that has been running for many years. We do deep discounts at Christmas on produce to help customers manage their Christmas shop. In terms of coming together and working together, we have done that for many years. We meet with each other, I would say monthly, on pre-competitive issues around health, sustainability and so on. We are committed to continue doing that.

Liz Fox: We do need to be careful around how we talk together about price from a competitive perspective—I am just highlighting that.

Paulette Hamilton: Thank you for being honest.

Liz Fox: I do want to be careful around that topic. What Aldi is really proud of is that it does set the benchmark for low price. As a competitive industry, we are always monitoring what each other is doing. I want to make it clear that we ensure that the temporary nature of promotions is made clear to our customers. We also absorb 100% of the cost of those promotions to protect our suppliers. That is a big investment from our perspective at Aldi. We would continue to do that through our Super 6 promotions to ensure that we give accessibility to our customers.

Nilani Sritharan: As Liz rightly said, we do not talk about pricing between us, but nevertheless we invest in making healthy choices more affordable through our Aldi Price Match campaign. A point that is maybe still relevant is that often on issues like health, although we talk about things in pre-competitive areas, it is not always easy to test and learn collectively because of the issues of anti-competitiveness. It is worth a conversation

on how you could unlock that to make it easier to run trials across a high street.

Paulette Hamilton: That is a fantastic place to stop, and I will hand back to the Chair. *[Interruption.]* Did I miss anybody? I apologise, Oonagh—I'll ask you.

Oonagh Turnbull: Don't worry—I'm sat at the end. Just to sum up what others have said, two things matter to our customers at the moment: health is one of them, and cost of living and price is the other. As with others, Christmas and the pricing of fruit and veg at that time is really important, but to us it is important all year round.

Q355 **Josh Fenton-Glynn:** Oonagh set me up perfectly for my questions, which are on the price differences between healthy foods and non-healthy foods. Beth, can you explain the differences in profitability between high fat, sugar and salt foods and foods such as fruit and vegetables? What are the drivers of those differences?

Beth Fowler: Thank you for starting with us because, to bring it back to the Asda customer, cost is really important. I have spoken about lower socioeconomic groups. This is something that we care about. We have been collecting 15 years'-worth of data on our customers' incomes and the pressures on those incomes. We know that our least well-off customers are £73 in deficit each week after covering essential spend, so affordability and so on are really important when it comes to health and more broadly.

In terms of your question on profitability, we do not see systemic differences across healthy and less healthy categories when we look at margin data. Profitability is not driven by the healthiness or less healthiness of the product. Drivers of cost are complicated; they are category and product-specific—labour, raw materials, storage, perishability and so on. We see cost pressures across our supply chain and across categories. With fruit and vegetables, we have certain challenges around climate, for example, and Brexit has introduced significant challenges in that space. Equally, commodity price surges in cocoa have had detrimental impacts in less healthy categories. We see examples of cost pressures across the piece, and profitability is not one-dimensional.

Q356 **Josh Fenton-Glynn:** That is interesting to me, because the assumption is that the processed foods are perhaps a little more profitable, and that is the basis of the price, because there is a price differential and a difference in the price per calorie. Liz, what is driving the price-per-calorie difference between healthy choices and non-healthy choices if it is not profitability?

Liz Fox: I would need to look into the specific modelling, but from what I know, if we are looking at it from a calorie basis, it takes a huge amount more weight to have the same number of calories of potato, for example, compared to a chocolate bar. That may be what is driving that comparison. Similarly to what Beth said, our profitability strategy is not based on how we price healthy versus unhealthy products. Our strategy as Aldi is to have an everyday low price, and we will do that to the best of our ability for our customer.

Q357 **Josh Fenton-Glynn:** Nilani, all these conversations are about people's income but also the profitability question. Sainsbury's has quite a lot of Local stores. Research by Which? recently found that cheaper staples like pasta, vegetables and tinned tomatoes were 87% less likely to be in the Local stores. Why is that?

Nilani Sritharan: We have actually done some research into that. I can tell you that the convenience stores that we have across our estate are equally located in areas of low affluence and areas of higher affluence. They are no more represented in the lower-affluence areas. We also undertook a review of value, and our Aldi Price Match campaign has been extended to convenience stores, so you can actually get quite a large selection of items—enough to be able to prepare up to 30 recipes—from a convenience store, meaning that you can still access great value in those stores.

Josh Fenton-Glynn: You say that convenience stores are in poorer and better-off areas.

Nilani Sritharan: Both, equally.

Q358 **Josh Fenton-Glynn:** That is true, but the availability of transport is not equal; that is the problem. That is why two-thirds of people on lower incomes are likely to use convenience stores once a week. There is a problem with what is available in those stores. You are telling me that you have more than, perhaps, Which? has found. Is that something that you have found as well, Oonagh?

Oonagh Turnbull: We work really hard to make sure that, across all our store formats, whatever size store customers shop in, they are able to have access to the food that they need, day in, day out—those everyday essentials that you mentioned. We absolutely believe that you would be able to go into any Tesco store and get any of those items at a great price. We aim to be competitive all the time, and clearly we do not want any of our customers to have to pay more anywhere to access the food that they need to have a healthy and sustainable diet.

Q359 **Chair:** I have a quick follow-up. I was intrigued by the price-per-calorie conversation. Do you guys have a price per calorie for your food that is compliant with HFSS legislation? Can we get it? Nilani, do you have it, or can you write to us with it?

Nilani Sritharan: We could calculate it. The question is whether that is actually helpful, because the customer is buying a portion rather than per calorie. We also need to think about that, but we could calculate it, yes.

Q360 **Chair:** If it is possible, could you write to us with it? We are trying to get to the price per calorie for the category that is currently regulated versus everything else. That is what I would love to see. Others have done that work; I am curious to know if you have it. Clearly you do not have it to hand, which suggests that you are using other metrics, which is also interesting. Liz, do you have it?

Liz Fox: If we have that data, we can share it. I would need to understand how we could get that data from our systems.

Q361 **Chair:** Thank you. Beth, do you have it?

Beth Fowler: To build on Nilani's point, we do not feel that that is the right metric. We understand that NGOs and academics use that metric, but can I bring it to life with an example? That metric is a very one-dimensional way to look at health. Calories are a measure of the healthiness of a product, but products have nutritional profiles that span multiple nutrients. If you were to, equally, look at price per unit of fibre or vitamin A, fruit and veg would look really affordable and chocolate would not. We have concerns and challenges around that metric. I would like to reassure you that it is something that we have looked at. The price of the healthiest products in our range—the products with the lowest NPM scores—is lower than the least healthy products in our range. We would be happy to share more data on that.

Chair: Yes, please.

Oonagh Turnbull: In this incredibly complicated world, we have been very focused on the NPM and our 65% healthy sales target—that is absolutely what we have been looking at.

Q362 **Chair:** So that is the north star metric, rather than this one?

Oonagh Turnbull: Absolutely.

Q363 **Ben Coleman:** Thank you all for coming. I would like to focus a little more on the affordability of healthy food. The Government have the Healthy Start scheme to support pregnant women and low-income families with small children. At one point, Sainsbury's offered a £2 extra top-up to that scheme; have you stopped doing that?

Nilani Sritharan: We offer a benefit to customers we think may benefit from it, but we are not able to assign it to the Healthy Start voucher customer.

Q364 **Ben Coleman:** Because?

Nilani Sritharan: Because when the voucher was digitised and it moved to a Mastercard format, we had no way of easily identifying that customer in our systems to anonymously generate a coupon at the till. It is something we have raised with the Government.

Q365 **Ben Coleman:** If it moved back to being paper-based, you would still offer the £2 top-up.

Nilani Sritharan: Yes.

Q366 **Ben Coleman:** Can I ask the others? What is your relationship to Healthy Start? Do you take the vouchers? Do you offer top-ups? Would you offer top-ups if it was a paper-based voucher? Take Tesco, for example.

Oonagh Turnbull: We are really pleased to support and accept the Healthy Start voucher in all our stores, and Best Start in Scotland. We

actually worked with the Marcus Rashford taskforce during covid and other representatives you have had on the Committee, including the Food Foundation, to look at a top-up, and we were able to offer that, which was really good.

Q367 **Ben Coleman:** What did you offer?

Oonagh Turnbull: £1.

Q368 **Ben Coleman:** When did that run?

Oonagh Turnbull: That was during covid.

Q369 **Ben Coleman:** We still have a cost of living crisis. We have an affordability crisis.

Oonagh Turnbull: Absolutely. Unfortunately, as Nilani said, the scheme changed, but we are actively involved in conversations with industry bodies to see what is possible.

Q370 **Ben Coleman:** If it came back as a voucher-based scheme, would you still offer the £1 top-up?

Oonagh Turnbull: Absolutely—we are focused on making sure that those customers who need support get the support they need.

Q371 **Ben Coleman:** If it came back as a voucher-based scheme, you would offer the £1 top-up.

Oonagh Turnbull: Well, I think that is a hypothetical question, because—

Ben Coleman: It is a hypothetical question—that is exactly what it is. If it came back as a paper—

Oonagh Turnbull: We are a really proud supporter of the Healthy Start scheme.

Q372 **Ben Coleman:** So what would that mean? How could it be better? How could you do more and contribute more towards it if the scheme was reformulated—to use a popular word?

Oonagh Turnbull: Healthy Start, as others have talked about, is one of many schemes that are—

Ben Coleman: I am talking about Healthy Start, and how you would support that if it was easier to do and not electronic.

