

Recommendation 5B: Mandatory reporting for food businesses on health and sustainability metrics

SUMMARY

- The food industry shapes our food environment and impacts our health. It is imperative to shift the current UK's diet. Our food system contributes to 20% of domestic greenhouse gas emissions, exacerbating climate change. Moreover, what we eat has become one of the biggest risk factors for non-communicable diseases.
- Consistent reporting by food corporations is crucial for identifying areas for improvement. Mandatory reporting can assist policymakers in accelerating change and creating a level playing field to de-risk business investment into healthier and more sustainable sales, help businesses identify improved business models and enable investors to align their investments with responsible stewardship objectives.
- Despite initiatives such as the creation of the Food Data Transparency Partnership, progress on reporting has been slow. Data inconsistencies from reporting against voluntary frameworks and delayed implementation of standards have hindered progress on strengthening the sector's accountability.
- To address these challenges, the Government needs to improve transparency by introducing mandatory public reporting by food businesses against a range of health and sustainability metrics (delivering the promises of the Food Data Transparency Partnership).

Fostering change in the food system

- **The food industry shapes what we eat as a society, which has a huge impact on our health and our impact on the environment.** This is important given our current food system is responsible for [20% of domestic greenhouse gas emissions](#), and diet is now one of the biggest [risk factor for non-communicable diseases](#), placing unsustainable pressure on our NHS.
- **Shifting the food system requires concerted action from a range of stakeholders.** This includes not only businesses, but also investors and governments. They play crucial roles in reshaping incentives and setting standards within the system in which large businesses operate.
- **Policymakers can leverage mandatory reporting** to design effective policies that speed up change and create a level playing field for progressive business activities.
- **Transparent reporting by food corporations is a key step towards identifying areas for improvement.** [Mandatory reporting offers businesses](#) the opportunity to compare, collaborate, and identify new business models as they transition their current practices. It also enables investors to align their investments in the food industry with responsible stewardship objectives and allocate capital accordingly.
- **Currently, there is a lack of consistency and transparency in the reporting practices of food businesses.** For instance, the Food Foundation's [Plating Up Progress](#) benchmark assesses 27 major retailers and out-of-home companies in the UK across a range of topics impacting human and natural capital. The analysis shows that just:
 - o Six companies have sales based targets and disclose data for High Fat, Sugar, and Salt (HFSS) products.
 - o Three companies have a sales based target and disclose data on fruit and vegetables across their portfolio.
 - o None of the companies disclose information or have targets for both types (animal and plant) of protein.

Progress to date on food businesses reporting

- **Implementing measurements and standards can help create a level playing field.** The [National Food Strategy](#) proposed mandatory reporting for all large food businesses. The proposal suggested a statutory duty to publish an annual report on health and environmental metrics.
- In 2023, in response to the NFS, **the Government launched [the Food Data Transparency Partnership \(FDTP\)](#).** **This includes a workstream on business reporting of health metrics, and another on sustainability.** Originally

- intended to be mandatory, the reporting of health and nutrition metrics has since transitioned to voluntary only.
- **Despite the establishment of the FDTP, [progress has been slow and lacks transparency](#).** At the time of publication, the health working group has yet to reach a consensus on monitoring or reporting standards. In addition, the sustainability working group has delayed formal announcements on eco-labelling and how it will report on carbon targets. Also, no minutes from the FDTP eco working group's meetings have been published on their website, and their most [recent paper](#) indicates that the original intention to develop a mandatory methodology for eco-labelling has been watered down.
 - **The absence of government intervention and regulation has [affected business performance](#).** Companies are delaying the establishment and/or implementation of new commitments, awaiting governmental frameworks and metrics. Thus, it is unlikely there will be sector wide changes at the scale and pace required.

The importance of government-led mandatory reporting

- **Under existing voluntary benchmarking and reporting initiatives, companies report using inconsistent data which makes it hard to compare.** This poses challenges for investors and policymakers in assessing progress.
- **Voluntary reporting should only be seen as a stepping-stone towards mandatory reporting.** In 2015, [a study](#) examining 161 voluntary schemes across the UK, EU and worldwide revealed a pattern of a lack of industry engagement that undermines many voluntary schemes. As a result, there is an uneven playing field between businesses committed to progress and those that are not.
- **Government-led mandatory reporting is essential for creating a level playing field within the food industry.** This is crucial to avoid the risk that ambitious commitments are not backed up with action. Currently, only progressive businesses are taking action, facing commercial risks in moving first in a landscape where competitors are not obliged to do the same.
- **Many food retailers are eager to be part of the solution.** Some of the UK's largest food retailers and manufacturers [have expressed publicly](#) their support for the proposal to introduce mandatory reporting rules to establish a level playing field for the whole industry.
- **Investors have also endorsed mandatory reporting.** Mandatory reporting was one of the main points that led to the formation of the Investor Coalition on Food Policy. In April 2024, the coalition [provided evidence](#) to the House of Lords Select Committee on Food, Diet, and Obesity. They expressed their support for well-designed regulations that create the right enabling environment for businesses to address systemic risks and integrate long-term sustainability into their business models.

Recommendations for Government:

Introduce mandatory public reporting by food businesses against a range of health and sustainability metrics to increase transparency and de-risk business investment in more healthy and sustainable food offerings.

Implementing mandatory public reporting is a cost free policy for the Government. Mandatory reporting could be transformative, creating a level playing field for businesses and supporting investors and policymakers with decision making. The mechanisms are already in place as part of the voluntary FDTP process and several NGO initiatives, and the next step would be to ensure that the reporting is made a mandatory requirement for all large food businesses.

Disclosure of data – and the public scrutiny that comes with it – encourages businesses to incorporate long-term thinking and sustainability principles into their business models. The latest Food Foundation's report on [The State of the Nation's Food Industry](#) suggested three key metrics which can help to measure health and sustainability of company portfolios: (1) % sales of high fat, salt and sugar (HFSS) foods, (2) % sales of fruit and vegetables and (3) % sales of types of protein (animal and plant).

As the UK approaches a General Election, The Food Foundation is urging all candidates and political parties to recognise the importance of improving the food system for achieving many societal goals. The Food Foundation's manifesto 'Nourishing the Nation' presents a range of policy priorities aimed at transforming the current food system, reshaping the nation's well-being and future.

You can find our Nourishing the Nation manifesto [here](#).

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