



Action on Salt and Sugar Response: Strengthening the Soft Drinks Industry Levy

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About you

*The following questions relate to **section 3** of the consultation document. Businesses, organisations, and individuals may have different perspectives, and we are interested in understanding the context of the answers you give in all the questions in this consultation. Depending on whether you are a business, organisation, individual, or 'other' please answer the questions below.*

- 1. Are you a business? If you are a business please specify which of the following describe your business. You can choose more than one option**

No

- 2. If you are a type of business not listed in question 1, or want to give more information about your business (for example the business name), please provide details**

N/A

- 3. Are you an individual? If so, please tell us your interest in this consultation.**

No

- 4. Are you an organisation? If so, please provide further details (for example the name of your organisation, trade or health body).**

About Action on Salt and Sugar is a registered charity dedicated to reducing dietary salt, sugar and calorie consumption to improve the health of populations in the UK and worldwide.

The charity is working to reach a consensus with the food industry and Government over the harmful effects of a high salt and sugar diet and bring about a reduction in the amount of salt and sugar in processed foods and drinks as well as salt added to cooking, and the table. We aim to create sustainable policies and systems that enable reduced free sugars and salt intake.

- 5. If you are a business, where is your business established?**

N/A

- 6. If you are in business, how many staff do you employ across the UK?**

N/A

Increasing reformulation of soft drinks with less than 5g total sugar per 100ml.

*The following questions relate to **section 4** of the SDIL consultation. The government is consulting on reducing the minimum sugar content at which the SDIL applies to qualifying drinks from 5g to 4g. The SDIL standard rate would apply from 4g - 7.9g total sugar per 100ml, as opposed to 5g - 7.9g total sugar per 100ml currently.*

7. What impact, if any, would a reduction in the SDIL minimum sugar threshold to 4g total sugar per 100ml have on your business? Please provide evidence to support your position.

We are in favour of the proposal to lower the threshold from 5g to 4g per 100ml and believe this will incentivise industry to reformulate their products further to contain less sugar. In the first year of the introduction of the SDIL, many sugar-sweetened beverages (SSBs), particularly own-label retailer products were able to reduce their sugar content to just below 5g per 100ml. In recent years, further reductions have been made to below 4.5g, which is likely in light of the advertisement and promotion restrictions (if a drink contains 4.6g per 100ml it would be classified as less healthy by the NPM). A recent analysis found a median sugar content of 4.2g per 100ml in sweetened sugary beverages (SSBs) [1]. Therefore, the lower threshold of 4g per 100ml is easily achievable by manufacturers.

Whilst we support the lowering of the threshold to 4g per 100ml, we believe the SDIL could also be strengthened by addressing the products within the upper thresholds of sugar content. Several well-known SSBs and energy drinks are in those higher levy thresholds, with many sold in large 500ml bottles or cans, exceeding 50g of total sugars per unit. The latest sugar reduction data shows that there are significantly more drinks in the highest tier (over 8g per 100ml) rather than the middle tier (5-8g/100ml) [2]. Given these findings, we support measures that impose higher tax on brands that do not engage with reformulation and reduce sugar levels.

To benefit both health and revenue, we propose a new tier above 10g per 100ml --to address the market-leaders (primarily Coca Cola) who have stated that they will not reformulate their highly popular classic cola drinks. This new threshold would ensure those manufacturers who refuse to reduce sugar levels do not have an unfair advantage in the continued sale of excessively sugary drinks while other companies choose to commit to sugar reduction measures. This will further maintain SDIL revenue flows, which the Government must then invest in children's health.

[1] Scarborough P., Adhikari V., Harrington R., Elhussein A., Briggs A. et al. *Impact of the announcement and implementation of the UK Soft Drinks Industry Levy on sugar content, price, product size and number of available soft drinks in the UK, 2015-19: A controlled interrupted time series analysis. PLoS Med* 17(2): e1003025

[2] OHID (2025) *Sugar reduction in drinks: 2015 to 2024*, Phe.org.uk. Available at: <https://fingertips.phe.org.uk/static-reports/obesity-physical-activity-nutrition/sugar-reduction-drinks-2015-2024.html>

8. For those soft drinks producers affected by a reduction in the minimum threshold to 4g total sugar per 100ml – would you reformulate your products to below this threshold? Please provide evidence to support your position.

Companies can reformulate their products to below the threshold of 4g of total sugar per 100ml. There are currently more than two-thirds of products in scope of SDIL (73%) already below 4g of sugar per 100ml [3]. A study by Queen Mary University of London collected 433 SSBs in 2023 from four major supermarkets, of which 65 products (15.1%) contained between 4.5-5g per 100ml and 69 products

(15.9%) contained 4- 4.4g. Moreover, in the latest published analysis by the Office for Health Improvement & Disparities (OHID), [4] there is a cluster of products just below the 5g threshold with 866 products between 4g and 4.9g of total sugar per 100ml, of which 221 products are below 4.5g per 100ml [4]. Therefore, implementing a lower threshold of 4g per 100ml would incentivise further reformulation and should not have a significant impact on industry. An additional benefit of further reducing the minimum threshold will be that companies wanting to create new products on the market will be discouraged to go above this lower threshold.

[3] HM Revenue & Customs and HM Treasury. *Strengthening the Soft Drinks Industry Levy consultation*. 2025. Available at: <https://www.gov.uk/government/consultations/strengthening-the-soft-drinks-industry-levy/strengthening-the-soft-drinks-industry-levy-consultation>.

