

Factsheet

Healthy, sustainable diets.

Why It Matters.

Eating a well-balanced, healthy, sustainable diet is one of the best ways we can look after our health and the health of the planet. Being a healthy weight reduces the risk of high blood pressure, heart and circulatory diseases, type two diabetes, and some cancers. At Tesco, we believe that healthy, sustainably produced food should be accessible to everyone – whoever they are, wherever they live, whatever their budget and we are committed to helping our customers eat more healthily.

Relevant SDGs









Our progress.

Product Pillar					
Commitment	KPIs	Our 2020/21 performance			
To help customers eat more healthily by increasing the proportion of sales of healthy food to 65% by 2025	NEW KPI: Percentage of volume sales from products with a 'healthy' health score	As part of our updated healthy, sustainable diets strategy we announced new commitments in 2021 including helping customers eat more healthily by increasing the sales of healthy products, as a proportion of total sales, to 65% by 2025.			
To make products healthier through reformulation	Percentage point change in volume of key nutrients for Tesco UK Own Brand products below/above Own Brand volume growth (vs 2015 baseline)	 51.9 billion calories removed since 2018 Sugar volume 7.8% below volume growth for Own Brand products Salt volume 0.1% below volume growth for Own Brand products Fibre volume 14.8% above volume growth for Own Brand products 			
Encouraging customers to eat more sustainably by increasing sales of plant-based meat alternatives by 300% by 2025	NEW KPI: Percentage growth in plant-based meat alternatives (vs 2018 baseline)	96% sales growth in plant-based meat alternatives in the UK since 2018.			

Our Approach.

We are committed to helping our customers enjoy a better balanced diet.

Our customers tell us they face challenges when it comes to selecting healthier options. Whether it is a lack of the right information, time, or the perceived extra-cost of making healthier choices, we want to make it easier for our customers to make the healthier option the easier option.

Our healthy, sustainable diets strategy aims to make eating a better-balanced diet easy and enjoyable, through actions including: reformulation of product recipes to improve the health profile of products; changes to promotions and pricing to remove barriers to buying healthy food; and a further expansion of our market-leading plant-based ranges.

We have worked with the British Nutrition Foundation (BNF) to launch <u>A balanced diet for a better future</u>, a new report which outlines how we can all enjoy a healthier, more sustainable diet.



Read more about our approach to providing healthier products <u>here</u>.

Providing healthier, more sustainable products without compromising on taste

Our reformulation programme means that customers can enjoy their favourite products knowing they are better for them. Through reformulation, we have made hundreds of the products our customers enjoy healthier by reducing calories, fat, sugar and salt and increasing fruit, vegetable and fibre content without compromising on taste. Initiatives include:

- Reducing calories in popular product categories which contribute the most calories to families' shopping baskets, such as ready meals, biscuits, pies and cakes.
- Reducing sugar across a range of products including Own Brand yoghurts and cereals
- Increasing fibre content in products where it naturally occurs.
 For example, we have added wheat fibre into our garlic bread and added wholemeal wheat flour to the pastry in our pies and slices.
- Increasing vegetable content of our Own Brand chilled and frozen ready meals. In the UK, 50% of ready meals now contain at least one of the recommended five a day.

Removing barriers to help our customers make healthier choices

Our customers say they are concerned their diets won't be nutritionally adequate if they change how they eat. They also struggle with having the inspiration and confidence to create tasty meals, and they worry about affordability. We are committed to removing barriers and making the healthy option easy and enjoyable through helpful actions and advice, including:

- Encouraging families to eat more fruit and vegetables through our support of programmes such as The Food Foundation's Peas Please initiative, our Helpful Little Swaps campaign, and annual customer health events featuring recipes from Jamie Oliver.
 We also have promotions such as our 'Fresh 5' offer on five different fruit and vegetable products every two weeks.
- Providing clear nutrition information, through adoption of front of pack multiple traffic lights and Healthy Choice Logo where possible on our labels to help customers make informed choices for their dietary health.
- Growing our plant-based protein options, making them easy to find and affordable.
- Enhancing our 'Free from' range to ensure there are no barriers to food choices and that customers can make choices that better suit their dietary requirements.
- Teaming up with Natasha Allergy Research Foundation to raise awareness and funds during World Allergy Week. Since 2020 we have raised over£154k.

