

Mandatory business reporting to accelerate the food industry's transition to healthy and sustainable food.



About Plating Up Progress

Plating Up Progress is a project run in the UK by the Food Foundation. It aims to demonstrate how sustainability and health metrics can and should be used to assess the UK food industry's progress in transitioning to healthy, just, and sustainable food systems.

The project has two objectives: 1) to build consensus on metrics and reporting mechanisms; and 2) to engage stakeholders to advance the uptake of those metrics and track progress in the industry.

Executive summary

A lack of basic, transparent data within the food industry is currently hindering progress towards healthy, just, and sustainable food systems. Businesses need good data to drive improvements in their own operations and supply chains, investors need good data to understand risks and opportunities related to the companies they invest in, and governments need good data to assess progress towards national targets.

Establishing clear metrics that businesses are required to report against, transparently and publicly, will drive faster progress than we are currently seeing through voluntary initiatives. Our analysis shows that the areas where businesses are making most progress are those where there are already mandatory reporting requirements or public commitments by government to introduce new reporting requirements. This briefing recommends four approaches that the UK Government should take to strengthen business reporting requirements, and identifies which specific elements of policy on healthy and sustainable diets are applicable to each approach:

- 1. Strengthening existing mandatory reporting requirements on greenhouse gas emissions and modern slavery.
- Maximising the impact of newly announced reporting requirements on forest-risk commodities and food waste.
- 3. Working towards the introduction of new sales-based reporting requirements for healthy vs unhealthy foods and plant-based proteins.
- 4. Working towards the introduction of new supply chain reporting requirements on sustainable production and water.



Introduction

THE FOOD SYSTEM HAS MAJOR IMPACTS ON OUR HEALTH, SOCIETY AND THE ENVIRONMENT.

The food system is responsible for 30% of humanmade greenhouse gas emissions¹ and 70% of freshwater withdrawals.² Land conversion and unsustainable food production practices cause biodiversity loss and land degradation.³⁻⁵ We are also experiencing the global dual nutritional challenges of obesity and hunger, with 1 in 3 people living with overweight or obesity and 1 in 9 hungry or undernourished.⁶ Across the system, 30% of food which is produced is wasted or lost, despite a heavy reliance on plastics in packaging.⁷ Within supply chains there are concerns regarding human rights violations and workers facing poverty due to low wages.⁸

'Fixing food' is possible with a transition that involves the protection and restoration of natural habitats, widespread adoption of sustainable farming practices, tackling global food waste, ensuring human rights are upheld, and, crucially, dietary shifts towards healthier food, and, in high income countries, 'less and better' meat and more plant-based food.

THERE IS AN URGENT NEED FOR CONSUMER-FACING FOOD BUSINESSES TO TRANSFORM THEIR OPERATIONS IN ORDER TO HELP THEIR CUSTOMERS ADOPT HEALTHY AND SUSTAINABLE DIETS.

Food businesses such as supermarkets, caterers and restaurants are in a unique position to influence food production and consumption. In many countries (including the UK) they are both the gatekeepers to our diets and the funnel through which most commercially produced food is channelled. The recovery from the Covid-19 pandemic is an opportunity for governments to leverage public policy and public finances to accelerate the business transition.

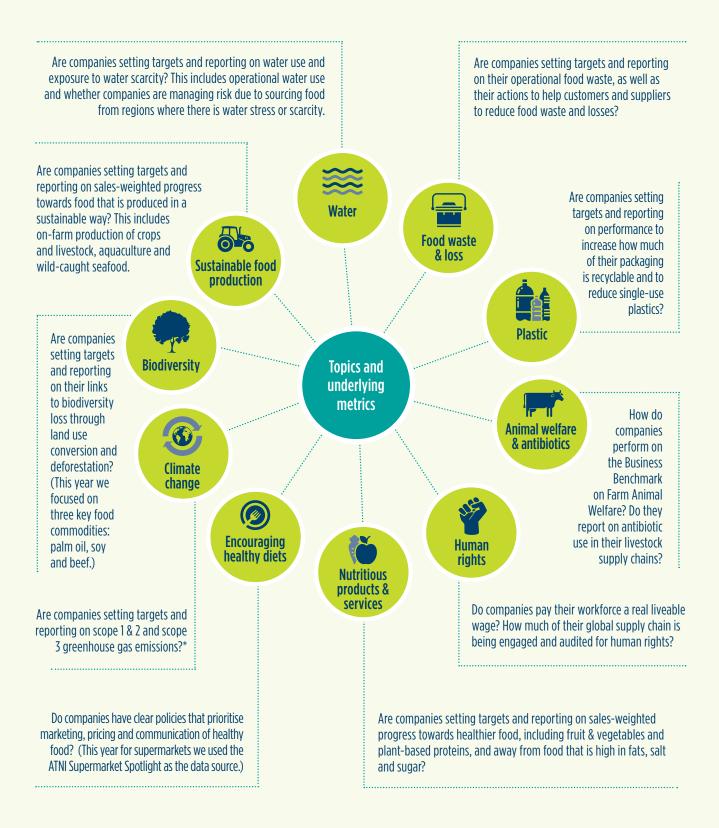
Metrics

ACCURATELY MEASURING BUSINESS PROGRESS IS A COMPLEX, BUT NOT INSURMOUNTABLE, CHALLENGE.

