



IMPLEMENTING MANDATORY BUSINESS REPORTING IN THE FOOD SECTOR

What can we learn from existing voluntary reporting initiatives?



The Food
Foundation

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

This is the second policy briefing from Plating Up Progress. In the first we argued that a lack of transparent data within the food industry is currently hindering progress towards healthy, just, and sustainable food systems, and that the Government should introduce mandatory business reporting for the food industry in a variety of areas.

Since we published that first briefing, the Government has committed to introduce mandatory business reporting on a set of health metrics by the end of 2023, and to consider additional reporting requirements on environmental and animal welfare. The metrics will be developed in collaboration with industry and other stakeholders via a new Food Data Transparency Partnership (FDTP).

In this briefing we highlight examples of existing best reporting practice, and explore issues that will need to be considered by the Government and the FDTP as they develop the new reporting regime. We conclude that for maximum impact and to avoid imposing undue additional burden on businesses, the FDTP should seek simplicity and alignment with the methodologies and metrics utilised by established voluntary schemes, and learn from examples of existing successful business reporting. It will also be crucial that the Government retains its ambition for reporting to be mandatory rather than voluntary, and backs up new mandatory reporting requirements with strong implementation mechanisms, including requirements for the reported data to be publicly accessible, and the introduction of robust accountability mechanisms.



Introduction

The Food Foundation's **Plating Up Progress** project assesses businesses annually against a comprehensive set of health and sustainability metrics, covering issues ranging from plastic packaging and antibiotic usage, to human rights and healthy food marketing.

Our first **Plating Up Progress policy briefing** in 2021 argued that a lack of basic, transparent data within the food industry was hindering progress towards healthy, just and sustainable food systems. It made the case that introducing mandatory reporting against many of the metrics assessed through Plating Up Progress, and making the data publicly accessible, would improve the consistency, comparability and ultimately the utility of business-reported data and drive faster progress than we are currently seeing through voluntary initiatives. 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. Many of the same underlying data points could also allow companies to implement new and improved approaches to food labelling.

After publication of that policy briefing, the independent **National Food Strategy**, which was published in July 2021, also recommended that some mandatory reporting requirements be introduced – particularly relating to increased transparency around food sales and food waste (see **Box 1**).



BOX 1: NATIONAL FOOD STRATEGY RECOMMENDATION ON MANDATORY REPORTING

“ All food businesses with over 250 employees should have a legal duty to publish annual data on their sales of various product types as well as food waste.

This duty would extend to retailers, restaurants and fast food outlets, contract caterers, wholesalers, manufacturers and online ordering platforms. Food businesses with a franchising model would be treated as the sum of their franchisees operating under the same brand.

The report should include figures (both value in sterling and volume in tonnes) for:

- ***Sales of food and drink high in fat, sugar or salt (HFSS) excluding alcohol.***
- ***Sales of protein by type (of meat, dairy, fish, plant, or alternative protein) and origin.***
- ***Sales of vegetables.***
- ***Sales of fruit.***
- ***Sales of major nutrients: fibre, saturated fat, sugar and salt.***
- ***Food waste***
- ***Total food and drink sales ”***

In June 2022, the UK Government published its own **Food Strategy**. The Food Strategy committed to introducing mandatory reporting for metrics related to food sales – initially on a set of health metrics, with additional sustainability and animal welfare reporting also to be considered in future (see **Box 2**). A new Food Data Transparency Partnership (FDTP) was announced. This will be a collaborative forum via which industry and other interested stakeholders will help to develop and define the set of metrics against which businesses will be required to report.

BOX 2: FOOD STRATEGY COMMITMENT ON MANDATORY BUSINESS REPORTING

“ To drive positive change through better information, transparency, and accountability, we are launching a transformational Food Data Transparency Partnership.”

“ Improving food system data and information is a shared challenge. The partnership will therefore provide a framework with the ambition to bring together government departments and agencies in England and the DAs, including DHSC, the FSA and Food Standards Scotland (FSS), with representatives from across the whole food supply chain and civil society, to at first look at the development of consistent and defined metrics to objectively measure the health, environmental sustainability, and animal welfare impacts of food. These metrics will provide the foundation upon which the partnership’s activities and any future interventions will be built.”

