



PLATING UP PROGRESS

2020

Pathways for a healthy, just and sustainable
food system during a global pandemic



About Plating Up Progress

This report is an output of Plating Up Progress, a Food Foundation project. The project has two aims. First, to forge a consensus on metrics and reporting mechanisms that allow assessment of food industry progress in transitioning to sustainable and healthy diets. Second, to engage stakeholders to advance the uptake of these metrics and track progress in the industry. We have begun this tracking with our [🔗 Plating Up Progress dashboard](#)



Acknowledgements

We would like to sincerely thank our funders Fondation Daniel & Nina Carasso, the Nuffield Foundation, and Esmée Fairbairn Foundation.

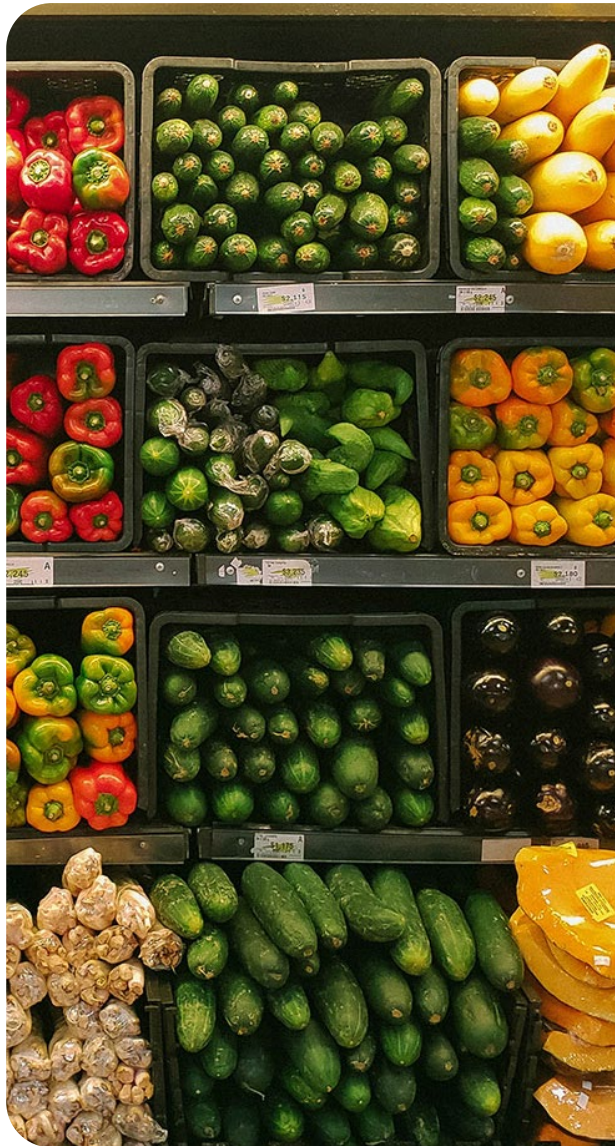


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Contents

Executive summary	4
Section 1: Is the food sector future-fit?	6
1.1 Are food businesses focusing across multiple issues of concern?	8
1.2 Are sectors focusing on their products (the food we eat) or supply chains (how food is produced) or both?	9
1.3 Focus on supermarkets	11
1.4 Focus on caterers, quick service and casual dining restaurants	13
1.5 What progress might be realistic in the next couple of years?	17
Section 2: COVID-19 and the pathway to a different future	24
2.1 COVID-19 and our fragile food system	24
2.2 COVID-19's impact on food businesses	25
2.3 What does a pathway for change look like?	27
2.4 Combining global and national assessments of food industry progress	28
2.5 Governments setting the right business incentives for change	29
2.6 Facilitating business change	30
2.7 Investors using capital to drive change	31
Coming next from Plating Up Progress	33
References	34

Executive summary

This report is intended for investors, food businesses and policy makers. It maps the current commitments, targets and performance reporting of 11 major UK supermarkets and 15 major UK-operating caterers, quick service and casual dining restaurant chains.

The assessment covers 10 major topics, providing a new understanding of food companies' progress towards healthy, just and sustainable food systems across multiple key issues:

1. **Nutritious products & services**
2. **Encouraging healthy diets**
3. **Climate change**
4. **Biodiversity**
5. **Sustainable food production**
6. **Water**
7. **Food waste & loss**
8. **Plastics**
9. **Animal welfare & antibiotics**
10. **Human rights.**

Our analysis finds that supermarkets are publishing more clearly defined targets and disclosing more performance data than other sectors, especially for climate change, biodiversity, sustainable food production, food waste, plastics and animal welfare. Caterers perform better on nutritious products and services. On average, casual dining and quick service restaurant chains have fewer targets or weaker performance data across these issues.

Although signs of leadership are emerging, companies need to set clearer targets and improve reporting for:

- **Sales of healthy and sustainable food (less energy-dense food, more fruit and vegetables, a shift from animal- to plant-based proteins)**
- **Scope 3 greenhouse gas emissions**
- **Land use conversion-free soy in animal feed**
- **Sourcing from suppliers using recognised environmental management practices**
- **Sourcing from water-stressed regions**
- **Eliminating single-use plastics**
- **Ensuring human rights are respected across their supply chains.**

However, by combining the best practices within each sector, we are able to identify the gap between the average profile and the leadership profile – the profile resulting if a single company were to adopt the best practices across all topics within a single sector. This leadership profile represents a benchmark for what we could expect

all companies to achieve today. It would not be perfect, but it would represent tangible progress and we believe there is sufficient evidence that it is feasible. These “2020 Leadership” profiles, along with leadership and individual company scorecards, can be downloaded from the relevant sector profiles on the [Plating Up Progress \(PUP\) dashboard](#).

The biggest challenge is how to enable and accelerate the transition in the context of the COVID-19 pandemic. The pandemic has had an uneven impact on food businesses, with supermarkets reporting positive financial results in 2020, but the hospitality sector seeing revenues slashed due to lockdown restrictions. So far the economic impact of COVID-19 is not distinguishing between, let alone favouring, individual companies with more ambitious targets and reporting data for a healthy, just and sustainable food future. We risk falling behind at a time when the window of opportunity to avert a climate change disaster is closing fast.

"We risk falling behind at a time when the window of opportunity to avert a climate change disaster is closing fast."

Four actions which would enable a faster business transition to healthy and sustainable food

1

Comprehensive, aligned and evidence-based assessments of food companies' targets and progress relating to the key health and sustainability issues, at both global and national levels, with PUP being a national level example. Only by understanding where we are today can we overcome the barriers for change tomorrow.

2

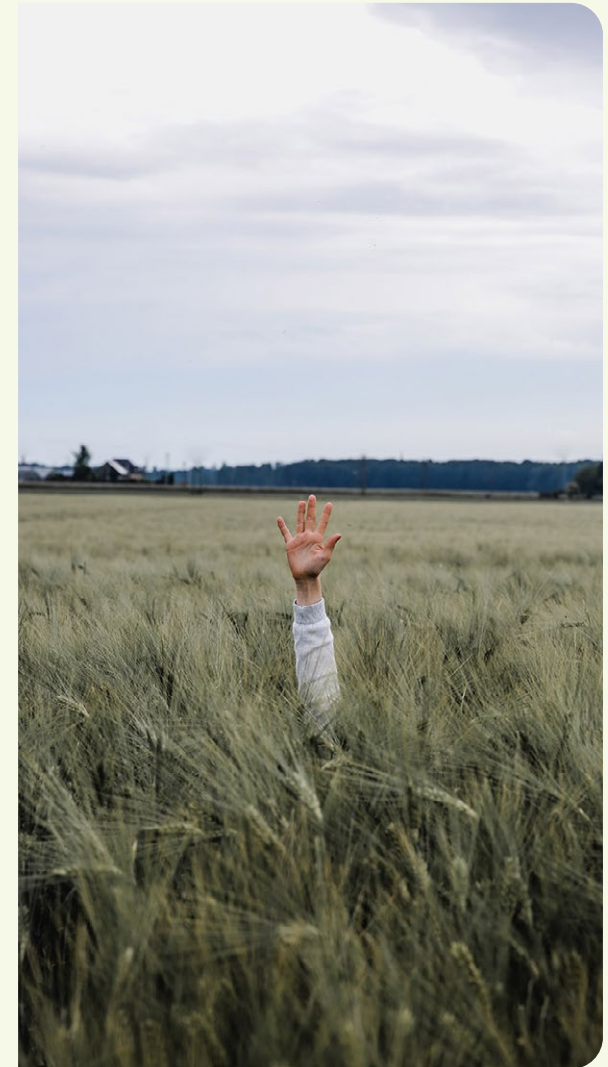
Government action to mandate public reporting by companies against key metrics, and a coordinated policy approach that both regulates and incentivises companies to make progress in their transition to healthy, just and sustainable food systems. An economic recovery must place people and the planet alongside profit.

3

Improved data for companies to base their decision-making on and communicate their progress to stakeholders such as governments, investors, customers and civil society. This means better technology for supply chain mapping and a consensus on how to quantify "healthy" and "sustainable" food from a business perspective.

4

Private sector investments that have conditions attached to the provision of capital. These conditions need to be aligned with health and sustainability metrics and company targets. We provide a set of "asks" that investors can effectively use to engage with these food sectors, as well as links to examples of what leadership looks like.



SECTION 1: Is the food sector future-fit?

As described in the Plating up Progress 2019 Part 1 report¹, multiple health, societal and environmental issues are connected with our food systems, concerning the way we produce food and what we actually eat (**Figure 1**).

These challenges are complex and formidable, but not unsurmountable. “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 and, crucially, dietary shifts.

Supermarkets, caterers, and both quick service and casual dining restaurant chains are in a unique position to influence the required transitions in consumption and production,

being both gatekeepers to our diets and the funnel through which most commercially produced food is channelled. In 2019 our analysis² showed significant gaps in commitments, targets and disclosed performance data across the sectors, most significantly relating to:

- targets for shifting business models towards sales of healthy and sustainable food
- targets for scope 3 greenhouse gas emissions
- evidence of zero deforestation due to soy production for animal feed
- targets for sustainable water use within supply chains
- targets for human rights in supply chains.