Oonagh Turnbull: One of the big things with Healthy Start, for us—certainly during the covid experience we had—was our role in helping with awareness of the scheme. You will probably be aware that awareness of the scheme is low, and we know from partners like the Food Foundation that a lot of work needs to take place to make sure that the people who are able to access the scheme get the scheme. A big focus for us across all our businesses is to help with awareness raising.

Q373 **Ben Coleman:** Sainsbury's has said that if it goes paper-based, it will do

a £2 top-up, and you have said, "Dunno." What about you, Beth?

Beth Fowler: From our perspective, we support any scheme that supports deprived customers. That is our customer group—

Ben Coleman: Would you do a top-up if it was a voucher?

Beth Fowler: We care about those customers. To Nilani and Oonagh's point around the scheme moving to a pre-paid debit card, our concern currently with top-ups—

Ben Coleman: Forgive me—I am terribly sorry, but I asked a specific question. I understand the debit card point, because it has been made twice now. If it moved to a paper-based scheme, would you offer a top-up?

Beth Fowler: I do have a different comment to make in relation to the debit card. Because it is a debit card, we cannot control, for example, what customers are buying with that card, and we have concerns around topping that up for customers and it not being used on the categories that Government intend it to be used for.

Q374 **Ben Coleman:** Would you be able to control it if it was a paper voucher?

Beth Fowler: Yes, and we did historically.

Q375 **Ben Coleman:** And if it was a paper voucher, would you then match Sainsbury's and offer £2 on top, or £1 even?

Beth Fowler: We would need to consider that, because it would obviously require investment. We need to consider it across other areas, like price investment, but it is certainly something we would consider.

Q376 **Ben Coleman:** Thank you. What about your position at Aldi?

Liz Fox: Aldi does accept Healthy Start vouchers, and we would be open to adding value at the till. We would need to understand how we would be able to make that work. We have been talking with the NHS team recently on this.

Q377 **Ben Coleman:** Is it genuinely worth us going back to the Government and saying, "If you don't insist on it being on a credit card, but you make it paper-based, the supermarkets will look at topping it up"? Yes, no, or maybe?

Nilani Sritharan: Can I give context? I think you do not necessarily need to go back to the coupon. I think what we need to do is unlock how we can allow the private sector to top up the existing system. That would be the solution, and I would very much support that.

Q378 **Ben Coleman:** You would put extra money in.

Nilani Sritharan: Yes.

Liz Fox: Maybe we would need to understand how it would work in our systems.

Ben Coleman: Fair enough.

Beth Fowler: To Nilani's point, there may be a better solution, but we would want to be able to control the categories that that money was being used for, so as not to worsen health inequalities, but we would consider it.

Oonagh Turnbull: I think we all have a role to play in making sure that the number of people who access Healthy Start increases.

Q379 **Ben Coleman:** I appreciate that, but that is a general comment. Would you look at it if it was made more accessible?

Oonagh Turnbull: We would continue to support the scheme and would absolutely look, as we are already doing.

Q380 **Ben Coleman:** Thank you very much. We have this whole problem, as you can see. We are focusing on one aspect of affordability, but how can we make healthy food more accessible? What are you doing to make your basic ranges more accessible, in terms of both where they are sold and the price they are offered at? Maybe we could start with Aldi.

Liz Fox: Our approach at Aldi is to have everyday low prices across our range. Because we are a limited-line retailer, we have only a certain number of products and a certain number of lines. Our mission and ambition is to increase the healthiness of our entire range, which is why we introduced our Live Healthy logo.

Q381 **Ben Coleman:** At the same price?

Liz Fox: Yes. It goes back to my earlier example of our full-fat yoghurt that is next to a lower-fat yoghurt in the same case, and on the shelf for the same price. That will also be the same across all our stores.

Q382 **Ben Coleman:** I am not quite clear on how it works. I went on to Tesco's website, and I looked at the chicken masala. You have your basic chicken masala, and you then have your Finest chicken masala, and there is £1 difference in price—the basic is £3.85 and the Finest is £4.85. The cheaper one has slightly less chicken—it is 18% versus 20%—but it has fully refined soybean oil, palm oil and masses more HFSS. For example, it has far more salt, although both of them fail quite badly when it comes to salt, but you have more salt in the cheaper one. From a nutritionist's point of view, why does putting in all these things make the product so much cheaper?

Oonagh Turnbull: To be clear, I am not a nutritionist, so I would not be able to—and would not want to—answer that.

Q383 **Ben Coleman:** Perhaps it is one for the nutritionists, because it is a general question.

Oonagh Turnbull: I can certainly talk about the work that we have done on reformulation. You have pulled out one particular example, but if you look across all our ready meals, over half of them contain at least one of your five a day, and 30% contain beans, for example. What we are constantly doing, bearing in mind the cost of living and the needs of

customers, is reformulating so that we have a range of products available to customers in our store—from the Finest range that you have just mentioned right through to the others.

Q384 **Ben Coleman:** I get that, but you have your Finest range, and it is the "finest". If we look at your RAG rating, it is red for fat, saturates and salt. It is even worse with your basic rating, as it is high in fat, saturates and salt, and it is medium in sugars. Can somebody explain to me why we need palm oil and so much salt in products to bring the price down? Can a nutritionist explain that to me? I think one of you is a nutritionist.

Nilani Sritharan: Two of us are nutritionists.

Q385 **Ben Coleman:** Two of you are nutritionists. When you add salt and palm oil to food, why does it enable you to bring the price down?

Nilani Sritharan: I cannot talk about the specifics of that particular product.

Q386 **Ben Coleman:** But it is products all over. If you read Chris van Tulleken's book, it is very clear about the range of products that it is all added to.

Nilani Sritharan: The important question here is: what are we doing to help make the outcome healthier and driving healthier sales easier? We are constantly looking at products. We have a number of brand standards for our own-brand range. We are very strict about that, and we continue to benchmark products against our competitors'. We put the labelling on the front of packaging to make it easier to identify the healthier choice, and we consistently benchmark products to reformulate over time. One thing about mandatory reporting is that if we were to start to do that by category, we would be able to compare products more easily across our peers, and I think that, in itself, would drive positive reformulation.

Q387 **Ben Coleman:** Good. The frustration of the Committee is that, when we are all here, we all have lots of questions. That is nice for you, because we do not drive as deeply as we might otherwise do. I am going to need to move on to something about advertising. Does the advertising of food and drink products increase the consumption of what is advertised—yes or no? If you advertise something, do people buy it more? You spend huge amounts on advertising; presumably there is a purpose in doing so.

Chair: Why are you guys struggling to answer this question? It is self-evident, isn't it?

Ben Coleman: Take Asda first. If you advertise particular food and drink products, does it increase their consumption?

Beth Fowler: I do not have data on that, so I cannot share the numbers with you.

Ben Coleman: You do not have data on that. As an expert of many years in the industry, you are not clear in your own mind whether it does or not.

Beth Fowler: What I can share with you is that, for our own-brand communications across all channels and ways in which we talk to customers, health is factored into that decision making.

Ben Coleman: In your own-brand communications. Is that the same for all of you? You are all moving—

Q388 **Danny Beales:** But that was not the question. Sorry to cut you off, but that really was not the question that was asked. All of you as supermarkets advertise products on TV and online. Are you saying that you have no evidence, formally or informally, that the large amount of money you spend on TV time and physical media does or does not promote the uptake of those products?

Oonagh Turnbull: Could I give the example of a campaign that we launched last February, our "It's everything" campaign, which is absolutely focused on great, affordable, healthy food in a family setting?

Q389 **Danny Beales:** Apologies, but that still wasn't the question. Do you or don't you—

Oonagh Turnbull: Sorry, I was just going to come to that. What we have found is that that has been really successful. It is a brand campaign for Tesco and absolutely focused on the basics of good nutrition in a family setting. If I can give an example of the impact that it has had, our fresh food category, over Christmas, was our star performer—up 6.6% year on year.

Danny Beales: I think Ben needs to come back in, but that wasn't the question and it's quite ludicrous that—

Q390 **Chair:** One second—can I just clarify this? Are you guys, in your roles, able to get that kind of data for us? When you are saying, "I don't have the data," does that mean that you specifically don't have the data or Asda, Tesco, Sainsbury's and Aldi don't have the data? Can I just get clarification on that? Beth, you were the one who said, "I don't have the data".

Beth Fowler: I don't have that data with me today.

Q391 **Chair:** With you today? Write to us—

Beth Fowler: I would be happy to go and look at what data we hold. I don't know whether we have the specific data you are looking for.

Chair: Okay, fine.

Beth Fowler: One of the complexities and reasons why it is difficult to answer this question is that not all advertising is related to specific products. There is advertising about our brand, our shopping experience and our price. So I would like to take it away and maybe get a bit more clarity on the question.

Chair: Thank you.

Q392 **Ben Coleman:** That's fine. I think this is quite an important question. You have talked about your own products, but the control on branded products is less than on your own products, and you are all, with the possible exception of Aldi—from the research that we have done—moving towards a very intensive retail media push, and there is talk of Tesco making as much as 10% of its profits, by promoting whatever brands pay you to promote them in store, online, through your cards and all that. If a brand pays you to promote it, you are not going to be worrying about whether it is nutritional; you are just going to take the largest amount of money that it pays you and you are going to promote the brand. That is the case, isn't it? I am going to take that to Sainsbury's.

Nilani Sritharan: For us to be successful and grow as a UK business, we have to do what is right for the customer, and what the customer actually wants is for us to invest in making great-quality products at good prices, so promotional decisions are actually based on being able to deliver value—

Q393 **Ben Coleman:** But you have a financial incentive to take whichever brand pays you most, regardless of its nutritional content.