“ By the end of 2023, in England, we will streamline for industry all reporting requirements relating to the production and sale of food and drink. We will consult on implementing mandatory public reporting against a set of health metrics and explore a similar approach to sustainability and animal welfare. These will initially be targeted at large companies across retail, manufacturing, out of home, food to go and online delivery businesses, and we will consult fully on changes prior to implementation.”

This policy briefing aims to support the work of the Government and the FDTP by exploring existing voluntary business reporting initiatives. To what extent have these initiatives already established consensus around definitions for reporting metrics? And what have these projects taught us about where the challenges lie? In essence – what works and what doesn’t?

Learnings from Plating Up Progress

IN THE ABSENCE OF MANDATORY REPORTING, MOST BUSINESSES DO NOT CURRENTLY REPORT DATA ON THEIR FOOD SALES AND FOOD WASTE PUBLICLY

Our Plating Up Progress analysis shows that the majority of supermarkets, restaurant chains and caterers do not voluntarily report quantifiable data for sales of healthy food, sales of fruit & vegetables or the sales split between animal-based and plant-based proteins. Where data is reported, we see clear inconsistencies in the methodologies used across the industry. The picture is slightly better for food waste and supply chain reporting for animal-based proteins, although even in these areas reporting is still plagued by inconsistency.

Overall, the analysis strongly supports the case for introducing mandatory reporting in order to drive up the number of businesses who are reporting and to improve consistency of data across the industry, and comparability (across time and across businesses). A reversion to government-managed voluntary reporting will not deliver the necessary impact. Mandatory measures can quickly and effectively drive-up minimum standards across the board amongst businesses that are less engaged, levelling the playing field and helping address challenges related to data availability and inconsistent reporting methodologies faced by voluntary schemes.

SOME SECTORS ARE SIGNIFICANTLY AHEAD OF OTHERS WHEN IT COMES TO REPORTING AND BESPOKE REPORTING REQUIREMENTS FOR DIFFERENT SECTORS MAY BE REQUIRED

Our Plating Up Progress report has demonstrated clearly that the retail sector are currently making faster progress on voluntary reporting, whilst levels of disclosure outside of the supermarket sector are significantly worse. This is partly due to higher levels of scrutiny and pressure from civil society on retail, but can also be explained by the fact that one-size-fits-all reporting processes are not always suitable for a wide range of different business models. The out of home sector, in particular, finds reporting on tonnage of food sales much more challenging. Sector-specific alternatives (such as metrics which focus on the tonnages of food procured) may need to be considered by the FDTP.

BOX 3: SNAPSHOT OF REPORTING FROM SUPERMARKETS, AND MAJOR RESTAURANT CHAINS AND CATERERS IN THE UK



<20% of businesses assessed are reporting on sales of healthy or healthier food (45% of supermarkets but no restaurant chains or caterers).



22% of businesses assessed are reporting on sales of fruit or vegetables (18% of supermarkets and 25% of restaurant chains and caterers).



7% of businesses assessed are reporting on sales of animal-protein vs plant-based proteins (18% of supermarkets but no restaurant chains or caterers).



40% of businesses publicly report data on food waste, although not all consistently and not all to the standard recommended by WRAP's Food Waste Reduction Roadmap.



70% report some data on certifications of sustainable fish and seafood (wild catch or farmed).



26% are ranked in the top two tiers in the Business Benchmark on Farm Animal Welfare.



<60% report some data on certified soy in animal feed in their supply chains or include soy in their deforestation-free commitments.

More complete data on these and other metrics used in our Plating Up Progress analysis is available online on our Plating Up Progress dashboard for UK-operating supermarkets, caterers, quick service restaurant chains and casual dining chains.

Learnings from Voluntary Business Reporting

REPORTING IS POSSIBLE, AND THERE ARE EXAMPLES OF GOOD PRACTICE

Some businesses have made good progress voluntarily in starting to report on their food sales and food waste. The following case studies profile examples of good practice in voluntary reporting.



