

## EXPLANATORY MEMORANDUM TO

# THE FOOD LABELLING (NUTRITION INFORMATION) REGULATIONS (NORTHERN IRELAND) 2009

2009 No. 331

## 1. Introduction

1.1 This explanatory memorandum has been prepared by the Food Standards Agency Northern Ireland to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under Articles 15(1)(e), 16(1) and 47(2) of the Food Safety (Northern Ireland) Order 1991 and is subject to the negative resolution procedure.

## 2. Purpose of the Rule

2.1 These Regulations amend the Food Labelling Regulations (Northern Ireland) 1996 (as previously amended) (the FLRs) as regards recommended daily allowances for vitamins and minerals, introduce energy conversion factors for dietary fibre and erythritol and introduce a definition for fibre.

## 3. Legislative Background

3.1 This Rule implements Commission Directive 2008/100/EC amending Council Directive 90/496/EEC on nutrition labelling for foodstuffs by replacing the recommended daily allowances for vitamins and minerals in Part II of Schedule 6 to the FLRs with an updated list, by introducing a definition of fibre into regulation 2 and by introducing new energy conversion factors in Schedule 7 Part I.

## 4. Parity or Replicatory Measure

4.1 This Rule applies to Northern Ireland only. Parallel legislation is being made in England, Scotland and Wales.

## 5. European Convention on Human Rights

5.1 As this Rule is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## 6. Policy background

- What is being done and why

6.1 The rules which govern nutrition labelling are laid out in the Nutrition Labelling Directive (NLD). The NLD defines the requirements for nutrition labelling on pre-packed foods, including technical requirements and was implemented into law for England, Scotland and Wales by the FLRs, and by similar but separate legislation for Northern Ireland.

6.2 Although generally complete, the current rules lack clarity about legal requirements for industry and enforcement authorities with regard to fibre, which has previously not been legally defined. There is also a need to update specific technical issues.

- 6.3 The FLRs specify energy conversion factors; these are required to calculate the energy present in a foodstuff. Scientific and technological advances relating to the analysis of food ingredients mean that new and more accurate energy conversion factors are required to ensure the consumer is not misled as to the overall energy content for some foodstuffs. This rule adds energy conversion factors for fibre (2 kcal/g or 8 kJ/g) and erythritol (0 kcal/g).
- 6.4 The FLRs list the vitamins and minerals which may be declared as part of nutrition labelling and specify their recommended daily allowances (RDAs). It is necessary to update and complete these lists to take into account other legislation on food supplements, vitamins and minerals fortification and nutrition and health claims as well as scientific developments since the lists were first established.

## **7. Consultation**

- 7.1 A full 12-week public consultation was undertaken in Northern Ireland between the 6<sup>th</sup> March to 29<sup>th</sup> May 2009. No responses were received.
- 7.2 The impact on business, charities or voluntary bodies will be minimal. The transition period will provide three years for re-labelling of products to ensure compliance and for redesign of labels outside of the normal redesign cycle if this is necessary.

## **8. Guidance**

- 8.1 The Food Standards Agency has previously established guidance on nutrition labelling legislation. This guidance will shortly be adapted to take into account these recent technical amendments and also reflect the development of European guidance currently under consideration on analytical methodology for fibre determination.

## **9. Equality Impact**

- 9.1 These regulations will apply in equal measure to all Section 75 groups. It is not expected that any of these changes will impact differentially across any of the section 75 groups.

## **10. Impact**

- 10.1 The impact on business, charities or voluntary bodies is minimal.
- 10.2 The impact on the public sector is minimal.
- 10.3 An Impact Assessment is attached to this memorandum. This IA has been prepared by FSA colleagues in England but it is believed to be equally representative of the situation in Northern Ireland.

## **11. Regulating small business**

- 11.1 This regulation applies to small business.
- 11.2 It is not thought that the proposed legislation will disproportionately impact small businesses as there are very few, if any, incremental costs involved in achieving compliance.