Nilani Sritharan: It's not only that that is considered when we consider what to promote. It also has to be what is right for our customers and what is right, therefore, for our business.

Q394 **Ben Coleman:** Okay, last question. The Less Healthy advertising regulations came into force. A statutory instrument was laid to exempt brand advertising from the legislation. Did any of you or your companies lobby against these regulations or in favour of the new statutory instrument? If you didn't, did the trade association of which you are members, the British Retail Consortium, lobby against the regulations or in favour of the new statutory instrument?

Oonagh Turnbull: We weren't involved directly in those conversations. I do understand that the trade bodies were involved, but simply to understand the guidance that was needed and to ensure that the regulations would be able to be implemented well.

Ben Coleman: Simply to understand the guidance. Beth?

Beth Fowler: From our perspective, we have always tried to engage with Government in terms of policies coming in, to ensure they are right for our customers—again, are they going to drive cost, and so on?

Q395 **Ben Coleman:** Did you lobby on the Less Healthy advertising regulations or the statutory instrument?

Beth Fowler: We spoke to Government many times over a long period of time.

Q396 **Ben Coleman:** On this issue?

Beth Fowler: I don't have specific data on that. Any engagement that we have with Government has the intention of—

Q397 **Ben Coleman:** Did you speak to the Government on this issue? Sorry, but it's—

Beth Fowler: We did speak to Government on the issue, but—

Ben Coleman: Thank you very much. What about Aldi?

Beth Fowler: Can I please clarify the nature of those conversations? The nature of those conversations was to understand—get clarity on the guidance. It is a really complicated piece of legislation; I think everybody who is engaged in that would feed that back.

Q398 **Ben Coleman:** It was just to get clarity, then?

Beth Fowler: To ensure we're implementing it in the correct way for our customers. That is the nature of our engagement.

Q399 **Ben Coleman:** Did you make a case to the Government to exempt brand advertising?

Beth Fowler: I am not aware of us making a case to do that.

Ben Coleman: What about Aldi?

Liz Fox: We have never lobbied against that legislation; we have only ever sought clarity for implementation.

Ben Coleman: And Sainsbury's?

Nilani Sritharan: We welcome the advertising regulations. We asked questions about implementation, because it wasn't clear how, for example, recipes would be treated as part of that.

Q400 **Ben Coleman:** Did the British Retail Consortium, which you are a member of, lobby against the regulations?

Nilani Sritharan: I believe that they actually sought clarity for—

Ben Coleman: Just to let you know, we have, through a freedom of information request, a letter from the British Retail Consortium and others lobbying against the regulations. It is surprising that none of you seems to be aware of this.

Chair: Thank you. We need to move on.

Q401 **Alex McIntyre:** I am sure your PR teams will get a bit of a headache this morning. I'm going on to price promotion and how healthy foods fit into that. Without wanting to go across the whole panel, can we all broadly agree that you would say that non-HFSS foods are broadly seen as healthy by all your supermarkets—not high in fat, salt and sugar? They would be classed as healthy, probably, for most of your purposes when you look at internal data.

Beth Fowler: Our sales-weighted healthy metric is based on the nutrient profiling model.

Q402 **Alex McIntyre:** I have just been doing a bit of online shopping—Aldi does not do online, but we will come to you in a moment. Tesco's 4 for 3 on your favourite frozen products is on your offers of the week. They are Birds Eye chicken dippers, Aunt Bessie's golden Yorkshires and Birds Eye potato waffles. Sainsbury's top offers of the week are Maryland cookies, fruity hot cross buns and Birds Eye chicken dippers again. We have then got a big vat of sunflower oil. Asda has 12 mini chocolate pancakes from Warburtons, Fridge Raiders, McCain home chips and Cheddars. I think we have also got some Minstrels, M&Ms and more potato waffles. Aldi, you do not do online shopping in the same way as the others, but we have wine of the week and beer offers, alongside budget recipes.

I am using those as an example of non-HFSS foods. I have a two-year-old and I am terrified in case he ends up looking like his dad and morbidly obese with type 2 diabetes. As I understand it, and according to all of you on healthy food modelling, I could give him a diet of Coco Pops for breakfast, followed by chicken dippers and potato waffles for lunch, followed by fish fingers and chips for dinner, and all that could be promoted by you offering price promotions on healthy non-HFSS foods. Do you see any issues with that? I will start with Nilani.

Nilani Sritharan: We know that the nutrient profiling model is not perfect. In fact, it is why we use a slightly different benchmark to measure our healthy sales. There are quite a number of ready meals that would pass that model, and you have described a few examples of that. Fundamentally, what has been helpful with the nutrient profiling model—I want to stress this—is that it has led to quite a lot of reformulation across products trying to become non-HFSS, and that should be seen as a positive thing. Could we go further? Absolutely.

Q403 **Alex McIntyre:** You mentioned reformulation earlier. It is great that we are bringing out sugar, but what are we replacing it with? All the science in this area suggests that people need to eat more wholefoods and more fruit and vegetables because the fibre in that is better. We need to eat more basic food—I think Chris van Tulleken referred to manufactured edible products. Are we not concerned about all of these price promotions? That is not to criticise—you are all acting within the law—but do you not see that there is an issue here? Can you say, hand on heart, that you are promoting healthy food by saying you can have four for three on Yorkshire puddings, chicken dippers and potato waffles? All those products I buy and enjoy and my son enjoys, but do you not see a problematic effect by feeding our kids that?

Oonagh Turnbull: We would say really strongly that we have price promotions and consistent pricing across every category at Tesco. You have just mentioned frozen, but in our fresh produce range, for example, we always have promotions that we know are really popular with customers and really successful, in terms of customers accessing the fruit and veg that they need, as you have just talked about.

Q404 **Alex McIntyre:** But that's on the front page. When you go on to groceries and on to offers, you have Valentine's day, Weetabix, and then four for

three on chicken dippers and potato waffles. There is a bit for salmon, but for quite a lot of my constituents, a four-pack of boneless salmon fillets is beyond them at the moment, given the cost of living crisis. There is nothing on the home page that offers a three for two on fruit and veg. Are we not promoting the wrong products?

Oonagh Turnbull: As I said, we are absolutely committed to offering great value across all our ranges, including, particularly now, a big focus on those healthy lines, and produce is a really important part of that.

Q405 **Alex McIntyre:** Shouldn't that be on the home page?

Oonagh Turnbull: It absolutely will be within all our communication. If I can use an example of a communication that you would have got if, for example, you were a Clubcard holder, for January it was focused completely on Fresh 5 and on making sure that customers understood that Tesco had great value on the fruit and veg that they need, day in and day out, for them and their families.

Q406 **Alex McIntyre:** Moving on to Asda, to be fair, you have got potatoes and apples on your rollback page, when you click through, but do you not see that there's a problem with all these products being front and centre, when we have one the highest childhood obesity rates in the world?

Beth Fowler: First, thank you for raising this on behalf of your constituents, because affordability of health is key. To bring it back to the definition of health, you spoke to ultra-processing, and you have heard from us about our metrics. Ours is based specifically on the NPM. From a nutrition science perspective—I know this is getting into the weeds a bit, but that is my discipline; I have trained in this—ultra-processing is a growing concern with our customers. There are books written about it. There are challenges with the science around ultra-processed foods, and the Government's Scientific Advisory Committee on Nutrition—easy to say—has pointed out some of the challenges with the nature of the data and the lack of definition. We are committed to the NPM, because at the moment—

Q407 **Alex McIntyre:** One of the challenges on the science, as I understand it, is that quite a lot of the studies that say that ultra-processing is not a problem have been funded by the food industry. Isn't that correct?

Beth Fowler: I don't agree with that assessment. I am not close to the topic and I would be happy to follow up on that afterwards. What we know from a nutrition science perspective is that the perceived harm—obesity-related disease, and so on—related to food is related to the nutrient content of that food. Nesta, for example, has done some analysis looking at ultra-processing versus HFSS or NPM scoring, and it finds that there is a huge overlap between those two definitions. We feel that the credible science, and the basis of our strategy, is supported by the NPM, and that is the right direction for our business.

In terms of the promotions that you referenced, thank you for correcting the record because, from our perspective, we have been involved with our commercial teams, and we know that there is a balance of healthy and

less healthy products within the promotional activity that you have called out on our website. We work closely with our teams to ensure that balance exists and that customers can access products across the basket, and they have fed back to us that they want choice. They do not want us to tell them what to eat. When we are looking at ranges for customers who are—

Q408 **Alex McIntyre:** Just to move on, Liz, I appreciate that Aldi does not do online shopping, so it is a bit of an unfair example—although two of the top three are beer and wine, which I think is a little bit problematic, but for a whole different reason. Looking at price reduction promotions, I have called out the fact that chicken dippers are non-HFSS, which is quite a worrying trend, but even when you look at the very low bar that is set for HFSS, that still accounted for 43% of all price reduction promotions, according to the Food Foundation's "The Broken Plate" report. We are trying to promote healthy eating here, so how concerned should we be by that figure?

Liz Fox: We recognise that there is increasing concern around UPF; we recognise that there are increasing concerns around the obesity crisis. At Aldi, we do not actively promote, certainly, unhealthy products to under-16s, and we do not have those promotions—those "buy one, get one free" promotions or those gimmicks—in our stores. What we focus on are the positive promotions that you will see as soon as you walk through the store. Referring back to my point about making it as easy as possible for customers to make the healthy choice, at the end of the day, you are absolutely right: there is a balance between leading consumers and enabling them to have choice and us leading them in those decisions. We do not want to take that choice away from our customers, but we want to make the healthy choice as easy as possible for them, which is why we remove the noise of having promotions on those unhealthy products.