1

Tesco - reporting of healthy food sales

Tesco have committed to increase their sales of healthier products (defined as those products which are not classified as 'high fat, sugar, salt' foods by the UK's Nutrient Profiling Model) in their stores in the UK and Ireland from 58% to 65% by 2025. This is the equivalent of £3 billion additional sales of these products each year. They have also agreed to apply measures to increase their sales of healthier products for their UK wholesale operations through the Booker Group, and have set a target to increase sales of healthier products in their Central European operations from 49% to 53% by 2027. These commitments were made following the first ever health-based shareholder resolution in the UK in 2021 (coordinated by ShareAction), and were considered ambitious for the sector at the time in terms of the targets being set, the use of independent government-endorsed definitions of 'healthy', and their scope and application across the entire business operations.

Case study provided by
ShareAction»

2

Sainsburys - reporting of fruit and vegetable sales

In 2021 Sainsbury's committed to reporting annually on the proportion of their total sales that comes from vegetables, and the portions of vegetables sold from their own-branded products. Additionally, Sainsbury's has committed to increasing the proportion of total sales that comes from vegetables by at least 1 percentage point by 2025/26. So far they have increased the contribution of vegetables to total sales from 10.2% in 2019/20 to 10.4% in 2020/21. Peas Please has been working with Sainsbury's since 2017 and their recent commitments indicate good progress in data transparency. During Sainsbury's initial work with Peas Please, they only disclosed the vegetable content in their own brand ready meals. Furthermore, Sainsbury's have committed to share their learning in order to build the evidence base for how to effectively increase vegetable intake.

Case study provided by



3 Tesco and Sainsbury's – protein disclosure

Two retailers – Sainsbury's and Tesco – have already disclosed their protein sales.

Sainsbury's has started to disclose sales at the product level, meaning they measure sales of whole and processed protein products like chicken breasts, sausages and tinned chickpeas. They capture sales of meat and fish products, vegetarian products and vegan products, reporting 10% plant-based (vegan product) sales in 2019/20, covering both their own-brand and branded products.

Tesco are taking a more detailed approach, measuring proteins at an ingredient level, but focusing on own-brand products only. This means that they measure the protein ingredient in composite and prepared products such as quiches, soups and ready meals as well as whole protein products. They reported 12% sales from plant protein in 2020/21.

Case study provided by



4 Iceland – food waste reporting

Through their involvement in WRAP's Courtauld Commitment 2030 and Food Waste Reduction Roadmap, Iceland have committed to a 50% reduction of food waste in their operations by 2030. In 2017/18, Iceland recorded 10,354 tonnes of food waste in their operations, equivalent to 0.78% of the total food sold in that year. Iceland's 2020/21 data show that the company achieved a 19.3% reduction in food waste in three years. This data is made publicly available via an annual report. Iceland closely follows WRAP's food waste measurement guidelines, reporting data both by weight (in tonnes) and by waste stream destination, and well as by product category. They also calculate a 'total food handled figure' (1,501,925 tonnes of food was sold to customers in 2020-21), which allows them to measure the 'intensity' of food waste in their operations (for example, 0.63% of their food went to anaerobic digestion in 2020-21).

Case study provided by



Learnings from Civil Society Reporting Initiatives

A WIDE RANGE OF EXISTING CIVIL SOCIETY INITIATIVES ARE SEEKING TO ENCOURAGE IMPROVED BUSINESS DISCLOSURE ON FOOD SALES AND FOOD WASTE

Whilst Plating Up Progress assesses business progress across a wide range of metrics, these initiatives seek to encourage improved voluntary reporting in specific areas:

Healthy food sales

🔗 Share Action's Healthy Markets Initiative

ShareAction»

Fruit and vegetable sales

🔗 Peas Please initiative



Animal vs plant-based protein sales

🔗 WWF's Basket – the diet element focusses on protein



Protein sourcing

🔗 Eating Better's Better by Half roadmap



Food waste

🔗 WRAP's Food Waste Reduction Roadmap



CONSENSUS IS STARTING TO DEVELOP ON APPROPRIATE REPORTING METRICS, DEFINITIONS AND SCOPE, BUT SOME GAPS REMAIN

A major challenge of the new FDTP will be to establish agreement across industry, civil society and investment stakeholders on the most appropriate metrics, definitions and scope for mandatory business reporting. But there is plenty of groundwork which has been done by existing voluntary initiatives which can be built on.

