

Speech given by FDF's Director of Communications, Julian Hunt, at a conference on carbon footprinting called 'Consumer Attitudes and Behaviours to Carbon Footprint Measurement and Environmental Sustainability', held on 30 October 2007

SLIDE ONE

Thank you...

And thank you for inviting me to join today's debate to explain the work the food and drink industry has been doing to improve the nutrition labelling on packs, in the hope that we may be able to draw some valuable lessons that apply to the debate now raging around carbon measurement and consumer communication.

SLIDE TWO

However, before attempting to tackle my subject today, I thought I would first explain a little about how we work at the Food and Drink Federation, which is the leading representative body for UK manufacturers of food and non-alcoholic beverages.

Earlier this year, we restructured to ensure we were in the best position to respond to the challenges now shaping the world in which our members operate.

Our new structure was designed to give FDF a sharper focus around three key priority areas:

- Food Safety and Science;
- Health and Wellbeing; and
- Sustainability and Competitiveness

Strategic steering groups have been created to direct our work in each of these three priority areas. Each group is chaired by a CEO from a member company and provides the leadership necessary to ensure that we continue to deliver results for members.

We have also created an SME Forum, to recognise the importance of small and medium sized businesses to the industry.

SLIDE THREE

And it would be wrong of me **not** to mention a new initiative spearheaded by our Sustainability and Competitiveness Steering Group to reduce the environmental impact of FDF's members.

Last week, at the QE11 Centre in Westminster we unveiled FDF's five-fold environmental ambition

This is a collective commitment that builds on the outstanding work that many companies have been doing individually. It focuses on the areas where we feel that we can make the biggest difference. And we feel this is a bold move – no other food trade body has tried to take this collective approach or show such leadership in this area.

SLIDE FOUR

Our collective ambition looks like this:

We want to achieve a 20% absolute reduction in CO2 emissions by 2010 compared to 1990 and to show leadership nationally and internationally by aspiring to a 30% reduction by 2020;

We want to send zero food and packaging waste to landfill from 2015
[Currently the sector as a whole sends three million tonnes to landfill];

We want to make a significant contribution to WRAP's work to achieve an absolute reduction in the level of packaging reaching households by 2010 compared to 2005 [*approx 340,000 tonnes*]. And provide more advice to consumers on how best to recycle or otherwise recover used packaging [*We will report annually on our contribution to WRAP's target*];

We want to achieve significant reductions in water use and contribute to an industry-wide absolute target to reduce water use by 20% by 2020 compared to 2007;
[If achieved this would save about 56 Olympic sized swimming pools full per day; We will work closely with Envirowise to develop and launch a Courtauld-type commitment to promote water best practice in a structured way. This will include monitoring. We will report annually on progress. Watch this space!]

And we want to embed environmental standards in our transport practices, including our contracts with hauliers as they fall for renewal, to achieve

fewer and friendlier food transport miles. We also want to contribute to an absolute target for the food chain to reduce its environmental and social impacts by 20% by 2012 compared to 2002.

The goals are challenging – but that's a sign of how seriously we are taking society's concerns about the environment. We can only do so much on our own – which is why we are working with best practice bodies such as Envirowise, Carbon Trust and WRAP, as well as urging the Government to encourage the development of new infrastructure in line with the priorities set out in its Waste Strategy. And the launch last week was only the start of a process – we'll keep our ambition under review and will report back on our progress.

So one of pillars of our ambition is to strive to reduce the carbon emissions of our sector. And we believe that if achieved, this would save about one-and-a-half million tonnes of CO₂ a year compared to 1990, the equivalent of taking about 350,000 cars off the road per annum.

[Food and drink manufacturers are responsible for 11% of the food chain's green house gases - and FDF members about 6-7% of the total. Agriculture accounts for about 50%. Food and drink manufacturers reduced their CO₂ emissions by 15% between 1990-2005 and are working to achieve more [FDF's voluntary Climate Change Agreement].