Q409 **Alex McIntyre:** I want to come back to a point you made, Beth, about people not wanting to be told what they are doing by their supermarket—again, sorry Liz, but this does not really apply to Aldi, as you do not gather the same consumer data that the other three competitors do. You probably have more data than anybody else in the country about what we eat and drink, our preferences, what we buy, when we buy it and what is in our baskets. While you say your consumers do not want you to be nudging them in the right direction, do you not think there is any moral responsibility on the supermarkets to encourage healthier choices? I am conscious my basket is not always very healthy; I think I was in the top 1% for a certain brand of bread rolls last year when I got my Clubcard year in review—sorry, you are all good supermarkets and I have shopped in all of you in the last year, but I do get my delivery. We are all guilty of it, but if you are doing price promotions, how much of that is personalised to what people are already buying, and is that not then perpetuating unhealthy habits? Could the supermarkets be doing more to step in and, if they identify people who are constantly buying litres of ice cream, show them there might be healthy alternatives out there?

Nilani Sritharan: There are a few points to make on that. It is a great point and really valid. I think we are learning a lot about personalisation

and the role of health within that. There is still lots more to test and understand. Offers are based on a mixture of what you already buy, what we think you might like and rewards to incentivise you. I talked about how we have been using the fruit and veg challenge to incentivise and reward customers for putting more fruit and veg in their basket.

We have also done some other tests. For example, if you shop for groceries online and go to a product page, at the bottom it might say, "Customers who brought this also liked—". We have tried overlaying health within that to try and show you slightly healthier choices versus what you might normally buy. We have found that that is showing some promise in nudging customers towards a better choice, but that requires us to have a definition that is a bit less binary and less black and white. Customers want to know, "What's a little bit better for me than what I was already having?", rather than just the healthiest choice.

Another example that was quite interesting is with Nectar pricing we ran a trial with 1.2 million customers in the test group and 1.2 million customers in the control. The test group only received healthy offers; the control received the current mix of healthy and less healthy offers. While the healthy offers in the test group appealed to the top eighth most healthy customers, we also saw customers essentially step away and redeem offers a lot less. There is an important balance to strike. I do not know what the answer is to that, but I think it was a good understanding that it is not just about promoting the healthy things.

Q410 **Alex McIntyre:** Oonagh, if I could come to you next?

Oonagh Turnbull: We probably could not overstate how important personalisation is. As Nilani said, we are all learning and it is moving really fast, but within personalisation, things like gamification of nudges is increasingly important in helping customers to choose healthier. A good example of that is the five-a-day campaign that I mentioned. We introduced five-a-day nudges into our app when we launched that campaign, and that was the most successful Clubcard challenge at that time—so much so that we will now repeat that, learn from that and roll it out to more and more customers.

Q411 **Alex McIntyre:** Beth?

Beth Fowler: Just to clarify the point of customer choice, I am not talking about nudging in that sense; I am talking about removal of choice, and they are not supportive of that. I just want to clarify that point.

In terms of nudging, obviously we have the Asda Rewards loyalty scheme, but our premise is that customers do not have to sign up to a loyalty scheme to access Asda value; we do not require that for customers who engage with our promotional strategy. That being said, we are definitely looking at nudges and there is still data we can use outside of a loyalty scheme to understand how we do that. We have looked at basket segmentation and the NPM score of our customers baskets. We are then able to look at trends in different areas; what are our least healthy customers doing in our stores? Which categories are they purchasing or

over-purchasing versus other groups? What are their demographics? That is enabling us to identify the right initiatives to nudge behaviour.

We are really engaging with our supply base in that project to look at nudging, and it is certainly something that we are focused on. We have found some really interesting insights: 50% of our customers' baskets are healthier, at the healthy end of the scale, and 50% are less healthy, but there are opportunities across the piece. To Nilani's point on NPM, you can use the binary cut-off of healthy and less healthy, but we also use the numeric score. In categories that are generally healthy, for example bread, white bread and brown bread would both be classed as healthy under the NPM, but white bread has a score of minus 1 and brown bread has a score of minus 5. We still look at opportunities to nudge behaviour change, even in healthier areas.

Q412 **Andrew George:** Following that brilliant line of questioning from my colleague, may I ask about ensuring that consumers have reliable information given to them and that they are able to make informed choices as they walk around the supermarket aisles? Do you agree that consumers should be as well informed as possible, so that they can make accurate and informed choices?

Beth Fowler *indicated assent.*

Liz Fox *indicated assent.*

Nilani Sritharan *indicated assent.*

Oonagh Turnbull *indicated assent.*

Andrew George: Okay. Have you undertaken any studies or do you have any information to demonstrate that consumers are confident in the information they have available, that they trust the labelling they are provided with and that they can make informed choices? I am talking about processed foods now, not fresh foods. Do any of you have evidence to demonstrate that customers are confident in the labels, the promotions and the way those foods are presented?

Nilani Sritharan: We do not have specific research on the question you are asking, but I have not seen evidence that customers do not trust the information on the front of pack. When we have done customer research, though, they tell us that this is their main concern with trying to prepare healthy food. They are often shopping around the store with cognitive overload.

Primarily, customers have lots of different tabs open in their head at the same time and they are thinking about all the other tasks they have to do. By the time they get to preparing their dinner, they have decision fatigue, so we tend to see them prepare the same meals that they have always prepared. They have a very narrow meal repertoire. The challenge is that converting healthy food into tasty affordable food takes effort, and that is where they would like help and inspiration. I have not necessarily seen specific questions on trusting the data they are given.

Q413 **Andrew George:** Professor van Tulleken indicated to us that a lot of processed foods are designed to encourage excessive eating. It is not just a question of providing healthy options; they are designed in a manner to encourage excessive consumption. Have any of you undertaken any kind of study to give you an insight into consumers' confidence in the labelling and the information that you present to them?

Oonagh Turnbull: I can probably talk to that. We understand very well that customers are looking for information on the products they are buying, and that front-of-pack labelling is incredibly important. For our own brand, we use the traffic light model. We know that is well understood and appreciated by customers. When they go around a store or shop online, they can see at a glance the benefits or otherwise of the products that they are buying from us.

To your comment about ultra-processed food, we know that customers are increasingly looking at the back of packs and ingredients. It is therefore really important that we, wherever we can, provide as much information as possible about the products they are buying so they can make that choice.

Q414 **Andrew George:** But isn't it reasonable to say that a customer would need a lot of time, a magnifying glass, a calculator, a desk to put schoolbooks on, someone to look after their children for a couple of hours and probably a postgraduate degree in nutrition in order to make comparative analyses of all the labels you provide and to properly make those choices?

Oonagh Turnbull: We are really clear. For our own-brand products, which obviously we have control over, our front-of-pack labelling is clear and simple because, to your point, we know how busy customers' lives are. There is not the opportunity for them to digest it all, so we need to make it as easy as possible for them to get the information they need.

Q415 **Andrew George:** Can anything more be done to ensure that consumers have reliable labelling that a lay person can understand and have confidence in? Do you believe that what we have at the moment is the best we can ever get, or do you think that more can be done?

Liz Fox: More can always be done. While we do not have that specific insight into how much customers trust the labels on pack, our ambition is to build that trust with the customer. So yes, we have traffic light labelling and placement in store, which is important. That is one reason why we developed our Live Healthy logo: to make that choice as easy as possible. That is backed by very specific health criteria and every product that has that logo on it must also have a health claim. It is to make that choice quicker and easier for the customer, and our ambition is to put that across as many products as possible.

Q416 **Andrew George:** I come to the issue of meal deals—I think you are all promoting meal deals in all your stores.

Liz Fox *indicated dissent.*

Andrew George: Sorry—not in Aldi, so this is not aimed at you Liz; I apologise.

Bite Back has raised concerns about the healthiness of meal deals. Do you accept that meal deals contribute to over-consumption? Often those meal deals, and certainly the information available about the choices that people make, indicate that they are going well over the advised calorie levels for a meal during the day. Are you doing anything in particular to encourage the healthier choices within those meal deals?

Nilani Sritharan: Actually, there are a lot of healthy options within the meal deal today. Let me give you some examples: you can choose sandwiches, salads, poké bowls or make your own salad. Within snacks, there is a lot more choice than you might perhaps realise—everything from cooked chicken and boiled eggs to prepped fruit, pieces of fruit, carrot sticks, hummus and yoghurts. There are also waters—quite large bottles of water—as well as juices and smoothies and so on. To give you an example of what that would look like in terms of calories, if you were to choose a tuna and sweetcorn sandwich, some prepped watermelon and a bottle of water, that would be about 380 calories, I think.

Q417 **Andrew George:** If you were to choose that. But on average, people do not.

Nilani Sritharan: Actually there are a lot of healthy choices within there. It is really important that we are offering that choice for a fixed price. It gives you the option of having a balanced meal. We are also trying to attract the customer from the high street. This is about a lunch time issue, where calories can often be a lot higher than if customers were to make those choices in in store.

Q418 **Andrew George:** Oonagh, from a health perspective, are you concerned that the most popular meal deal drink amongst Clubcard holders is Red Bull?

Oonagh Turnbull: If I could just go back to your question about over-consumption and meal deals.

Q419 **Andrew George:** Could you answer that question first though?