Consensus is building around definitions and metrics in many key areas, particularly with regards to reporting on sales of healthy food, protein and fruit and vegetables, as well as reporting on food waste.

However, some significant gaps remain – notably on protein sourcing. Civil society priorities for protein sourcing differ quite extensively – with some NGOs recommending a focus on animal welfare, whilst other focus on the environmental impacts of e.g. deforestation.

The National Food Strategy recommendation in this space was quite light-touch – proposing reporting on origin and some certification schemes. This is an area in which the FDTP will need to work to establish an agreed way forward.

There are also fewer voluntary initiatives focusing on reporting sales of particular nutrients – fibre, saturated fat etc. as also recommended by the National Food Strategy – and therefore less existing work for the FDTP to build on in these areas.

In **Table 1** we draw on work that has been carried out through several prominent voluntary initiatives to set out probable starting points for the FDTP on the scope, definition and metrics for reporting in several key areas, as well as highlighting those areas where no clear consensus currently exists.

TABLE 1: CURRENT AREAS OF CONSENSUS ON SCOPE, DEFINITIONS AND METRICS FOR FOOD BUSINESS REPORTING REQUIREMENTS

NATIONAL FOOD STRATEGY RECOMMENDED REPORTING REQUIREMENT	SCOPE	DEFINITION	METRIC	KEY NGO GUIDANCE (WHERE AVAILABLE)
Reporting on healthy food sales	All (not just own-brand, incl composite, tinned, fresh and frozen) food and drink products (excluding alcohol)	Healthy = products not categorised as HFSS as defined by the Nutrient Profiling Model (see Box 4)	% volume sales (tonnes) from healthier foods as a proportion of all food and non-alcohol drinks sales	
Reporting on fruit and vegetable sales	All (not just own-brand, incl composite, tinned, fresh and frozen) food and drink products (excluding alcohol)	Fruit and vegetables = include frozen, tinned and composite meals as well as fresh. The definition of vegetables does not include pulses and potatoes as stated in the Eatwell Guide	% volume sales (tonnes) of fruit and vegetables as a proportion of all food and non-alcohol drinks sales	Peas Please (for vegetables)
Reporting on animal vs plant-based protein sales	All (not just own-brand, incl composite, tinned, fresh and frozen) food and drink products (excluding alcohol)	Protein = all products which fall within the protein and dairy segments of the Eatwell Guide, including as an ingredient in prepared/composite products	Absolute volume sales of protein (tonnes) and % volume split of protein sales from animal and plant-based protein sources. % volume sales (tonnes) of plant-based protein as a proportion of all food and non-alcohol drinks sales	WWF's Protein Disclosure Guidelines
Reporting on sales of major nutrients: fibre, saturated fat, sugar and salt	No major existing voluntary initiatives			
Protein sourcing	No agreed metrics and definitions for reporting. Current focus is on developing sourcing policies and strategies to deliver 'better' meat			Eating Better's Better by Half Roadmap
Food waste	Reporting specifically focuses on operational food waste, but wider context is for end to end food waste across the whole value chain	Food waste defined as per the FLW Standard	Food waste (tonnes), and breakdown of destinations. % food waste (tonnes) as a proportion of all food handled. Food surplus (tonnes), and breakdown of destinations	WRAP's Food Waste Reporting Roadmap Guidelines

BOX 4: DEFINING ‘HEALTHY FOODS’ – NUTRIENT PROFILE MODELS

Nutrient profiling is “the science of classifying or ranking foods according to their nutritional composition for reasons related to preventing disease and promoting health”. It has various applications, including restricting the marketing of foods to children, making health and nutrition claims (e.g. ‘low-fat’ or ‘healthier’) and product labelling.

There are two main approaches:

1. Those that apply thresholds based on certain nutrients, i.e. healthy, not healthy
2. Those that generate scores. Scoring foods allows for all products to be ranked according to their healthiness.

The UK Nutrient Profiling Model (NPM) was first developed by the Food Standards Agency and media and communications regulator Ofcom in 2004-5 to restrict the marketing of foods high in fat, sugar and/or salt (HFSS) to children. Foods receive “negative points” for their energy, saturated fat, sugar and salt content, and “positive points” for their protein, fibre and fruit, nut and vegetable content. Food products that score 4 or more, and drinks that score 1 or more, are defined as HFSS. The UK NPM uses different thresholds however to front-of-pack traffic light labels.