Using over-simplified metrics to measure progress risks driving unintended or sub-optimal outcomes. Food systems change will require coordinated global action across a wide variety of interconnected health, social and environmental issues, and isolated progress on one issue may have knock-on negative impacts elsewhere.

The Food Foundation's Plating Up Progress project has developed a set of metrics across 10 topic areas to assess UK businesses' progress towards healthy, just, and sustainable food systems in the round (see **Figure 1**). These metrics were developed in collaboration with a wide range of relevant stakeholders and continue to be refined in partnership with the World Benchmarking Alliance (who aim to assess progress across the food and agriculture value chain via their Food and Agriculture Benchmark) in recognition of the need for aligned national and global metrics.⁹ The Plating Up Progress metrics are designed to encourage systems thinking and greater transparency amongst businesses, and to encourage increased engagement on these issues by stakeholders (e.g. investors) that have influence over future business activity.

FIGURE 1: THE PLATING UP PROGRESS METRICS 2020



* Scope 1: All direct emissions from company vehicles and facilities

Scope 2: Indirect emissions from electricity used or purchased by the company.

Scope 3: All other upstream and downstream emissions in the value chain, such as those related to procurement, waste, water and travel.

4

Policy Progress

EXISTING UK GOVERNMENT TARGETS AND BUSINESS REPORTING REQUIREMENTS IN THESE 10 AREAS ARE RELATIVELY LIMITED.

The Government has set national targets in 6 out of 10 of the topic areas, but currently mandates reporting by consumer-facing food businesses in only 3 of the 10.

	MANDATORY REPORTING?	NATIONAL, SECTOR OR BUSINESS-LEVEL TARGETS SET BY GOVERNMENT?
Nutritious products & services	No The Government does not currently require businesses to report on sales of healthy vs unhealthy foods, fruit and vegetables, plant- based proteins, or foods high in fat/saturated fat.	Yes (partial) PHE sets targets to encourage voluntary reduction of salt, sugar and calories in defined product categories, and reports periodically on progress. In 2018 the Government pledged to halve childhood obesity by 2030.
Encouraging healthy diets	No There is an increasing amount of government intervention restricting HFSS advertising and promotion at retail level, but Government does not currently require businesses to report on their policies and activities with regards to encouraging healthy eating via labelling and promotions. Front-of-pack 'traffic light' labelling is voluntary.	No No UK government targets.
Climate Change	Yes (partial) 'Quoted companies', Limited Liability Partnerships (LLPs), and certain larger companies are required to report on their Scope 1 and Scope 2 greenhouse gas emissions. Scope 3 reporting is encouraged but remains voluntary. Organisations not captured by the regulations are encouraged to report voluntarily in a similar way. The Government has announced that it intends to introduce reporting requirements aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) across the UK economy by 2025 – TCFD recommendations include an expectation that Scope 3 emissions will be reported 'if appropriate'.	Yes (partial) The UK has set out a commitment in legislation to a 68% reduction in greenhouse gas emissions relative to 1990 levels by 2030, and net- zero emissions by 2050. This only includes territorial emissions – a large proportion of food system emissions arise from overseas supply chains.
Biodiversity	Not yet No current mandatory requirements, although when producing their Annual Report businesses are encouraged but not required: 1) to consider their direct and indirect biodiversity impacts; 2) to audit their supply chain policies; and 3) to seek to establish the origin of materials that they source. The UK Government confirmed in 2020 that it will be introducing a new obligation for large businesses to conduct mandatory supply chain due diligence. This would make it illegal for large businesses to use forest-risk commodities that have not been produced in accordance with local laws in the country where they are grown. Businesses would demonstrate that they have taken proportionate action to ensure their supply is legal by reporting publicly on the due diligence that they undertake.	Not yet A high-level indicator to allow monitoring of the UK's consumption of forest-risk commodities is in development, and the Environment Bill will require government to set at least one long-term, legally- binding national target on biodiversity. The details of this target have not yet been confirmed.
Sustainable food production	No The UK Government does not currently require food businesses to report on the proportion of food they source which is sustainable. Although a range of certification schemes are available, there is not yet a clear agreed definition of what counts as 'sustainable production'. When producing their Annual Report businesses are encouraged but not required to consider emissions to water, land and air, including mapping emission risks within their direct operations and supply chains and considering what can be done to minimise them. Farmers and food producers are subject to some reporting requirements on specific issues related to sustainability of their production methods e.g. on pollutant emissions.	No No UK Government targets.