[4] OHID (2025) *Sugar reduction in drinks: 2015 to 2024*, Phe.org.uk. Available at: <https://fingertips.phe.org.uk/static-reports/obesity-physical-activity-nutrition/sugar-reduction-drinks-2015-2024.html>

9. Would it be easier for soft drinks producers to achieve incremental reductions in sugar content, e.g., gradually reformulating over time to reach 4g total sugar per 100ml, or to go straight to 4g total sugar per 100ml? Please provide evidence to support your position.

Due to a large percentage of SSBs already being below 4g per 100ml or in the 4-4.5g per 100ml range, we do not believe an incremental approach is required, and the SDIL should go straight to 4g per 100ml. Additionally, having these discussions two years ahead of any possible implementation is ample time for businesses to prepare and reformulate their drinks.

10. How long would soft drinks producers need to reformulate products to below 4g total sugar per 100ml? What variables would speed this up, or slow it down? Please provide evidence to support your position.

We support the announcement in the consultation document for implementation from April 2027 (~2 years from initial announcement). When the SDIL was first introduced, the Government set a precedent and gave businesses 2 years to prepare, with many companies reducing the sugar content in their drinks.

An analysis found that the proportion of eligible soft drinks above the lower levy threshold of 5g of sugar per 100ml began to decrease within a few months of the announcement and then accelerated towards the implementation date.[5] However, further decreases continued to occur after implementation.[6] This indicates that even if not all reformulation has occurred by two years, implementation does not prevent additional ‘catch-up’ activity post-implementation.

Furthermore, the change to the lower threshold is relatively small, with the majority of SSBs products already below or close to the new lower threshold. Our brief analysis suggests many products are meeting the new threshold too.

[5] Scarborough et al. *Impact of the announcement and implementation of the UK Soft Drinks Industry Levy on sugar content, price, product size and number of available soft drinks in the UK, 2015-19: A controlled interrupted time series analysis*. *PLoS Med*. 2020 Feb 11; 17(2):e1003025. <https://doi.org/10.1371/journal.pmed.1003025>

[6] Luick et al. *The impact of the UK soft drink industry levy on the soft drink marketplace, 2017-2020: An interrupted time series analysis with comparator series*. PLoS ONE. 2024 June 6; 19(6): e0301890 <https://doi.org/10.1371/journal.pone.0301890>

11. What are the technical challenges in creating soft drinks with under 4g total sugar per 100ml? Please provide evidence to support your position.

We believe there are minimal technical challenges in creating drinks below 4g of sugar per 100ml, especially since over two-thirds of the products in scope of SDIL (73%) are already below this level [7]. Some examples of products already below 4g per 100ml include Sainsbury's Lemonade [8], Lipton Lemon Ice Tea [9] and Fentiman's Classic Curiosity Cola [10]. This demonstrates that it is possible for industry to create drinks below the new proposed minimum threshold. Additionally, the latest published analysis by OHID found there is a cluster of products just below the 5g threshold, with 866 products between 4-4.9g of total sugar per 100ml, of which 221 lie between 4-4.5g [7]. Therefore, the majority of SSBs that are currently above the proposed minimum threshold of 4g per 100ml would not have to reduce their sugar content by much, minimising the technical challenge industry faced with the original introduction of the SDIL.

[7] OHID (2025) *Sugar reduction in drinks: 2015 to 2024*. <https://fingertips.phe.org.uk/static-reports/obesity-physical-activity-nutrition/sugar-reduction-drinks-2015-2024.html>

[8] Sainsbury's Lemonade 2L – Available at: <https://www.sainsburys.co.uk/ol-ui/product/sainsburys-lemonade-2l>

[9] Lipton Ice Tea Lemon 500ml- Available at: <https://www.sainsburys.co.uk/ol-ui/product/lipton-ice-tea-lemon-500ml-8021719-p-44>

[10] Fentimans Classic Curiosity Cola 4x275ml- Available at: <https://www.sainsburys.co.uk/ol-ui/product/fentimans-classic-curiosity-cola-4x275ml>

12. What unintended consequences (if any), including risk of non-compliance, could arise if the threshold is lowered to 4g total sugar per 100ml? How could businesses and government mitigate these risks?

Impact on health

The latest National Diet and Nutrition Survey (NDNs) found that 91% of children exceeded their maximum recommendation limit for daily free sugars intake [11]. Therefore, there is a need to develop policy that will reduce populational free sugar intake especially in children. Soft drink consumption contributed to 13% of the free sugars intake in 11-18-year-olds [11]. A study published in 2025 showed that in the second year of the SDIL was associated with a 7.5g per week reduction in average household sugar consumption [12]. The SDIL may also contribute to reducing dietary inequalities, with a 70g/week reduction in low-income households and 56g in those with children. Three studies published in 2023 and 2024, showed associations between the introduction of the SDIL and reductions in obesity prevalence for 10–11-year-old girls [13], as well as a reduction in hospital admissions for tooth extractions [14] and asthma [15] in children [16].

Non-Sugar Sweeteners

One possible unintended consequence could be the increase in the consumption of non-sugar sweeteners (NSS). We note concerns that reformulation has largely been achieved by replacing sugars with NSS. The World Health Organization has also now strongly advised against the use of NSS in products [17]. Whilst not in scope of the current SDIL review, the industry should be encouraged to reduce both sugar and sweetness in drinks.

Some countries have started to incorporate NSS into sugar reduction policies, for example: SSBs levies apply to high-sugar and non-sugar-sweetened drinks in France [18], Saudi Arabia and United Arab Emirates [19]; the public health product tax in Hungary has expanded to apply to the content of NSS as well as sugar [20].