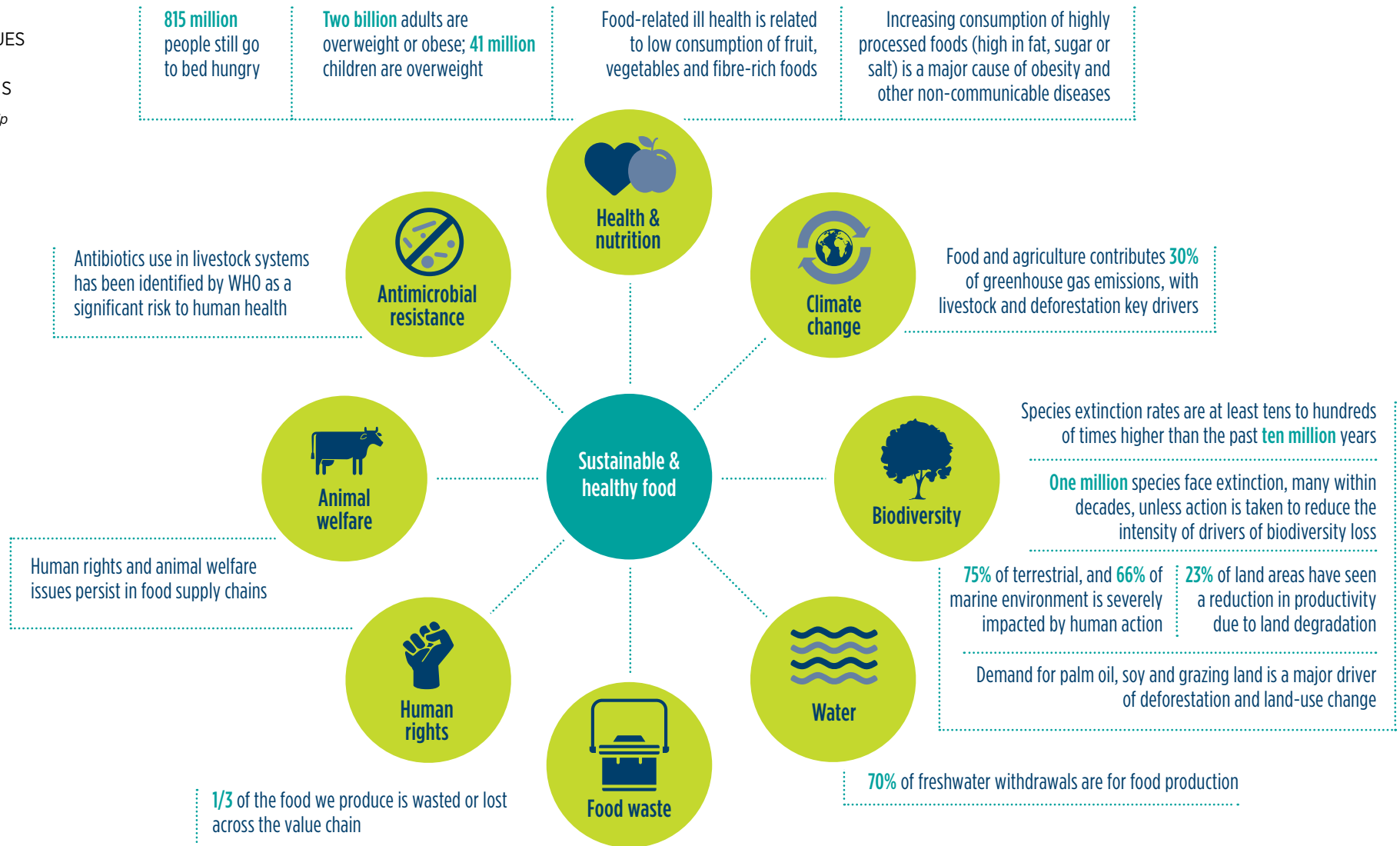
Our 2020 analysis looks in more detail at each company and presents an assessment of individual companies and the sectors as a whole on our publicly available **PUP dashboard**. We assess 26 food businesses, of which 11 are supermarkets, 5 are contract caterers, 6 are from the fast food or quick service restaurant sector, and 4 are from the casual dining restaurant sector. Because a key target audience for the assessment is investors, six of the supermarkets and all of the restaurants and caterers are publicly listed companies and represent the biggest operators across the UK. The full list of companies assessed can be found [here](#).

The methodology for this assessment builds on the metrics proposed by Plating Up Progress in 2019, with two additional metrics for recycling and single-use plastics, and a new metric assessing whether companies are paying employees the real living wage. The full methodology can be found [here](#).



FIGURE 1:
MULTIPLE ISSUES
RELATED TO
FOOD SYSTEMS

SOURCE: *Plating Up
Progress Part 1.*



1.1 Are food businesses focusing across multiple issues of concern?

Based on the average performance profile for each sector, we find supermarkets are setting more clearly defined targets and disclosing more performance data than other sectors, especially for climate change, biodiversity, sustainable food production, food waste, plastics and animal welfare. Caterers perform better on nutritious products and services. On average, casual dining and quick service restaurant chains (QSR) have fewer targets or weaker performance data across these issues. See **Figures 2a-2d**, profiles closer to the outer ring in the graph represent better performance.

FIGURE 2A: SUPERMARKETS – AVERAGE PROFILE

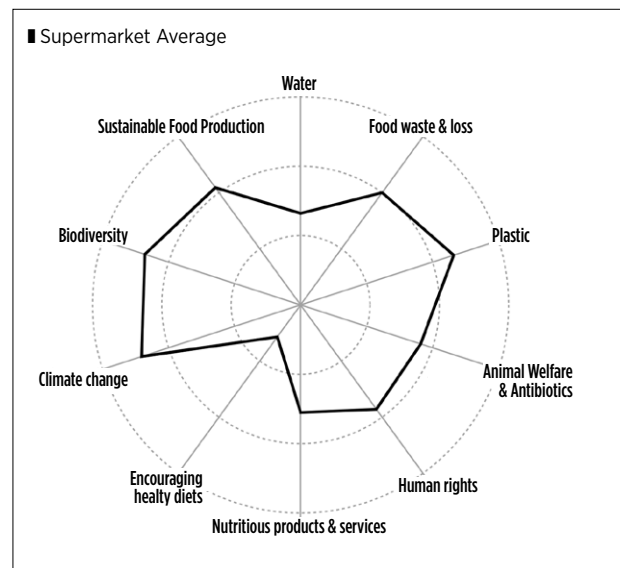


FIGURE 2B: CATERERS – AVERAGE PROFILE

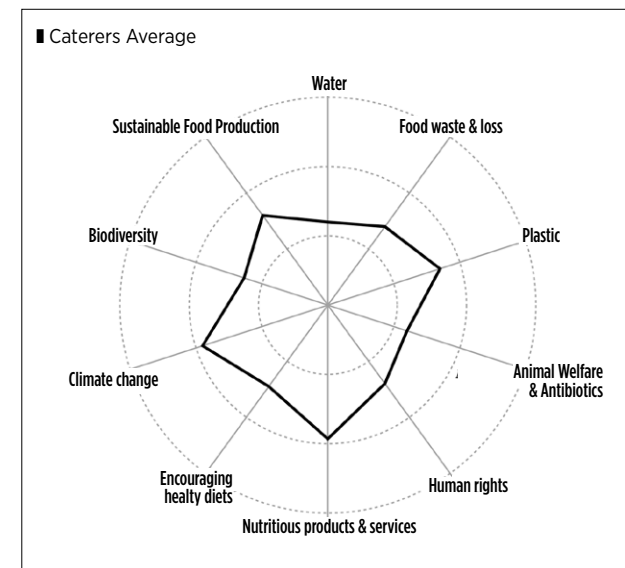


FIGURE 2C: QUICK SERVICE RESTAURANTS – AVERAGE PROFILE

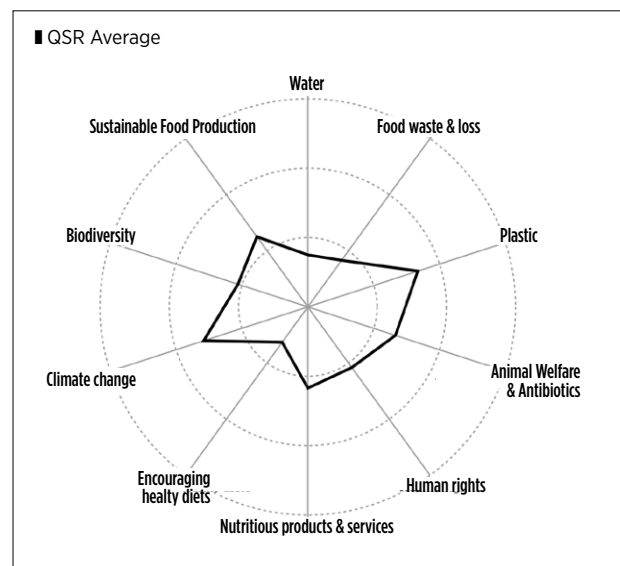
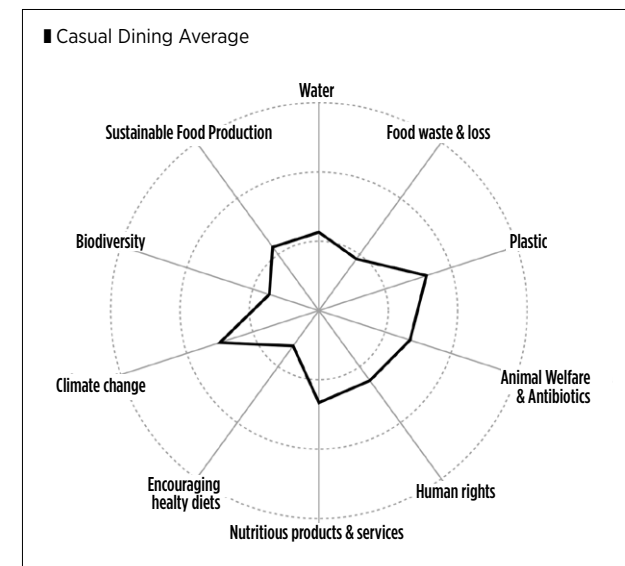


FIGURE 2D: CASUAL DINING RESTAURANTS – AVERAGE PROFILE



1.2 Are sectors focusing on their products (the food we eat) or supply chains (how food is produced) or both?

In addition to assessing companies' disclosure of targets and performance data, we also assess whether they are focusing more on healthy and sustainable products or on their supply chains. This matters because research has been clear that we need a shift in both how we produce food and what we eat (see **Figure 3**), so for a company to be truly transitioning to healthy and sustainable food there is a need for both products and supply chains to be aligned in this way. This approach is aligned with other methodologies for assessing companies in terms of their products and operations, as well as their supply chains, as proposed by the Fixing The Business of Food project³. See **Figures 4a-4d** for the sectors' focus on products and supply chains.