	MANDATORY REPORTING?	NATIONAL, SECTOR OR BUSINESS-LEVEL TARGETS SET BY GOVERNMENT?
Water	No No mandatory requirements to report on specific water metrics. When producing their Annual Report businesses are encouraged but not required: 1) to report on water usage in their direct operations; 2) to identify what proportion of their supply chain is located in regions vulnerable to drought, pollution or flooding; and 3) to engage with suppliers to encourage them to adopt water efficiency measures.	Not yet The Environment Bill will require the Government to set at least one long-term, legally-binding national target on water. The details of this target have not yet been confirmed.
Food waste & loss	Not yet The Government plans to consult on making food surplus and food waste reporting mandatory for larger businesses currently the UK Government encourages businesses to engage voluntarily with WRAP's Food Waste Reduction Roadmap, and for larger food businesses to voluntarily set food waste reduction targets in line with the SDG 12.3 and to report annually on their food waste.	Yes The UN Sustainable Development Goals include a target of halving per capita food waste generated at the consumer and retail level between 2007 and 2030 (target 12.3). The UK will track several metrics on food waste at the national level to monitor the success of its Resources and Waste Strategy.
Plastics	Yes (partial) The UK's packaging recycling obligations require obligated businesses (those that handle more than 50 tonnes of packaging in a year and have a turnover higher than £2 million) to register with the Environment Agency and to specify the amount of packaging of different types that they handle in order for their recycling obligation to be calculated. This information is stored on the National Packaging Waste Database, but is not accessible publicly. When producing their Annual Report businesses are encouraged but not required to report on their overall waste by weight, and by category by weight, as well as indicating the final destination of their waste (% landfill, % recycled e.t.c.) and the activities that they are taking to reduce their waste.	Yes The Government is aiming for all plastic packaging placed on the market to be recyclable, reusable or compostable by 2025, and for zero avoidable plastic waste by the end of 2042.
Animal welfare & antibiotics	No The UK Government does not currently mandate food business reporting on antibiotic use or farm animal welfare issues in their supply chains. The Veterinary Medicines Directorate monitors usage of antibiotics for veterinary use and levels of antibiotic resistance at a national level.	Yes (partial) A previous Government target aimed to reduce antibiotic use in food-producing animals by 25% between 2016 and 2020. New sector-specific targets for 2021-2025 have recently been confirmed. No UK Government targets on animal welfare.
Human rights	Yes The Modern Slavery Act was introduced in 2015 and requires large businesses to publish an annual modern slavery statement, reporting on the actions that they are taking to prevent modern slavery in their supply chains. In 2019 the UK Government consulted on changes to the Modern Slavery Act requirements, and has subsequently confirmed that it will mandate the topics that modern slavery statements must cover, introduce a central registry on which statements must be published and a single reporting deadline, and consider how enforcement for non-compliance can be strengthened. These changes have not yet been implemented.	Yes The UK has signed up to the international goal of ending global modern slavery by 2030.

Business Progress

BUSINESSES ARE MAKING GOOD PROGRESS IN SOME AREAS BUT MORE LIMITED PROGRESS IN OTHERS.

In 2020, Plating Up Progress assessed the performance of 26 UK-operating major retailers, caterers, quick service and casual dining restaurants against metrics in the 10 topic areas outlined (see **Figure 2**). This analysis helped to identify: a) those areas where businesses are simply not reporting on data; and b) the genuine challenges that businesses face in reporting due to insufficient data availability or a lack of consensus around reporting methodologies.

The metrics that scored most highly were those relating to scope 1 and 2 greenhouse gas emissions, reducing operational food waste, sustainable fish, and sustainable palm oil.

Progress on other metrics has been slower. Reporting against scope 3 greenhouse gas emissions is not mandatory and is not yet widespread, although there are signs of leadership from businesses such as Tesco and Co-op who have set scope 3 targets and are reporting on their agriculture/ product-related emissions. Progress on companies engaging with suppliers to reduce food waste in their supply chains was much more limited than on reducing operational food waste in their own businesses, with no company yet

setting targets and disclosing clear data. Only 5 companies report (or partially report) on water scarcity within their supply chains (the percentage of food sourced from water-stressed regions). There is also limited reporting on sales of healthy vs unhealthy foods (shown in Figure 2 as 'Nutritious products & services'), and a lack of evidence that companies are taking action on the metrics relating to encouraging healthy diets (percentage of products with intuitive health labels, policies relating to healthy choices for children, marketing of healthy vs unhealthy foods).