In France, the government has adjusted their tax rates over time to reflect its health goals. Taxes on added sugar drinks are based on sugar content per hectoliter. The higher the sugar content, the higher the rate. In 2024, drinks containing less than 1 kg of sugar per hl was subject to 3.17 €/hl (increased to 3.50 €/hl in 2025) and drinks containing 15kg of sugar per hl was 24.78€/hl (increased to 27.34 €/hl in 2025). Tax rates on NSS are set at €3.17 per hectoliter (increased to 3.50 €/hl in 2025) [18]. When the product contains both added sugars and NSS, the product is subject to both taxes.

The SDIL has contributed to the increased use of NSS in drinks and it is currently not being monitored. To learn from international examples, a base-rate levy on all SSBs should be introduced, with higher rates for any products containing sugars. This will assist in reducing overall consumption of SSBs, which have been on the rise, despite having no nutritional benefit. As advised in the UK Eatwell Guide, these drinks should be consumed in small amounts and infrequently. To support consumers to do this, all SSBs apart from unsweetened milk and water should be subject to the levy, with rates increasing the higher the levels of sugar.

In absence of not introducing a new base-rate levy, guidance should be provided to the drinks industry about not directly replacing sugar with NSS and encouraging them to consider a gradual reduction of the sweetness of drinks currently containing NSS.

We also recommend the introduction of mandatory labelling for the amount of NSS added to products. The use of NSS is currently not monitored in the United Kingdom, making it difficult to track its use and consumption. Mandatory labelling of NSS has been implemented internationally, for example Mexico, whereby their front-of-pack warning label system now includes NSS as well as requiring companies to state the amount of NSS in products on the nutritional label [21].

[11] OHID. *National Diet and Nutrition Survey 2019 to 2023: report*. 2025. Available at: <https://www.gov.uk/government/statistics/national-diet-and-nutrition-survey-2019-to-2023/national-diet-and-nutrition-survey-2019-to-2023-report>

[12] Rogers NT, Cummins S, Pell D, Rutter H, Sharp SJ, Smith RD, White M, Adams J. *Changes in household purchasing of soft drinks following the UK soft drinks industry levy by household income and composition: controlled interrupted time series analysis, March 2014 to November 2019: BMJ Nutrition, Prevention & Health*. 2025;:e000981. <https://nutrition.bmj.com/content/early/2025/01/16/bmjnp-2024-000981>

[13] Rogers NT, Cummins S, Forde H, Jones CP, Mytton O, Rutter H, Sharp SJ, Theis D, White M, Adams J. *Associations between trajectories of obesity prevalence in English primary school children and the UK*

soft drinks industry levy: An interrupted time series analysis of surveillance data. *PLoS Med.* 2023 Jan 26;20(1):e1004160. doi: 10.1371/journal.pmed.1004160.

[14] Rogers NT, Conway DI, Mytton O, Roberts CH, Rutter H, Sherriff A, White M, Adams J. Estimated impact of the UK soft drinks industry levy on childhood hospital admissions for carious tooth extractions: interrupted time series analysis. *BMJ Nutr Prev Health.* 2023 Dec;6(2):243-252. doi: 10.1136/bmjnp-2023-000714.

[15] Rogers NT, Cummins S, Jones CP, Mytton OT, Roberts CH, Shaheen SO, Shah SA, Sheikh A, White M, Adams J. The UK Soft Drinks Industry Levy and childhood hospital admissions for asthma in England. *Nat Commun.* 2024 Jun 10;15(1):4934. doi: 10.1038/s41467-024-49120-4.

[16] Cobiac LJ, Rogers NT, Adams J, Cummins S, Smith R, Mytton O, White M, Scarborough P. Impact of the UK soft drinks industry levy on health and health inequalities in children and adolescents in England: An interrupted time series analysis and population health modelling study. *PLoS Med.* 2024 Mar 28;21(3):e1004371. doi: 10.1371/journal.pmed.1004371.

[17] WHO. WHO advises not to use non-sugar sweeteners for weight control in newly released guideline. 2023. Available at: <https://www.who.int/news/item/15-05-2023-who-advises-not-to-use-non-sugar-sweeteners-for-weight-control-in-newly-released-guideline>.

[18] Fiscalead. French taxes on sugary drinks: A sweetener-free solution to support public health. 2024. Available at <https://www.fiscalead.com/en/french-taxes-on-sugary-drinks-a-sweetener-free-solution-to-support-public-health/#:~:text=2.,Tax%20rates,to%20reflect%20its%20health%20objectives.&text=Tax%20rates%20n%20sweeteners%20are,is%20subject%20to%20both%20taxes>.

[19] Al-Jawaldeh A, Perucic AM, Hammerich A, Moneim ARIA, Ibrahim ET, ALMatrooshi FE, Alkhalaf MM, Letaief M, Alali NK, Alghaith TM, Abbass MM. A review of sugar-sweetened beverages taxation in Saudi Arabia and United Arab Emirates. *East Mediterr Health J.* 2024 Dec 3;30(11):746-756. doi: 10.26719/2024.30.11.746.

[20] Bird & Bird. Hungarian “chips-tax” now applicable to all forms of “sweet taste” - significant changes affecting taxes on foodstuff and drinks effective as of 1 July 2022. Available at <https://www.twobirds.com/en/insights/2022/hungary/hungarian-chips-tax-now-applicable-to-all-forms-of-sweet-taste>

[21] Laura Patricia Arellano-Gómez, Jáuregui, A., Nieto, C., Contreras-Manzano, A., Kathia Larissa Quevedo, White, C.M., Thrasher, J.F., Davis, R.E., Hammond, D. and Barquera, S. Effects of front-of-package caffeine and sweetener disclaimers in Mexico: cross-sectional results from the 2020 International Food Policy Study. *Public health nutrition.* 2023 Oct 2; 26(12), pp.3278–3290. doi:<https://doi.org/10.1017/s1368980023002100>.