Consistent with supermarkets' overall leadership compared to restaurants and caterers, we find that supermarkets perform better in terms of focusing on both supply chains and products, although as our focus on supermarkets in Section 1.3 notes, the supermarket sector still lacks a consensus on targets for sales of healthy and sustainable products.

Quick service restaurants and casual dining chains have fewer targets and less performance data on both products and supply chains, with the exception of McDonald's (focusing more on supply chains than products) and Greggs (focusing more on products but less on supply chains). Contract caterers generally perform better on products, with a greater focus on creating sustainable menus and reducing in-house food waste and single-use plastics, but focus less on supply chain issues such as deforestation.

These differences matter to both businesses and investors because different risks and opportunities exist for these issues – for example, a sugar tax could impact a business that lacks disclosure for its reliance on sugar across products and sales, whereas reputational or supply risk around deforestation could impact a business that lacks disclosure

for its reliance on palm oil, soy or beef in its supply chains. Businesses need to be addressing both products and supply chains in order to mitigate these combined risks.

FIGURE 3: FOOD CONSUMPTION AND PRODUCTION COMBINE TO DRIVE UNHEALTHY AND UNSUSTAINABLE FOOD SYSTEMS

SOURCE: *Plating Up Progress Part 1*

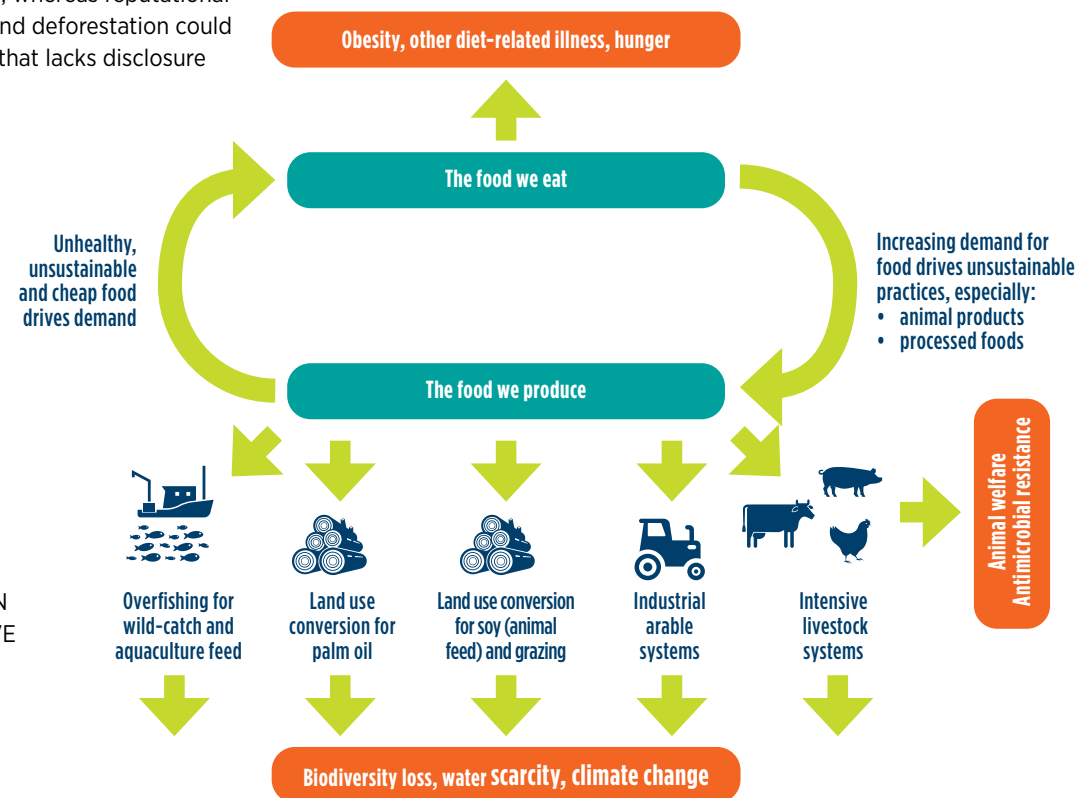


FIGURE 4A: SUPERMARKETS – PRODUCTS VS SUPPLY CHAINS

DOTS REPRESENT INDIVIDUAL COMPANIES, BEING IN THE GREEN QUADRANT REPRESENTS BETTER PERFORMANCE

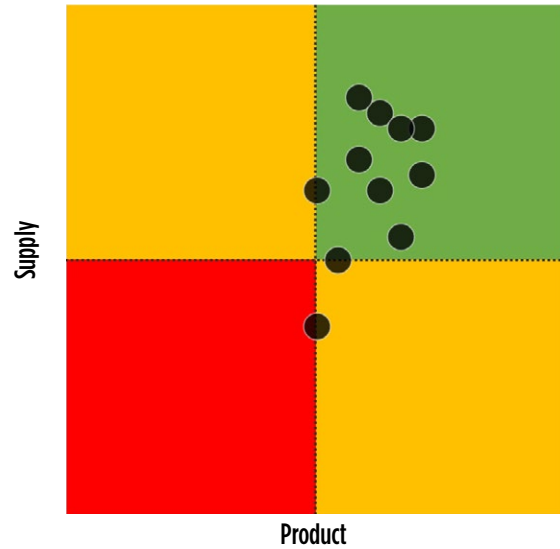


FIGURE 4B: CATERERS – PRODUCTS VS SUPPLY CHAINS

DOTS REPRESENT INDIVIDUAL COMPANIES, BEING IN THE GREEN QUADRANT REPRESENTS BETTER PERFORMANCE

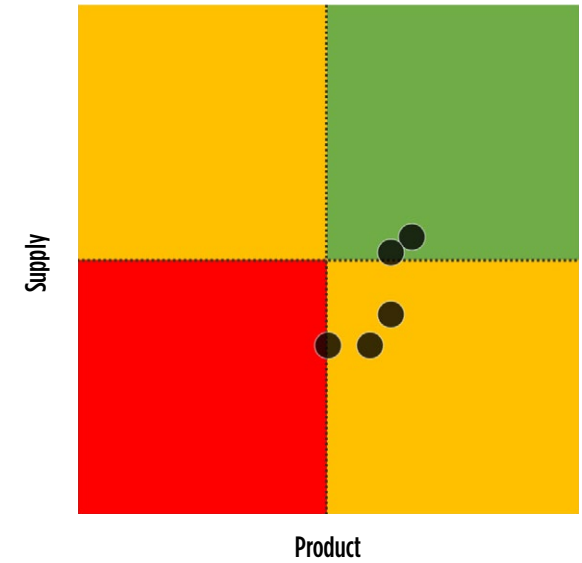


FIGURE 4C: QUICK SERVICE RESTAURANTS – PRODUCTS VS SUPPLY CHAINS

DOTS REPRESENT INDIVIDUAL COMPANIES, BEING IN THE GREEN QUADRANT REPRESENTS BETTER PERFORMANCE

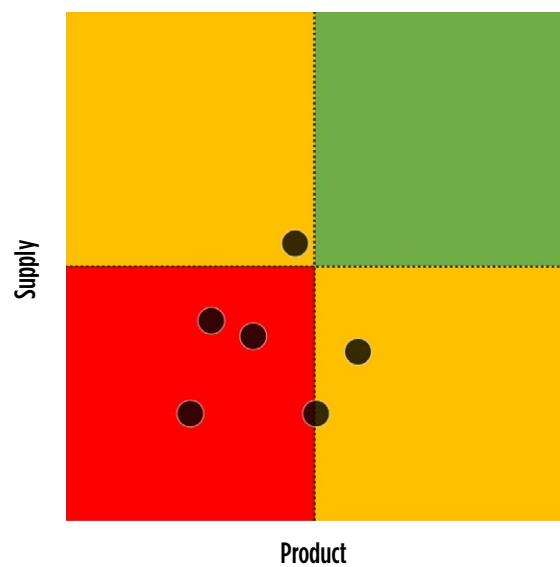
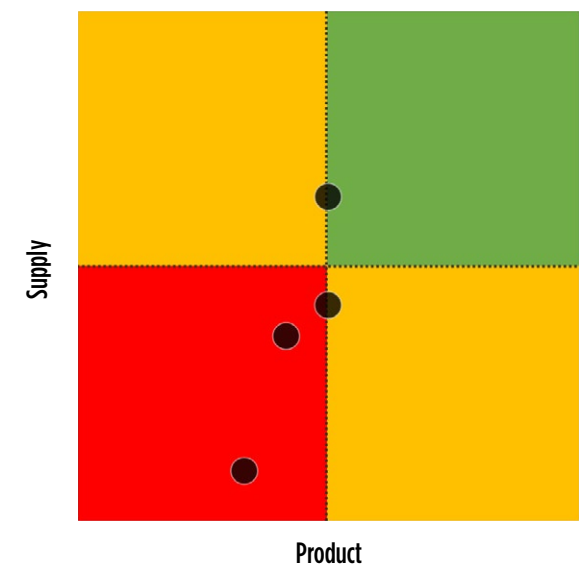


FIGURE 4D: CASUAL DINING RESTAURANTS – PRODUCTS VS SUPPLY CHAINS

DOTS REPRESENT INDIVIDUAL COMPANIES, BEING IN THE GREEN QUADRANT REPRESENTS BETTER PERFORMANCE













1.3 Focus on supermarkets

Looking beyond the average profile, our analysis finds marked differences between businesses in the supermarket sector across different topics, implying that the sector as a whole could improve if best practices were adopted across this sector (see **Figure 5**). We also see some noticeable areas where the sector as a whole needs to make more progress (see **Table 1**).

