The hidden costs of sugar
How can we manage the risks to our health and wealth?

20th Annual Investor Day 2017

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The views expressed are those of the speakers and do not necessarily reflect the views of Rathbone Greenbank Investments.

The topic of healthy and sustainable food has been an area of interest to the Greenbank team for many years. But the problems caused by the increasing amounts of sugar in our diets have made it a more pressing concern. In addition to the clear societal impacts of an unhealthy diet, this is an issue that is beginning to impact investors through the imposition of sugar taxes on producers and shifts in consumer behaviour.

Our 20th Investor Day sought to identify how healthcare professionals, government departments, food and beverage producers, investors and consumers can all work towards creating a healthier society.

For this year’s event, we were delighted to welcome Professor Graham MacGregor, chairman of Action on Sugar, as our keynote speaker. Graham opened his address by affirming that an unhealthy diet is now the foremost cause of premature death and disability – not only in developed countries, but in all regions of the world. Medical research continues to find connections between obesity and non-communicable diseases, ranging from heart disease to cancer. Together with the costs of treating dental decay in children caused by sugary food and drink, this represents a major and unnecessary burden on our health services.

Independent nutrition consultant Fiona Watson observed how the enduring attraction of sugar as an ingredient lies in its taste, relative cheapness and preserving qualities. The difficulties in altering its usage are based on its utility, as food and drink manufacturers’ reluctance to change is largely rooted in fears that their competitors will fail to comply with voluntary codes.

As always, our Investor Day is an important focus for the team’s work, but is not an end in itself, comprising only one part of our broader research and engagement activity. In this, our aim is to bring about positive outcomes, as we remain firm in our belief that our analysis can help to protect clients from the financial risks of poor corporate performance.

Kate Elliot, our senior ethical researcher, accordingly highlighted how the team assesses risks and opportunities presented by regulation, consumer habits, sugar usage and consumption. With mainly lower-income groups facing the twin threats of over- and undernutrition, the impact on health also raises the question of dietary wellbeing within the context of social inequality.

The Institution of Engineering and Technology again played host to our annual Investor Day, which saw speakers and delegates come together for a candid discussion about sugar and its effects on dietary health.

As part of our work in the area of health and nutrition, Rathbone Greenbank has partnered with Schroders over the past year in order to conduct roundtables with food industry representatives and create an investor policy framework. This work culminated with the publication of a set of expectations designed to help investors make more informed decisions when investing in the food and beverage industries, highlighting the issue to the wider investment community.

Through our understanding of issues that go beyond the financial mainstream and our engagement with companies, policymakers and the wider investment community, we will continue to seek to enhance long-term investor returns while endeavouring to play a leading role in the responsible deployment of capital.

**John David**

Head of Rathbone Greenbank Investments

Video highlights of the event and interviews are available on our website: rathbonegreenbank.com/investor-day
Professor Graham MacGregor
Action on Sugar

Graham is a professor of cardiovascular medicine and chairman of Action on Sugar. Following the success of Consensus Action on Salt and Health, which he founded in 1996, and its efforts to get the food industry to use less salt, he set up Action on Sugar to reduce added sugar in processed foods in the same way.

In statistical terms, the medical consequences of poor diets are reflected by significantly increasing global rates of premature death and health service budgets stretched to breaking point. Preventive measures to limit the availability and attraction of high-calorie processed foods are possible, but long-term improvements to public health are reliant on reducing calorie consumption and re-educating consumer tastes. Results from ongoing initiatives demonstrate the need to widen their scope.

When we look at the major causes of suffering, disability and premature death in the world, we find unhealthy diet at the top of the list, far ahead of other causes such as high blood pressure, smoking and air pollution. Increasing rates of obesity and type 2 diabetes mean that action to limit the cost to public health is inevitable, despite concerns about how quickly it can be delivered.

Unhealthy food is killing us. Many processed foods contain levels of salt in concentrations comparable to seawater, contributing to increased blood pressure. Saturated fats raise cholesterol and progressively narrow arteries, increasing the risks of heart attacks and strokes. High-sugar products are driving the rise of obesity and type 2 diabetes, which, evidence shows, are linked to forms of cancer. Sugar also has the unique characteristic of causing dental decay, the commonest cause of severe pain and tooth extraction among children and a significant annual treatment cost to the NHS.

Unhealthy combinations in processed foods also make for products that are extremely calorie dense: a large Big Mac meal, for example, contains the same number of calories as 11 bananas or 18 oranges.

However, unlike fresh alternatives, processed foods provide only transient feelings of fullness, leaving us feeling hungry again within hours, whereas eating the equivalent in fruit would keep us satisfied for days. It’s also ridiculous to suggest such calorie-dense foods can be countered with low-level exercise.

The problem with promoting healthy choice is that unhealthy products are inexpensive to produce and highly profitable.

