

FACTSHEET

UK Supermarket Spotlight

A review of the 10 largest UK food retailers' disclosure on nutrition, diets and health

Utrecht, 4 March 2020

Background

- Having focused to date on ranking the food and beverage manufacturers, the Access to Nutrition Initiative (ATNI) has today released its first report on the UK food retail sector.
- The 10 companies assessed are: ALDI UK, Asda, Co-op, Iceland, Lidl, Marks & Spencer, Morrisons, Sainsbury's, Tesco and Waitrose.
- ATNI's primary goal in publishing this report is to encourage the UK's largest supermarket chains to take concerted action to tackle the country's diet-related health challenges.
- The report – the first of its kind – provides a snapshot of these 10 companies' disclosure on their approach to addressing the UK's diet-related health challenges.
- Well-structured, clear corporate reporting is essential to provide stakeholders with an understanding of the commitments and contribution a company is making to improving its customers' diets and health. It is particularly important for any company backed by institutional investors because they are increasingly taking into account companies' performance on issues such as nutrition and health when making their investment decisions.
- The supermarket chains included in the report together account for more than 94% of the UK grocery market share, with an estimated combined revenue in 2018 of £180 billion.

Access to Nutrition Foundation

Arthur van Schendelstraat 650
3511 MJ Utrecht
The Netherlands
+31 (0)30 410 09 16
info@accesstonutrition.org
www.accesstonutrition.org

Project Contact:

Rachel Crossley (ATNI)
Email:
rachel.crossley@accesstonutrition.org

Estimated 2018
grocery revenues of
top 10 food retailers:
£180 billion



The 10 major supermarket
chains hold 94% of the UK
grocery market share



Key findings

- While most of the 10 retailers appear to recognise that they have a role to play in addressing the UK's diet and health-related challenges, their disclosure is limited in many respects.
- Sainsbury's reports most extensively, on 35% of the indicators used for this assessment, followed by Marks & Spencer at 33% – though these two companies, plus four of the others, only achieved a Grade D (reporting on between 20% and 39% of all indicators within the methodology).

- The remaining five companies reported on fewer than 20% of the indicators and so were rated as Grade E. Asda and Iceland have the most to do to improve their disclosure with scores of 8% and 7% respectively.
- None of the retailers achieved a grade of A, B or C (i.e. none reported on more than 40% of the indicators). (Note that the scores do not indicate how strong or poor each company's performance is in each area, simply the extent of their disclosure, i.e. whether they provide any information about commitments or action on each topic.)
- Overall, companies' reporting is fragmented and does not provide a structured and transparent picture of their strategies on nutrition and health, nor their progress in delivering any such strategy. It therefore does not show whether and how these companies are evolving their businesses to support healthier diets across the country.

Grade	Retailers
A	None
B	None
C	None
D	Sainsbury's (35%) Marks & Spencer (33%) Co-op (30%) Tesco (30%) Lidl (25%) Morrisons (20%)
E	ALDI UK (19%) Waitrose (15%) Asda (8%) Iceland (7%)

% score relates to the number of indicators out of a maximum of up to 120 for which relevant information was found and given credit. Grade A indicates a reporting score of 80–100%; Grade B = 60–79%; Grade C = 40–59%; Grade D = 20–39%; Grade E <20%.

- Reporting is most extensive on sugar and salt reformulation efforts (which has been a focus for Public Health England over the last few years), moves towards healthier checkouts, and front-of-pack traffic-light labelling.
- Reporting is most limited on responsible marketing to children, the use of nutrient profiling systems to guide their reformulation and/or to identify healthy products, and marketing of breast-milk substitutes. The retailers also say very little about their commitments to marketing complementary foods for young children or about their formulation of their own-brands in this segment.

Score by topic

Topic	Top score	Achieved by
Governance	7/14	Marks & Spencer
Nutrient profiling	1/8	Several
Product formulation	15/30	Sainsbury
In-store promotion	11/31	Co-op
Responsible marketing	3/11	Several
Labelling	2/6	Several
Engagement	5/6	Co-op
Infant and young child nutrition	4/12	Marks & Spencer



- Information is also lacking about whether any commitments and initiatives that do exist extend to these companies' convenience store formats and franchises, where they have them.

ATNI's conclusions and recommendations

- ATNI believes that the UK's food retailers have a huge opportunity – and arguably the responsibility – to play a pivotal role in addressing the UK's poor diets.
- UK supermarkets' disclosure is currently inadequate in many areas.
- All 10 supermarket chains should develop and publish comprehensive, well-informed strategies on diet, nutrition and health, and report annually their progress in delivering them.
- ATNI encourages the retailers to publish as soon as possible any internal nutrition plans, policies and data available on the topics assessed to quickly improve their disclosure.

Download the full report [here](#).

Quote from Inge Kauer, Executive Director of ATNI

"We commend all 10 supermarket chains for engaging positively with us during the research phase. Most of the food retailers we assessed appear to recognise that they have a role to play in addressing the UK's diet-related health challenges. However, our initial review of these retailers' disclosure found that it does not provide stakeholders with a compelling explanation of how they are helping British consumers to eat more healthily. We hope our report will spur the UK's food retailers to substantially improve their disclosure on this critically important issue. Given the considerable business risks and opportunities that diet-related health issues represent, we believe it is in the best interests of Britain's food retailers to demonstrate to their investors how they are responding to these challenges and gaining competitive advantage from doing so. We are pleased that ShareAction will be using the report to underpin its Healthy Markets campaign and hope that other stakeholders working to improve nutrition for all will find it valuable in their work".