FIGURE 5: TRAFFIC LIGHT SCORE FOR EACH SUPERMARKET ACROSS ALL TOPICS

Company	Nutritious products & services	Encouraging healthy diets	Climate change	Biodiversity	Sustainable food production	Water	Food waste & loss	Plastics	Animal welfare & antibiotics	Human rights
Aldi	Yellow	Red	Green	Yellow	Green	Orange	Yellow	Yellow	Yellow	Yellow
Asda	Orange	Red	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Coop	Orange	Orange	Green	Green	Green	Yellow	Yellow	Green	Yellow	Green
Iceland	Orange	Red	Yellow	Yellow	Orange	Red	Yellow	Green	Orange	Yellow
Lidl	Yellow	Red	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Orange	Yellow
Marks & Spencer	Yellow	Orange	Green	Green	Green	Yellow	Yellow	Green	Green	Yellow
Morrisons	Orange	Red	Green	Yellow	Yellow	Orange	Yellow	Green	Yellow	Yellow
Ocado	Orange	Orange	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Orange	Yellow
Sainsbury's	Yellow	Orange	Green	Yellow	Yellow	Green	Yellow	Green	Yellow	Yellow
Tesco	Yellow	Red	Green	Green	Yellow	Yellow	Yellow	Green	Yellow	Yellow
Waitrose	Orange	Red	Green	Green	Green	Orange	Yellow	Green	Green	Yellow

TABLE 1: WHERE MORE PROGRESS IS NEEDED ACROSS THE SUPERMARKET SECTOR.

TOPIC	WHERE MORE PROGRESS NEEDS TO BE MADE
 Nutritious products & services	All supermarkets report some data on reduction of fats, salt or sugar, but no companies report against all three across all key food categories. Only 4 out of 11 supermarkets have targets and data that relate to % of food sales that are healthy, or of fruit and veg sales, or of sales of plant-based proteins.
 Encouraging healthy diets	Access To Nutrition Initiative (ATNI) UK Supermarket Spotlight shows supermarkets to be generally lacking in transparency of marketing and promotion policies.
 Climate change	Scope 1 and 2 emissions reduction targets are common across the sector. Only three supermarkets have clear reduction targets and data that relate to scope 3 emissions, although most are in the process of quantifying supply chain emissions and aim to include these in overall climate change goals in the future.
 Biodiversity	All supermarkets have targets and data for palm oil (mainly via Roundtable on Sustainable Palm Oil (RSPO) certification) but for own-brand products only. Most supermarkets report sourcing all or the majority of own-brand beef from UK or Ireland (implying deforestation-free, although primarily for own-brand fresh or frozen). Only five supermarkets have targets and data relating to zero land use conversion from soy (in animal feed) but most do at least have time-bound zero deforestation commitments that include soy. The strength of these commitments varies and own-brand products are prioritised.
 Sustainable food production	Reporting on sustainable seafood and farmed fish is consistently high across the sector (although this again prioritises own-brand products). Issues around feed inputs into aquaculture are not always explicitly addressed. Targets for sourcing from producers using sustainable agricultural practices are unclear and inconsistent, although this remains difficult to quantify due to a lack of consensus on measuring on-farm sustainability.
 Water	No supermarkets have clear data on their exposure to water scarcity risk and water management in their global supply chains, although one does include this as part of their future sustainability focus.
 Food waste & loss	Supermarkets report on operational food waste reduction against widespread targets to halve food waste by 2030; however, targets for food waste reduction in supply chains and engaging with suppliers are less clear.
 Plastics	All supermarkets report data for recycling and single-use plastics, although measuring progress is challenging due to a lack of consistency. Branded products are often not included in reporting scope.
 Animal welfare & antibiotics	Seven supermarkets achieve Tier 1 or Tier 2 ranking in Business Benchmark on Farm Animal Welfare (BBFAW), but specific reporting on reductions in antibiotic use is inconsistent.
 Human rights	The majority of supermarkets report some data on salary levels but only one is in active discussions to pay staff according to the accreditation requirements of the Living Wage Foundation. Human rights engagement with supply chains still prioritises direct or tier 1 suppliers.

1.4 Focus on caterers, quick service and casual dining restaurants

Our analysis also finds marked differences between businesses in the catering and restaurant sectors across different topics (see **Figures 6a–6c**), again implying that these sectors as a whole could improve if best practices were adopted across them. We also see some noticeable areas where these three sectors as a whole need to make more progress (see **Table 2**).

FIGURE 6A: TRAFFIC LIGHT SCORE FOR EACH CATERER ACROSS ALL TOPICS

Company	Nutritious products & services	Encouraging healthy diets	Climate change	Biodiversity	Sustainable food production	Water	Food waste & loss	Plastics	Animal welfare & antibiotics	Human rights
Aramark	●	●	●	●	●	●	●	●	●	●
Compass Group	●	●	●	●	●	●	●	●	●	●
Elior	●	●	●	●	●	●	●	●	●	●
ISS	●	●	●	●	●	●	●	●	●	●
Sodexo	●	●	●	●	●	●	●	●	●	●











FIGURE 6B: TRAFFIC LIGHT SCORE FOR EACH QUICK SERVICE RESTAURANT CHAIN ACROSS ALL TOPICS

Company	Nutritious products & services	Encouraging healthy diets	Climate change	Biodiversity	Sustainable food production	Water	Food waste & loss	Plastics	Animal welfare & antibiotics	Human rights
Domino's Pizza	Red	Red	Orange	Red	Orange	Red	Red	Orange	Orange	Red
Greggs	Yellow	Orange	Yellow	Orange	Yellow	Red	Red	Yellow	Yellow	Yellow
McDonald's	Orange	Orange	Green	Yellow	Yellow	Orange	Orange	Yellow	Yellow	Orange
Restaurant Brands International	Orange	Orange	Yellow	Orange	Red	Red	Red	Yellow	Yellow	Orange
SSP	Orange	Red	Red	Red	Yellow	Red	Orange	Yellow	Orange	Yellow
Yum! Brands	Red	Orange	Yellow	Orange	Orange	Yellow	Red	Orange	Yellow	Orange

FIGURE 6C: TRAFFIC LIGHT SCORE FOR EACH CASUAL DINING RESTAURANT CHAIN ACROSS ALL TOPICS

Company	Nutritious products & services	Encouraging healthy diets	Climate change	Biodiversity	Sustainable food production	Water	Food waste & loss	Plastics	Animal welfare & antibiotics	Human rights
JD Wetherspoon	Orange	Orange	Orange	Yellow	Yellow	Orange	Red	Yellow	Orange	Yellow
Mitchells & Butlers	Orange	Orange	Green	Red	Yellow	Orange	Yellow	Yellow	Yellow	Orange
The Restaurant Group	Orange	Red	Orange	Red	Red	Orange	Red	Orange	Yellow	Yellow
Whitbread	Orange	Orange	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow

TABLE 2: WHERE MORE PROGRESS IS NEEDED ACROSS THE COMBINED CATERING AND RESTAURANT SECTORS

TOPIC	WHERE MORE PROGRESS NEEDS TO BE MADE
 Nutritious products & services	<p>Over half of companies report some data on reduction of fats, salt or sugar (mainly sugar or calories) but no companies report against all three across all key food categories.</p> <p>Only 3 out of 15 companies have targets and data that relate to % of either food sales that are healthy, or fruit and veg sales.</p> <p>No companies have clear targets and data for increasing sales of plant-based proteins.</p>
 Encouraging healthy diets	<p>Companies are not clear about their marketing, price promotions and customer engagement strategies and policies for healthy diets.</p>
 Climate change	<p>Scope 1 and 2 emissions reduction targets or data exist for most companies.</p> <p>Only five companies have data that relates to scope 3 emissions, and five provide little indication of intent to quantify scope 3 or agriculture-based emissions at all.</p>
 Biodiversity	<p>Nine companies have targets or data for palm oil (mainly via RSPO certification) but often only for palm oil in cooking oils.</p> <p>Most UK companies report sourcing all or the majority of all beef from UK or Ireland, although deforestation-free beef is less apparent for global companies.</p> <p>Only three companies have targets or data relating to zero land use conversion from soy (in animal feed).</p>
 Sustainable food production	<p>Targets for sourcing from producers using sustainable agricultural practices are almost non-existent, beyond certifications around certain commodities such as seafood and coffee.</p>
 Water	<p>No companies have clear data on their exposure to water scarcity risk and water management in their global supply chains.</p>
 Food waste & loss	<p>Eight companies have time-bound targets for reducing operational food waste but the sector as a whole lacks targets for food waste reduction in supply chains.</p>
 Plastics	<p>Some companies have targets for making all plastics easily recyclable and eliminating single-use plastics, but reporting of progress is inconsistent.</p>
 Animal welfare & antibiotics	<p>No companies achieve Tier 1 and only three achieve Tier 2 ranking in BBFAW.</p> <p>Reporting on reductions in antibiotic use is inconsistent.</p>
 Human rights	<p>Only two (both caterers) are accredited by the Living Wage Foundation.</p> <p>Human rights engagement with supply chains (especially beyond tier 1 suppliers) is lacking for most.</p>

1.5 What progress might be realistic in the next couple of years?

What we lack is a clear sense of “what good looks like”. While science-based targets are emerging across some of the issues of concern, more immediate goals could be set by understanding what leadership currently looks like in each sector. This does not mean identifying the leading company, but identifying leadership across different topics from all of the companies in each sector to produce a hypothetical profile of what leadership could look like in 2020: “2020 Leadership”.

The 2020 Leadership profiles are downloadable from the PUP dashboard for 🍷 **supermarkets**, 🍷 **caterers**, 🍷 **quick service restaurants**, and 🍷 **casual dining restaurants**.

Here we present the summary profiles comparing the average sector profile to the 2020 Leadership profile (see **Figures 7a-7d**). Leadership profiles are calculated from the best score on each individual metric, not the best company score on each topic. Because each topic includes more than one metric within it, we believe it is more useful to base leadership on individual metric scores rather than overall topic scores.



