Morrisons

Estimated UK grocery retail value (£ billion, 2021) 14.3
Number of employees 110,000
Headquarters UK
Type of ownership Public

Score 3.3/10

Governance (12.5%) 2.3
Nutrient profiling - defining ‘healthy’ products (10%) 5.0
Product formulation (20%) 3.8
In-store promotion, pricing and placement (27.5%) 2.3
Media and on-pack advertising (7.5%) 1.9
Accessibility of nutritional information and labelling (10%) 6.1
Engagement with stakeholders and policymakers (5%) 3.1
Infant and young child nutrition (7.5%) 3.3

Disclosure 1.9

Commitment 4.3
Performance 3.8

The bar graph to the left shows company scores across the eight Index Topics and scores are shown for each Topic. The circles provide an alternate view on the company’s overall results, showing the score per indicator type.
Scores and ranks

- Overall, Morrisons ranks seventh with a score of 3.3 out of 10 (the average across all retailers is 3.3).

- Morrisons achieves its highest rank among the retailers in Infant and young child nutrition, ranking second, and ranks third in Product formulation. Within Product formulation, Morrisons reports on salt reduction progress in line with the government’s 2024 targets and on removal of calories from products in 2020.

- However, the company’s reporting on its contribution to improving the diets and health of its customers in the UK was below the average of the retailers assessed for this Index in Governance, In-store promotion, pricing and placement, Media and on-pack advertising and Engagement with stakeholders and policymakers. There is scope for much greater disclosure, which will aid stakeholders (including investors, policymakers, and customers) to gain a better understanding of the extent to which the company is addressing the business risks and opportunities associated with the high and rising levels of obesity and diet-related diseases across the UK.

- In April 2022, Morrisons published a new Nutrition Policy. This was out of scope for this assessment as it was published after the research cut-off date.

Governance

- Morrisons has some commitments to grow through a focus on nutrition and health in the UK through its ‘Fix, Rebuild, Grow and Sustain’ strategy. The Sustain pillar of this strategy includes a workstream of ‘healthy and sustainable diets’. However the company’s nutrition plan was not made available to ATNI and so is not included in this analysis.

- Morrisons indicated that its nutrition policy was updated following the publication of the UK government’s Childhood Obesity Plan in 2018 to support the government’s ambition to promote healthier choices for children.

- Morrisons discloses the percentage of its own-brand products that are healthy: the 2021 Sustainability Report states that 54% of Morrisons’ own-brand products were classified as non-HFSS (high fat/salt/sugar) according to the Food Standards Agency (FSA) 2004/5 nutrient profiling model (NPM), with a target for 65% of products to be non-HFSS by 2025.
Areas of improvement

- Morrisons is encouraged to further integrate nutrition considerations in its commercial business functions by developing a specific strategy, objectives and activities to improve access to and affordability of healthy foods, and to address malnutrition in all its forms, with a specific focus on helping customers to reach the UK dietary guidelines. Morrisons should publicly disclose its strategies, targets and a comprehensive multi-year plan for delivery, applicable across the whole company, including all store formats and online.

- Morrisons' nutrition- and health-related performance is tracked by a Sustain Subcommittee, chaired by the Chief Operating Officer. Morrisons is encouraged to establish leadership and accountability for nutrition and health at the top of the organisation (CEO or senior executive), ensuring that nutrition and health are prioritised.

- Morrisons is encouraged to reference business risks explicitly linked to rising rates of obesity and diet-related diseases in its risk register.

- Morrisons should set clear and timebound targets to increase sales of healthy products and/or decrease sales from less healthy products, and to increase sales of fruit and vegetables – and publish these targets and report on the achievements of those targets (including achievements relative to other products).

- There is significant scope for Morrisons to improve transparency by providing reporting for the last financial year on:
  - the percentage of sales generated by healthy products with respect to its overall sales;
  - the percentage of sales generated by fruit, vegetables and wholegrains;
  - the ratio of sales growth of healthy products versus overall sales growth; and
  - the ratio of sales growth on fruit and vegetables versus overall sales growth.

- The company indicated that none of Morrisons' own-brand drinks contain more than 5g of total sugar per 100ml and so are not subject to the Soft Drinks Industry Levy (SDIL). However, it is not clear whether the percentage of sales volumes of soft drinks (both own brand and manufacturer brand) subject to the SDIL decreased or not in the last financial year. Morrisons is encouraged to publicly report on percentage of sales volume and value of soft drinks that are subject to the SDIL.