## **12. Contact**

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## Summary: Intervention & Options

<b>Department /Agency:</b> <b>Food Standards Agency</b>	<b>Title:</b> <b>Assessment of impact of implementing Commission Directive 2008/100/EC which amends Directive 90/496/EEC on nutrition labelling by adding a definition of 'fibre; energy conversion factors for fibre and erythritol; and an updated list of vitamins and minerals and their recommended daily allowances</b>	
<b>Stage:</b> Consultation	<b>Version:</b> 2	<b>Date:</b> 1 March 2009
<b>Related Publications:</b> Commission Directive 2008/100/EC; FSA consultation package, including IA on Commission proposal of January 2008 and summary of responses to consultation.		

### Available to view or download at:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:285:0009:0012:EN:PDF>;  
<http://www.food.gov.uk/consultations/consulteng/2008/nutlabelmar08eng>

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### What is the problem under consideration? Why is government intervention necessary?

Legislative rules on nutrition labelling of foodstuffs need to be updated:

- to reflect recent scientific and technological developments: Directive 2008/100/EC establishes a definition of 'fibre', adds energy conversion factors for fibre and erythritol, updates the list of vitamins and minerals which may be declared and their recommended daily allowances;
- to ensure coherence between nutrition labelling legislation and other legislation (The Nutrition and Health Claims made on Foods Regulation (1924/2006) and the Addition of Vitamins and Minerals and of Certain Other Substances to Foods Regulation (1925/2005))

### What are the policy objectives and the intended effects?

- To create coherence between various pieces of legislation on nutrition and health claims and addition of minerals and certain other substances to foods
- to provide industry and enforcement authorities with a clear technical framework to work within
- to provide consumers with consistent and accurate information based on up-to-date scientific evidence.

### What policy options have been considered? Please justify any preferred option.

Option 1 – do nothing - fail to implement Directive 2008/100/EC.

Option 2 – implement the provisions of Directive 2008/100/EC within the timescale set out in the Directive.

A number of policy options were considered in March and April last year when the FSA consulted on the European Commission's proposal for amending the nutrition labelling directive. Option 2 is the preferred option as this will ensure that nutrition information provided on food labels is based on the most up-to-date scientific evidence and provide potential marketing opportunities for industry to exploit.

**When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?** Trade in products that do not comply with the new rules will be prohibited from 31 October 2012. The effects will be reviewed in October 2015 at the latest.

### **Ministerial/CEO Sign-off** For consultation stage Impact Assessments:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister/Chief Executive\*:

.....Date:

\* for Impact Assessments undertaken by non-ministerial departments/agencies and NOT being considered by Parliament

# Summary: Analysis & Evidence

<b>Policy Option: 2</b>	<b>Description: implement the provisions of Directive 2008/100/EC within the timescale set out in it</b>
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<b>COSTS</b>	<b>ANNUAL COSTS</b>	Description and scale of <b>key monetised costs</b> by 'main affected groups' Familiarisation costs of local authorities (approx. £5,000) and businesses (approximately £200,000).		
	<b>One-off</b> (Transition)	<b>Yrs</b>		
	£ <b>205,000</b>	5		
	<b>Average Annual Cost</b> (excluding one-off)			
	£ <b>205,000</b>		<b>Total Cost (PV)</b>	£ <b>205,000</b>
	Other <b>key non-monetised costs</b> by 'main affected groups' Erythritol analysis and fibre analysis			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>	Description and scale of <b>key monetised benefits</b> by 'main affected groups'		
	<b>One-off</b>	<b>Yrs</b>		
	£			
	<b>Average Annual Benefit</b> (excluding one-off)			
	£		<b>Total Benefit (PV)</b>	£
	Other <b>key non-monetised benefits</b> by 'main affected groups' Clarity for consumers. local authority enforcement officers and businesses.			

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period Years	Net Benefit £	Range (NPV)	NET BENEFIT (NPV Best estimate) £
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What is the geographic coverage of the policy/option?	UK			
On what date will the policy be implemented?	2009			
Which organisation(s) will enforce the policy?	Local authorities			
What is the total annual cost of enforcement for these organisations?	£ N/K			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	No			
What is the value of the proposed offsetting measure per year?	£			
What is the value of changes in greenhouse gas emissions?	£ negligible			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation	Micro	Small	Medium	Large
(excluding one-off)				
Are any of these organisations exempt?	No	No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)	(Increase - Decrease)
Increase of £	Decrease of £
	<b>Net Impact</b> £ 0

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Evidence Base (for summary sheets)

### Reason for Intervention

The nutritional composition of a food product is an essential piece of information used to inform consumer choice. This legislation updates existing nutritional labelling in accordance with recent scientific opinion.