FIGURE 7A: SUPERMARKETS – AVERAGE PROFILE VS 2020 LEADERSHIP

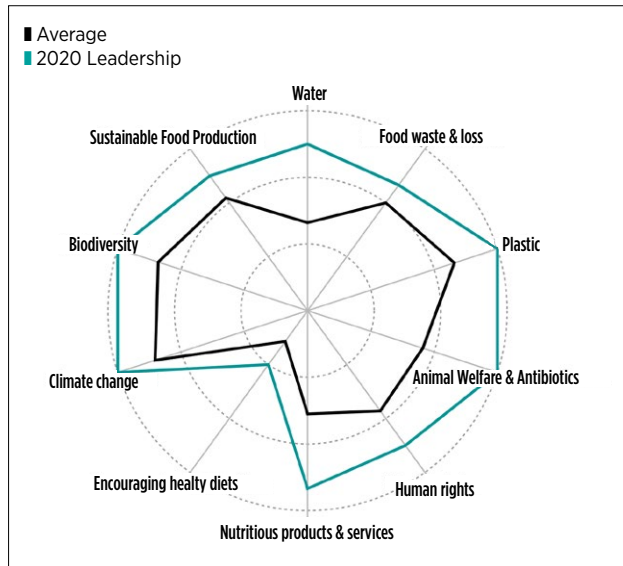


FIGURE 7C: QUICK SERVICE RESTAURANTS – AVERAGE PROFILE VS 2020 LEADERSHIP

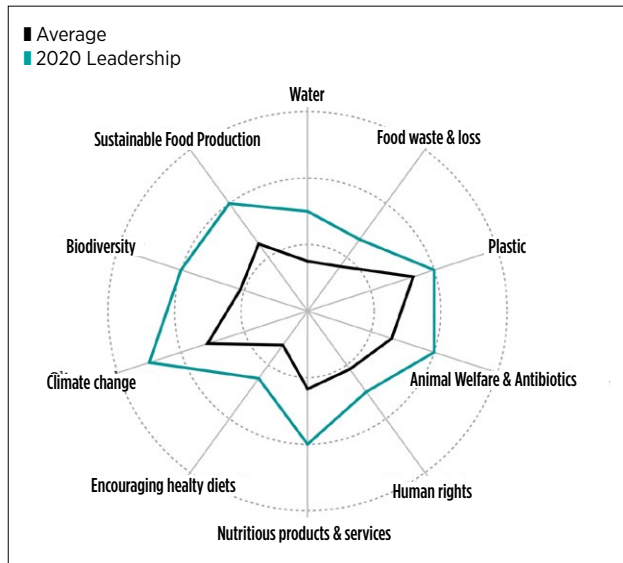


FIGURE 7B: CATERERS – AVERAGE PROFILE VS 2020 LEADERSHIP

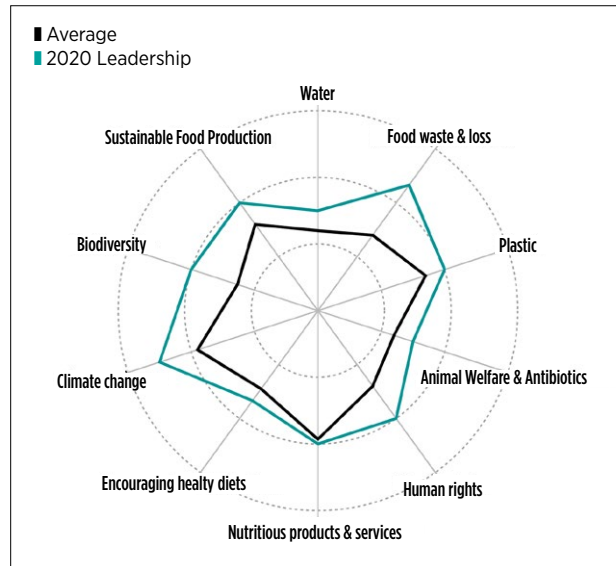
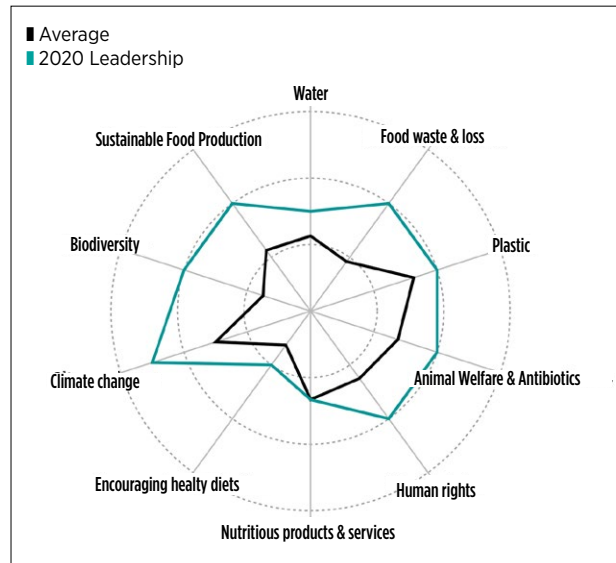


FIGURE 7D: CASUAL DINING RESTAURANTS – AVERAGE PROFILE VS 2020 LEADERSHIP



Should all companies adopt existing best practices, most businesses in all four sectors would have made significant progress. We could expect clear targets for sales of healthy food – in some cases specifically targeting sales of vegetables – and a stronger focus on more sustainable or plant-based protein sources. We would also have food businesses with targets for scope 1, 2 and 3 emissions reductions, more progress across retail and out of home sectors towards land use conversion-free supply chains, and industry-wide targets for food waste reduction, recycling and the elimination of single-use plastics. Staff would be paid the real living wage and businesses would be engaging more thoroughly, if still needing improvement, on human rights across their supply chains. It would not be perfect, but it would be tangible progress and we believe there is sufficient evidence here that it can be done.

In **Tables 3** and **4** we highlight some of the leadership examples.

TABLE 3: SECTOR LEADERSHIP THAT COULD BE USED AS NEAR-TERM GOALS FOR SUPERMARKETS




















TOPIC	EXAMPLES OF 2020 LEADERSHIP
 Health & Nutrition	<p>Sainsbury's and Marks & Spencer's commitment to report on the % of food sales or basket that comes from healthy products.</p> <p>Lidl's reporting of a 20% increase in sales of vegetables between 2017 and 2019.</p> <p>Sainsbury's commitment to report portions of veg sold for own brand and the total % of veg sales.</p> <p>Tesco's inclusion of "sustainable diets" within their overall sustainable shopping basket metric.</p> <p><i>But transparency is needed in how businesses define and quantify healthy food.</i></p>
 Climate change	<p>Coop's inclusion of a specific scope 3 emissions reduction target.</p>
 Biodiversity	<p>Tesco meeting a 2019 target to ensure all South American soy used as animal feed for Tesco UK Own Brand whole animal protein products, such as chicken, pork and eggs, is certified zero deforestation.</p> <p>Waitrose meeting a target for 100% of the soy used in animal feed for the production of own-brand meat and farmed fish products, milk, and eggs to be certified sustainable (eg RTRS) or organic by 2020.</p>
 Sustainable food production	<p>All of Waitrose's UK fresh fruit and vegetables are grown to LEAF (Linking Environment and Farming) Marque standards.</p> <p>Tesco's inclusion of a metric for assessing UK farmland using robust environmental schemes such as LEAF or Countrywide Stewardship.</p>
 Water	<p>Tesco's inclusion of "% of fresh produce from regions with sustainable water management" in the sustainable agriculture metrics for their overall sustainable shopping basket metric.</p>
 Food waste & loss	<p>Tesco's inclusion of "% reduction of customer food waste" and "% reduction of on-farm food waste" in the food waste metrics for their overall sustainable shopping basket metric.</p>
 Plastics	<p>Coop's target to eliminate all single-use plastic in own-brand packaging by 2023.</p> <p>Marks & Spencer's target that by 2022 all "product packaging in the UK that could end up with our customers will be not only 'recyclable', but 'widely recycled'".</p>
 Animal welfare & antibiotics	<p>Waitrose and Marks & Spencer's Tier 1 ranking in the BBFAW.</p>
 Human rights	<p>Coop's recent announcement to work with trade union partner USDAW to create a plan to align the hourly pay rate with the real living wage.</p>

TABLE 4: SECTOR LEADERSHIP THAT COULD BE USED TO SET NEAR-TERM GOALS FOR CATERERS AND RESTAURANTS (BOTH QUICK SERVICE AND CASUAL DINING)

TOPIC	EXAMPLES OF 2020 LEADERSHIP
 Health & Nutrition	Greggs and Sodexo (UK and Ireland only) committing to and reporting publicly on increases in sales of veg. <i>But the sector lacks the same leadership on plant-based proteins.</i>
 Climate change	Mitchells & Butlers and Sodexo (global) including scope 3 emissions in their overall climate change reduction target. Whitbread calculating and reporting their scope 3 emissions on CDP Climate. McDonald's (global) committing to a 31% reduction in emissions intensity (per metric ton of food and packaging) across supply chain by 2030.
 Biodiversity	Sodexo's new policy (released 2020) committing to deforestation- and conversion-free supply chains by 2030 and to report on progress for soy by 2022. All beef used by Wetherspoon and Whitbread is deforestation-free (by virtue of being sourced from UK or Ireland). McDonald's commitment to deforestation-free soy in chicken feed and reporting against that target.
 Sustainable food production	Most caterers and some casual dining chains are in fact reporting seafood (and some farmed fish) certified by MSC or other certification schemes.
 Water	We found a lack of leadership for management of sourcing from water-stressed regions, although Whitbread have targets to reduce operational water use.
 Food waste & loss	Sodexo and Compass Group committing to halve food waste and implementing sophisticated food waste management systems across their businesses.
 Plastics	Whitbread and Mitchells & Butlers committing to eliminate unnecessary single-use plastics by 2025 and 2021 respectively.
 Animal welfare & antibiotics	Greggs, Mitchells & Butlers and Whitbread all achieved Tier 2 on BBFAW.
 Human rights	Sodexo and ISS are both accredited by the Living Wage Foundation in the UK as Recognised Service Providers.

The acid test for any assessment of business performance is whether it creates real impact and positive change. We have found both businesses and investors value the  **PUP dashboard** for understanding the immediate issues both for themselves and to allow comparison with others in their sector, and for engaging across multiple issues (see boxes: **The business view** and **The investor view**).

The BUSINESS view

NILANI SRITHARAN

GROUP HEALTHY LIVING MANAGER, SAINSBURY'S

"This work is critical to helping us monitoring progress against our Net Zero commitments. Many of the issues are interlinked so having consistent metrics that help us monitor and track performance is key. It's been really great to see the Food Foundation anticipate the need for more joined up metrics to help deliver greater efficiencies for business, while driving the Sustainability agenda forward.

What is just as important is being able to see how we fare versus other similar businesses and this has been especially insightful. We would love to see this undertaken for manufacturers as well! It has been useful for reinforcing our reporting efforts internally which were already heading in this direction following your workshop last summer. That in itself provided the basis for the metric which we have set ourselves for our Net Zero 2040 commitment under Healthy Sustainable Diets. We've also used Plating Up Progress as a potential measure for success as part of other collaborative efforts. It's too early to give specific examples of engagement with investors but we have certainly referenced these metrics when engaging with investors, experts and groups seeking to address common standards and metrics for health such as the World Economic Forum and the Global Alliance for Improved Nutrition – to ensure greater consistency internationally."