Encouraging customers to make changes to their lifestyle and try healthier alternatives

We want to inspire our customers to live a healthier, more sustainable lifestyle and give them the confidence to create healthy, nutritionally balanced meals that are both tasty and affordable. Initiatives include:

- Launching new ranges, as well as reviewing the prominence and the amount of space dedicated to healthier products in stores.
- Holding health events across the UK aimed at helping customers find affordable and easy ways to make their shopping basket healthier.
- Refreshing our <u>Peas Please Pledge</u>, to encourage customers to consume more vegetables.
- Working with our health ambassador, Jamie Oliver, to create exciting recipes that help customers cook great value, healthier meals from scratch.
- Encouraging customers to try plant-based meat alternatives with new product launches including Wicked Kitchen and Plant Chef ranges which provide easy-to-prepare and affordable plant-based alternatives to traditional dishes. In January 2021, we held our first in store Veganuary event for customers.



Read more about our plant-based food innovations <u>here</u>.

Key highlights.

51.9 billion calories removed since 2018 through our reformulation programme.

50% of ready meals now contain one of the recommended five a day.

96% growth in sales of plant-based meat alternatives.

Over 400 plant-based products on our shelves.

3 Year Performance.

UK data							
Commitment	KPIs	2018/19	2019/20	2020/21			
To help customers eat more healthily by increasing the proportion of sales of healthy food to 65% by 2025	Percentage of volume sales from products with a healthy health score	NEW KPI: As part of our updated healthy, sustainable diets strategy we announced new commitments in 2021 including helping customers eat more healthily by increasing the sales of healthy products, as a proportion of total sales, to 65% by 2025.					
To make products healthier through reformulation	Percentage point change in volume of key nutrients for Tesco UK Own Brand products below/above Own Brand volume growth (vs 2015 baseline)	Sugar: 3.6 pps below Salt: 2.2 pps below Fibre: 10.8 pps above	Sugar:7.1pps below Salt: 4.3 pps below Fibre: 8.7 pps above	Sugar: 7.8 pps below Salt: 0.1 pps below Fibre: 14.8 pps above			
Encouraging customers to eat more sustainably by increasing sales of plant- based meat alternatives by 300% by 2025	Percentage growth in plant-based meat alternatives (vs 2018 baseline)	N/A	N/A	96% growthin the UK			

Retired KPIs.

As we continue to evolve our Little Helps Plan, we regularly review our Key Performance Indicators (KPIs) to ensure they still reflect our priorities and help communicate our progress. Following our latest review and the launch of our new healthy, sustainable diets strategy we identified that the following KPIs were not leading indicators against our new commitments and therefore will be retired from 2021 onwards.

Performance						
Commitment	KPIs	2019/20	2020/21	Closing commentary		
To help improvediets through encouraging the consumption of fruit and vegetables	Percentage volume of fruit and veg content for Tesco Own Brand products below/above total Own Brand volume growth	0.6%	3.2%	COVID-19 has seen an increase in the volume of fruit and vegetable sold as customers spend more time scratch cooking and becoming more adventurous with food. We remain committed to encouraging customers to eat more fruit and vegetables and with the launch of our new healthy sustainable diets strategy we are focused on helping customers eat more healthily by increasing the proportion of sales of healthy food. We will track progress against this through our Tesco Health Score.		
To make products healthier through reformulation	Calorie reduction in eight food categories contributing most calories in Tesco family baskets	24.5bn calories removed	51.9bn calories removed	Our reformulation programme is helping to make our products healthier. Since 2018 we have removed 51.9bn calories and we are continuing to remove calories from our products. We will track progress on this but it will no longer form part of our LHP KPI suite as we focus our KPIs around our new healthy, sustainable diets strategy.		
To raise awareness of healthier choices	Percentage of customers who agree 'Tesco helps customers live healthier lives'	Q4 - 39%*	Q4 - 47%	We remain committed to raising awareness to healthier choices. With the launch of our new healthy, sustainable diets strategy we have introduced new KPIs and goals that will robustly measure our progress. While we will continue to track consumer sentiment in a variety of ways our LHP KPIs will focus on the core commitments contained within the new strategy: increasing the sales of healthy products, increasing the sales of plant-based products and making products through reformulation.		

^{*} Our 2019/20 performance has been restated following a change in how we measure this KPI. We have transferred from our Multichannel Tracker, where answers are based on our customer's most recent shopping experience, to the Global Brand Tracker (GBT). The GBT asks customers questions on Tesco more broadly and is therefore more reflective of our overall health strategy and not just the in-store environment.

Protein Disclosure.

We want to make it easy for our customers to have healthy and sustainable diets. In line with the UK Eatwell guide, which recommends a balance of protein sources that includes more plants, we have committed to reporting the sales of plant-based proteins as a percentage of overall protein sales every year to track progress. In 2021, we were the first retailer to share this information publicly.

Our first disclosure separates out dairy to reflect how we currently collect and report information across our categories. Further detail on our methodology is set out below.