The treatment of milk-based drinks

The following questions relate to **section 5** of the SDIL consultation. The government is consulting on removing the exemption for milk-based drinks whilst introducing a ‘lactose allowance’ to account for the natural sugars in the milk component of these drinks. To calculate a specific drink’s lactose

allowance, the taxpayer would multiply 4.8g by the percentage milk content of the drink in question. For example, a drink containing 75% milk would get an allowance of $4.8\text{g} \times 75\% = 3.6\text{g}$ per 100ml. This lactose allowance would then be added to the relevant SDIL thresholds such that the drink would only be liable for the SDIL if it is equal or greater than the SDIL minimum threshold + 3.6g. Under the proposals in Section 4 of the SDIL consultation, this would be 4g sugar per 100ml + 3.6g lactose per 100ml = 7.6g.

13. Do you agree that the exemption for milk-based drinks with added sugar should be removed? Please provide evidence to support your position.

Yes, we agree that the exemption should be removed for all milk-based drinks with added sugar.

An analysis of Kantar purchasing data indicates that in post-implementation of the SDIL, GB households purchased a mean of 170g sugar per week from milk, milk based drinks and milk substitutes ('milk drinks'). [22] This is equivalent to 55% of the total 307g of sugar purchased per household per week from all soft drinks (both levy eligible and exempt). We found no evidence of change in sugar purchased from milk drinks following the implementation of the SDIL indicating there is no positive 'spillover' effect to this category. Extending the SDIL to milk-based drinks would allow this substantial source of sugar to be addressed.

Calcium

Plain milk is an important source of calcium, as well as many other foods. Public health nutrition policies should be supporting consumers to opt for sources of calcium with no or minimal amounts of negative nutrients such as sugar. However, the UK NDNS (2020) found that milk and dairy products contribute 36% of calcium intake for children aged 4–10 years and 27% for those aged 11–18 years [23]. Of this, it is estimated that young people only get 3.5% of their calcium intake from milk-based drinks [23], and therefore sugary milk-based drinks cannot be defended on the basis of contribution to calcium intake, which is likely outweighed by the harms of excess sugar consumption.

Sugary milks is not the only source of calcium in children's diets, and high sugar intake is associated with overweight and obesity as well as dental caries. Other important sources of calcium include:

- Cheese and other dairy products
- Green leafy vegetables
- Bread and anything made with fortified flour
- Small fish containing bones – such as sardines and pilchards

Therefore, the SDIL should be improved to incentivise intake of milk-based drinks with no added sugars, or at least significantly reduced levels of added sugars in these drinks. There are a number of pre-packaged milk-based drinks with added sugar on the market, which currently exceed the 5g/100ml threshold. These products are currently exempt from SDIL, despite contributing unnecessary added sugars to population diets. Removing the exemption could therefore play a role in incentivising reformulation and reducing the sugar content. Plain milk contains approximately 4.9g/100ml intrinsic milk sugars (lactose). However, many pre-packaged milk-based drinks sold in mainstream UK supermarkets in January 2025 contained 8-13g sugar per 100ml, well above the levels of intrinsic lactose, and when typically sold in bottles or cartons of 250-400ml, represent a significant amount of excess sugar consumption.

Iodine

We recognise that milk and dairy products crucial source of dietary iodine in the UK. However, sugary milk-based drinks are not a good source of iodine due to their contribution to excess sugar consumption. Industry can reformulate their products to be good sources of dietary iodine without having high levels of added sugar.

Out of home sector

We recognise that the current SDIL review is not consulting on wide inclusion of out of home milk-based drinks. We urge HMT and DHSC to commit to putting this under formal review, for a future extension to the clear inclusion of milk-based drinks in the SDIL.

Milk-based drinks sold in out of home are contributing to high levels of sugar intake. We surveyed 251 milk-based drinks in 12 major coffee shops in 2023, and found on average 31g of sugar per serve, and where nutrition information was available, 9g of sugar per 100g (171 products) [24]. The survey also gave examples of similar drinks with varying levels of sugar, revealing that reformulation in this category is possible. For example, a gingerbread latte from Soho Coffee Co. contained 14.7g/100g sugar, compared to a gingerbread latte from Costa which contained 3.8g/100g sugar.

In a similar study looking at 140 milkshakes in 2018, all products would have received a 'red' (high) label for excessive levels of sugars per serving based on the front of pack colour-coded labelling criteria for packaged food and drink. [25] The highest sugar containing milkshake sold in high street restaurants and fast-food chains contained 1280 kcals and 39 teaspoons of sugar (156g) 6 times the recommended daily maximum for a 7–10-year-old.

Nesta's analysis of calorie consumption using Kantar Worldpanel data indicates that drinks contribute 12% of all calories consumed in the OOH sector [26]. Whilst 4% of this is derived from high sales of coffee, their analysis also flags very high levels of sugars in flavoured milks and hot chocolate drinks, with averages in excess of 300kcal per drink [26]. This is more than half the recommended calorie intake for any single meal occasion.

Our data shows that milk-based drinks in the out-of-home (OOH) sector are high in sugar and therefore should be in scope of the SDIL. These drinks, especially those produced in large OOH corporations, are produced to a standardised formula, and whilst it will require an adjustment to the SDIL regime, there should be a way to apply an industry levy to high sugar milk-based drinks, including 'open cup' drinks served OOH. Additionally, aligning policies across sectors is important to ensure a level playing field with retailers and to allow consumer taste palettes to adjust, which in turn makes it easier for further reformulation.