PAUL RHODES

EXTERNAL AFFAIRS MANAGER, GREGGS

"As a business we want to have a positive impact on people's lives – our teams, customers, suppliers and local communities. Ensuring we're aware of (and able to act on) the latest challenges in relation to sustainability is key to that objective.

The Plating Up Progress dashboard helps us shape our approach to match developing trends alongside giving us confidence that we continue to move in the right direction."

"Many of the issues are interlinked so having consistent metrics to monitor and track performance is key."

ANA SVAB

CORPORATE RESPONSIBILITY MANAGER, SODEXO UK

"When we talk about sustainability and reducing our negative environmental impacts, there are multiple interconnected and inseparable issues. If you look at sustainable diets for example, it's important for Sodexo to be offering our customers alternatives to animal protein, but it also means examining our supply chain to understand where these alternatives are coming from, as well as what happens to residual food waste at the end of the service.

At Sodexo, our sustainability roadmap is fully embedded into the way we do business. We know that engaging our teams on these topics will give them the tools and knowledge to work with our clients, consumers and suppliers to reduce the environmental impacts of our operations. But we recognise that we don't have all the answers, and it's refreshing to see how we compare with our peers and what we could learn from them.

We know that we need to make some fundamental changes to the way we do business if the world is to achieve the Paris Agreement aim to limit global temperature rise to 1.5°C above pre-industrial levels. Last year Sodexo confirmed its objective to reduce its carbon emissions by 34% by 2025 with approval from the Science Based Targets initiative, joining the global movement of leading companies aligning their businesses with this aim. Of course, some healthy competition with our peers can only help push us all towards this aim, faster!"

The INVESTOR view

PERRY RUDD

HEAD OF ETHICAL, SUSTAINABLE & IMPACT RESEARCH, RATHBONE GREENBANK INVESTMENTS

"Rathbone Greenbank Investments ("Greenbank") is the specialist ethical, sustainable and impact investment arm of Rathbone Investment Management. We have been managing bespoke portfolios for private clients, trusts and charities at Rathbones since 1997, and now manage £1.7bn of assets on behalf of some 2,000 clients.

An important part of our service to clients is the insight provided by our in-house ethical, sustainable and impact research team, which greatly values having access to external research that supplements its own efforts. This is especially the case where that research is independent, authoritative and consistent so that we can rely on its findings for comparative purposes over a long timeframe.

Of considerable value is the adoption of a broad focus across several aspects of a particular sector or theme. This enables us to see more of the bigger picture without having to access multiple sources for information on different aspects of a company or sector, such as animal welfare, workers' rights or nutritional value. It is especially the latter where we feel that initiatives such as PUP can help us to tackle the health injustices that are exacerbated by our current food system.

This is the benefit that we have derived from using the Plating Up Progress company scorecards – a comprehensive survey of the constituents of the food retail, hospitality and food service sectors that draws together primary sources of information that we have used for many years.

This has enabled us to develop a more complete and accessible picture of the companies we have under scrutiny, as well as others we may wish to engage with as part of collaborative projects. These are conducted either on our own (for example, with M&S and Sainsbury's) or as part of broader programmes with other investment managers under the auspices of the PRI where we often lead or co-lead on engagement with companies.

While any correlation between a company's rating in the PUP reports and the financial returns it offers to shareholders may not be wholly proven at this stage, we are absolutely of the opinion that consistent evidence of outperformance in benchmarks such as PUP can be a useful indicator of the links between good management of ESG risks and financial metrics.

As a pioneer in the field of tailored ethical and sustainable portfolio services, we strive to be the natural home for investors seeking to align their investments with the change they want to see in the world. We are impressed with the way in which PUP is helping us to address two of the issues that are of greatest concern to our investors today: climate change and social justice."

MARIJA ROMPANI

ESG STEWARDSHIP & ENGAGEMENT, EOS AT FEDERATED HERMES

"Much of the climate change conversation over the last 30 years has been focused on the transportation and energy sectors but that is now shifting to food systems.

The science is clear. According to the Intergovernmental Panel on Climate Change report on Climate change and Land, food systems contribute 25–30% of global greenhouse gas emissions across agriculture and land use, transport, processing, and consumption. The food sector is responsible for 60–70% of biodiversity loss, and agriculture currently accounts for 70% of fresh water use.

Under the business as usual scenario of food production and consumption, the world would fail to meet the Paris Agreement goal to limit global warming to well below 2°C. To support the transition to more sustainable food systems, our engagement encompasses interrelated issues from the perspective of multiple stakeholders including food and agriculture businesses, their investors, policy makers and the food value chain.

This year we have conducted a further review and proprietary research into the consumer goods and retail sectors to establish companies' actions to date and to understand the approach companies are taking to diversify from animal to plant-based food. We selected six consumer goods and seven global 🍌

retailers for the purpose of developing a benchmarking methodology for monitoring performance. Specifically, we are asking companies to set clear strategies and time-bound targets to diversify their protein product portfolio and enable consumers to make better choices and change behaviour to eating a combination of less and better-quality meat.

Due to a growing middle class and shifting diets, the consumption of animal protein is increasing. With it, the scale of industrial animal farming and the use of antibiotics, is also expected to increase. The World Health Organization recommends that the use of all classes of medically important antibiotics in food-producing animals be substantially reduced and that the current practices of growth promotion and disease prevention without diagnosis be curbed. To support this goal, we engage with companies across the animal protein value chain asking for public disclosure of antibiotic policies banning the use of antibiotics for growth promotion purposes and restricting the use of medically important antibiotics.

We also need a shift to more sustainable and regenerative agricultural systems. We expect companies to have a no deforestation policy and time-bound targets which are actively implemented through due diligence, collaboration and going beyond certification to trace commodities back to their source. Companies should work with farmers to help them transition to regenerative agricultural practices. Innovation and technological disruption will play an important role in

mitigating climate change, protecting biodiversity and creating a more sustainable food system.

We understand that there is not a simple solution but with more focus and investment in innovation and collaboration this can be done. For EOS, the imperative is to build low-carbon and climate-resilient food systems. Working on behalf of investors, we need to challenge companies on existing practices and be an enabler of positive change through our engagement with companies, leveraging our clients' assets."

"As investors, we believe that allocating our capital to the companies that understand these challenges and operate with solutions in mind will be best placed to succeed in the long-term."

MAIS CALLAN

SENIOR RESPONSIBLE INVESTMENT MANAGER,
NEST

"Ensuring a sustainable global food system is crucial in a world of increased population growth, consumption, climate change and food insecurity.

From how food is farmed to how it is produced, packaged, consumed and disposed – we need to address the significant implications on the health of the planet and people. Environmental degradation, water scarcity, food waste, plastic waste, unhealthy food contributing to obesity – to name but a few – are key issues which are resulting in changing consumer demands and stricter government regulation.

As investors, we believe that allocating our capital to the companies that understand these challenges and operate with solutions in mind will be best placed to succeed in the long-term. In order to do so, we need food producers and retailers to provide better, more meaningful information and to engage with stakeholders on how they are ensuring the sustainability of their practices, which ultimately reflects their long-term financial resilience.

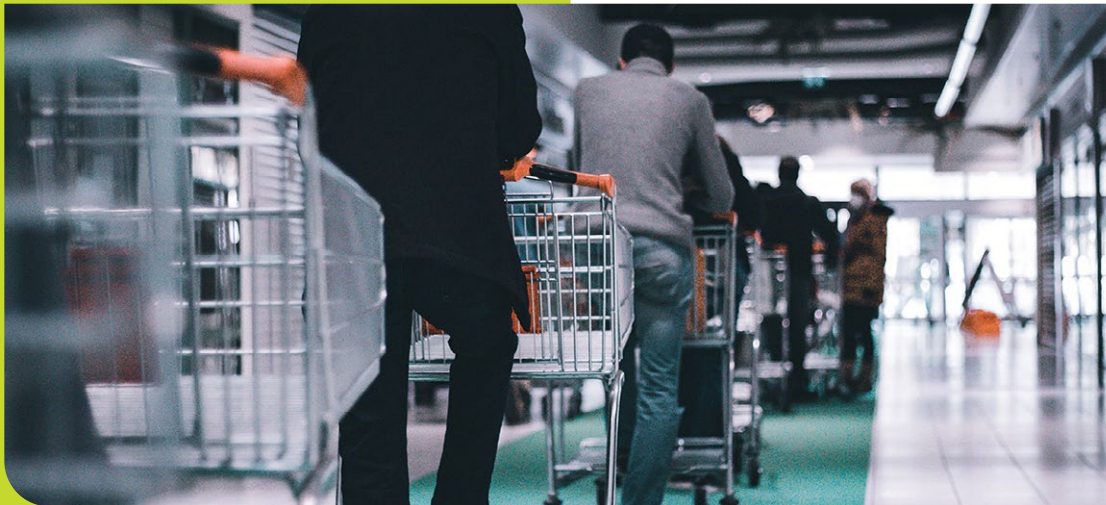
We would like to thank the Food Foundation for pulling together this excellent report and for the useful resources and analysis it provides, such as the Plating Up Progress dashboard. We'll be closely reviewing the information they've gathered and using it to lead discussions with key companies over the coming months."

SECTION 2: COVID-19 and the pathway to a different future

2.1 COVID-19 and our fragile food system

2020 has been no ordinary year in which to assess the food industry's commitments and progress towards healthy and sustainable food systems. The causes of the COVID-19 pandemic are not the primary focus of this report, however, the crisis does demonstrate how encroachment on natural habitats, for example, due to agricultural expansion, can play a role in increasing risk to human health. The importance of food businesses being able to evidence that their supply chains are not contributing to this risk is more important than ever⁴.

The pandemic has clearly exacerbated social and health inequalities. The impacts of this have been directly seen through food insecurity in the UK (Food Foundation polling showing that, three months into the lockdown, food insecurity had more than doubled⁵). There have also been indications of changes in our food choices but, confusingly, evidence for both healthier and less healthy eating habits (one UK survey finding 27% of respondents eating less healthily during lockdown, 22% eating more healthily⁶). In a sense two lockdown narratives emerged, one emphasising the increase in cooking from scratch and embracing local food suppliers, albeit with sales of snacks and alcohol also growing. The other, increasing food insecurity amid economic uncertainty which seems likely to continue for some time.



The pandemic can also be seen to have exposed weaknesses in the food system, although in the UK, after an initial period of shortages, this is yet to play out quite as feared. However, the initial supermarket shelf shortages were largely demand-driven – attributed by the industry mainly to consumer stockpiling – not supply-driven. So care must be taken to not assume that future shocks, such as supply impacts due to climate change, would be similarly short-term and so quickly resolved. The speed at which certain foods were in short supply should be cause for concern when considering future shocks, especially if this involves serious disruptions to food supply.