Directive 2008/100/EC updates certain technical aspects of Council Directive 90/496/EEC on Nutrition Labelling of Foodstuffs (the NLD) to recognise scientific and technological developments since 1990. It adds:

- a definition of 'fibre'
- energy conversion factors for fibre and the food additive erythritol which is a type of polyol
- an updated list of vitamins and minerals which may be declared and their recommended daily allowances (see table below).

Vitamin/mineral	Recommended Daily Allowance
Vitamin A	800 µg
Vitamin D	5 µg
Vitamin E	12 mg
Vitamin K	75 µg
Vitamin C	80 mg
Thiamin	1.1 mg
Riboflavin	1.4 mg
Niacin	16 mg
Vitamin B6	1.4 mg
Folic acid	200 µg
Vitamin B12	2.5 µg
Biotin	50 µg
Pantothenic acid	6 mg
Potassium	2000 mg
Chloride	800 mg
Calcium	800 mg
Phosphorus	700 mg
Magnesium	375 mg
Iron	14 mg
Zinc	10 mg
Copper	1 mg
Manganese	2 mg
Fluoride	3.5 mg
Selenium	55 µg
Chromium	40 µg
Molybdenum	50 µg
Iodine	150 µg

These amendments will ensure coherence between the NLD and other European legislation, particularly Regulation 1924/2006 on Nutrition and Health Claims made on Foods (the NHCR), Regulation 1925/2005 on the Addition of Vitamins and Minerals and of Certain Other Substances to Foods (the AVMR) and Directive 2002/46/EC on Food Supplements Directive (the FSD). It will provide greater legal clarity to the food industry in terms of providing

information to consumers and will facilitate more consistent enforcement of this aspect of food law.

These amendments may be expected to benefit industry and food law enforcement officers.

### **Intended effect**

The purpose of this Statutory Instrument (SI) is to implement, in England, Commission Directive 2008/100/EC amending Council Directive 90/496/EEC on nutrition labelling of foodstuffs as regards recommended daily allowances, energy conversion factors and definitions.

The Directive will apply in all EU member states. Separate implementing legislation will be made in Scotland, Wales and Northern Ireland.

The intended effect is to update the legislation to take into account scientific and technological developments which will create marketing opportunities for producers and make it easier for enforcement officers to verify and check claims.

### **Background**

Food labelling is an area of European Union competence. The rules which govern nutrition labelling are laid out in the NLD. The NLD defines the requirements for nutrition labelling on pre-packed foods, including technical requirements, and was implemented into law for England, Scotland and Wales by the Food Labelling Regulations 1996 (as amended), and by similar but separate legislation for Northern Ireland.

Food labelling helps consumers make informed choices about the food they buy or consider buying. The current rules lack clarity about legal requirements for industry and enforcement authorities. There is a need to update specific technical issues within the NLD as set out in more detail below.

#### *Fibre*

Directive 90/496/EEC does not define fibre. However the NHCR lays down conditions for nutrition claims to be made about fibre (source of fibre, high fibre). There is a need to define fibre to ensure there is a consistent basis within the UK and across Europe for fibre labelling and claims.

The definition of 'fibre' in Annex II to Commission Directive 2008/100/EC states:

"fibre" means carbohydrate polymers with three or more monomeric units, which are neither digested nor absorbed in the **human** small intestine and belong to the following categories:

- edible carbohydrate polymers naturally occurring in the food as consumed;
- edible carbohydrate polymers which have been obtained from food raw material by physical, enzymatic or chemical means **and which have a beneficial physiological effect demonstrated by generally accepted scientific evidence;**
- edible synthetic carbohydrate polymers **which have a beneficial physiological effect demonstrated by generally accepted scientific evidence.**

This differs from the definition set out in the European Commission's proposal for amendments to 90/496/EEC on which we consulted last year (see the section headed 'Consultation' below) as a result of the addition of the text highlighted above in bold.