Toddler and Growing Up Milks

We also recognise that the current SDIL review has not consulted on bringing toddler or growing up milks (GUMs) into scope, and we strongly believe that this should be reconsidered.

While we agree that first infant formulas should remain exempt from any application of levies, the Scientific Advisory Committee on Nutrition (SACN) report 'Feeding Young Children Aged 1 to 5 years' showed findings from national dietary surveys indicating that free sugar intakes for children aged 18 - 60 months were above the current recommendations [27]. In addition, follow-on formula and GUMs were consumed by 36% of children aged 1 - 1.5 years and contributed 50% of free sugar intakes [27].

Current recommendations from SACN are that these products are not required by children aged 1 - 5 years and that milk or water, in addition to breastmilk, should constitute the majority of drinks given to children this age [27]. NHS advice is that there is no evidence to suggest that GUMs provide extra nutritional benefits for young children [28]. Where these products contain added sugars, they are effectively 'baby milkshakes' and we believe they should be treated in the same way as all other milk-based or plant-based milk alternative drinks. We further note that the Competition and Markets Authority has also explicitly recommended that these products should be separately branded and displayed from first infant formula to avoid confusion [29].

Continuing to exclude them from scope is contradictory to the NHS advice, at odds with a levy that targets sugary drinks, and is not in the interests of children's health. We urge HMT and DHSC to commit to also putting this under formal review, for a future extension to the inclusion of milk-based drinks in the SDIL.

Summary

The current exemption undermines the effectiveness and fairness of the SDIL, creating a regulatory loophole where drinks with high sugar content avoid taxation. Removing the exemption would create a level playing field, especially with brands already offering no-added-sugar milk drinks, and encourage other brands to act. Many sugary milk-based drinks are nutritionally similar to soft drinks, and their exemption sends mixed messages to consumers and industry.

[22] Rogers et al. *Changes in soft drinks purchased by British households associated with the UK soft drinks industry levy: a controlled interrupted time series analysis*. *BMJ Open*. 2023;13:e077059. Doi: 10.1136/bmjopen-2023-077059 <http://bmjopen.bmj.com/content/13/12/e077059.abstract>

[23] PHE. *National Diet and Nutrition Survey Rolling programme Years 9 to 11 (2016/2017 to 2018/2019)*. 2020. Available at: https://assets.publishing.service.gov.uk/media/5fd23324e90e07662b09d91a/NDNS_UK_Y9-11_report.pdf.

[24] Action on Sugar. *Sugar Awareness Week Survey*. 2023. Available at: <https://www.actiononsugar.org/sugar-awareness-week/sugar-awareness-week-2023/sugar-awareness-week-survey/#d.en.1107760>

[25] Action on Sugar. *Milkshakes*. 2018. Available at: <https://www.actiononsugar.org/surveys/2018/milkshakes/#d.en.751315>

[26] Nesta. *How eating out contributes to our diets*. n.d. Available at https://media.nesta.org.uk/documents/How_eating_out_contributes_to_our_diets_Nesta_Report.pdf

[27] OHID. *SACN report: feeding young children aged 1 to 5 years*. 2024. Available at: <https://www.gov.uk/government/publications/sacn-report-feeding-young-children-aged-1-to-5-years>.

[28] NHS. *Drinks and cups for babies and young children*. 2020. Available at: <https://www.nhs.uk/baby/weaning-and-feeding/drinks-and-cups-for-babies-and-young-children/>.

[29] Competition & Markets Authority. *INFANT FORMULA AND FOLLOW-ON FORMULA MARKET STUDY*. 2025. Available at: https://assets.publishing.service.gov.uk/media/67b5b9cad15c152ea555bf8e/Final_report_.pdf.

14. Is the proposed method of calculating the lactose allowance for milk-based drinks an appropriate way to account for the naturally occurring lactose in those drinks?

Yes, we support the proposed method of calculating the lactose allowance for milk-based drinks. Any method of calculating the allowance should be evidence-based and transparent, allowing for it to be consistently applied across all products in scope. An allowance was agreed in consultation with food industry actors as part of the voluntary Sugar Reduction programme, and we refer to the levels put forward as part of that process [30]. However, there should be a push to create a policy that incentivises milk-based drinks to have no or minimal amount of added sugars. The NHS recommends that the best drinks for children from the age of 1 are water and plain milk [31]. We would also recommend that the updated policy design does not inadvertently encourage any product changes to replace harmful added sugars with NNS. Furthermore, we wish to reiterate our concern that milk-based drinks in the OOH sector are not clearly in scope of this consultation. If they are not in scope, this presents an uneven playing field between retailers and OOH operators. The Government's Sugar Reduction Reports and our surveys [32,33] indicate that this is the area with the most excessive levels of sugar content, and where greater impact could be achieved.

[30] Public Health England. *Sugar reduction: juice and milk based drinks*. 2018. Available at https://assets.publishing.service.gov.uk/media/5b0294f1ed915d539354c67e/Sugar_reduction_juice_and_milk_based_drinks.pdf

[31] NHS. *Water, Drinks and Your Health*. 2023. Available at: <https://www.nhs.uk/live-well/eat-well/food-guidelines-and-food-labels/water-drinks-nutrition/>.