- Morrisons should aim to use independent research to deliver on its nutrition strategy, specifically addressing the nutrition needs of priority population groups at higher risk of diet-related disease or food insecurity. Morrisons' partnership with IGD and Leeds University is noted as a promising initiative which could contribute to the development of the company's nutrition strategy. Morrisons is advised to publicly disclose the results of this initiative.
Morrisons uses the FSA 2004/5 NPM for advertising purposes and to assess whether products are high in fats, salt and sugar (HFSS) for its own-brand products. The company uses a second funnel NPM that draws from three different internationally recognised NPMs (the FSA 2004/5 NPM combined with Nutriscore and Health Star Rating), overlaid with additional criteria, to guide product development and to assess products that qualify for the company’s Healthier Living icon.

Areas of improvement

- Morrisons is encouraged to extend the use of the FSA 2004/5 NPM, generating an overall nutritional quality score on a sliding scale, to also guide decisions on the stocking, pricing, positioning, promotion, marketing and labelling of healthy products.
- Currently Morrisons’ NPM covers own-brand products only. The company is encouraged to apply its NPM to all own-brand and manufacturer-brand products and product categories in its portfolio.
- Morrisons is encouraged to publish its NPM in full on its website, including scores, criteria, detailed information on how and why the FSA 2004/5 NPM is combined with the other models and criteria used by the company, and where and how it is applied.

Morrisons commits to follow the government’s latest calorie, salt and sugar reduction programmes. The company also reports some progress on reformulation:

- Morrisons states that 8.6 billion calories were removed from products in 2020 (an increase from 2.6 billion calories removed in the previous year).
- Morrisons indicates that 37% of products across 84 food and drink categories currently comply with the government’s 2024 salt reduction targets.

Morrisons has a commitment to increase the levels of vegetables in its packaged products as part of a Peas Please commitment, which states that a minimum of half of all pre-packaged sandwiches will contain half a portion of vegetables by the end of 2021.
Morrison’s Sustainability Report 2020/21 includes some evidence of plans to engage with manufacturers of branded products to drive reformulation of products to prepare them for the forthcoming implementation of legislation on the marketing of HFSS products.

**Areas of improvement**

- Morrison’s commits to the government’s current ambition of a 20% sugar reduction target across 10 food categories, but has extended the target date for completion to 2022 to coincide with the company’s nutrition strategy. Morrison’s is encouraged, as a minimum, to align with any forthcoming government voluntary targets in this area and track progress on commitments.

- Morrison’s has made some progress in reducing saturated fat in products, with mention of 37.7 tonnes of saturated fats being removed from chilled ready meals in 2019/20, and is encouraged to establish a specific commitment or target to reduce levels of saturated fats in its own-brand products.

- Morrison’s is advised to expand its current target to increase vegetables in packaged products to all products and product categories and to set a baseline for it, as well as to set specific targets to increase fruit and wholegrains in its products.

- Although Morrison’s indicated it has eliminated industrial trans fats (iTFAs) in relevant own-brand products, it does not have an ongoing commitment in this area. Morrison’s is advised to explicitly commit to and follow the recommendations by the World Health Organization (WHO) that iTFAs should be less than 2g per 100g of fats/oils.

- Morrison’s is encouraged to commit to smaller-sized portions on all products and product categories that do not meet the company’s healthy standards.

- Morrison’s should develop standardised reporting frameworks for tracking progress on product formulation efforts, including the percentage change in positive food components as well as negative nutrients added to or removed from products, and report regularly and comprehensively both online and in annual reporting. This specifically relates to the company’s reporting on calorie and saturated fats reduction.
Morrisons is encouraged to publicly disclose the outcome of its efforts of engagement with brand manufacturers on reformulation of products in line with the forthcoming regulation on the marketing of HFSS products.

**In-store promotion, pricing and placement**

- Morrisons has a general commitment to address the affordability of healthy products for the general consumer, indicating that the company is ‘helping our customers to live healthier lives by providing affordable healthy food choices’.