**QUESTIONS to food business operators:**

**1. Will the definition of 'fibre' affect your ability to make a nutrition claim? If so, how many products will be affected (number and percentage of your total number of products)?**

**If so, please give examples of positive and negative effects and potential costs/benefits related to your ability to make a nutrition claim.**

*Energy conversion factors*

The NLD defines energy conversion factors; these are required to calculate the energy present in a foodstuff. Scientific and technological advances relating to food ingredients mean that new energy conversion factors are required to ensure the consumer is not misled as to the overall energy content of some foodstuffs. Directive 2008/100/EC adds energy conversion factors for fibre (2 kcal/g (8 kJ/g) and erythritol (0 kcal/g (0 kJ/g)); these are the same figures as in the Commission's 2008 proposal.

**QUESTIONS to food business operators:**

**2. Will the introduction of these energy conversion factors affect your ability to make nutrition claims? If so, how many products will be affected (number and percentage of your total number of products)?**

**If so, please give examples of positive and negative effects and potential costs/benefits related to your ability to make nutrition claims.**

*Vitamins and minerals and their recommended daily allowances*

The Annex to the NLD lists the vitamins and minerals which may be declared as part of nutrition labelling and specifies their recommended daily allowances (RDAs). The NHCR, AVMR and FSD all refer to the NLD Annex, and the RDAs listed there, for the purposes of labelling. However these Regulations and Directives contain a fuller list of vitamins and minerals than the one currently given in the older NLD. In order to ensure coherence with these Regulations and Directives there is a need to update the current list of vitamins and minerals and associated RDAs. The list of vitamins and minerals and their RDAs in Directive 2008/100/EC is the same as that in the Commission's 2008 proposal.

**QUESTIONS to food business operators:**

**3. Will this updated list of vitamins and minerals and associated RDAs affect your ability to make nutrition claims? If so, how many products will be affected (number and percentage of your total number of products)?**

**If so, please give examples of positive and negative effects and potential costs/benefits related to your ability to make nutrition claims.**

**Options**

Option 1 – do nothing - fail to implement Directive 2008/100/EC.

Option 2 – implement the provisions of Directive 2008/100/EC within the timescale set out in the Directive.



Option 1: Failure to implement would bring disadvantages to consumers, industry and enforcement authorities. Failure to implement would mean consumers would not have access to certain aspects of the nutritional content of some foods in the market; industry would be unable to comply with all the legislation as it is not coherent; and enforcement officers would have to enforce legislation which is contradictory.

Failure to implement would also be a risk to government in that it would result in a serious breach of the UK's obligations under the EC treaty and would be likely to attract infraction proceedings by the Commission against the UK under Article 226 of the EC treaty and potential fines. Other Member States could also initiate action under Article 227. Ultimately, the UK would be forced to implement.

Option 2: The Food Standards Agency agrees with the rationale for amending Directive 90/496/EEC and with the requirement (in Article 2 of Directive 2008/100/EC) to bring implementing legislation into force by 31 October 2009. As set out in Article 2, the implementing SI will prohibit trade in non-compliant products from 31 October 2012. This will provide three years for re-labelling of products to ensure compliance and for redesign of labels outside of the normal redesign cycle if this is necessary.

## **Costs and benefits of options**

Food businesses affected by the implementation of Directive 2008/100/EC are those that market food supplements and any that choose to provide voluntary nutrition labelling, make a nutrition or health claim on a product or voluntarily add vitamins or minerals to foodstuffs.

### **Costs**

Option 1: although this option might not incur any direct costs for industry it could potentially lead to trade barriers and lost business; in addition it could result in consumer confusion. If the countries of the UK did not implement the operative provisions of the Directive this would lead to infraction proceedings (as described above) and would lead to a significant cost to government.

Option 2: costs are outlined below.

### **Costs to food businesses for re-labelling and analysis**

The average labelling cost of £1,000 per SKU (Stock Keeping Unit – A food product with its own unique barcode) has been widely accepted during previous consultations with industry. This is an average figure used for aggregation because the costs vary widely in re-labelling dependant upon: the media a label is printed on, the colours used and whether the label requires a plate change amongst other factors. However, given the three year transition period, it is assumed that most products will be relabelled within this period and therefore the labelling changes will be absorbed within normal product re-labelling cycles.

There may be some costs associated with erythritol analysis and fibre analysis for companies to correctly label these food components. We will not be able to determine whether there will be costs associated with the recommended methods of analysis for fibre until we know what these are. In the case of fibre, the FSA will maintain its current guidance until European Commission guidance is adopted (see paragraph under benefits below). In this regard the European Commission has recently indicated that a discussion paper on this subject is being prepared for circulation and discussion with Member States by mid 2009.