[32] Action on Sugar. *Sugar Awareness Week Survey*. 2023. Available at: <https://www.actiononsugar.org/sugar-awareness-week/sugar-awareness-week-2023/sugar-awareness-week-survey/#d.en.1107760>

[33] Action on Sugar. *Milkshakes*. 2018. Available at: <https://www.actiononsugar.org/surveys/2018/milkshakes/#d.en.751315>

15. If you don't agree with the proposed method of calculation, what alternative method of calculating the lactose content in milk-based drinks would you suggest and why?

N/A

16. What mechanisms or controls should be put in place to ensure the method of calculating the lactose allowance is applied consistently?

Most milk-based drinks should have the percentage of milk content on the ingredient list, if they do not, they must be instructed to put it on to allow calculation of lactose. Not only will it give the consumer better nutritional information of the products they consume but would also allow for the lactose allowance to be calculated easily. However, some products have become lactose-free, those products should not qualify for the lactose allowance.

17. For soft drink producers – how would you typically measure the lactose content of your milk-based drink?

N/A

18. Should a milk-based drink have a minimum milk content (for instance, 75ml per 100ml) to qualify for a lactose allowance? Please provide evidence to support your position.

Yes, to qualify for the lactose allowance milk-based drinks should be at least 75% milk. This will help ensure that companies do not exploit loopholes where drinks with higher added sugar content can still reduce their taxation.

19. Other than the naturally occurring lactose in milk, what do you see as the main challenges for soft drinks producers when reformulating milk-based drinks to reduce sugar? Please provide evidence to support your position.

One commonly used approach to reduce sugars in soft drinks has been to replace added sugars with non-sugar sweeteners (NSS).[34] It is likely this approach will also be used when reformulating milk drinks.

A recent SACN statement highlights concerns about non-sugar sweeteners (NSS), including potential links to body fatness and non-communicable diseases.[35] While the evidence remains uncertain, SACN emphasises that reducing sugar doesn't have to rely on NSS. Alternative strategies—like gradually lowering sweetness or using non-sweet ingredients—should be explored. We support approaches to reformulating milk drinks that reduce sugar without over-relying on NSS.

[34] Luick et al. *The impact of the UK soft drink industry levy on the soft drink marketplace, 2017-202: An interrupted time series analysis with comparator series.* PLOS ONE. 2024 June 6; 19(6): e0301890. <https://doi.org/10.1371/journal.pone.0301890>

[35] SACN. (2025). *SACN statement on the WHO guideline on non-sugar sweeteners.* Available at: <https://www.gov.uk/government/publications/sacn-statement-on-the-who-guideline-on-non-sugar-sweeteners>

20. What would be a typical timeline for product reformulation of a milk-based drink to below a 4g minimum SDIL threshold (plus lactose allowance)? Please provide evidence to support your position.

We believe that the implementation of the SDIL to include milk-based drinks from April 2027 is appropriate.

FrieslandCampina managed to reformulate its 200ml Yazzo flavoured milk drinks to contain no added sugar within 2 years [36], using a manufacturing process which splits the lactose into glucose and galactose making a sweeter product without having to add any added sugar. Arla has also reformulated its protein shakes to contain less sugar. Currently, the Arla Protein Chocolate Flavoured Shake contains 4.7g of sugar per 100ml which would be in line with the minimum threshold of the SDIL plus the lactose allowance [37]. There are also products currently on the market that are below the proposed SDIL threshold (plus lactose allowance). Some examples of these products include Sainsbury's banana milk [38], Pro Milk Chocolate High Protein Shake [39] and Mars Chocolate Milk Shake Drink No Added Sugar [40]. Therefore, it is possible to reformulate milk-based drinks to be in line with the proposed threshold plus the lactose allowance.

[36] Cash & Carry. No Added Sugar Yazoo launches in September | Cash & Carry Management, [Cashandcarrymanagement.co.uk](https://cashandcarrymanagement.co.uk/no-added-sugar-yazoo-launches). n.d. Available at: <https://cashandcarrymanagement.co.uk/no-added-sugar-yazoo-launches>

[37] Arla Protein Chocolate Flavoured Shake. Available at: <https://www.ocado.com/products/arla-protein-chocolate-flavoured-milk-shake-627841011?srsId=AfmBOopj1aS8NAahXXPMCXpspySKVDXn1Zz5Q2nRYsye4ClgzXXiQr9m>

[38] Sainsbury's banana milk 1L. Available at: <https://www.sainsburys.co.uk/gol-ui/product/sainsburys-fresh-banana-flavoured-milk-1l>

[39] Pro Mlk Chocolate High Protein Shake 330ml. Available at: <https://www.sainsburys.co.uk/gol-ui/product/pro-mlk-chocolate-protein-shake-330ml>

[40] Mars Chocolate Milk Shake Drink No Added Sugar 400ml. Available at: <https://www.sainsburys.co.uk/gol-ui/product/milk-milk-drinks-special-offers/mars-sportscap-400ml>

21. For those soft drinks producers affected by the removal of the milk-based drinks exemption – would you reformulate your products to below a 4g minimum SDIL threshold (plus lactose allowance)? Please provide evidence to support your position.

We believe that it is possible for SSBs producers to reformulate their milk-based drinks to below the minimum threshold due to the success of the current SDIL reducing sugar content of SSBs in scope of the current SDIL. In the first year of the introduction of the SDIL, many products, particularly own-label retailer products were reduced to below 5g sugar per 100ml. A study published in 2019 showed sugar levels in carbonated drinks decreased by 42% between 2014 and 2018 through reformulation.[41]. This is evidence that SSB producers have the potential to reformulate their products to contain less sugar when incentivised to do so.