- Morrisons is committed to using pricing and price-based promotions to drive sales of fruit and vegetables, for example by promoting a fixed number of fruit and vegetable products per week as well as promoting 10% of fresh fruit and vegetables at any one time throughout the year. The company’s Price Crunch campaign has reduced the price of several lines of fruit and vegetables by an average of 18%.

- Morrisons has committed to using marketing and other promotional techniques to drive sales of healthy products, for example by setting a target to roll out the Healthier Living icon to help signpost customers to healthier choices of ~700 healthier lines by the end of January 2022.

- Morrisons has committed to stop selling energy drinks to children aged under 18 – the only company in this Index to do so. The energy drinks page on the Morrisons groceries website includes an age restriction.

**Areas of improvement**

- Morrisons is encouraged to make a commitment to address the affordability of healthy foods with specific reference to low-income groups, and to provide evidence of the impact of this being carried out in its stores and online.

- Morrisons is encouraged to introduce a price promise to ensure that the healthier option is never more expensive than less healthy variants.

- Morrisons is encouraged to use the FSA 2004/5 NPM to drive product positioning and promotions policies, in-store and online.

- Morrisons is encouraged to commit to stocking healthier variants for all products with as many facings as the original products, as well as increasing the number/percentage of healthy products in more prominent locations (e.g., store entrances, aisle ends, checkouts etc. and their online equivalents) compared to less healthy products.

- Morrisons is advised to improve transparency in reporting on progress against targets and the impact of promotions, trials and in-store campaigns, including regular updates on targets for the proportion of promotions for healthier products and providing data on the impact this has on prices and sales.
Morrisons could link the My Morrisons loyalty app and card to the sale of healthy products and use these to encourage healthier purchases online and in-store throughout the year.

Morrisons is encouraged to commit not to run any in-store promotional campaigns/activities directed at children that involve any HFSS products.

Media and on-pack advertising

- Morrisons has not published a responsible marketing/advertising policy for all consumers including children.
- Morrisons has committed to remove all child-oriented characters from children's products with high levels of fat, sugar and salt, including cereals and confectionery, by the end of 2021.
- Morrisons along with the other retailers, provides evidence of sponsoring initiatives promoting children and/or adults’ healthy eating. For example, it is one of the retailers on the Child Food Poverty Task Force of the #EndChildFoodPoverty campaign started by British football player Marcus Rashford during the COVID-19 pandemic.

Areas of improvement

- Morrisons is strongly encouraged to develop and publish a clearly articulated responsible marketing/advertising policy, covering all consumers including children (defined as being those aged under 18), including all marketing communication channels, and applied to all products and all stores.
- Morrisons is advised to go beyond the UK Code of Broadcast Advertising (BCAP Code) by committing not to advertise HFSS products at all, on any forms of media on which it markets to children.
- Morrisons is encouraged to commit not to sponsor materials, people or activities popular with children and/or adults unless in conjunction with healthy products or products low in sugar/calories/salt/fat.
- Morrisons is encouraged to report on the impact of the initiatives it sponsors.
- Morrisons is encouraged to commit to market its products using appropriate portions, as specified in products’ on-pack nutritional information.
- Morrisons is advised to increase the proportion of advertising spend on healthy products relative to overall advertising spend and publish a commentary outlining the changes to the company’s advertising spending in support of healthier eating.
Accessibility of nutrition information and labelling

- Morrisons commits to using colour-coded labelling on the front-of-pack (FOP) of own-brand products, without exemptions being defined. The company fully applies guidance from the Institute of Grocery Distribution (IGD) on ‘gold standard’ labels.
- Morrisons provides online nutrition information for all products both FOP and back-of-pack (BOP).
- Morrisons’ Sustainability Report 2020/21 states that the Healthier Living Icon is underpinned by aspects of three NPMs. The company also specifically clarified that HFSS products that do not meet the FSA 2004/5 NPM are not permitted to carry nutrition or health claims.

Areas of improvement

- Morrisons is advised to publish its approach to FOP labelling and accessibility of nutritional information online. This should include clarification on any criteria for exemption from FOP labelling and the percentage of its portfolio that is compliant.
- To ensure nutrition information is as accessible online as it is in store, the company should ensure that FOP information is clearly available next to product images.
- Morrisons’ website includes a filter for ‘Healthier Living’ branded products, but it is recommended the company use multiple nutrient-based filters such as for low-salt or low-sugar products and that these filters can be selected simultaneously.
Morrisons has a webpage dedicated to anti-bribery and anti-corruption (although a full policy is not available online) and the company commits to operate in accordance with the 2010 Bribery Act.