Oonagh Turnbull: Yes, Red Bull is a popular choice, but it is one of over 300 drink choices within a meal deal. Our role, clearly, is to offer choice.

Going back to what Nilani just said on the healthiness of meal deals, within Tesco, over 82% of our meal deal mains sales are healthy; within the drinks category, it is 81%. In addition to that, you talked about the work that we are doing to offer customers more and more choice. Excitingly, from a health perspective, boiled eggs are the most popular side now within Tesco meal deals. Over the last two years, we have sold 22 million British eggs as a result of meal deals. In addition to that—this is not just about protein—we have sold 34 million more servings of fruit through our fruit pots. What we are saying is that we are offering choice, but what is really exciting for the Committee, I hope, is that customers are increasingly making those healthy choices.

Q420 **Andrew George:** You will need to speak to Bite Back about this.

Oonagh Turnbull: We speak to Bite Back quite a lot, actually.

Q421 **Chair:** I have a quick supplementary question, particularly for those who have the data at individual customer level, so not Aldi. Do you measure the healthy basket score of every individual consumer as they come in? Do you have that figure? I will start with Beth.

Beth Fowler: From our perspective, we do not have loyalty card data, but where we can join customer data through other measures, we can look at the healthiness of it.

Q422 **Chair:** Do you have that data per customer, per shop?

Oonagh Turnbull: As I said, our focus has been absolutely on category NPM.

Q423 **Chair:** I understand that. Nilani, do you have that data?

Nilani Sritharan: I would have to check. As with everyone else, we report on total sales.

Q424 **Chair:** Have you ever considered sharing that data with the individuals?

Nilani Sritharan: We do actually give data playback through Nectar on how much fruit and veg you have bought over the year, for example.

Q425 **Chair:** Over the year, but not per shop?

Nilani Sritharan: Not per shop and not on average. It is something we have discussed, but I think the customer would need to opt in to receive that.

Q426 **Chair:** So it has actively been discussed? Is it in train or is it just a pie in the sky idea?

Nilani Sritharan: I probably can't talk about that here, but I am happy to submit evidence.

Q427 **Chair:** I would be really grateful for that. My point is that you have this data. You have more data on me, between you, than I probably have on myself, so I am curious to understand: to help consumers make better choices, is it possible that, if you have that data, we would get it? Beth, have you ever had that discussion?

Beth Fowler: Presumably there would be data privacy and security elements; I am not sure. When I see that data, I don't see any specific customer data—I just see a basket, for example, so I wouldn't be able to link that back to a customer. We can look into that.

Q428 **Chair:** Has Tesco ever considered doing that per customer?

Oonagh Turnbull: I think what we would say is that there are many different ways that we can support customers to lead healthier lives. Providing them with information and support—we talked about the front of pack—is really important.

Q429 **Chair:** So this is not something you provide?

Oonagh Turnbull: What we continually look at is what we can do to accelerate change.

Q430 **Chair:** Yes or no: have you considered this point?

Oonagh Turnbull: It isn't my area or remit in the business, so I would have to find that out, but I would say we are doing everything we can to pull the levers available to us to help customers if that is what they want from us.

Q431 **Chair:** Whose area of the business is it to give that data back?

Oonagh Turnbull: It sits within our customer marketing team, but obviously we can look at that if needed.

Chair: Okay, I will move on.

Q432 **Gregory Stafford:** Apologies for being late. I would like to note that when I went to my Sainsbury's on Water Lane in Farnham, they told me that the item most bought by my constituents there was the humble red pepper—so someone is doing something right.

I want to ask questions about consumer choice. You can either take the slightly catastrophising view that Professor van Tulleken took when he was before this Committee and said that you, the supermarkets, are feeding our children to death, or you can take the view that you, the supermarkets, are responding to what consumers want and providing that. Where do you sit on the spectrum between how much of what you provide is you trying to influence customers to buy things versus customers telling you what they want to buy?

Oonagh Turnbull: Shall I start, for a change—because Nilani has been starting? From our perspective, we are really clear that we all have a role to play to help customers lead healthier lives. Customers themselves, as you have talked about, communication channels, retailers, manufacturers, campaigning organisations and so on all have a role to play.

Q433 **Gregory Stafford:** Can I just interrupt? Someone mentioned Red Bull earlier. If your customers want to buy Red Bull, do you see it as your responsibility to tell them not to?

Oonagh Turnbull: I think it is really important that we offer choice. We would always, as you might expect from Tesco, aim to be really helpful in what we do. We provide the information on front of pack, but also all the information customers need at the point of purchase, to help them make the decision that is right for them.

Beth Fowler: We are aligned to the points around consumer choice—we definitely wouldn't want any removal of choice for customers—but we do feel there is a role for us as an industry to play in nudging those healthier choices. You weren't here earlier, but we have a healthy sales metric that we are looking to drive out to 2030. One of the things we know as a

business is that we understand how customers shop—to your point, we are looking at this data.

We can see through our basket health segmentation, for example, where the opportunities might be. It is not clear cut. There are certain categories that overplay in certain basket segmentations, for example, so we are really keen that any policy decisions or policy advice is around an outcome-based metric that we can then drive, with that understanding of our customers and where the biggest opportunities are to drive change.

Q434 **Gregory Stafford:** Thank you. Liz?

Liz Fox: Aldi is driven by ensuring that access to healthy, affordable food is not privileged, and that it is available to everybody. I would absolutely support that we do not want to take that choice away from our customers. That said, our customers have told us that they want us to make their healthy choices as easy as possible for them. While that choice is there in the store, we use our price and our placement within our stores to help them make that choice. That is the way that you will see it—every store you walk into will be laid out in the same way. Our prices will be consistent, and they will be as low as possible.

Q435 **Gregory Stafford:** Thank you.

Nilani Sritharan: I think we have an important role to play—we should not underplay that—in making the healthy choice affordable, incentivising it, reformulating product and signposting customers to that better choice. However, let me give an example of a trial where we edited choice. We ran it in the north of England in the biscuit aisles of convenience stores, where we removed chocolate biscuits because they exceeded the sugar level for Public Health England's sugar reduction targets, and we found that customers shopped elsewhere. Although calories consumed from the biscuit aisle were reduced, calories purchased elsewhere went up, such as in the cakes and seasonal aisle. That shows that you need a system-wide approach. Editing choice in one area will simply mean the customer looks for that elsewhere. Any approach has to be system-wide.

Q436 **Gregory Stafford:** If you have shareable data on that, it would be interesting to see it.

Nilani Sritharan: Yes, that is publicly available.

Q437 **Gregory Stafford:** Obviously, all your roles are at least a symbol that supermarkets seem to be taking this issue seriously. Going back to the consumer-led or supermarket-led factors around healthier choices specifically, how do you get feedback from customers about whether you are meeting their healthier demands and needs? Where do you see the balance between the nudge and the response from customers? We can go the other way down the line.

Nilani Sritharan: We do regular testing—test and learns—and get regular customer insights. As I mentioned earlier, one of the things customers are really struggling with is the effort involved in preparing a healthy meal at the end of the day. That is where we are trying to focus, because we know

we can address price—we are doing that; we are trying to make the healthier choice more affordable, signpost customers to that and incentivise that choice more often. We have had an extensive programme of reformulating that.

Liz Fox: We have our customer insights regularly. The actual data is limited, but I guess the big driver would be footfall through the stores. That is what determines for us whether the decisions we make are the right ones. When we changed the layout of our stores and put produce at the front, that was a positive decision. Obviously, the customers appreciated that: it was the right decision and it drove more customers into our stores. That is why we continue to work on the basis of making that decision easy for our customers. The lack of confusion and noise is what attracts them to an Aldi store to make that shop. That is my answer: it is how we drive customers into our stores.

Beth Fowler: On how we know that we are supporting customers with health, we can see that in our data. If we look at our top-selling products—the products that customers put into their baskets week in, week out—the vast majority of those are healthy, such as fruit, vegetables and milk. So we feel we are doing a good job of making those products accessible, as they are being purchased most by our customers.

In terms of demographics, we touched earlier on Asda's customer. We disproportionately serve lower socioeconomic groups and price is something we are passionate about, including within health. Our Just Essentials range, which is effectively our opening price point range for customers with lower budgets, is disproportionately healthy. We have made sure that the majority of the range skews healthy, and that they are accessible in terms of trading in stores.

We are also really focused on key components of eating well: produce like whole grains and oily fish, for example. We have ensured that those key staples are available within our most affordable ranges. I feel confident in saying that health is accessible at Asda and that it is something we really care about.

Oonagh Turnbull: For us at Tesco, we know that two things are important to customers at the moment, and they are absolutely front-of-mind day in, day out. One is cost of living, which will not be a surprise. The second one, which may be more of a surprise, is health: the health of customers and their families. Everything we do is focused on making sure that we address both those areas.

We know that 82% of our customers want our help when it comes to health. We know that through constantly talking to and getting insights from them, but also from addressing their needs. There are positive health trends, which we are all obviously looking at and serving customers on—examples are protein, fibre, beans and so on. Those are all good campaigns, which we are driving based very much on customer feedback.

Q438 **Gregory Stafford:** Thank you. Briefly, we had the example of a lack of

chocolate biscuits, which I felt very personally. Have any other campaigns that the other stores have run perversely or conversely not worked, like the example of chocolate biscuits? Have any of you done trials that did not work and where consumer behaviour did not change as you thought it would?