FIGURE 2: AVERAGE BUSINESS SCORING AGAINST PLATING UP PROGRESS METRICS

Nutritious products & services	Target for sales of healthy food Target for sales of fruit & veg Target for the protein shift	 Stronger commitments and disclosure Weaker commitments and disclosure
Encouraging healthy and sustainable diets	Policy on marketing to children Price promotions for healthy foods Policy in marketing healthy vs unhealthy food Target for % of food with intuitive nutrition label	
Climate change	Target for scope 1 & 2 emissions Target for scope 3 emissions	
Biodiversity	Target for conversion-free palm oil Target for conversion-free soy Target for conversion-free beef	
Sustainable food production practices	Target for sustainable fish Target for sustainable farming practices	
Water use	Target for operational water use Target for supply chain water management	
Food waste	Target for customer food waste Target for operational food waste Target for supply chain food waste	
Plastic	Target for recyclable plastics Targets for eliminating single use plastic	
Animal Welfare & Antibiotics	Target for high animal welfare standards Target for responsible antibiotic use	
	Paying staff a real living wageTarget for supply chain engagement on human rights00.20.40.60.81.01.21.41.61.82.02.2THE PLATING UP PROGRESS SCORING: 3 EQUALS MAXIMUM SCOR	2.4 2.6 2.8 3.0 RE.

Full metrics available at foodfoundation.org.uk/wp-content/uploads/2020/09/ PUP-2020-methodology-09.20.pdf

Accelerating the transition

STAKEHOLDER-LED INITIATIVES AND VOLUNTARY BUSINESS ACTION WILL NOT BE SUFFICIENT BY THEMSELVES TO DRIVE PROGRESS AT THE PACE THAT IS NECESSARY.

Though there are many voluntary benchmarking and reporting initiatives operating in the Plating Up Progress topic areas, it is notable that **the areas where businesses were found to be making most progress were those in which there are existing government** <u>mandatory</u> **reporting requirements** and/or government commitments to introduce new reporting requirements, or where there have been major campaigns with high levels of public attention and scrutiny. **Less progress was seen in areas where there are no mandatory reporting requirements, less significant public pressure, technical challenges relating to lack of data, or lack of agreed approaches to measurement.**

This is consistent with research which has questioned the effectiveness of voluntary industry agreements and initiatives as a substitute for regulation.^{10,11} Though voluntary approaches may seem attractive (they give businesses more flexibility and relieve governments of the need for oversight and enforcement costs), a 2015 study of 161 voluntary schemes in the UK, EU and worldwide found that many schemes were undermined by a lack of industry engagement and the consequent lack of a 'level playing field' between those businesses that genuinely seek to make progress and those that do not. It concluded that voluntary approaches are generally not appropriate where high participation rates and compliance levels are needed or where timings for action are not flexible (e.g. due to serious environmental risks).¹² Businesses recognise the potential reputational value of engaging with voluntary initiatives but, when participation would damage their commercial objectives, they face strong incentives to deprioritize their efforts. Slow progress through voluntary initiatives can reinforce low levels of ambition for future progress, as targets are kept low to persuade other businesses to join. By contrast, mandatory measures can quickly and effectively drive-up minimum standards across the board amongst businesses that are less engaged, levelling the playing field and avoiding the risk that ambitious commitments are not backed up with action. Government-led mandatory requirements can also help address challenges related to data availability and inconsistent reporting methodologies faced by voluntary schemes.

BY REQUIRING BUSINESS REPORTING AGAINST A WELL-DESIGNED AND GLOBALLY-ALIGNED RANGE OF METRICS TO MEASURE FOOD SYSTEM TRANSFORMATION, THE UK GOVERNMENT COULD ACCELERATE MORE AMBITIOUS ACTION FROM INDUSTRY.

Extending mandatory reporting requirements to a broader range of topic areas relating to healthy, just and sustainable food systems would drive businesses to consider the social, environmental and health impacts that they are having (as well as how their impacts rival those of other comparable businesses) and improve the Government's ability to collect accurate national-level data. Requiring the open publication of data improves public accountability and provides a strong incentive to spur companies into taking action. This has the potential to unlock significant progress.

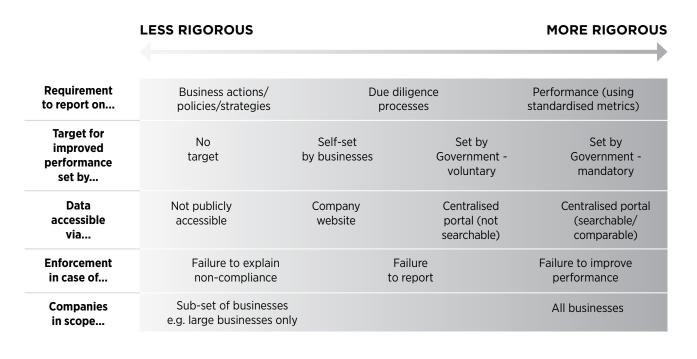
Utilising metrics that are well-aligned with global reporting initiatives brings additional benefits – many food businesses in the UK also operate extensively across borders and internationally. Globally-aligned metrics allow for effective global benchmarking and would simplify the administrative reporting burden for these organisations.