[41] Hashem KM, He FJ, MacGregor GA. Labelling changes in response to a tax on sugar-sweetened beverages, United Kingdom of Great Britain and Northern Ireland. *Bull World Health Organ*. 2019 Dec 1;97(12):818-827. doi: 10.2471/BLT.19.234542.

22. Should milk-based fermented yogurt drinks be treated differently compared to other milk-based drinks? Please provide evidence to support your position.

No, they should not be treated differently to any other milk-based drink, and if it contains added sugar, it should be included within the scope of the SDIL. The latest sugar reduction data shows that, despite some reduction, the average sugar content for fermented yoghurt drinks remains at 7g per 100ml, well above the lower threshold for SDIL [42].

[42] OHID (2025) Sugar reduction in drinks: 2015 to 2024, [Phe.org.uk](https://fingertips.phe.org.uk/static-reports/obesity-physical-activity-nutrition/sugar-reduction-drinks-2015-2024.html). Available at: <https://fingertips.phe.org.uk/static-reports/obesity-physical-activity-nutrition/sugar-reduction-drinks-2015-2024.html>

23. Should the government consider including dissolvable powders in the SDIL? Please provide evidence to support your position.

Yes, the government should include dissolvable powders (such as hot chocolate, malt drinks, flavoured milk powders, and growing up milk powders) in the SDIL.

In an analysis of Kantar data shows that, post-SDIL implementation, GB households purchased an average of 18g of sugar per week from powdered drinks—6% of the 307g from all soft drinks [43]. There was no change in sugar purchases from this category, suggesting no spillover benefit from the levy. Dissolvable powders often contain very high concentrations of sugar:

- Undiluted powders average 57.6g of total sugar per 100g, including 48.3g of free sugars [44].
- Once reconstituted as drinks, they typically exceed 8g sugar per 100ml, well above the SDIL threshold.

The SDIL was created to reduce free sugar consumption from drinks; whether ready-to-drink or made from powders, the health impact is the same. Expanding the SDIL to include powdered drinks could enhance public health impact. If left exempt, these products may become more attractive, potentially undermining the levy's effectiveness. Closing this loophole is necessary to protect the effectiveness and benefits of the SDIL.

We also refer to the First Steps Nutrition Trust's submission which highlights it is important to note that powdered formats of growing up and toddler milks are more commonly used than liquid ready to feed, the latter being much more expensive. This is important in the context of the statistics presented in answer to question 13, i.e. that formula milks including growing up and toddler milks labelled for use from 12 months are the top source of free sugars in the diets of 12-18 month olds, contributing 50% of free sugar intakes to the 36% of toddlers who consume them [45].

The voluntary sugar reduction programme [44] also already includes targets for some powdered drinks (e.g. milkshake powders, hot chocolate), though results have been mixed:

- Milkshake powders: -34.2% (target met)
- Hot chocolate/malt powders: +5.1% (target missed)

Voluntary measures have been inconsistent and not widely adopted, supporting the need for mandatory fiscal levers like SDIL.

[43] Rogers et al. *Changes in soft drinks purchased by British households associated with the UK soft drinks industry levy: a controlled interrupted time series analysis*. *BMJ Open*. 2023; 13:e077059. Doi: 10.1136/bmjopen-2023-077059 <http://bmjopen.bmj.com/content/13/12/e077059.abstract>

[44] Public Health England. *Sugar reduction: juice and milk based drinks*. 2018. Available at https://assets.publishing.service.gov.uk/media/5b0294f1ed915d539354c67e/Sugar_reduction_juice_and_milk_based_drinks.pdf

[45] OHID. *SACN report: feeding young children aged 1 to 5 years*. 2024. Available at: <https://www.gov.uk/government/publications/sacn-report-feeding-young-children-aged-1-to-5-years>

Milk substitutes

The following questions relate to **section 6** of the SDIL consultation. The government is consulting on removing the current milk substitute exemption (based on calcium content) and bring milk substitutes (flavoured or plain) with added sugar into the SDIL. If any sugars (as defined in section 2.5 of the consultation) other than the principal ingredient are added to a milk substitute drink, the SDIL thresholds will apply, based on total sugar content (g) per 100ml. Total sugars include those naturally present or released by the principal ingredient during the manufacturing process, plus added sugars.

24. Do you agree that the exemption for milk substitute drinks with added sugar should be removed? Please provide evidence to support your decision.

Yes, milk substitute drinks with added sugar should be treated alongside sugar-sweetened milk-based drinks. The SDIL should apply if products contain free sugars and exceed a set sugar threshold. Sugars contained in milk-substitutes vary between the types of milk substitutes; some contain added sugars, some contain sugars derived from natural sugars released in processing and some are totally sugar-free. Consideration should be given to how this is reflected in the lower thresholds applied to milk substitute drinks. The sugar allowance created as part of the Sugar Reduction Programme should be used as a guide when considering the lower threshold if included in SDIL. The allowance of 2g per 100ml was set for milk substitute drinks [46].

Furthermore, the recent joint report from SACN and the Committee on Toxicity (COT) on plant-based drinks (or milk substitutes) recommends that sweetened or unfortified almond, oat and soya drinks are not suitable substitutes for cow's milk, whilst fortified and unsweetened versions of these drinks are. [47] Extending the SDIL to include milk substitute drinks with added sugar would be one way to help reinforce this recommendation. If sugar-sweetened milk-based drinks are included in the SDIL, then milk substitute drinks with added sugar should also be included to ensure consistency.