Beth Fowler: We touched on a few examples earlier. On a point on accessibility, obviously when we talk to customers, prices are cited as the key barrier to healthier choices. During our two-year partnership with Nesta, we ran a trial looking at accessibility of fruit and veg, offering customers what was effectively free money to spend within produce. One of the challenging insights was that a very small proportion of those vouchers were redeemed, which suggests to us that there are barriers outside price that might need to be addressed when it comes to key healthy categories such as fruit and veg.

You have heard from us all today, particularly Asda, that we really care about health and we know that we have a role to play. Broader systems changes are needed: education; inequalities; cooking facilities. Even when we offer customers free access to that category, redemption rates are around 25%. It was not necessarily unsuccessful, but it did not have the desired effect.

Q439 **Gregory Stafford:** Given that you have discussed it before, I will not ask any more about it.

Finally, what I am getting from you is that the key thing for your consumers, whether you are talking about general food buying or specifically health food buying, is choice. Does anyone disagree with that?

Beth Fowler: Price is really key for our customers.

Q440 **Gregory Stafford:** Price and choice?

Oonagh Turnbull: And health.

Q441 **Gregory Stafford:** So you do not agree with that statement?

Oonagh Turnbull: Our role is to offer choice. What we are learning at the moment is that the cost of living is having a huge impact on our customers. Therefore, we all have to offer great competitive value in our stores. Increasingly, health is also front of mind.

Q442 **Gregory Stafford:** Within choice must come health*? [Laughter.]* I know some of my colleagues do not like this line of questioning, but, presumably, within choice, you are talking about healthy products as well.

Oonagh Turnbull: Yes.

Q443 **Chair:** Following on from that, some news outlets have reported that some supermarkets have been changing formulations and even aisles as a response to the trend of weight loss jabs. Have you seen that in your consumer insights? Is it something that you are actively looking to change as well? In the next phase of this inquiry, we will be looking at weight loss management. Are consumers asking for those changes and how are you

responding to them?

Liz Fox: No, we are not responding to that specifically. That said, our approach is to build trust in our customers that they can have a highly nutritious shop when they come into Aldi. It builds into our existing strategy of positive reformulation, removing negative nutrients, adding in positive nutrients and making identification of healthy products as easy as possible through logos like Live Healthy.

Chair: So not specifically, but as part of a wider strategy?

Liz Fox: It builds in. It would be a fundamental part of our existing strategy.

Nilani Sritharan: We know that this is an emerging area. Quite a high number of customers are trying the drugs. We are discussing the impact of it. Unfortunately, there is very limited data on how customers purchase today. We need better data to inform action. We have developed a range of products that would be suitable for customers who may be taking those medications. The Small But Mighty range has launched in-store, if you wanted to have a look at that. It is a calorie-controlled range with very specific nutrition criteria for fibre and protein.

Consistent with what Liz said, our strategy is to grow fresh food and to act where customers want us to, which is on bringing affordability to the key elements that make up their fresh food and meals every day. That is where we are investing. The direction of travel is supportive of that strategy.

Beth Fowler: Consumer trends around health change over time. Two key emerging trends are GLP-1 and protein. We will always look to develop the right products to support customers. It is important that what we develop is science-based and evidence-based. For example, on GLP-1, we commissioned a literature review through the British Nutrition Foundation to understand the challenges those customers face and the key nutrients of concern—iron and protein, for example. We developed some healthier products in January, and we have taken some of the key nutritional science recommendations and ensured that those products are suitable. I think those products are generally suitable anyway; they are just healthy products with smaller portion sizes and nutrient classifications like high protein. We will respond to customer needs. It is something that we are seeing growing.

Oonagh Turnbull: I support what colleagues have said.

Q444 **Danny Beales:** I am going to ask a series of questions on the food promotion and placement regulations, particularly in store. Beth, in your previous answers you suggested that the regulations had had—I think you used these words—minimal effect, based on the data you had seen. What was that data? What was that minimal effect?

Beth Fowler: In reference to high fat, salt and sugar regulations, which are the big change that has happened from a health perspective over the

past few years, we have found that the legislation—just by its nature in terms of the product classification, the categories in and out of scope, and so on—is complex and costly to implement.

Danny Beales: There is the challenge of implementation, but you said it had minimal effect.

Beth Fowler: Yes, sorry—I am coming on to that. In terms of the effect and the analysis, I think that is a really important point for policymakers. Evaluation needs to be considered for any forward-looking health policy.

Danny Beales: What was the effect that you saw?

Beth Fowler: Because we had not had any central evaluation of that policy, a number of retailers collaborated to share data with a university, and we were one of the retailers that did that—there are others on this panel. We shared data with the University of Leeds, and it independently—

Q445 **Danny Beales:** Sorry to cut across you, but the data we have seen—research from the nutrition and lifestyle analytics team at the University of Leeds—suggested to us that the changes led to the equivalent of 2 million fewer in-scope HFSS products sold per day across England. That would be 730 million fewer HFSS products sold. Do you feel that that is a minimal effect, or have you seen different data?

Beth Fowler: It is the same study. The data and the reference point that I am looking at is that it is a 0.63% reduction—so, less than a 1% reduction—in sales of those less-healthy products. When we have run trials—we are currently analysing the trials we have done with Nesta, and we will be publishing the results of those—we see more significant change when we implement health initiatives: 10%, 20% and even 60% in some of the initiatives we have done in driving healthier sales. That is in small product categories and areas, but less than 1%—

Q446 **Danny Beales:** So just for comparison, you are saying that 730 million fewer products is minimal, and less than 1%, but that you have ideas that would drive a 60% change. That would be transformational.

Beth Fowler: In certain trials that we have run and in certain categories, we have seen that, by looking at health and focusing on health in our commercial strategy, we have been able to drive really significant change.

Q447 **Danny Beales:** So why don't you do that? If you have policies that are far more effective than the policy that has been introduced in driving that sort of change, why don't you do that? That would remove the problems we are talking about today.

Beth Fowler: We absolutely are doing that. We are working with our product teams, commercial teams and marketing to drive those changes.

Q448 **Danny Beales:** But we are certainly not seeing that in the data, are we, in terms of the shift in consumer behaviour?

Beth Fowler: We have reported an improvement in our healthy sales metric year on year, and it is something that we are continuing to focus

on. The target is out to 2030, and there will be much more activity to come from us. To reassure you, it is something that we are very focused on.

Q449 **Danny Beales:** Has anyone else noticed any impact from the regulations? Is there anything particularly you want to add? You do not have to, but is there anything you want to add on data or impact?

Oonagh Turnbull: I can probably talk about one of the things that has been really positive about the HFSS location regulations, and that is to do with the sheer amount of reformulation, particularly with our suppliers, that came about on the back of that. If you think of the space in any store, like a Tesco store, our suppliers want to be on the premium sites—end of aisle sites—which are obviously the sites that were influenced by the regulations. As a result, a huge amount of reformulation took place following the implementation of the policy. We saw that as a really positive thing.

Q450 **Danny Beales:** Do you have any data around the level of reformulation that you saw?

Oonagh Turnbull: You talked about the University of Leeds study. We actually see that as a really good thing. All change is good, and everything that we can all do, through every lever, to drive anything forward has to be considered a good thing.

Q451 **Danny Beales:** I will move on. Are you confident that your stores are fully compliant with the regulations? Yes or no?

Nilani Sritharan: We—

Danny Beales: Just yes or no. There are other questions to come.

Nilani Sritharan: We try very hard to put the systems in place to allow us to inform where we range things.

Q452 **Danny Beales:** Apologies, I do not want to be rude, but the question is: yes or no, are you fully compliant? You do not have to answer if you do feel uncomfortable.

Nilani Sritharan: We try as far as possible.

Liz Fox: We have a robust system. Can I tell you that there is absolute clarity across every one of the 1,000 stores we have in the UK? Somebody may have made a mistake. That is why I cannot answer you with a definite yes or no, but we have a very robust system to manage our merchandising.

Beth Fowler: Same as what these guys have said.

Oonagh Turnbull: We are confident, and if there are any issues, we would always take action immediately.

Q453 **Danny Beales:** Okay. This is why I wanted a yes or no answer, but what do the systems in place to ensure compliance look like? Maybe one or two

of you could answer that question.

Liz Fox: I can come in on that. We have a centralised control and merchandising process, so all of our merchandising plans are managed centrally. They are then distributed to the stores, which are expected to follow those exactly. We also have checks within our stores on any FSDU products—freestanding display units, which obviously can be placed more easily around the store. We have limitations as to where they can be placed, and we check the scores on those. We also ask for the HFSS scores from our suppliers, so that we are able to understand where we can merchandise products, and we have trained our store colleagues on the legislation.

Q454 **Danny Beales:** How often do those sorts of checks of stores take place by regional or central management?

Liz Fox: That would vary across the stores. They obviously have regular visits to check all sorts of things in terms of accuracy to merchandising plans, pricing—

Q455 **Danny Beales:** How regular would those visits be? What is regular?

Liz Fox: Our store managers are in there every day.

Q456 **Danny Beales:** I find it strange that this issue is being checked every day, but you are not confident about compliance—no one can say, "Yes, we're confident that the regulations are being followed."

Liz Fox: I am very confident that that regulation is being followed. I just want to be specific in my answer that we have 1,000 stores across the UK, and mistakes can happen.

Q457 **Danny Beales:** Okay. I will move on. It has been suggested to us that there are ways of getting around the regulations, so perhaps the letter of the law is being followed, but not the spirit. For instance, supermarkets might have new promotional central sections of aisles or more digital advertising screens. Do any of you recognise that suggested problem? Have you moved promotional sections to the middle of aisles, rather than the end of them, for instance?