Carbon reduction for the food and drink manufacturing sector as a whole is already reported under FDF's climate change agreement with Defra. FDF has also committed to publishing annually the progress made by its members against our ambitious carbon reduction targets.

This highlights an important point, namely carbon communication can be undertaken at a number of levels – by sector, company or indeed by labelling individual product lines.

How carbon generally becomes communicated will ultimately depend upon how work on broader carbon measurement pans out and importantly consumer research. And we feel there is an important distinction to be made between carbon measurement and carbon communication or, indeed, labelling.

Given the complexities, we welcome the fact that there are two key steering groups which are taking forward work in this area – one led by the BSI is overseeing carbon measurement; and one led by the Carbon Trust is looking at carbon communication. FDF is represented on both.

As far as carbon measurement goes, a single methodology for industry as a whole is essential; to be effective, the methodology must be practicable, based on sound science and easily understood by consumers.

These are points that will hopefully come out in the rest of my presentation this afternoon.

SLIDE FIVE

Hopefully, that digression away from my brief has given you a taste of our perspective on the environmental issues where we feel we can make a real difference – and if you want to find out more I have left some copies of our environmental ambition outside; or you can log onto our website to see our work in detail.

But what about the nutritional labelling debate?

Well, it's important to put this debate into a bit of context as well. Labelling is, after all, only one of the ways in which industry is responding to society's concerns about the health of the nation.

Concerns that were starkly demonstrated a couple of weeks ago when the Government published its Foresight report on obesity, which painted a pretty bleak picture about the future health of the nation.

The Foresight team also warned that when it comes to tackling obesity there are no magic bullets that can be fired to solve this problem. All of us have a role to play if we are to reverse the worrying trends that have been identified.

But it's important to stress that the UK food and drink industry has been responding to society's concerns about the health of the nation.

FDF's Health and Wellbeing Steering Group is directing our work in a range of areas such as front-of-pack nutrition labelling, reformulation, marketing and workplace wellbeing.

Our decision to put this emphasis on health and wellbeing reflects the fact that our industry is absolutely committed to playing a positive role in the debate about obesity, as well as other health and diet issues.

Our commitment is also longstanding: the work of our new Steering Group builds on the commitments we set out in our groundbreaking industry Food and Health Manifesto, which we launched way back in 2004.

SLIDE SIX

As the Foresight report pointed out, the causes of obesity are complex, multi-factorial and have evolved over a number of generations.

I have put this slide together to capture some of the ways in I think society has changed out of all recognition in the past 50 years, and with it our relationship with food and our ability to lead a healthy lifestyle.

We are living longer, although it's not entirely clear whether quality of life is actually improving; there are more single person households; we work harder than ever and stay later at the office. Families are different too; the nuclear family is changing. We are more likely to have 2.4 cars than 2.4 kids.

Many consumers lack the time to cook, or don't have the skills, and have a complicated and often contradictory relationship with food.

We roughly consume the same calories as we did 50 years ago but expend far fewer in our daily activities. As Foresight notes, addressing – indeed reversing – this fundamental move towards a more sedentary lifestyle is going to be a key part of any solution to the obesity issue.

Society has moved from one where the problem was lack of food in the early post-war era, when we spent more than a third of our disposable income on food and drink, to one where food is readily available, with more choice and better quality than ever, and all of it costing us less in real terms than ever.

And I think this slide highlights how the agendas on environment and health are becoming increasingly blurred – too many cars on the road, for instance, is not only making us lazier and fatter it is also damaging the planet; and the fact that food is now, relatively speaking, a cheap commodity, and we have become deskilled in the kitchen, are a couple of reasons why we are wasting so much at home [*a point that WRAP will be making in a new campaign launch later this week*].

So all of this presents many challenges – for policy makers as well as for industry.

SLIDE SEVEN

As I have highlighted, labelling is just one aspect of our work. But it is an important part of how we as an industry have been responding to society's concerns about the health of the nation.