The UK NPM has been used as a basis for other schemes globally:

- **Nutriscore** is a front-of-pack labelling system first developed in France that uses similar scores for nutrients as the UK NPM but then classifies foods into one of five groups, A to E and green to red. It is used widely across Western Europe on both a mandatory and voluntary basis.
- **Health Star Rating (HSR)** is a voluntary front-of-pack labelling system in Australia and New Zealand that scores foods on a similar basis, from half to five stars. The more stars, the healthier the choice.

- **The World Health Organization (WHO)** has a number of region-specific nutrient profile models that first group foods into categories based on their product description, and then set specific thresholds for certain nutrients (energy, sugars, total fat, saturated fats and salt), and whether added sugar and artificial sweeteners have been added. Products are then classified as “healthy” or “not healthy”.

All of these schemes score products on a per 100g basis. This means that all foods are directly comparable and also prevents small portions of foods high in sugar, fat and/or salt from being classified as ‘healthy’.

We recommend continuing to use the UK NPM as the default measure of ‘healthy’ in the UK market. It is well-established, well-understood and widely utilised by industry. The system is already used to assess which products fall in scope of policies such as advertising and marketing restrictions on HFSS foods. It is well-known to small and large food businesses, and it can be calculated using back-of-pack nutrition and ingredients information. Utilising the same methodology for reporting would minimise the burden on businesses.

Summary kindly provided by Dr Lauren Bandy, Researcher, Nuffield Department of Primary Care Health Sciences, University of Oxford



INVOLVING A WIDE RANGE OF STAKEHOLDERS IMPROVES ENGAGEMENT AND PROTECTS AGAINST SHORT-TERMISM

The investor community has been a growing voice in voluntary reporting initiatives related to food. Through shareholder resolutions on health, such as those at Tesco and Unilever coordinated by ShareAction, and through direct engagement with businesses in their portfolios, investors have a significant ability to drive changes in business practice.

Investors have also been openly supportive of the Government introducing mandatory reporting, which they see as a route to deliver more consistent provision of data from food businesses. This will enable them to make informed investment decisions that take account of the long-term impacts that lack of progress in the food industry could have on poor health and a damaged environment. In January 2022, 23 investors representing over £6trn in assets under management wrote to the government to encourage them to accept the National Food Strategy's recommendation to introduce mandatory reporting requirements for food businesses. The insights that stakeholders like investors can bring would be hugely valuable to the work of the FDTP.

REPORTING REQUIREMENTS WILL DELIVER MOST IMPACT IF THEY ARE BACKED UP BY WELL-DESIGNED REPORTING PORTALS AND ROBUST MONITORING

Mandatory reporting requirements can take a range of different forms. Key elements of an effectively designed reporting system include:

- Data being readily publicly available (ideally via a centralised portal which brings together data reported by different companies into a single, easily searchable database, highlighting companies which have failed to submit data)
- A wide range of businesses in scope of the requirements (i.e. not simply the largest businesses)
- A clear set of accountability mechanisms for ensuring that reporting requirements are followed (such as those adopted in relation to Gender Pay Gap reporting – failure to report being defined as an offence and punishable with an unlimited fine, and an enforcement agency appointed to monitor and enforce the rules).

Without these elements, there is a risk that mandatory reporting requirements do not deliver the consistent, high quality data that they promise, and that the potential impact of introducing the requirements is dampened.

Recommendations for Government

- 1** Build on existing good practice, seeking simplicity and alignment with existing voluntary reporting standards and metrics wherever possible to reduce the administrative burden for businesses
- 2** Retain the ambition of making reporting requirements mandatory
- 3** Involve a wide range of stakeholders in the new Food Data Transparency Partnership, including investors
- 4** Back-up mandatory reporting requirements with strong implementation mechanisms, including requirements for the reported data to be publicly accessible, and the introduction of robust mechanisms to monitor and enforce compliance



PLATING UP PROGRESS POLICY BRIEF

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DATE July 2022

Acknowledgements

We would like to thank our funders Impact on Urban Health, the Children's Investment Fund Foundation and the Joseph Rowntree Charitable Trust.

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