Liz Fox: That has not happened with Aldi, because, as I say, we do not have those "buy one, get one free" offers.

Danny Beales: What about the other supermarkets?

Beth Fowler: In terms of compliance with the letter of the law, I go back to all the points made earlier—there is significant investment in data, controls, audits, and colleague training on a regular basis in stores and home offices for all relevant colleagues. Our legal and compliance team also audit our stores to look at compliance and then feed back any challenges.

Q458 **Danny Beales:** I accept that that might be compliant with the current legislation, but the question is: is it compliant with the spirit of the law? Has your practice changed? Do your supermarkets now have more

promotional central sections of aisles that would have previously been at the end of them?

Beth Fowler: I would need more clarity on the question. I am not sure of the specific question being asked.

Q459 **Danny Beales:** The question is about the promotional sections of aisles that use colourful yellow branding or whatever your chosen method is. They would have been at the end of aisles previously, but now that that is restricted, have you moved them to the middle of aisles? Are there more of those central sections now than prior to the legislation changing? That is the question.

Beth Fowler: I would have to get more data on that. From our perspective, the spirit of the law and what we are trying to drive in terms of healthy sales is our 2030 target, and we are driving improvements in that.

Q460 **Danny Beales:** Do follow up on that data if you are unable to answer that question. The other suggestion is that there are loopholes in the regulations because a number of goods are not included—for example, unpackaged baked goods and party food products—and they are increasingly being promoted at checkouts and aisle ends. Has there been an increase in the promotion of those exempt goods?

Nilani Sritharan: I cannot comment on whether there are more promotions in those areas, but I can say that we submitted concerns about the loopholes in our consultation response. Let me just give you a few examples. You are absolutely right that unpackaged foods are exempt. Smaller stores are exempt. Takeaway establishments—your Prets, your Greggs and so on—are also exempt. We think it needs to be a level playing field, so we did ask for that.

Q461 **Danny Beales:** Do you think those loopholes should be closed?

Nilani Sritharan: Yes.

Q462 **Danny Beales:** Would you be happy to share data on the level of promotion of those sorts of products at end of aisle and checkouts? Thank you; that is very helpful.

In terms of broader future changes, do you have any views about whether the application of an updated nutrient profiling model through these regulations would be a good thing or a bad thing? Do you have concerns about that?

Liz Fox: We do have a concern about the new NPM. In fact, there are two concerns; a secondary concern is the increased reporting that it will deliver for us in its current state. That will increase investment in that area, which will take time and investment away from where we know there are wins that work—for example, investing in price simplicity, placement in stores and so on.

The primary concern, more importantly, is the potential confusion for customers. The new model, as it stands, would class products that can

absolutely be included in a balanced, healthy diet, such as yoghurts and cereals, as unhealthy. We do not want to bring that confusion to our customers. However, we are absolutely open to working with the Government to understand how best to build on existing data, from a cost-efficiency perspective, to ensure that we are able to have a single reporting mechanism that gives choice to the customer, which, as we have discussed today, is really important, but does not narrow the ranging that we can do in stores.

Q463 **Jen Craft:** Thank you for coming today. I want to turn to healthy sales targets, and I might pick up a bit on what my colleague Danny was just focusing on. Many of you have already implemented healthy sales targets. Is there anything that the Government could learn from your experiences when designing their new healthy food standard? Where are the risks and the opportunities, as you see them?

Oonagh Turnbull: When you were out of the room, I talked about the fact that back in 2021 we set a healthy sales target of 65%, and we achieved that at the end of December just gone. We are really proud of that. As you can imagine, there was a huge amount of learning through that process, particularly about what it takes to report accurate data and for that accurate data to be understood well by suppliers, by our own organisation—our commercial teams and so on—and within the industry. We are really pleased and proud to share that information, if that is helpful.

Q464 **Jen Craft:** Thank you. Beth, I think you said that Asda was seeing year-on-year reports of healthier food targets being met. Do you have that data to hand, or are you able to write to us and share it?

Beth Fowler: Yes, it is publicly available. It is published in our ESG report.

Q465 **Jen Craft:** Okay, fantastic. I want to pick up on a couple of slightly more niche things. You said that smaller stores are exempt from Government legislation on product placement and various other policies aimed at it, but obviously a number of you have smaller stores that fall into that footprint. Have you taken action in your smaller stores to promote healthy food? I am aware that in some areas that would perhaps be classed almost as food deserts, a Tesco Express or a small Asda—I don't know what the small version of Asda is called; apologies—or a small Sainsbury's is the only option people have. Is there an effort to improve the healthy offering in those stores?

Beth Fowler: Our Express estate is relatively new; it is a new expansion of our business. For us, the really important thing about that is that we are widely recognised for having the lowest-price grocery basket—by Which?, *The Grocer* and so on—so it is about bringing Asda value to more communities. Where we have smaller stores, there are challenges around ranging. For example, with fruit and vegetables, particularly in petrol forecourt-style formats, we find that the food waste and the sustainability challenges around that outweigh customer demand. It is really complicated and it depends on the type of store—is it residential or is it on

a motorway somewhere?—but it is definitely something that we are cognisant of, and a proportion of those stores are in scope of HFSS legislation based on their square footage.

Q466 **Jen Craft:** Are you looking at this proactively? I will give you a good example. In my patch we have Tilbury. I think there are plans to build an Aldi there, but most people's access to fruit and vegetable shopping is limited to the little Tesco Express in the heart of the community, and residents have told me that its fruit and veg offer is really low. That community has a high level of childhood obesity, and some work has been done locally with parents to understand nutrient labelling on the front of food. They say, however, that they do not have an alternative. They can go into the small Tesco and buy some heavily processed, prepackaged food, but they cannot buy an apple. If we are looking at trying to make healthy food available, are you doing any work to improve that healthy offer, not just in the big-box stores, but in the smaller ones, which might be more relevant to communities?

Oonagh Turnbull: Absolutely. You mentioned Tesco, so I guess I should take that question. We are absolutely committed that wherever you shop at Tesco, across the whole UK, you will have access to healthy and sustainable food. A good example of that, as you mentioned Tesco Express, is our Fresh offer—Fresh 5, which we have in our large stores, which is always available in our smaller stores and in the Express stores, but as Fresh 3, because they are smaller stores. That is a fortnightly, always-on promotion on the fresh fruit and veg we know that customers need for their everyday occasions. As you mentioned, that is apples, pears, bananas, oranges, tomatoes and so on. Go into any Tesco store and you should be able to access what you need for good nutritious food for your family.

Q467 **Jen Craft:** You mentioned earlier the leaning in favour of longer-life foods, because the demand might not be there regularly for fresher food. Is there a lean towards that in the smaller stores?

Oonagh Turnbull: We are committed to make sure of the range that customers need in their locality for them to be able to cook the food that they want to cook for their families. That includes fresh, and we have made a lot of investment recently in our fresh offer.

Q468 **Jen Craft:** I would hope to see it change, because I would reflect that at the moment in some of the poorer areas of my constituency, that is not necessarily the case. That is what I have had reported back to me.

Liz, I will pick up briefly on what you were saying about the nutrient profile model and the concerns about it. You mentioned it being to do with having choice—giving people consumer choice as well as accurate information. Are you confident that at the moment people have that accurate information when they do their weekly shop? Do they know what they are purchasing, for example, for their children? Some of the concerns that you flagged were about breakfast cereals or food for children which could be classed as falling into an unhealthy category, despite having some health benefits. Are you confident that, although such foods might not be what

we want to give our child on a daily basis, parents are not presented with them as their main choice in supermarkets?

Liz Fox: Certainly from Aldi's perspective, I would agree that we are not actively promoting unhealthy products to under-16s and that we are actively ensuring that we make the healthy option available. I would also be confident that we give that information to customers so that they have that choice, through our labelling policy, be it through traffic light labelling, which all of us engage with, our cartoon policy to ensure that unhealthy products are not attractive to children, and so on. Our mission is to make that choice easier and clear.

Q469 **Jen Craft:** Would you not support a nutrient profiling model that makes that crystal clear? I keep coming back to the example of Coco Pops—my colleagues know that I seem to have a vendetta against that particular breakfast cereal. That packet has several health claims on it—on fibre, on protein—but the sugar content of that cereal means that it is not something that you should be giving your child every morning for breakfast. Currently, parents who might be struggling to find something to give their child—when they see that packet with lots of green labels about things that sound like really good things that they might want to give their child, without there necessarily being a traffic light system on the front—will therefore think that it is okay. My question is about whether a nutrient profiling model makes it clearer that there are high levels of fat, sugar and salt in a product, regardless of whether it might be good for things like protein, fibre or goodness knows what else you might name. Is that not a better way to proceed to make it clear, so that parents have informed choice?

Liz Fox: Yes, Aldi would support a model that demonstrates that. The concerns we have with the 2018 model are that it brings in confusion for the customer. That is what we would want to work through with industry and regulators to ensure that we are absolutely delivering the outcome you are talking about and not limiting that opportunity.

Jen Craft: Does anyone else have anything on that?

Beth Fowler: Our main concern with the new model is data and the challenges around free sugars, in particular. It cannot be analysed or objectively determined. We received some new comms from the Government yesterday, and we have not had a chance to digest them yet. Currently, based on what we know about the model, free sugars are particularly challenging.

To your point on the value chain and all the upskilling and data investment that has gone into the 2004 model, we foresee big challenges and long timeframes to introduce that new model. A bit more guidance and support are required, I think.

Q470 **Jen Craft:** But you would broadly support something that makes it clear and does not allow health claims to overawe fats, salt and sugar?