And, as you probably know, in January of this year, the UK food and drink industry launched a £4m campaign to explain how consumers can use Guideline Daily Amount labels on the front of packs to assess the calories, sugars, fat, saturates and salt that are suggested for a balanced diet. By knowing what's inside the food they are buying, we feel consumers can make better-informed decisions about what they are eating and strive towards a healthier lifestyle.

Now, much has been made in the media, and elsewhere, of the differences between industry's support for the GDA scheme and the Food Standards Agency's promotion of its traffic light scheme.

We do not see this as a battle.

I think the sometimes rather shrill criticism directed our way loses sight of one important fact: just four years ago, nobody was talking about front of pack labelling; today, all of us share a common goal of helping consumers better understand what constitutes a healthy, balanced diet.

And this debate should not be seen as being all about a label – rather it is about how we best go about informing lifestyle change.

While it's not ideal to have, as we do now, six or seven different schemes in market, we should remember that this is early days, and there is some truly ground-breaking stuff going on in what is a very complex area. So there are understandably going to be differences in opinion as to the best labelling approach to improving the food literacy of consumers.

With all that in mind, we are pleased to be part of something called the Nutrition Strategy Steering Group which is a partnership between the FSA, the Department of Health, NGOs, industry and retailers that will set the framework in which we will evaluate the front-of-pack labelling schemes being used in the market, based on an approach that will determine which factors are positively driving consumer behaviour towards making healthier choices. Because in the end it is consumer behaviour, not attitude or personal preferences, which is the important factor here. And that research should be made public towards the end of next year.

SLIDE EIGHT

In addition, there is a large measure of agreement between the FSA and those companies adopting a GDA approach to nutrition labelling.

We share core principles that front of pack food labelling should provide separate information on fat, saturated fat, sugars and salt, for instance.

So why not go with the scheme developed by the FSA from day one?

Well, these are some of the principles underpinning the GDA scheme.

And, as you can see, from the beginning we felt any scheme had to be universal, it could not be designed just to apply to a handful of categories, as was the case with the FSA scheme which focused on selected composite foods (pizzas, ready meals and sandwiches);

We also felt strongly that energy, or calories, were key to consumer understanding of weight management and had to be part of the labels

We also thought there would be technical difficulties around the decision to base a scheme's benchmarking criteria on a 100g measurement, rather than focusing on the amount eaten in a typical portion. We felt this created real anomalies in classifying those products that are usually eaten in amounts significantly less than 100g or significantly more than 100g. Further, it meant some important categories would be all red, making it difficult to truly compare the nutrition content of different products.

Just as important, we have a fundamental belief that consumers don't respond well to people telling them what to do; but they do like to be empowered to make better informed choices. As I said a few moments ago, the proof of any scheme will be its ability to drive sustained behavioural change; Finally, we do feel that any scheme should be simple, not simplistic. By that I mean it should play a positive role in the process of improving the food literacy of consumers, allowing all of them to take more responsibility for what they put in their mouths.

SLIDE NINE

But to repeat, I think despite the apparent differences of those advocating the various schemes in market, all of us share the same objective and the approaches in market have much in common (and let's not forget that GDAs

feature prominently on the back of virtually every pack now on supermarket shelves).

Now, we should also point out that this objective was spelt out in the Government's 2004 'Choosing Health' White Paper which called for clearer food labelling.

And in responding, industry has shown it is willing to act without the need for regulation – our schemes are all voluntary – without cost to consumers and to provide the funding necessary to meet this Government objective.

Anyway, in establishing our scheme we felt that there were four key steps to success – and I think these apply equally to some of the conversations you have been having today and will continue having tomorrow.

SLIDE TEN

Our starting point, therefore, was ensuring that the methodology underpinning our labelling scheme was robust.

Let's face it, GDAs are not new – they have been appearing on the back of food packs for almost a decade.

They are also based on sound science, having been developed through a collaboration between Government, consumer organisations, nutrition experts and the food industry, overseen by IGD and drawing on a report from the Committee on Medical Aspects of Food Policy. [*They were further developed in 2005 to include additional values*].