Proportion of protein sales for food and drink product categories in the UK:

Plant: 12%Fish: 7%

Meat and egg: 81%

Tesco dairy category sales for food and drink products in the UK:

Dairy: 95%

- Dairy alternatives: 5%

Our protein disclosure is part of our efforts to create a more sustainable food system. We hope this new level of transparency on protein sales will help encourage the rest of the food industry to make similar commitments.

Methodologies.

<u>Percentage of volume sales from products with a 'healthy' health score in the UK</u>

The Tesco health score is calculated based on the Government's Nutrient Profiling Model. The Tesco health score is calculated for all retail food and drink categories and sales are weighted to determine the percentage of total units sold which have a 'healthy' health score. This applies to branded and own brand products.

The data covers all retail food and drink categories in the UK and ROI. The following product categories are excluded: household, pet care, health and wellness, baby, beauty, beers, wines and spirits. Booker is not included.

Percentage point change in volume of key nutrients for Tesco UK Own Brand products below/above Own Brand volume growth (vs 2015 baseline)

The sales weighted average growth in nutrient level for sugar, salt and fibre is compared to the sales volume growth for Tesco food and drinks to calculate the percentage point change. The data covers all retail food and drink categories in the UK. The following product categories are excluded: household, pet care, health and wellness, baby, beauty, beers, wines and spirits. Booker is not included.

<u>Percentage growth in plant-based meat alternatives</u> (vs 2018 baseline) in the UK

Percentage increase in sales value for plant-based meat alternatives. Plant-based meat alternatives are defined as meat alternatives in Frozen and Chilled Prepared food, including ready meals and lunch pots etc.

This data covers UK products only and excludes Booker.

Protein disclosure

Data on dairy and non-dairy proteins is currently collated differently and we apply different methodologies:

For non-dairy proteins, the figure is calculated by the volume of protein in a product multiplied by sales volume (tonnes) for Own Brand food and drink product categories, including whole protein products as well as the protein ingredient element of a composite product (see definitions below). The reporting period is 2020/21.

For dairy, the data is calculated on sales volume (tonnes) of Tesco UK dairy category products only (branded and Own Brand). Product weights have been combined for a total sum; for example, 1kg of milk is equivalent to 1kg of cheese. The reporting period is 2020/21.

Definitions:

- Plant: refers to protein ingredients from plant-based sources, including beans, lentils, mycoprotein, soya etc. Also includes the plant protein ingredients in a composite product, e.g. chickpeas in houmous.
- Fish: refers to protein ingredients from fish and shellfish, including whole fish, fish portions, mussels, salmon, prawns etc.
 Also includes the fish protein ingredients in a composite product, e.g. cod in fish fingers
- Meat and egg: refer to protein ingredients from meat and egg sources, including pork, beef, chicken etc. Also includes meat and egg protein ingredients in composite products, e.g. pork in a sausage, egg in a quiche.

Looking ahead.

In 2021 we announced our new healthy, sustainable diets strategy. The strategy includes several new commitments aimed at helping customers eat more healthily and making Tesco the easiest place for customers to shop for affordable, healthy, sustainable food. We will focus on delivering against these commitments in support of the recommendations outlined within the 'A balanced diet for a better future' report.

Commitments

- To help customers eat more healthily.
- Encouraging customers to eat more sustainably.
- To make products healthier through reformulation.

UK/ROI Targets

- Increase sales of healthy products, as a proportion of total sales, to 65% by 2025.
- Increase sales of plant-based meat alternatives by 300% by 2025.
- Increase the percentage of ready meals that contain at least one of the recommended five a day to 66% by 2025.

Central Europe Targets

- Increase sales of healthier products on a similar trajectory to our UK ambitions, by developing the appropriate methodology to establish our baseline and targets by the end of 2022.
- Increase sales of plant-based meat alternatives by 300% by 2025.
- Develop a plan to make Own Brand products healthier through reformulation in all three countries.

Booker Targets

- Set up an online portal that provides a recipe management, allergy and nutritional tool for our business cateriers.
- Offer business customers a range of plant-based products.
- Accelerate the roll out of front-of-pack nutritional information on Booker's retail products, consistent with the policy applied to Tesco products.
- Make products healthier by seeking to improve the health profile every time we review a product, and to offer a healthier alternative in all key categories.

Read more about our approach

More information

Healthy, sustainable products overview

Healthier diets

Plant-based food innovations

Reducing sugar in our Own Brand drinks

Free From range

Healthy, sustainable diets FAQs

Reports

A Balanced Diet for A Better Future Report

Policies

Age Restricted Products Policy

Benchmarks

FAIRR sustainable proteins