THERE ARE SEVERAL DIFFERENT APPROACHES THAT GOVERNMENT COULD TAKE TO MANDATORY REPORTING AND IMPROVING BUSINESS TRANSPARENCY.

Mandatory reporting requirements can take a range of different forms (see **Figure 3**). More rigorous approaches are likely to drive more significant progress and faster business action, but they will not be possible to implement in all cases due to lack of consensus on methodologies and/or limited data availability.

FIGURE 3: THE GOVERNMENT'S 'TOOLKIT' INCLUDES A VARIETY OF DIFFERENT REGULATORY APPROACHES TO MANDATING BUSINESS REPORTING



THERE IS REASON TO BELIEVE THAT BUSINESSES WOULD WELCOME MANDATORY REPORTING AS A WAY OF LEVELLING THE PLAYING FIELD

Relying on voluntary business action creates an uneven playing field. Increasing transparency may result in increased scrutiny or criticism for businesses trying to make progress and do the right thing. Companies that take ambitious voluntary action do so at their own expense, investing in pioneering approaches to supply chain mapping, staff time etc. There is therefore reason to suspect that those businesses that are committed to making progress would be supportive of measures that sought to address the current lack of a level playing field. Standardising reporting requirements and requiring them of businesses across the board will ensure that industry leaders are not penalised for the efforts that they are putting in.

In Plating Up Progress' 2020 report a number of key businesses that have been assessed as part of the project welcomed the increased transparency and the opportunities created by standardised metrics which allow them to compare their performance easily against that of other similar businesses. Investors have also welcomed the consistent use of standardised metrics that focus on the key issues, allowing them to understand company progress and compare companies across a range of issues.¹³

What can we learn from previous regulation on business reporting?

GENDER PAY GAP REPORTING

WHAT IS REQUIRED FROM BUSINESSES?

New Gender Pay Gap reporting requirements were introduced in the UK in 2017. The regulations aim to help organisations understand the size and causes of their pay gaps and identify any issues that need to be addressed. There is a clear recognition that a zero gender pay gap isn't necessarily the goal for all employers, and that the existence of a gender pay gap doesn't mean that unlawful discrimination is taking place. Private, voluntary and public authority employers with more than 250 employees are required to publish gender pay gap information each year, submitting their report centrally via a government-run portal and also publishing the information on their own website. They must follow a standard methodology for assessing their performance against several different metrics, and may also choose to submit a supporting narrative and an action plan to explain their report and how they plan to close the gap. The reporting portal clearly and publicly highlights companies that have failed to meet a reporting deadline, and the Equality and Human Rights Commission can enforce any failure to comply with the regulations – failing to comply is an offence and is punishable with an unlimited fine.

SUMMARY OF APPROACH:

Mandatory reporting against standardised metrics via a central public portal.

IMPACT: Early studies have found that introduction of the reporting requirement has generally led to a narrowing of the gender pay gap at organisations which are required to report.^{14,15} This has been attributed to the potential negative reputational impact associated with failing to report or reporting a large gender pay gap.



MODERN SLAVERY ACT REPORTING

WHAT IS REQUIRED FROM BUSINESSES?

Section 54 of the Modern Slavery Act 2015 requires large businesses to publish an annual slavery and human trafficking statement on their own company website. The statement should set out the steps the organisation has taken to eliminate modern slavery from their own business activity and supply chains. If the business has not taken any action, the requirement could be met by publishing a statement specifying that they haven't taken any steps. There is no requirement for businesses to guarantee that their supply chain is slavery-free. The reporting requirement was introduced to increase transparency, and was intended to enable consumers, investors and civil society to better apply pressure where they believe a business has not taken sufficiently ambitious steps to eliminate slavery from their supply chain. If a business fails to produce a statement the Secretary of State may seek an injunction through the High Court requiring the organisation to comply and punish continued non-compliance with an unlimited fine, but in practice no such injunctions have been sought since the Act's introduction.