Morrisons has committed to ‘supporting the government’s reduction and reformulation agenda to tackle obesity and to help adults and children to live healthier lives’. The company also stated it ‘would not oppose regulatory action to address obesity and diet-related health issues which are evidence-based, fair and proportionate’.

Morrisons is engaged with some nutrition initiatives in the UK including the Peas Please initiative.

**Areas of improvement**

Morrisons should publish a clear and comprehensive lobbying policy or code of conduct in line with the Responsible Lobbying Framework, in which it commits to:

- only engage with government, political parties, policymakers and policymaking bodies in support of measures to improve health and nutrition, aligned with public-health interest as identified by government;
- only engage in lobbying activities that support an evidence-based approach to policymaking, with the emphasis on independent, peer-reviewed science; and
- ensure that its lobbying activities respect UK public policy frameworks and standards.

Morrisons should continue and expand engagement with initiatives that address the UK’s nutrition challenges, and fully disclose the extent and impact of involvement, such as progress towards pledges – for example, on the company’s website, it is not clear whether Morrisons supports the Veg Power initiative or is providing extra support for Healthy Start Vouchers, although support for both is indicated on third-party websites.

It is recommended that Morrisons strengthens its transparency on lobbying practices by disclosing a comprehensive list of its memberships of industry and trade associations and its lobbying positions on key nutrition topics.

Morrisons is encouraged to engage with stakeholders (including nutrition experts) in developing its nutrition policies/programmes and disclose the consequences of this engagement for company strategy.
Morrison manufactures and sells complementary foods for infants and young children under three years and sells (but does not manufacture) breast-milk substitutes (BMS: infant and follow-on formula and growing-up milk, also known as toddler milk). Although during company engagement, Morrisons explicitly stated its compliance with UK regulations on infant and follow-on formula, it has not published any policies around the marketing of these products.

Morrison states that its complementary foods range Nutmeg, launched in 2021, follows government guidance on the nutritional composition of foods aimed at infants and young children, mainly focusing on setting sugar thresholds for these foods and ensuring they do not contain added salt except for technological reasons. Morrisons also ensures that its complementary foods provide at least one portion of vegetables per serving.

Areas of improvement

- Morrison should put policies and procedures in place that comply with the WHO's International Code on the Marketing of Breast-milk Substitutes and subsequent World Health Assembly resolutions, which also provide guidance on the marketing of complementary foods, going beyond national regulations covering the marketing of infant and follow-on formula (which include only the advertising, point-of-sale promotions and labelling of infant formula, and include some labelling requirements for follow-on formula).

- During engagement for this Index Morrison stated it has not developed any snacks or juices for children under three years of age, but the company is advised to follow WHO guidance in restricting the marketing of all snacks high in sugar, sweets/confectionery, fruit drinks and juices, and sweetened milk to this age group. This should apply not only to own-brand products but also to those made by other companies and sold by Morrison.

- As a manufacturer of complementary foods, Morrison is encouraged rigorously to comply with government guidance (including forthcoming government guidance) but also strive to follow WHO/Europe recommendations relating to the nutritional composition and labelling requirements of foods aimed at older infants and young children. Morrison is also encouraged to commit to continuously improving the nutritional quality of its complementary foods, given that standards are regularly revised and updated.
General disclaimer

This company scorecard has been based on research carried out by ATNI based on publicly available data and company engagement between March and August 2021. Any action taken by the retailer after 29 August 2021 has, therefore, not been included in the scoring. The findings of this Index regarding retailers’ performance rely to a large extent on information shared by the companies themselves, additional to information available on the company’s website. Several factors beyond the retailers' control (such as the COVID-19 pandemic) may have impacted their capacity to collate and share the information (publicly or directly with ATNI) that is needed for this Index. Particularly where retailers have been involved in only limited or no engagement, this Index may not represent the full extent of these companies' efforts.

As a multistakeholder, collaborative project, the findings, interpretations and conclusions expressed in the report may not necessarily reflect the views of the retailers, of members of the different stakeholder groups consulted for this research (including the Expert Group, industry associations and investors) or the organisations they represent, or of the funders of the project.

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