We note findings from research done by First Steps Nutrition Trust who have submitted a report to this consultation that, according to the UK Department of Health and Social Care's recommended free sugar limit of 5 percent of total energy intake, consuming just 140ml of plant-based growing up milks (GUM) or 100ml of specialised low-allergy GUM can exceed the daily sugar limit for a 1- to 2-year-old. In comparison, it takes 260ml of dairy-based GUM to surpass the same limit. Given NHS and official government guidance that toddler and growing up milks are not necessary products, there is a good case for treating plant-based growing up milks under the same regulations as all other plant-based milk alternatives.

[46] Public Health England. *Sugar reduction: juice and milk based drinks*. 2018.

https://assets.publishing.service.gov.uk/media/5b0294f1ed915d539354c67e/Sugar_reduction_juice_and_milk_based_drinks.pdf

[47] SACN and COT. *SACN and COT assessment of the health benefits and risks of consuming plant-based drinks: summary*. 2025. Available at: <https://www.gov.uk/government/publications/plant-based-drinks-health-benefits-and-risks/sacn-and-cot-assessment-of-the-health-benefits-and-risks-of-consuming-plant-based-drinks-summary#introduction>

25. For milk substitute drinks where sugars are naturally released from the principle ingredient during the manufacturing process, do you support the proposal to keep these drinks out of scope of the SDIL? Please provide evidence to support your decision.

Yes, we support the proposal to keep milk substitute drinks where sugars are naturally released from the principal ingredient out of scope of the SDIL as long as they contain no added sugar. The majority of milk substitute drinks where sugars are naturally released from the principal ingredient contain no added sugar and are already below the 4g/100ml.

However, it should be noted that the WHO [48] defines these manufacturing-derived sugars as free sugars because:

- They are no longer part of the original cellular structure
- They behave like added sugars in the body - contributing to obesity, dental decay and wider food-related ill health

We also note, however, the latest SACN recommendations in July 2025 [49] that milk-substitute drinks which are **fortified and unsweetened** are an acceptable alternative to cow's milk (while those which are unfortified or sweetened are not an acceptable alternative to cows' milk and therefore should always be included in scope of the SDIL).

We recognise that there is a need for equivalence and consistency between treatment of milk and non-milk products, and it would require additional processing to remove these released sugars from the product. Additionally, the SDIL should not provide a disincentive for production and consumption of unsweetened plant-based milks, and therefore on balance we support the proposal to keep such drinks out of scope of the SDIL, if they do not have 'added sugars'.

[48] WHO. *Reducing free sugars intake in adults to reduce the risk of noncommunicable diseases*. 2023. Available at: <https://www.who.int/tools/elena/interventions/free-sugars-adults-ncds>.

[49] SACN and COT. *SACN and COT assessment of the health benefits and risks of consuming plant-based drinks: summary*. 2025. Available at: <https://www.gov.uk/government/publications/plant-based-drinks-health-benefits-and-risks/sacn-and-cot-assessment-of-the-health-benefits-and-risks-of-consuming-plant-based-drinks-summary#introduction>

26. For those soft drinks producers affected by the removal of the milk substitute drinks exemption – would you reformulate your products to below a 4g total sugar per 100ml SDIL threshold? Please provide evidence to support your position.

N/A

27. Will removing the exemption change soft drinks producers' approach to calcium fortification of milk substitute drinks? If so, what impact will it have and why? Please give evidence to support your position.

We do not expect that removing the exemption will have a big impact on producers' approach to calcium fortification of milk substitute drinks. We expect that the calcium fortification in these drinks is a core proposition to position them as milk alternatives, and this is likely to continue even if subject to the SDIL. We propose that this is monitored as part of the ongoing process within the SDIL review.

Similarly, we also note that milk substitute drinks with added sugars are not a good source of iodine. Industry can reformulate their products with less sugar whilst maintaining their iodine status.

We propose that this is monitored as part of the ongoing process within the SDIL review.

28. Is the proposed approach – i.e., to exclude from the scope of the SDIL milk substitute drinks only containing sugars derived from the principle ingredient – a practical and appropriate way to keep unsweetened milk substitute drinks out of scope of the SDIL? Would you propose an alternative approach? Please provide evidence to support your position.

Yes, it is practical and appropriate to keep unsweetened milk substitute drinks out of scope of the SDIL. There are plenty of milk-based alternative products only containing sugars derived from the principal ingredient with no added sugars showing companies can reformulate to create these products and therefore it should be encouraged.

29. Is the language 'sugars derived from the principal ingredient' clear and sufficient to describe the sugars released from the core ingredient, such as oats, in the manufacturing process? If not, how could we improve the definition to ensure it is consistently applied across different types of milk substitutes?

We believe the language is clear and is easy for producers to understand.

30. Should other nutritional factors be considered when determining the exemption for milk substitute drinks?

We would recommend that any plans to exclude, from the scope of the SDIL, milk substitute drinks only containing sugars derived from the principal ingredient, should only exist if the drink is fortified and therefore offering wider nutritional benefits.

The joint SACN and COT report recommends that all unsweetened plant-based drinks intended as substitutes for cow's milk should be fortified with micronutrients at levels comparable to semi-skimmed cow's milk.[50] Specifically, the report advises that the UK government establish minimum fortification standards for vitamin A, riboflavin, vitamin B12, calcium, and iodine. Considering this in the SDIL would help achieve this recommendation.

[50] SACN and COT. SACN and COT assessment of the health benefits and risks of consuming plant-based drinks: summary. 2025. Available at: <https://www.gov.uk/government/publications/plant-based-drinks-health-benefits-and-risks/sacn-and-cot-assessment-of-the-health-benefits-and-risks-of-consuming-plant-based-drinks-summary#introduction>