Of more specific focus for this report is how COVID-19 has impacted the food businesses themselves and what that might mean for a transition to healthy, just and sustainable food systems.

2.2 COVID-19's impact on food businesses

COVID-19's immediate impacts on the food industry have been significant, although uneven. In the UK, supermarkets have seen significant growth in food sales – a 13.7% growth in food sales for retailers in the 12 weeks leading up to mid-June, compared to 2019⁷. Those businesses able to capitalise on demand for online ordering, home delivery and convenience performed better during the initial lockdown (online grocery sales have seen unprecedented growth, resulting in around 52% sales growth for Ocado in the third quarter of 2020⁸).

Restaurants and caterers experienced more acute negative impacts, with restaurant chains only able to reopen (where drive-through and takeaway is possible) in June and the casual dining sector only able to reopen in July, under social distancing restrictions. Catering companies have been able to remain open in some sectors (such as the health sector) but with schools and most business offices remaining closed through the summer, recovery opportunities have been limited. Overall, the UK hospitality sector experienced significant loss in revenues during lockdown, with some analysts projecting that 22% of hospitality outlets will permanently closed by 2021⁹.

Corporate interim results showed how differently supermarkets and the hospitality sector (both UK based and global) have been impacted, despite the initial period of lockdown being only three to four months and only partial across global markets.

And yet the key environmental issues remain unresolved; indeed, some evidence has shown that environmental issues such as deforestation have worsened during the pandemic¹⁵.

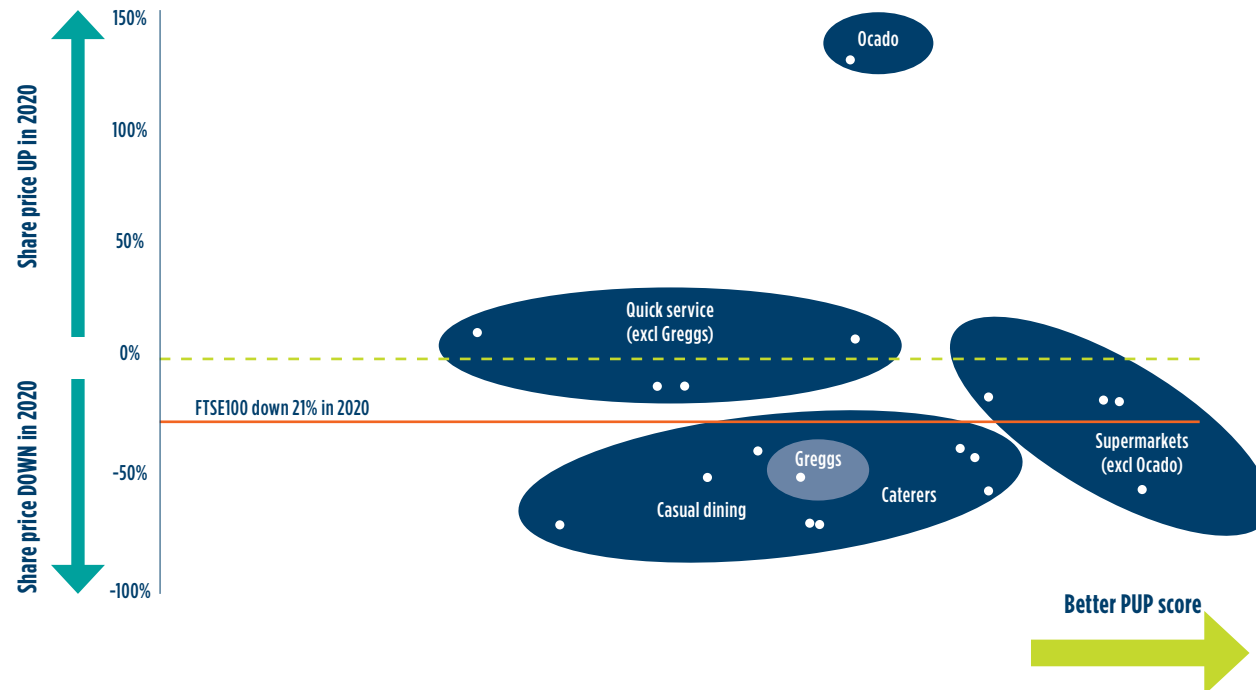


"Will the future favour those businesses that are better prepared to accelerate change or has COVID-19 set us back in a transition to healthy, just and sustainable food systems as more immediate concerns around economic survival take precedence?"

The key question is: Will the future favour those businesses that are better prepared to accelerate change or has COVID-19 set us back in a transition to healthy, just and sustainable food systems as more immediate concerns around economic survival take precedence? Arguably we are still too much in the eye of the storm to fully understand which

companies will emerge stronger, but we see no evidence so far that COVID-19 has favoured companies with more ambitious goals for this transition. No clear relationship appears when we compare performance according to the PUP assessment and, using share price fluctuations as a proxy, the financial impact of COVID-19 during the first nine months of 2020 (see **Figure 8**).

FIGURE 8: COMPARING PUP PERFORMANCE WITH SHARE PRICE FLUCTUATIONS DURING THE FIRST NINE MONTHS OF 2020



If, in the next twelve months, we see a deepening of wider economic problems, then on the one hand, health and sustainability priorities may be put on hold for many in the industry, with potentially only the supermarkets able to maintain a positive financial return. On the other hand, it may mean there is a genuine opportunity to create the circumstances that favour the companies that are prepared to accelerate their transition to healthy and sustainable food systems. Which path we will take is at present unclear.

The business perspective on COVID-19

ANA SVAB

CORPORATE RESPONSIBILITY MANAGER,
SODEXO UK

"COVID-19 pandemic has caused various delays to sustainability initiatives in the business. For example, Sodexo started promoting the use of customer own cups back in 2018, but with the onset of the pandemic, this had to be put on hold due to potential health and safety issues. Thankfully, this has now been resolved, but it's an indication of the difficulties we are seeing in accelerating progress during challenging and uncertain times for the business."

PAUL RHODES

EXTERNAL AFFAIRS MANAGER, GREGGS

"While the impact of the COVID-19 pandemic is paramount across society today, we're also mindful that our long-term strategic direction needs to remain "on track" to give our customers the food choices they want – and to ensure that we do the right thing as a brand.

We're continuing to focus on sustainable food as a way to help reduce the impacts of not only the COVID-19 pandemic, but all of the other sustainability challenges that haven't "gone away" while global attention has understandably been elsewhere."

2.3 What does a pathway for change look like?

Before COVID-19, there was already growing awareness that food systems are critical to human and planetary health. Food and land use are now seen as key climate change issues by the Intergovernmental Panel on Climate Change¹⁶, and with global events such as COP26 and the Nutrition For Growth summit (both postponed until 2021) coinciding with the United Nations Food System Summit, the opportunity for change has arguably never been greater.

On a national level, England's National Food Strategy, the first major review of the country's food system in 75 years, represents an opportunity for government, the private sector and civil society to agree a clear direction of travel. Optimism around these milestones and events should, however, be tempered by an acknowledgement that so far we have collectively fallen short on creating the changes we need, as shown by the recent international failure to meet any of the Aichi Biodiversity Targets¹⁷.

The urgency has never been greater and while COVID-19 may not present a guaranteed opportunity that we will indeed “build back better”, it is at least a point in time where, with the right impetus, a change in direction can begin. We propose four challenges where change needs to be facilitated (see box: **Four challenges**).

Four challenges

1

More comprehensive and comparable understanding of food industry commitments.

THE CHALLENGE:

There are many assessments covering myriad topics in isolation and not all of these cover the same companies. This makes comparisons difficult.

2

Coordinated government incentives for change.

THE CHALLENGE:

Governments lack comprehensive and coordinated strategies that regulate and incentivise the right behaviours in the food industry. This is especially important within the context of government actions to facilitate an economic recovery from the current pandemic.

3

Facilitating change within the food industry itself.

THE CHALLENGE:

Anecdotal feedback from businesses in 2020 has shown that, for some, COVID-19 has made resourcing and implementing change more challenging. Some businesses also lack the data on environmental impacts across different food categories that they need to drive decision-making around the complex issues of health and sustainability.

4

Investor expectations and access to capital with conditions attached.

THE CHALLENGE:

We see a genuine appetite from investors to engage with the food industry, and we need to ensure that investors have the relevant information to drive that engagement. Investors also need to seize the opportunity to attach health and sustainability conditions to any capital provision.

The remaining sections address these challenges in turn.

2.4 Combining global and national assessments of food industry progress

A starting point for understanding what a healthy, just and sustainable food industry needs to look like is to understand what it looks like today and identify the key gaps and levers for change.

The PUP dashboard profiles 26 companies, all consumer-facing and all operating in the UK (although a number are global companies). As such this dashboard can assist both businesses and investors, as well as policy makers and citizens in the UK in understanding where the biggest

changes are needed. This is useful because much of the change needed will happen at a national level; but ultimately this needs to be coordinated at an international level too, partly because many companies have global reach, partly because food supply chains are global, and partly because we need coordinated international responses to challenges such as climate change and global malnutrition. The opportunity now exists for initiatives such as Plating Up Progress and the World Benchmarking Alliance to collaborate and provide a global picture of the food industry alongside

national “spotlights” such as the one represented by PUP (see box: **World Benchmarking Alliance**).

A coordinated approach also allows assessments such as PUP to be aligned with deep-dive assessments and benchmarks on specific topics, such as those provided by Access To Nutrition Index¹⁸ and BBFAW¹⁹ as well as specific campaigns such as the Healthy Markets campaign by Share Action, for both a wider and deeper assessment when needed.



**World
Benchmarking
Alliance**

CARLA HOMMES

LEAD RESEARCHER, FOOD AND
AGRICULTURE BENCHMARK

“The World Benchmarking Alliance (WBA) has set out to develop transformative benchmarks that will compare companies’ performance on the SDGs, backed by the best available science and aligned with international norms and standards. One of the seven systems transformations WBA is focusing on is food and agriculture.

The Food and Agriculture Benchmark will assess the 350 most influential food and agriculture companies on key issues underpinning the food systems transformation agenda. It is one of the first global benchmarks that takes an entire value chain approach.

The first benchmark will be published at the UN Food Systems Summit in 2021 and will identify clear frontrunners of the food systems transformation agenda.