SUMMARY OF Mandatory statement of activity on company website. **APPROACH:**

IMPACT: Though hailed as revolutionary when introduced in 2015, the Act has since been criticised by stakeholders. Government hoped that the requirement would kick-start a "race to the top", increasing competition between businesses and driving up standards, but analysis of slavery and human trafficking statements published to date suggests that instead we are instead seeing a "race to the middle of the pack" in terms of the quality of statements published.¹⁶

Research suggests that the loose nature of the requirement and lack of corporate criminal liability for slavery in supply chains has resulted in limited effectiveness of the Act in preventing modern slavery in organisations and their supply chains.¹⁷ Until very recently there was no centralised Government repository for Modern Slavery Statements, so the Business & Human Rights Resource Centre operated a 'Modern Slavery Registry' (recently closed) – they reported only 30% compliance with the minimum requirements of the Act.¹⁸



EU TIMBER REGULATION (EUTR)

WHAT IS REQUIRED FROM BUSINESSES?

The EU Timber Regulation came into force in 2013. It prohibits European operators from placing onto the EU market timber that is not harvested in compliance with the laws of the country where it is grown. Organisations that are placing timber onto the EU market must undertake a due diligence exercise – gathering information about the tree species, origin of the wood and compliance with national laws and regulations, assessing the risk that illegal timber is being placed onto the EU market and carrying out appropriate risk mitigation. They can either use a due diligence system provided by a monitoring organisation authorised by the European Commission or create their own system. Any organisation buying or selling timber products already on the EU market are obligated to keep records of their suppliers and customers. The Regulation requires all EU Member States to designate a competent authority to implement the regulation, monitor compliance and issue penalties. There are no requirements on businesses to report on their due diligence processes or timber purchases/sales, but the competent authorities within member states are encouraged to submit an annual report to the Commission on the enforcement of the regulation and on penalties issued.

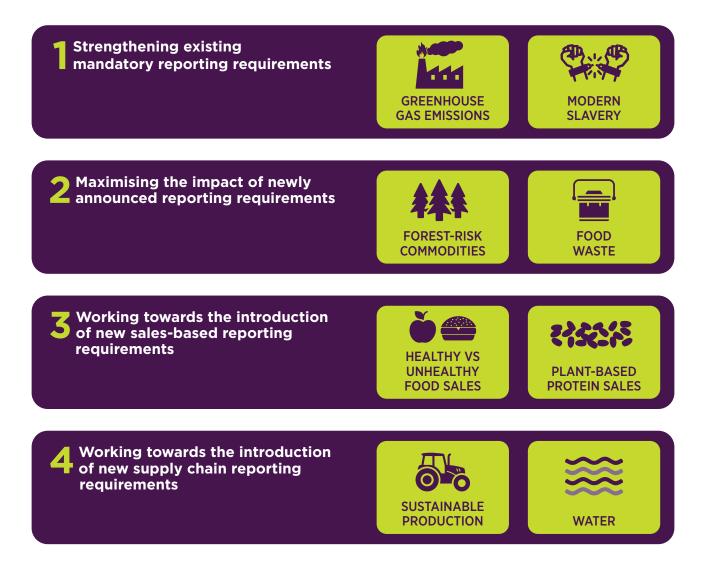
SUMMARY OF Supply chain due diligence without an associated reporting requirement. **APPROACH:**

IMPACT: The absence of transparent reporting may be limiting the effectiveness of the due diligence requirements. The regulation does appear to be encouraging some limited positive behaviour change and has encouraged producer countries to develop systems to assess compliance with the requirements of the legislation.¹⁹ However, a review from WWF found that a lack of transparency from competent authorities and challenges with implementation were preventing the EUTR from effectively stopping imports of illegal timber within the EU.²⁰



Recommendations for Government

WE SEE FOUR KEY PRIORITIES FOR GOVERNMENT ACTION:



The over-arching approach should be to seek simplicity and alignment with existing voluntary reporting standards wherever possible (including the Sustainable Accounting Standards Board, Global Reporting Initiative, Task Force on Climate-Related Financial Disclosures, and the emerging Task Force on Nature-Related Financial Disclosure) to reduce the administrative burden for businesses.

13



Strengthening existing mandatory reporting requirements

There is potential to strengthen reporting requirements for scope 1 and scope 2 **greenhouse gas emissions** by creating a centralised mechanism to allow company

reports to be easily found and compared. Reporting on scope 3 emissions is currently voluntary, and will only be required 'if appropriate' following alignment of emissions reporting with the recommendations set out in the Taskforce on Climate-Related Financial Disclosures (see above). Scope 3 emissions generally make up the majority of emissions for businesses in the food sector,²¹ and there is appetite for more robust requirements - many businesses in the sector already seek to measure their scope 3 emissions, but there is only a recently emerging sense of alignment on methodology or boundaries. For example, some may only consider upstream emissions within scope 3 whilst others may include both upstream and downstream emissions. The data sources used to represent emissions also vary significantly and are not always comparable. The Government should seek to level the playing field in this area by explicitly requiring food businesses to report on scope 3 emissions, systematically working to improve access to robust data, and developing a standardised

reporting methodology alongside for example an open data repository of life cycle analysis data on food emissions. This will allow progress to be tracked, reduce burdens on suppliers and unlock opportunities such as green finance mechanisms. Government should ensure close collaboration with existing initiatives to develop these standards, such as those being led by Zero Carbon Forum and WRAP, who are developing roadmaps for the industry to measure and report on carbon emissions.



