

**The Rt Hon Boris Johnson MP
Prime Minister
10 Downing Street
SW1A 2AA**

Re: Mandatory reporting for food sector companies

**CC:
The Rt Hon George Eustice MP
The Rt Hon Sajid Javid MP
Lord Grimstone of Boscobel Kt**

Dear Prime Minister,

The undersigned investors and their representatives representing over £3.8tn in assets under management or under advice support the National Food Strategy's¹ recommendation to introduce mandatory reporting of nutrition and sustainability metrics for food sector companies above a certain size.

We recognise the multitude of risks and opportunities facing the food industry linked to issues such as food waste, nutrition and sustainable supply chains. How companies respond to these issues and to the changing regulatory, consumer and other stakeholder demands surrounding them will influence not only their social licence to operate but also the long-term resilience of their operating models and supply chains.

We believe that well-designed regulation creates an essential enabling environment for businesses seeking to build long-term thinking and sustainability into their business models. Likewise, it facilitates the allocation of capital toward more sustainable investment opportunities and supports the transition to a sustainable and healthy food system.

We understand that many of the issues facing the food industry are too wide-ranging and complex for individual companies to effectively address in isolation. We therefore welcome the Strategy's recommendations for reshaping our food system so that it works better for people and planet. In particular, we welcome the recommendation on mandatory reporting of nutrition and sustainability metrics for food sector companies above a certain size. Although some businesses are reporting voluntarily, as shown by the Food Foundation's Plating up Progress work and ShareAction's Healthy Markets initiative, there is a notable lack of consistency in how metrics are being reported and some sectors are further behind. A lack of published data on food industry practices is hindering the ability of investors and other stakeholders to compare performance across the sector and accurately understand what progress is being made.

¹ <https://www.nationalfoodstrategy.org/>

Several large food businesses have already supported the call for mandatory reporting requirements, including Tesco², Compass Group and Greggs³.

The undersigned investors and their representatives recognise the material ESG risks and opportunities associated with the food system. The food system is responsible for a third of global GHG emissions⁴ and is one of the principal drivers of biodiversity loss. At the same time, over half the population is classified as being overweight or obese (identified as a risk factor in severe Covid-19), with the gap between rich and poor also widening, and those on low incomes being more likely to suffer, and die from, diet-related conditions. The World Health Organization has also declared anti-microbial resistance (driven in part by overuse of antibiotics in livestock production) to be one of the top 10 global public health threats facing humanity. If left unmanaged, these issues will result in systemic risks for the economy, society and investors.

We seek to integrate these issues into our investment analysis, decision-making processes and our engagement and stewardship activities, either directly or through our external asset managers and service providers. Signatories to this statement are committed to playing a key role in supporting ongoing investor engagement on this issue, including via initiatives such as the Access to Nutrition Index, the Food Foundation's Plating up Progress initiative, ShareAction's Healthy Markets investor coalition, and the FAIRR Initiative. The aims and objectives of these projects align closely with our call to the UK government today. We would be happy to support the government in shaping its response based on our experience and evidence of what works well for companies and investors.

Mandatory reporting would help to increase the comparability of data on food businesses' targets, commitment, and progress. **We therefore call on the Government to demonstrate clear leadership and ambition in its response to National Food Strategy in order to create a food system that promotes health and wellbeing for the entire population while preserving and enhancing the environmental systems on which we all rely.**

Specifically, we encourage the government to:

- **Introduce new legislation on mandatory reporting of sales-weighted metrics, as recommended by the National Food Strategy.**
 - o Such legislation should cover large retailers, restaurants, caterers, wholesalers, manufacturers, and online food ordering platforms that have operations within the UK;
 - o In order to not be overly burdensome, we recommend that the legislation starts with large companies that have 250 employees or more;
 - o We note the planned Good Food Bill proposed for the fourth session of this Parliament and encourage the Government to integrate mandatory reporting into this;
 - o Mandatory reporting should include a wide set of metrics including sales of food and drink high in fat, sugar or salt (HFSS), sales of protein by type, sales of fruit and vegetables and food waste.
- **Consider the full range of regulatory tools at its disposal – including fiscal interventions and enhanced regulation - to promote sustainability in the food system, focusing in particular on internalising the externalities currently borne by the environment and society;**
- **Be bold and ambitious in its response to this major social and environmental challenge.**

²<https://www.thegrocer.co.uk/supermarkets/supermarkets-back-henry-dimblebys-call-for-mandatory-reporting-on-healthy-sales/658055.article>

³https://foodfoundation.org.uk/sites/default/files/2021-10/Plating%20Up%20Progress%202021_Section%202a_Policy%20Makers.pdf

⁴ Crippa et al. Food systems are responsible for a third of global anthropogenic GHG emissions, *Nature Food* 2, 198-209 (2021)



Signatories:

Rathbone Greenbank Investments

Castlefield Investment Partners LLP

CCLA Investment Management Limited

Aviva Investors

EOS at Federated Hermes (on behalf of its stewardship clients)

Legal & General Investment Management

Rathbone Investment Management

Guy's and St Thomas' Foundation

Newton Investment Management Ltd

BMO Global Asset management (EMEA), part of Columbia Threadneedle Investments

The Health Foundation

Valori Asset Management

Australian Ethical Investment

U Ethical Investors

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Jupiter Asset Management Limited

EdenTree Investment Management Ltd

Phoenix Group

The Food Foundation

ShareAction