For the private sector to play its part, we need consensus on how to get there and what is expected of businesses, in addition to better and more timely insights into actual performance. WBA has already been collaborating with the Food Foundation and Fixing the Business of Food to develop the framework for this benchmark. We are exploring ways to further align so that initiatives such as Plating Up Progress and WBA can provide national-level and global assessments respectively. Such a collaboration not only allows national benchmarks to align with the WBA methodology, but also to build the “on the ground” engagement partnerships to create change at a national level.”

2.5 Governments setting the right business incentives for change

Global and national-level assessments are only of any value if they lead to change, and much of that change may, especially in light of COVID-19 and the potential for a deep global economic recession, come from government policy and finance. An economic recovery package needs to grab the opportunity to include incentives and regulation that supports companies with more ambitious goals for health and sustainability.

A first step would be for governments to mandate all companies to report publicly on progress against clear metrics and targets. As recommended in the UK by the House of Lords Select Committee Report “Hungry for change: fixing the failures in food” governments need to “implement a mandatory reporting regime for adherence to clear and consistent sustainability and health metrics, as well as adherence to procurement standards. This should apply to all supermarkets, major food and drink manufacturers, public procurers and their contracted suppliers, and food outlets”²⁰.

Governments also need to use initiatives such as Plating Up Progress and the future WBA Food & Agriculture Benchmark to map where progress in the food industry cannot simply be left to market forces alone. We are already seeing signs of change since the beginning of the pandemic in the UK, with a renewed focus on obesity²¹ and government consultations on the use of nutrient profiling systems and due diligence regarding deforestation-free supply chains²². The government has released the latest results from the voluntary sugar-reduction programme for supermarkets and the hospitality sector²³, showing

an overall reduction of 3%, against a target of 20%. Governments should consider the effectiveness (or lack thereof) of voluntary initiatives compared to those that actually regulate, such as the soft drinks industry levy. In the PUP scorecards we have identified both policy action on unhealthy food, and supply chain risks related to environmental impacts as being risks that merit attention from investors. The recent government consultations mentioned above indicate that government action on these topics is indeed closer to becoming a reality.

Government policy also needs to look across the multiple issues of concern and take into account health, sustainability

“A first step would be for governments to mandate all companies to report publicly on progress against clear metrics and targets.”

and human rights simultaneously. For example, in August the UK government introduced the Eat Out To Help Out scheme, alongside other measures such as temporary VAT cuts, to encourage people to spend money in the hospitality sector. This was introduced at roughly the same time as the government announcement for a renewed strategy to tackle obesity, which included aims to reduce consumption of energy-dense food through calorie labelling in the hospitality sector. While understandable from an economic and job-protection perspective, the Eat Out To Help Out scheme serves to illustrate the delicate balance between economic recovery and a transition to a healthy and sustainable food system, where many of the companies included in the Eat Out To Help Out scheme were fast food chains who, as our PUP assessment shows, lack clear targets to ensure the food they sell is healthy.

The National Food Strategy Part 2 report for England, due in 2021, is a key opportunity to recommend clear government actions that align desired outcomes for human and planetary health. Put simply, the business case needs to stack up if we are to expect the food industry as a whole to drive change, and identifying the levers that will strengthen the business case is crucial. In 2021 we intend to dig deeper into the levers that will incentivise businesses, alongside a wider economic recovery.

Businesses need incentives, a level playing field and assistance in creating real, lasting change. Governments need to create the incentives that put people and the planet alongside profit.

2.6 Facilitating business change

While our comparison between average sector profiles and the 2020 Leadership illustrates what each sector could be doing, we acknowledge that we also need to take into account the resource capabilities of different companies – an issue that could be exacerbated by the financial pressures of COVID-19.

We need investment in technology that assists companies with understanding their supply chains better.

We need better metrics for quantifying sustainable on-farm practices (such as England's Environmental Land Management scheme's Test and Trial process for on-farm metrics²⁴) or an industry consensus around sustainable agriculture metrics (such as those proposed by the collaboration between WWF and Tesco²⁵).

We need a consensus on how to measure and quantify “good nutrition” and “good environmental impact” so that companies can act accordingly and communicate this appropriately with customers.

Most of all, though, we need financial incentives for companies to invest in change and commit resources to implementing change. Some of this can come from consumer demand but, again, governments need to set the parameters within which this change can happen so that progressive companies can succeed within a wider economic recovery from COVID-19.

NILANI SRITHARAN

GROUP HEALTHY LIVING MANAGER, SAINSBURY'S

“We want to be sure that we are doing the right thing and that in pursuing one potential solution we are not creating issues elsewhere. For this reason, scoping out the full impact of any action requires robust data, research and test and learns – and all of this takes time to gather and build the insight for action.

There are several elements which may help to build the business case to accelerate change; firstly by increasing customer demand and customer awareness about the impact of their purchasing choices, e.g. through labelling. Secondly, better data and better infrastructure for the sharing of that data across the food system will help us make more informed decisions right across the food chain. Both of these aspects can help improve the quality of the evidence around the behaviours we really need to drive – considering the interconnectivity of sustainability issues.”

SARAH BRADBURY

GROUP QUALITY DIRECTOR, TESCO

“With a growing global population, we need to produce more food while also ensuring the food system works in harmony with the natural world around it.

As the UK's leading retailer, Tesco is committed to delivering affordable, healthy, sustainable food for all. This will require transformational change across every stage of the food system, including collaboration between government, industry and civil society. Our recent commitment to a 300% increase in the sales of plant-based meat alternative products by 2025 is part of our strategy to provide more sustainable products to our customers, and we want to go further.

Through our partnership with WWF, we aim to halve the environmental impact of the average UK shopping basket. To achieve this, we need a better understanding of the impact some of the UK's most purchased foods are having on the planet. We launched the Sustainable Basket Metric to track key sustainability criteria across the entire food value chain, from production to consumption. Alongside government, companies can play a leading role in helping to shape a healthy and sustainable future for society, and we must act now to realise this change.”

2.7 Investors using capital to drive change

Investors have a key role to play in facilitating the transition to healthy, just and sustainable food systems by engaging with companies to set appropriate targets and to report on performance. They can also build these targets into loans and credit facilities so that access to capital can be more closely connected to key goals within the transition. The physical and transitional risks of inaction, and the opportunities that can arise from taking leadership, are too significant to be ignored.

The need for investor engagement has not fundamentally changed due to COVID-19, but the context has. With increasing economic uncertainty, access to capital will become vital for businesses across all industries and this is especially true for restaurant chains and caterers who have, as we have seen, been hit hard by the pandemic. Uncertainty also exists for supermarkets as their ways of doing business are needing to adapt to changes such as the increased demand for online ordering and delivery services, changes in people's food habits and COVID-19's exposure of the fragility of people's food security, even in developed economies such as the UK. The opportunity for investors to provide "capital with conditions attached", such as the revolving credit facility described by Sodexo (see box: **How finance can incentivise positive outcomes**) but also extending across equity and debt, is clear. Recent progress, such as the Tesco revolving credit facility tied to scope 1 & 2 greenhouse gas emissions, should over time be extended to include wider health, environmental and social impacts - for example in the above case, work to reduce scope 3 emissions in addition to scope 1 & 2. These opportunities need to be taken.

How finance can incentivise positive outcomes

ANA SVAB

CORPORATE RESPONSIBILITY MANAGER,
SODEXO UK

"In 2019 Sodexo renewed its €1.3 billion revolving credit facility (RCF) to incorporate a pricing adjustment based on its performance towards the goal to prevent 50% of the food waste and food losses from its operations by 2025. Sodexo is committed to deploying its data-driven food waste prevention programme, WasteWatch, at 3,000 sites worldwide initially, with

the objective to deploy the programme to all relevant Sodexo sites by 2025. It is currently being rolled out at 245 sites across the UK & Ireland.

The WasteWatch powered by Leanpath Programme prevents on average 50% of food wasted. Sodexo's food waste reduction performance will be assessed, using the data collected through the programme, and third-party audited against a global benchmark set in collaboration with Leanpath."



We propose the following “asks” for investors to engage businesses (see box: **Key investor “asks”**). This is not an exhaustive list, but we do not see how a transition to healthy, just and sustainable food systems can happen unless food businesses are able answer these questions. If concrete examples are needed, investors can use the examples of leadership shown in **Tables 3 and 4 (pages 19 and 20)**, and download the “2020 Leadership” profiles as a guideline for current and future expectations. We also provide specific asks for each company on the accompanying individual company scorecards.

As we have shown in this report, the urgent need for change remains, and the opportunity for investors, governments and businesses to drive real change collaboratively in the next decade needs to be taken.

Key investor “asks”

DIETARY SHIFTS

1. Does the company have targets for a proportionate shift in products and sales away from unhealthy, energy-dense and nutrient-poor food and drinks?
2. Does the company have targets for increasing sales of fruit and vegetables?
3. Does the company have targets for a proportionate shift in products and sales away from animal products and towards sustainable proteins and plant-based proteins?

SUSTAINABLE SUPPLY CHAINS

1. Does the company have a science-based target for absolute reductions in scope 3 greenhouse gas emissions from food purchases by working with suppliers to reduce their emissions and setting sales-weighted targets to reduce their reliance on carbon-intensive food products?
2. Does the company have targets and performance data for land use conversion-free (including but not limited to deforestation-free) palm oil, soy and beef?
3. Does the company have a target and performance data for sustainably sourced seafood and farmed fish?

4. Does the company have targets and performance data for sustainable farming practices in its supply chain (for example organic, LEAF)?
5. Has the company performed a supply chain mapping of foods sourced from water-scarce regions?
6. Is the company measuring food waste and setting waste reduction targets both within its own operations and for customers and suppliers?
7. Does the company have a target and performance data for all packaging to be easily recyclable?
8. Does the company have a target and performance data to eliminate single-use plastics?
9. Does the company have a target and performance data for foods to be certified to higher animal welfare standards, including a reduction in antibiotic use?

HUMAN RIGHTS

1. Does the company pay its workforce a real living wage?
2. Does the company’s human rights engagement and monitoring extend to high-risk suppliers beyond tier 1?

COMING NEXT FROM



PLATING UP PROGRESS

In 2021 we will be continuing our assessments and updating the PUP dashboard every six months.

We will also be aiming to collaborate with global initiatives such as WBA and looking for opportunities to partner in other countries to replicate the work done in Plating Up Progress.

Finally, we are planning a policy briefing that focuses in-depth on the business case for change and the policy levers that might be used to set the parameters for change.



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