You can see how pucker they are by the fact that the Government and FSA's 6g a day salt target, for instance, is a Guideline Daily Amount.

Research by IGD done in 2005 showed that two-thirds of more than 1,000 consumers had seen the term GDA on packs. Further, just over two-thirds correctly identified that GDA was 'a guide to the amount of nutrients a person should be eating in a day'

So, we knew that GDAs were built on solid foundations.

And, after an abortive trial of traffic lights, Tesco opted to go for GDA information on the front of pack and found some good initial results, with a trial on sandwiches showing that sales of the less healthy options decreased while sales of healthier varieties increased.

This positive early reaction to the introduction of GDA labels by Tesco was reinforced by a study carried out by a group of manufacturers which found that 87% of consumers found this approach 'clear and simple'.

Further, a poll of independent nutritionists found that 75% thought the GDA scheme is scientifically valid while 80% thought the labels were useful for helping show the contribution food makes to your diet.

SLIDE ELEVEN

With a strong methodology to underpin our scheme, one that had already been in market for almost a decade, the decision was made to create the What's Inside Guide – as our label is known.

This translates the robust science underpinning GDAs into consumer friendly information that unites the front and back of packs.

But to work, we recognised that companies and brands across the industry would have to adopt the labels with a high degree of consistency to allow consumers to become familiar with the labels. A consistent ordering of the icons and layout of the label would enable them to rapidly make comparisons between products.

This has been achieved both through the development of common style sheets, which have been adopted by companies. They have put aside their natural instincts to seek competitive advantage to adopt a consistent approach, including agreements across different sectors on the common per portion information that should appear on the labels.

[not without challenges, but we have tackled some early issues, such as whether cereals should be measured with milk or not]

SLIDE TWELVE

We also knew that if consumers were to recognise the label and become familiar in how to use it, gaining critical mass in the market was absolutely vital.

And we have achieved this – from the position 18 months ago, when one retailer and a handful of manufacturers were looking at this approach, GDA

labelling is now, by far, the most widely available, and consistent, scheme in market.

SLIDE THIRTEEN

However, our story does not end at the English Channel. As GDA labelling has gathered momentum here in the UK, so the interest has grown elsewhere in Europe.

The European representative bodies for manufacturers and retailers – CIAA and EuroCommerce – have adopted a similar view on nutrition labelling, and published common style sheets advocating a stepped approach that starts with calorie information on the front of pack and ends with the big five nutrients for those who want to go further.

By December of this year, GDA labels will be appearing right across the EU zone. The same, consistent labelling will be appearing on more than 1,000 brands and 8,000 product lines – and this does not include the roll out plans of leading retailers including Aldi, Co-op Switzerland, Tesco, Delhaize, Edeka, Lidl, Metro, Monoprix and Rewe.

SLIDE FOURTEEN

This is what the German Government thinks of the debate – when it launched GDA labelling a couple of weeks ago, with the stated aim of 70% of all packs carrying the calorie icon by 2010.

SLIDE FIFTEEN

And how about this for consistency – this is what the label looks like in Belgium.

SLIDE SIXTEEN

So to the final piece of the jigsaw – connecting with consumers.

Clearly, having 20,000 lines in market all carrying the same GDA labelling, presented in a consistent manner, is ensuring the scheme is resonating with consumers.

But right from the start we realised that if the scheme was to work, then we had to approach this issue as a marketing-led challenge.

This meant understanding our consumer – in this case, busy mums – and getting inside their heads to understand what made them tick; what they thought about food; what turned them on, what turned them off.

In our case, our target audience was the 2.3 million C2DE mums aged between 19 and 35 in the UK – half of whom claim to read labels from time to time. But from our detailed consumer work we knew they were hearing some healthy eating messages but were not acting upon them, and that making sure their children ate healthily was not a priority above other issues (such as the fact they liked the food or it was affordable).

We also knew that they do not see food as a science thing – it's there to be enjoyed. So any communication should appeal to them on that level, as well as using positive messages to overcome any natural barriers to change.