Similarly, there is scope for the existing reporting requirements on **modern slavery**

to be strengthened. The Government has recently launched a centralised portal for publication of modern slavery statements. Submitting statements to the portal is currently voluntary, and we would encourage the Government to swiftly implement their commitments to make publishing on the portal mandatory. In addition, the Government should consider making organisations legally responsible for eliminating modern slavery from their supply chains, allowing them to demonstrate that they have taken proportionate action by conducting and reporting on the due diligence activities that they undertake.



Maximising the impact of newly announced reporting requirements as they are implemented

The Government has confirmed that it will be introducing a new due diligence requirement for **forest-risk commodities**.²² To maximise

its impact, effective enforcement will be essential, and the Government should also consider how it can support initiatives that seek to assist companies in carrying out effective supply chain mapping. In future the Government should consider extending the requirement to include legal deforestation and other forms of land-use conversion, and require all companies (not just large companies) to comply.



The Government plans to consult on introducing a new mandatory reporting requirement for **food waste**. This is likely to be strongly

welcomed by businesses that already report on their food waste but WRAP recently reported that almost 400 major food companies are not yet signed up to the Food Waste Reduction Roadmap - the major voluntary initiative in this space. A mandatory reporting requirement will therefore go some way to levelling the playing field, and should also support Government in establishing an accurate baseline figure for national level food waste. Including requirements for public reporting via a central portal and mandatory food waste reduction targets for businesses would help to address the challenges that have been faced by voluntary approaches - low participation rates, slow progress, and a lack of transparency (many businesses that do engage with the Food Waste Reduction Roadmap report privately to WRAP rather than publishing their data publicly).²³



Working towards the introduction of new sales-weighted reporting requirements



A number of large retailers have committed to report on the proportions of healthy and unhealthy foods that they sell notably Sainsbury's, M&S, and Tesco

(following recent shareholder action) - but voluntary business progress overall remains relatively limited and a lack of clarity regarding definitions of 'healthy food' is likely to hold back comprehensive and consistent reporting. To enable effective monitoring of this issue the Government will need to build consensus regarding how to quantify 'healthy food' transparently across different food sectors. We would recommend that the Government strongly signals its intention to introduce mandatory reporting on this issue in the next 2-3 years, and then works with industry and other relevant stakeholders in the lead-up to its introduction to develop appropriate measures - these would be likely to make use of and build on the Department of Health's existing Nutrient Profiling Model. The Government should also consider whether reporting requirements for sales of fruit and vegetables could be introduced more guickly. Fruit and vegetable sales are an important component of healthy food sales, and present fewer challenges in relation to definitions/ methodology. The Peas Please project has demonstrated that many businesses already have the data to report on vegetable sales and that there is willingness to do so.

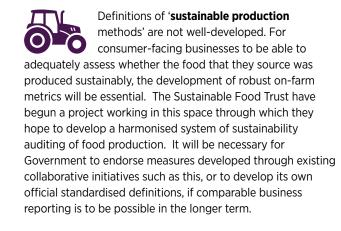
A shift towards more sustainable diets will require a greater proportion of our protein intake to be plant-based. Eating Better

have developed the 'Better by half' roadmap to encourage a 50% reduction in meat and dairy consumption in the UK by 2030,²⁴ and Tesco has already set a target to increase its sales of meat alternatives by 300% by 2025.25 However, similar to reporting on sales of healthy vs unhealthy foods, consistent reporting on sales of plant-based proteins will require clear definitions to be established in relation to different protein sources (animal-based, plant-based, meat alternative products). The Government should signal its intention to mandate reporting within the next 2-3 years, and work with stakeholders in the meantime to develop appropriate metrics.



Working towards the introduction of new supply chain reporting requirements

The Government can play an important role in facilitating industry collaboration to address complex supply chain issues. Improving business reporting on supply chain metrics is challenging, but if Government were to commit to lead and encourage collaborative efforts to address the data gaps and inconsistent reporting methodologies that currently pose barriers this would be a significant step forward.