Beth Fowler: To reassure you, on own label, we have strict criteria. A product has to be healthy to uphold a health claim. The only exception is where we are trying to indicate a healthier choice. Cheese and reduced-fat cheese are both unhealthy, as determined by the NPM, but we still want to talk to customers about better choices. A nutrition claim in that context is helpful to customers. All those decisions come to our nutrition team, and we have strong policies for suppliers in that space.

Q471 **Joe Robertson:** The Government's 10-year health plan talks about "introducing smarter regulation, focused on outcomes". From your perspective, what do you think that means?

Liz Fox: What would I want it to mean?

Chair: From your perspective, yes.

Liz Fox: I would want it to mean that we have a single source of truth that brings in mandatory reporting in a cost-effective and clear manner that can be used across the entire industry so that we can level the playing field. When you look at the outcome-oriented element of that, because we have levelled the playing field, it drives more voluntary efforts and improves reformulation and access to affordable food across the entire market.

Q472 **Joe Robertson:** What is not level about the playing field at the moment?

Liz Fox: As we were exploring earlier, the fact that we have different mechanisms and different measures. There is no easy comparison across all the supermarkets, which is what mandatory reporting would deliver.

Nilani Sritharan: There are quite a number of exemptions in the current regulations. The soft drinks industry levy and its extension to milk-based drinks will apply only to prepacked drinks. The majority of milk-based drinks served in the out-of-home sector, such as in Costa or your local coffee shop, would be completely exempt. Equally, the placement regulations do not apply to that sector. There are quite a number of areas where there are exemptions. Similarly, for products in and out of scope, not all HFSS products are captured by the placement and advertising regulations.

Q473 **Joe Robertson:** You talked about voluntary reporting. Do you see regulation going further than voluntary reporting? Voluntary seems to go against the idea of regulation, which is mandatory. Liz, you were talking about mandatory voluntary reporting. Could you be slightly clearer about that? If it is merely reporting, clearly there is nothing requiring you to change behaviour other than explain what is going on in your stores.

Liz Fox: Mandatory public reporting would offer transparency across the market, which would then drive behaviour to improve versus their benchmark or versus their competitors.

Joe Robertson: Anyone else?

Beth Fowler: I agree with Nilani and Liz on transparency and having access to data—that accountability—across all food sectors, not just retail. The other point, which I referenced earlier, is about the outcomes-based measure. The Government and policymakers should set the north star and what you want us to deliver, but do not be prescriptive on the way we do that. Our customers, our stores and our operations are different, and we feel that we are best placed to make decisions about driving healthier sales.

Q474 **Joe Robertson:** Would you accept the principle of some sort of penalties or sanctions for failing to meet targets?

Beth Fowler: Our No. 1 priority for customers is price. I touched on this earlier, but our lowest-income customers have a shortfall of £73 after their essentials are paid for. They are the customers we advocate for. Any incentive that drives cost into our business, and therefore potential cost-price increases across our ranges, is not something we would support.

Similarly, SDIL was referenced earlier, and I know there has been reference to food taxation on certain nutrients, for example. Our concern is that there aren't technical solutions to reformulate other categories. Without discrediting the suppliers in that space, they are quite simple drinks or products to reformulate. You cannot do that in other areas because of regulatory challenges around the use of sweeteners but also because the technical solutions are not there is some categories. In which case, the cost of those products would increase on the back of any levy. So, in principle, no. Voluntary progress should be invited, and mandatory measures should be considered if progress is not made.

Q475 **Joe Robertson:** I am struggling to see where the mandatory part to any of this would be from your perspective. It sounds like cost trumps everything, including health.

Beth Fowler: I am happy to clarify from a mandatory perspective. For us, a good mandatory reporting policy looks like consistent measures, good guidance, and agreed positions. Because even the current NPM is challenging in terms of categories that are sold by millilitres instead of grams. There are lots of challenging areas to that calculation. A mandatory measure would bring everybody up to the same standard and we would all know we were reporting on the same thing. From there, we can determine the right voluntary metrics to deliver change.

Q476 **Joe Robertson:** Do you think this information is going to affect the average consumer, when they walk into your shop and are faced by promotions?

Beth Fowler: The reporting?

Joe Robertson: Yes.

Beth Fowler: Yes, we have already set up a voluntary healthy-sales metric. We are driving that change anyway over the next four years. To the point earlier, mandatory reporting would ensure that we are definitely

all reporting on the same thing, and we can compare progress across businesses.

Q477 **Chair:** Can I ask about something that is linked? Earlier, you were talking about anything that is driving cost into food, you wouldn't be for. You mentioned that the 2004 model cost money to implement and took a long time. Do you have a figure for how much that cost you?

Beth Fowler: I do not have that figure. What I can say is that it involved data collection, so systems changes, to allow us to incorporate that data. We have also, through third parties, started to ingest branded data because, of course, our portfolio is both branded and own label. Development to our own brand systems to automate NPM calculations, changes to merchandising systems, processes and so on have been talked to. So, I do not have a specific figure.

Q478 **Chair:** When you say you don't, is that you as an individual or the business?

Beth Fowler: I am not sure.

Chair: Please could you find out? As these discussions progress—and the Government are looking at this—if one of the reasons and an argument you are going to use is that certain things cannot happen because they are going to drive price into food, we need to understand, as a point of profitability, how much it is costing you. You have £5 billion revenue coming into the business, so can we better understand, when you say it is going to drive cost into something, what that actually means as a proportion? When we talk in big figures, it all sounds a lot. We are trying to understand in the context of the business. If you do not have those figures, that is fine. Just write to us—no problem—but it would be really helpful to get some of those figures. Have you got those figures?

Q479 **Alex McIntyre:** Sorry, can I say something quickly, Chair? The point you made before, Beth, was that that was a high cost to the business, but you have now said you do not have those figures. Was that point just pure speculation on your part then?

Chair: That's it.

Beth Fowler: No, effort and cost have definitely been spent. I just do not have that data to hand. What I would like to clarify on the NPM is my concern with regard to data and investment. Free sugars is not an objectively determinable figure.

Chair: No, you've made that clear.

Beth Fowler: We cannot analyse for it. Our supplier base does not hold it. That is my concern: how do we build up to that data when it is effectively a theory? We can share more information on our concerns but that is our primary one.

Q480 **Chair:** Do you understand the point my colleague is making? You cannot, on the one hand, say the implementation of this is going to be prohibitive

and start to drive up prices and then not give us a figure as to how much it actually cost the last time round?

Beth Fowler: That was in relation to penalties in the discussion about penalties.

Chair: I think you were talking about the 2004 model.

Q481 **Alex McIntyre:** On the 2004 model, you said you had invested a great deal of time and money. I take your point that you do not have a figure for it, but you say that the cost would be prohibitive when looking at updating that model, which is 22 years old. It could be that you have invested a lot, but it would be interesting for the Committee to know how much that cost as a proportion of the £5 billion in Asda revenue last year.

As the Health Committee we then have to look at the cost to the health of this country. We are spending £17 billion a year on obesity, but you are saying, "It is costing us too much to tackle the obesity crisis." We are trying to understand the balance there. I don't think it is fair to say, "It is costing us a lot," and then say, "Actually, I don't have that data in front of me."

Beth Fowler: Let me clarify my concerns about the model. The primary concern is the data—we think there is a lack of accuracy with the free sugars determination. Investment is a secondary concern. On the point about revenue, yes, we are a large business, and our revenues are big numbers, but that does not necessarily reflect profitability.

Alex McIntyre: Fair enough.

Beth Fowler: We also have other challenges: we have sustainability policy, EPR, national insurance and business rates. There are a lot of challenges that our business is facing. Health is one of our concerns.

Q482 **Chair:** We understand that, and we are trying to put it all in context. We understand that these things are complex—that is why we have spent two and a half hours discussing them.

This is my very final question. The Government are actively looking at this, and we have a report with which we are trying to shift the dial. Leave us with one thought each. You only get one. If someone else says yours, take it as read and move on. Liz, you get to go first. What is the last thought that you would like to leave with us?

Liz Fox: I would like us to ensure that we make things as simple as possible for customers and consumers. Confusion is the key. To do that, we need to be able to implement a simple process so that we can keep the decision simple for the customer.

Q483 **Chair:** Thank you. Oonagh?

Oonagh Turnbull: Please move forward with mandatory reporting. We cannot overstate how important that is, particularly if it is implemented across the whole of the food sector.

Q484 **Chair:** Lovely—simplicity and mandatory reporting. Beth?

Beth Fowler: My final though would be that I hope that it has come across that we really do care about our customers, and that this is a primary focus for us. In terms of future policy and legislation, the food environment absolutely has a role to play, and we are driving that forward. With my background as a nutrition scientist, my ask is that all areas that were identified across the Foresight report 20 years ago on obesity are looked at. We need systematic and systemic change. The food environment is one important lever, but it is not the only problem that our customers are facing when it comes to health.

Q485 **Chair:** Thank you. Nilani?

Nilani Sritharan: I agree that we should regulate to level the playing field across the whole of the food system. I am going to make one additional ask. As a person of colour sitting here in front of you, I think that one of the biggest things you could do is collect health data by ethnicity too. We know that there are strong links between ethnicity and health outcomes, and if we looked at that, we would use that data to inform policy, prevention and outcomes, which could be very different by ethnicity.

Chair: Thank you very much. I am sure you are happy to know that we have reached the end of the session. We are grateful for your time and your insights.

Please note that this session ends at question number 485 and that questions 486-496 are not missing.