

UK Food Sector Transparency: Mandatory Reporting and Target Setting

This document aims to update investors on the Healthy Food Standard and outline why it represents a critical policy proposal for investors to engage with. Once the consultation is announced, ShareAction and the Food Foundation plan to produce a key messages document to help inform and strengthen investors' responses.

The UK Government has announced in its NHS 10-year Plan (2025) its intention to introduce a Healthy Food Standard (HFS) for large food companies.

The HFS is intended to create a more consistent, outcomes-focused approach to improving the healthiness of food sold in the UK. The government is planning to introduce requirements for standardised reporting within this term of government with a view to moving towards mandatory target setting at company level in the next term of government. By setting a clear standard based on robust metrics and ambitious targets, the UK has the opportunity to set a precedent for other jurisdictions, contributing to growing international momentum towards a healthier and more transparent global food system. Further detail is expected to be developed through a consultation anticipated in Spring 2026.

The policy reflects growing recognition – including by businesses themselves – that voluntary approaches have not delivered sufficiently consistent or decision-useful data on the health and sustainability impacts of food company portfolios. For investors, this pre-implementation phase is an opportunity to engage to ensure the framework delivers robust reporting and clear targets that allow for comparability and accountability. This is a once in a decade opportunity to drive meaningful progress on public health, while also encouraging government to take a more systems-wide approach to the impacts of the food system.

Why food system transparency matters to investors

Food companies influence health and environmental outcomes that increasingly translate into financially material risks, not just for food companies and their investors but also for the wider economy. These include diet-related ill-health with implications for productivity and healthcare costs; climate and nature impacts embedded in agricultural supply chains; and rising policy, litigation and reputational risks as governments intervene more directly in the sector. For example, analysis from Nesta's *The Economic and Productivity Costs of Obesity and Overweight in the UK* shows obesity and excess weight cost the UK economy around £31 billion a year in lower productivity.¹

Despite widespread corporate sustainability commitments, investors continue to face limited visibility into portfolio-level outcomes, particularly what companies sell, how sales mixes are changing, and whether transition strategies are credible at scale. In particular on health and nutrition, action remains slow and uneven, with a number of companies now lagging behind more progressive ones by not

¹ Nesta (2025) *The Economic and Productivity Costs of Obesity and Overweight in the UK*. Available at: https://media.nesta.org.uk/documents/The_economic_and_productivity_costs_of_obesity_and_overweight_in_the_UK_.pdf

transparently reporting on the healthiness of their sales or setting targets to improve. This in turn impacts on stewardship decisions and allocation of funding.

Reporting gaps and the case for mandatory approaches

Voluntary reporting initiatives have improved awareness but have not produced consistent or comparable disclosures across the UK food sector. Public data remains fragmented with companies using different metrics and methodologies, limiting comparability for investors.

Sales-weighted information, which is essential for understanding [real-world impacts of food portfolios](#), is rarely disclosed. [Despite years of active investor engagement with food companies](#), few of them publish both baseline data and targets for increasing healthier or more sustainable sales. Participation has been uneven with more progressive companies (predominantly from the retail and manufacturing sectors) disclosing voluntarily while others remain opaque. Where data is disclosed, it is often not aligned with internationally recognised models (such as the UK Nutrient Profiling Model), limiting comparability and constraining robust portfolio-level analysis, benchmarking and stewardship.

These gaps increase information risk and analysis costs for investors and can discourage early movers. As a result, policy analysis has increasingly concluded voluntary approaches are unlikely to deliver system-wide, comparable data at sufficient speed or scale.² Mandatory reporting is therefore being considered primarily as a means of improving market transparency and accountability, thus enabling action and unlocking decision-making within businesses, rather than prescribing specific commercial outcomes. However, evidence suggests that transparency alone is unlikely to drive meaningful change at scale. To shift outcomes, mandatory reporting must be designed to support and align with targets.

The value of mandatory reporting for investors

Standardised disclosures will strengthen stewardship by enabling more focused engagement and escalation, while reducing reliance on bespoke, company-specific metrics. Public targets in addition to standardised mandatory reporting will further improve accountability, demonstrate companies' commitment to shifting portfolios towards healthier and more sustainable practices, and enable progress to be tracked over time. Clearer regulatory expectations would reduce uncertainty for companies planning strategy and for investors undertaking stewardship, supporting more confident long-term capital allocation.

The technical foundations for such reporting are already well developed. Extensive work has been undertaken to define appropriate health and nutrition metrics, providing a strong basis for standardised disclosure and target setting. Some major food companies are already reporting against leading health and nutrition indicators including Tesco, Unilever and Nestlé demonstrating that comparable reporting is both feasible and increasingly expected by investors.

What investors should watch for in the Spring 2026 consultation

The usefulness of a mandatory framework will depend on its design. Key considerations for investors

² "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." McCarthy, D. & M. Using regulation as a last resort? (2015)

include:

- **Scope and coverage:** inclusion of retailers, manufacturers and out-of-home businesses with thresholds based on market influence and UK sales to ensure a level playing field across large food companies
- **Metrics:** reporting on the healthiness of sales should be based on both sales-weighted average metrics (i.e., the average healthiness of sales) and proportionate metrics (i.e., the proportion of sales attributed to healthier vs. less healthy food)
 - Additional details on key metrics can be found in the [investor statement in support of robust mandatory reporting and target setting on healthy food](#)
- **Target setting:** requirements to set ambitious targets against disclosed baselines with interim milestones that allow progress to be tracked over time
- **Timelines:** both mandatory reporting and mandatory target setting should be introduced in this Parliament
- **Enforcement mechanism:** oversight by a designated independent regulatory body with proportionate penalties for non-compliance

What investors can do now

Ahead of the consultation, investors may wish to:

- **Signal investor support** for consistent, comparable disclosures that enable effective stewardship and capital allocation, including through joining and supporting investor initiatives such as the [Investor Coalition on Food Policy](#) and the [Long-term Investors in People's Health group](#) and in their direct engagement with food businesses
- **Engage portfolio companies** on readiness for mandatory reporting, including internal data availability and baselines
- **Assess transition credibility** by considering whether current strategies would withstand standardised, public scrutiny
- **Prepare internally** to integrate potential new data into risk analysis, engagement priorities and voting policies