We assume that, given the three-year transition period, any direct incremental costs associated with implementation of Directive 2008/100/EC will be low, apart from a small potential cost for erythritol and fibre analysis and that associated with reading and understanding the new legislation .

#### **QUESTIONS to food business operators**

**4. How many of your products currently carry claims for fibre? For these products will claims for fibre have to be changed or lost following implementation of the legislation?**

**5. In which food product groups (e.g. ready meals, bread etc.) do you make claims regarding fibre?**

**6. How many of your products currently carry claims for vitamins and/or minerals? For these products will claims have to be changed or lost following implementation of the legislation?**

**7. In which food product groups do you make such claims?**

**8. Will any other elements of the new legislation affect your business? If so, how?**

**9. Are the cost assumptions set out above correct? Including the absorption of labelling costs within normal re-labelling cycles or are there some products affected by the directive that would not otherwise be relabelled within 3 years?**

**10. The proposed legislation should not disproportionately impact small business as there are very few, if any, incremental costs involved in achieving compliance. However we welcome views from stakeholders and in particular small businesses on this assumption.**

#### *Familiarisation: Costs to enforcement officers*

In terms of reading and understanding the new legislation, the FSA estimates a time of 30 minutes per local authority (LA) to be realistic. This equates to a cost per LA of £10.00 (all figures are rounded). This figure is taken from the 2008 ONS ASHE (Annual Survey of Hours and Earnings) figures for Public Service Professionals of £15.40 per hour (median value), which, in-line with the Standard Cost Model, is then up-rated by 30% to account for overheads, to give a figure of £20.00 per hour. Divided by two for half an hour, gives £10.00. There are 469 LAs who will need to read the new legislation: £10.00 x 469 yields a one-off familiarisation cost of approximately £4,700.

There may be costs associated with putting in place new methods of analysis for fibre, however we will not be able to determine whether this is so until we know what the recommended methods of analysis for fibre are.

#### *Familiarisation: Costs to food businesses*

In terms of reading and understanding the new legislation, the FSA estimates a time of 30 minutes per business to be realistic. This equates to a cost per business of £7.50 (all figures are rounded) This figure is taken from the 2008 ONS ASHE (Annual Survey of Hours and Earnings) figures for Managers in Distribution, Storage and Retailing of £11.59 per hour (median value),

which, in-line with the Standard Cost Model, is then up-rated by 30% to account for overheads, to give a figure of £15.00 per hour. Divided by two for half an hour, gives £7.50.

There are 9,865 food related manufacturing companies and 43,830 non-specialised food retailers registered in the UK.<sup>1</sup> Both figures include businesses, which will not need to read the legislation (approximately 28,000 of the businesses above have less than 5 employees), in the absence of accurate estimates on how many businesses the legislation will affect a mid-point of 26,800 is assumed. If they all need to read the legislation this will equate to 26,800x£7.50 which yields a one-off familiarisation cost of approximately £200,000. This is likely to be an overestimate, as the nutritional labelling updates are specific to food product groups.

This yields a total familiarisation cost of approximately £205,000. This breaks down, using VAT registered business data<sup>2</sup> to approximately: £155,000 in England, £27,000 in Scotland, £13,000 in Wales and £10,000 in Northern Ireland.

**QUESTION to enforcement officers:**

**11. Are the time and cost estimates for familiarisation of the legislation for enforcement officers realistic? If not, please provide estimates of the additional time spent on nutritional labelling enforcement this Directive will cause.**

**QUESTIONS to food business operators:**

**12. Do you have a more accurate figure of how many food businesses the Directive is likely to affect in your area or nationally (compared to 26,800)?**

**Benefits**

Option 1: failure to implement would not bring any benefits to consumers, industry, enforcement authorities or government.

Option 2: benefits are outlined below

**Benefits to consumers**

At present, there are no legislative controls on the definition of 'fibre' for food labelling purposes nor on the methods of analysis to be used in determining the fibre content of food products. The FSA has issued guidance on methods of analysis however, food business operators are not compelled to follow that guidance to satisfy themselves of the fibre content of food products and, as a result, claims on different products may relate to different forms of fibre with varying (or no) proven human health benefits.