Our communication programme started in January with a TV campaign designed to raise awareness of the labels and more recently we have shifted to advertising in women's magazine, hitting 13 million mums with simple, positive messages about how they can use GDA labels to make small changes that will make a difference to their diets and those of their families.

SLIDE SEVENTEEN

And this is a brief glimpse of what the latest press advertising looks like...

There's also a website, which is generating 40,000 hits a month, plus a consumer leaflet of which we have distributed literally tens of thousands. In fact, 15,000 were recently distributed to 3,000 doctors' surgeries.

We have also been supporting this work through close collaboration with health care professionals – who are the ones who are often called upon to help consumers lose weight or improve their diets.

SLIDE EIGHTEEN

And our work has generated some fascinating responses from consumers. Here's a couple of recent examples.

The FACE research shows that even though the campaign is targeted at mums it is reaching all ages, while the Take A Break survey suggests our target audience is completely offay with the new labelling as well.

SLIDE NINETEEN

However, we take most encouragement from the results of detailed consumer research we commissioned from independent consultancy Millward Brown which clearly shows that

- **Awareness** is high and building
- **Comprehension** is strong and growing
- Consumers are finding the labels **easy to use**
- A significant number are already **using the labels** to influence their purchasing habits

If you want to know more about this research – and our work on GDA labelling – there are copies of this report available and I can send further copies if you get in touch.

SLIDE TWENTY

And consumers tell us they are using the labels in a number of ways – showing the versatility of the GDA scheme.

These results are really encouraging, and we plan to continue tracking our progress in maintaining high awareness and encouraging widespread usage of GDA labels.

SLIDE TWENTY ONE

So what have we achieved since the launch of our scheme and campaign earlier this year?

Well, I hope I have explained how our scheme is gaining critical mass both here in the UK and across Europe, with a consistent approach by both manufacturers and retailers.

I hope I have given you a taste for how consumers are not only aware of the labels but increasingly are using them to make informed choices at the supermarket fixture.

We are also seeing evidence coming through from Tesco that shows how the scheme is having an impact. Sales of lower-fat ready meals, for instance, increased when GDA signposting was added, outselling higher fat alternatives by more than seven per cent. Similarly, lower-salt ready meals have outsold higher salt products by 10 per cent since the GDA scheme was introduced.

More exciting is research from Tesco's frozen ready meal category which shows that the profile of the average meal bought has significantly less salt, saturated fat and fat than before the labels were introduced. This change is partly a result of consumer switching and partly a change in the ingredients of the products.

This confirms another key benefit: that the move towards GDA front-of pack labelling is helping drive reformulation in the industry. We hear from our retail colleagues that they are setting new internal benchmarks, based on the GDA labelling, which are guiding all their product development work. And we know that the GDA scheme is focusing the minds of manufacturers on the nutritional content of their foods. After all, nobody wants to be on shelf with products that are higher than a rival in calories, or fat or salt.

So I am confident that the labels will continue fuelling one of the biggest and most important trends in the market – which is reformulation and the development of products with a better for you proposition.

And this is truly significant, because a survey of our leading members suggests that since 2004 an impressive £15bn worth of their products have been reformulated to have lower levels of salt, fat or sugar compared. In addition, a further £11.5 billion worth of products have been launched in lower salt, fat or sugar variants.

A massive benefit for consumers.

Finally, the GDA labels are gaining a currency of their own – as they appear in more recipe information in magazines, are used in brand marketing activities and are taken up by non-food players – as mobile phone company 3 did with a recent campaign.

SLIDE TWENTY TWO

So what lesson can people learn from the nutrition labelling debate that can be applied to the carbon debate?

Well, in many ways, it's back to the start of my presentation.

You need a clear objective – what are you trying to achieve – from which you can decide what should be communicated and the best communication tool. But that means you do need a credible methodology to underpin any communication initiative; consistency of execution will be critical; as is critical mass, not just here in the UK either. Above all, though, don't forget that consumer connection is vital for any scheme that is trying to change behaviours for the better.

Thank you.