It is also currently very challenging for businesses to measure the water risk that they are exposed to in their supply chains, or how their actions could contribute to sustainable water management in the catchments they are sourcing from. In the short term the Government should encourage businesses to engage with the new Roadmap toward Water Security for Food & Drink Supply being coordinated by WRAP together with the Rivers Trust, WWF and others. Government could also consider introducing requirements for businesses to produce statements on their exposure to water risks in their supply chains, or to conduct due diligence to reduce their reliance on suppliers that are not operating responsibly with regards to water use. To establish more comprehensive reporting requirements in the longer term will require leadership from the Government to define the scope and methodology which businesses should use to assess supply chain water stress.

References

- 1. Vermeulen, S. J., Campbell, B. M. & Ingram, J. S. I. Climate Change and Food Systems. *Annu. Rev. Environ. Resour.* **37**, 195–222 (2012).
- 2. FAO. Water for Sustainable Food and Agriculture A report produced for the G20 Presidency of Germany. (2017).
- Ngo, H. T. et al. Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services-ADVANCE UNEDITED VERSION-Members of the management committee who provided guidance for the production of this assessment Overall review editors. (2019).
- 4. Tilman, D. et al. Future threats to biodiversity and pathways to their prevention. Nature vol. 546 73-81 (2017).
- 5. WWF. Living Planet Report 2018: Aiming higher N I T 2018 REPORT. (2018).
- 6. GNR. Global Nutrition Report. The Global Nutrition Report's Independent Expert Group (2020).
- 7. Wohner, B., Pauer, E., Heinrich, V. & Tacker, M. Packaging-related food losses and waste: An overview of drivers and issues. *Sustain.* **11**, (2019).
- 8. Willoughby, R. & Gore, T. *Ripe for Change: Ending human suffering in supermarket supply chains*. http://hdl.handle.net/10546/620418 (2018) doi:10.21201/2018.1787.
- 9. World Benchmarking Alliance. Food and Agriculture Benchmark World Benchmarking Alliance. https://www.worldbenchmarkingalliance.org/food-and-agriculture-benchmark (2020).
- 10. Koehler, D. A. The Effectiveness of Voluntary Environmental Programs-A Policy at a Crossroads? *Policy Stud. J.* **35**, 689–722 (2007).
- 11. MSI Integrity. Not Fit-for-Purpose MSI Integrity. MSI Integrity https://www.msi-integrity.org/not-fit-for-purpose (2020).
- 12. McCarthy, D. & M. Section heading Using regulation as a last resort? (2015).
- 13. Plating Up Progress. Pathways for a healthy, just and sustainable food system during a global pandemic. (2020).
- 14. Blundell, J. Wage Responses to Gender Pay Gap Reporting Requirements. *SSRN Electron. J.* 1–70 (2020) doi:10.2139/ ssrn.3584259.
- 15. Faragher, J. Gender pay gap reporting 2019: Only half of employers are improving Personnel Today. https://www.personneltoday.com/hr/gender-pay-gap-reporting-2019-are-employers-improving (2019).
- 16. Dean, O. & Marshall, S. A race to the middle of the pack: an analysis of slavery and human trafficking statements submitted by Australian banks under the UK Modern Slavery Act. *Aust. J. Hum. Rights* **26**, 46–73 (2020).
- 17. LeBaron, G. & Rühmkorf, A. Steering CSR Through Home State Regulation: A Comparison of the Impact of the UK Bribery Act and Modern Slavery Act on Global Supply Chain Governance. *Glob. Policy* **8**, 15–28 (2017).
- 18. Business & Human Rights Resources Centre. Modern Slavery Statements Business & Human Rights Resource Centre. https://www.business-humanrights.org/en/from-us/modern-slavery-statements (2021).
- 19. EUROPEAN COMMISSION. Evaluation of Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (the EU Timber Regulation). https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52016DC0074 (2016).
- 20. WWF. WWF Enforcement Review of the EU Timber Regulation (EUTR). (2019).
- 21. British Retail Consortium. Climate Action Roadmap. *British Retail Consortium* https://brc.org.uk/climate-roadmap (2020).
- 22. DEFRA. Global Resource Initiative taskforce: government response GOV.UK. 2020 https://www.gov.uk/government/ publications/global-resource-initiative-taskforce-government-response (2020).
- 23. Wrap. WRAP Food waste measurement roadmap 2020 Progress report. (2020).
- 24. Eating Better. Better By Half Eating Better. https://www.eating-better.org/betterbyhalf (2020).
- 25. Tesco. Tesco commits to 300% sales increase in meat alternatives Tesco PLC. https://www.tescoplc.com/news/2020/ tesco-commits-to-300-sales-increase-in-meat-alternatives (2020).

16





Food Foundation

c/o Spayne Lindsay & Co. LLP, 55 Strand, London, WC2N 5LR +44(0)20 3086 9953 | www.foodfoundation.org.uk | @Food_Foundation

©Food Foundation. All rights reserved. Reproduction in part or in whole is prohibited without prior agreement with the Food Foundation. Charity number: 1187611.