Once there are clear recommendations about the methods of analysis for fibre to be used in relation to food labelling (see below) there should be a clear benefit of applying a consistent definition since consumers will be better informed about the fibre content of foods they buy or consider buying.

**Benefit to food businesses and to enforcement officers**

<sup>1</sup> Taken from the category 'manufacturer of food products and beverages' and 'Retail sale in non-specialised stores with food, beverages or tobacco predominating' ONS: TABLE A3.1 UNITED KINGDOM - NUMBER OF LOCAL UNITS in VAT and/or PAYE BASED ENTERPRISES in 2008

<sup>2</sup> Ibid

By providing a definition of 'fibre' the new legislation aims to provide clarity in terms of how claims about fibre relate to the fibre content of a food; ultimately this will be a benefit for the food industry and for enforcement officers. However, the legislation does not link the 'functional' definition of fibre to methods of analysis, thereby leaving some uncertainty for food business operators and enforcement officers at present. The European Commission plans to produce guidance on suitable methods of analysis for fibre, and the FSA will press for this to be available before 31 October 2009. However, until this is agreed with EU member states the uncertainty remains.

### **Administrative Burden Costs**

Labelling is an administrative burden on business. However, with the proposed 3 year transition period any changes should be within businesses normal commercial re-labelling cycle and so no additional burdens should result from implementing option 2.

#### **QUESTION to food business operators:**

**13. Are these estimates of time and cost appropriate? If not, how should they be amended?**

**14. Are the assumptions about administrative burdens correct? Are there any other record keeping requirements as a result of implementing option 2?**

### **Consultation**

The Food Standards Agency formally consulted a wide range of stakeholders (including consumer and health professional groups, manufacturers and food industry bodies, enforcement bodies, individuals and government departments), on the European Commission's proposal to amend the nutrition labelling Directive, between 7 March and 18 April 2008 . The consultation package (including the proposal and impact assessment) and a summary of consultation responses are available at:

<http://www.food.gov.uk/consultations/consulteng/2008/nutlabelmar08eng>

### **Enforcement**

Local Authority Trading Standards (LA) will be responsible for the enforcement of the proposed new provisions. This remains unchanged from existing enforcement arrangements.

### **Simplification**

There are no simplification measures included in this proposal.

### **Implementation and Review**

Trade in products that do not comply with the new rules will be prohibited from 31 October 2012. Therefore, the effects will be reviewed in October 2015 at the latest.

## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

Type of testing undertaken	Results in Evidence Base?	Results annexed?
Competition Assessment	No	Yes
Small Firms Impact Test	No	Yes
Legal Aid	No	No
Sustainable Development	No	Yes
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	Yes
Disability Equality	No	Yes
Gender Equality	No	Yes
Human Rights	No	No
Rural Proofing	No	No

## **Competition Assessment**

The proposed legislation does not impose any significant costs to industry and applies to all manufacturers equally. By clarifying the labelling framework within which companies work there is scope for the legislation to help facilitate competition. It is not expected to impose significant negative impacts on competition.”

## **Small Firms Impact Test**

It is not thought that the proposed legislation will disproportionately impact small businesses as there are very few, if any, incremental costs involved in achieving compliance.

## **Sustainable development**

The Agency’s 2006 research, evaluating the impact on business of changes to nutrition labelling requirements in the UK, estimated that existing packaging stocks will tend to be mainly used up (69% of companies) within 12 months. Only 11% of companies require in excess of two years to use up their labels. The three-year transition period in the new legislation takes these timescales into account, and should therefore allow companies to use up existing packaging. We therefore expect that there will not be any significant amounts of wasted product, packaging or labels. It is unlikely, therefore, that there will be any considerable implications on greenhouse gas emissions or negative impacts on natural resources.

There will be a benefit to industry in terms of clarity of legislation. It is expected that these benefits will outweigh any potential costs to industry, which will be minimised by the proposed transition periods.

## **Race equality issues**

The proposed legislation does not impose any restrictive compliance on any person from a particular race, gender or with disability

## **Gender equality issues**

The proposed legislation does not impose any restrictive compliance on any person from a particular race, gender or with disability

## **Disability equality issues**

The proposed legislation does not impose any restrictive compliance on any person from a particular race, gender or with disability