Methodology

Based on the advice of UK experts, ATNI adapted its well-established methodology for assessing food and beverage manufacturers to food retailers' business models. Using up to 120 indicators, ATNI assessed the reporting of each company's commitments and action to address nutrition, diets and health in eight areas:

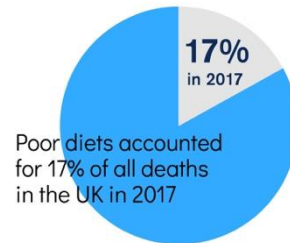
1. Governance
2. Nutrient profiling
3. Product formulation
4. In-store promotion
5. Responsible marketing
6. Labelling
7. Stakeholder engagement
8. Infant and young child nutrition



A summary of the methodology is available [here](#).

Why should the UK's food retailers report more on nutrition and health?

Far too few people's diets in the UK today align with the recommendations of the Eatwell Guide, the UK government's recommended healthy diet. As a result, death and illness rates from diet-related diseases are high. Poor diets accounted for 17% of all deaths in 2017 in the UK and contribute to a wide range and high proportion of preventable illnesses, including obesity.



The mounting economic and societal costs of diet-related poor health generate business risks for those retailers that do not act. These include: the greater likelihood of regulation and taxes (such as the Soft Drinks Industry Levy), and the costs that meeting new regulation entails; potential loss of market share and revenues if their response to the growing public demand for affordable healthier options is too slow or inadequate; and reputational damage if their approach is not perceived by customers, and other stakeholders, to be the right one. Conversely, those that take concerted action are more likely to realise the commercial and reputational benefits of doing so.



UK families spend 80% of their budget for food eaten at home at supermarkets

British families spend just under 80% of their budget for food eaten at home at supermarkets. The country's food retailers should therefore be working to ensure that all of their customers, whether shopping in their large supermarkets or smaller stores, in a major city or in a remote town, have access to a wide range of affordable, healthy products.

To drive sales of these products, these retailers need to redirect their considerable marketing muscle towards them and away from less healthy products. They should focus particularly on how to shift children's eating habits to help combat childhood obesity.

Good disclosure is an essential element of corporate accountability for publicly listed or privately owned companies, or co-operatives. Being a highly competitive and consumer-focused sector, it is imperative that retailers provide their stakeholders with a clear understanding of the commitments and contribution they are making on this critical issue. It is particularly important that these retailers provide good information to their institutional investors, who are increasingly taking into account companies' records on key issues such as health and nutrition when making their investment decisions and in their engagement with them. They are looking to understand how different retailers are addressing the business and societal risks posed by nutrition-related health issues, and how effectively they are managing them. Crucially, retailers' disclosure should allow investors to identify which



companies in this highly competitive sector are achieving a strategic shift towards higher sales of healthier products and lower sales of less healthy products.

About ATNI

The Access to Nutrition Initiative (ATNI) is an independent, not-for-profit organisation that aims to improve nutrition for all. It focuses on encouraging the private sector to do more to address obesity, overweight, undernutrition and micronutrient deficiencies around the world. ATNI develops and publishes a range of private sector accountability tools that provide comprehensive, consistent, standardised analysis of major food and beverage companies' performance on nutrition. To date, ATNI has published three Global Indexes focused on the world's largest food and beverage manufacturers, in 2013, 2016 and 2018, with a fourth Index due to be published in 2020. Single-country Indexes, called Spotlight Indexes, have been published for India (2016, 2020) and for the US (2018, 2021 forthcoming). This UK Supermarket Spotlight report is the first to focus on retailers, using a methodology specifically tailored to the sector.

ATNI aspires to publish a UK Access to Nutrition Index for Retailers in the near future. Such an Index would make use of any confidential, unpublished information the retailers would be willing to provide under a non-disclosure agreement. It would therefore more fully capture the strength of companies' commitments, targets and action, providing a tool to track the progress of the UK food retail sector on this critical agenda. For more information, contact rachel.crossley@accesstonutrition.org

About ShareAction and its Healthy Markets Campaign

[ShareAction](#) is a non-profit working to build a global investment sector that is responsible for its impact on people and planet. ShareAction has a well-established toolkit to mobilise investors to take action to improve labour standards, tackle climate change and address pressing global health challenges. With the issue of consumer health now rising up corporate agendas, it is expanding its scope into mobilising investors to tackle childhood obesity. The [Healthy Markets campaign](#), launched in 2019, aims to bring investor allies together to ask UK food and drink manufacturers and retailers to produce and sell healthier, more affordable products, to limit the marketing of unhealthy products to children, and to encourage clear and accurate food labelling. For more information, contact Ignacio.vasquez@shareaction.org

With thanks to our core funders

We are grateful for the generous support of the Bill & Melinda Gates Foundation, UK aid and the Dutch Ministry of Foreign Affairs, which have funded the work of ATNI to date that has laid the foundations for the report published today.

The research and report were funded in part through a grant from urban health foundation [Guy's and St Thomas' Charity](#) awarded to ShareAction. Guy's and St Thomas' Charity is an independent, urban health foundation. It works in partnership with Guy's and St Thomas' NHS Foundation Trust and others to improve health in the London boroughs of Lambeth and Southwark.