The problem with promoting healthy choice is that unhealthy products are inexpensive to produce and highly profitable. They’re also marketed brilliantly, particularly to children, and can be attractive to lower-income families as a cheaper source of calories than fresh alternatives. As such, lower-income groups are particularly susceptible to developing type 2 diabetes, the commonest cause of blindness,
Demand for greater value for money has led to larger portion sizes and relentless marketing pressures on consumers. Producers and retailers continue to insist that choice ultimately rests with the consumer, but billions are spent on promoting unhealthy products. Government and industry controls should not only address the content and safety of our food but also how it is sold to us. This can be problematic when the food industry is one of the country’s biggest employers and principal sources of tax revenue.

What more can be done? We can extend taxation to products that are high in salt, fat and sugar; we can navigate the difficulties around subsidising healthy foods or restrict the availability of unhealthy choices. Despite the apparent reluctance of government to do so, we can ban unhealthy food advertising, particularly to children. We can address the issue of portion size while still offering value for money. Most of all, we can begin a process of reformulation to slowly reduce harmful substances in the food chain and adjust consumer tastes.

Sugar is similar to salt in its versatility and use in making inedible food palatable, but it’s a relatively recent addition to the human diet, having only been consumed in large quantities since the 18th century. The beauty of reformulation is that taste sensitivity depends on the level of intake over time: removing sugar from tea or coffee is difficult at first, but our taste buds eventually adjust. Gradual reformulation avoids the shock of sudden taste changes. Furthermore, it doesn’t come at any cost to the government or the consumer and actively works to improve public health without the need for radical dietary changes.

In 2002, with support from the Food Standards Agency, the expert scientific group Consensus Action on Salt and Health devised a reformulation strategy targeting a 40% reduction in average daily salt intakes from 9.5g to 6g over five years. A total of 86 food types were set progressive, manageable reduction targets to create a level playing field for all manufacturers. Continuous media publicity encouraged long-term collaboration and exposed those that failed to comply with the voluntary system. Initial results indicated a 1.4g reduction in average daily salt intake across the population. In terms of public health, the programme helped prevent around 18,000 cases of heart attack and stroke per year, half of which would have been fatal, saving the NHS an estimated £1.5 billion per year.

Having led the world in salt reformulation, Action on Sugar is proposing a similar plan, targeting an ambitious 50% reduction in average daily intakes over five years – an approximate daily calorie reduction of 100kcal per person. Reformulation is easier to manage with drinks as sugar doesn’t affect volume. However, it provides bulk in solid foods, so the question of volume is an issue. Producers like Nestlé and Unilever are addressing this by adding substances to their products such as fibre, bran and other zero-calorie additives. If fat reduction were to be included in the plan, it could lead to a further 100kcal decrease in daily calories.

Sugar taxes represent one way of encouraging reformulation. The UK’s forthcoming levy on sugar-sweetened soft drinks has a zero-rated tax band for products with less than 5g per 100ml and many large-scale producers are reformulating to avoid the increased costs as most sugar-sweetened drinks currently contain 9g per 100ml or more.

To put it bluntly, companies have a vested interest in adopting reformulation strategies and investing in healthier products as, ultimately, dead consumers don’t eat food or generate profits.
One of the reasons why sugar consumption has become such an important topic for nutritionists is because obesity and issues related to overconsumption have surpassed undernutrition as the focus of worldwide concern around dietary wellbeing. To understand where policy change is possible in terms of sugar reduction in food or how disincentives might be applied, it’s important to understand something about the sugar supply chain and the incentives that exist to support it.

Significant subsidies and trade protections are offered to incentivise cane and beet farmers worldwide: Brazil alone spends around $2.5 billion annually supporting domestic production.

Around 80% of world sugar comes from sugar cane, the majority of which is grown in tropical climates. Cane extraction also produces ethanol and a fibrous residue called bagasse, both of which can be used as biofuels. The remaining 20% derives from sugar beet, which is grown in more temperate climates by producers predominantly situated in the EU and the US.

Significant subsidies and trade protections are offered to incentivise cane and beet farmers worldwide. Brazil alone spends around $2.5 billion annually supporting domestic production.

Fiona Watson
Independent Nutrition Consultant

Fiona is an international nutritionist with 30 years’ professional experience in Africa, Asia, Eastern Europe and the Middle East. Her area of expertise is malnutrition in all its forms and the impact of food systems on nutrition. Fiona is currently working on a research project at the Centre for Food Policy, City, University of London to understand why sugar is added to food from an industry perspective.
UK producers and refiners also benefited from significant subsidies prior to the establishment of production quotas in 2006, with wider EU protections eventually ruled to be anti-competitive by the World Trade Organisation after complaints by Brazil, Thailand and Australia. While quotas limited output in the EU, fixed prices and income support for farmers maintained a level of protection that incentivised production. However, with sugar beet quotas due to be lifted in 2017, the price of sugar is expected to fall.

The resulting access to cheap sugar is a major purchasing incentive for sugar refiners who have experienced a degree of world price volatility in the past. Increased refining means increased availability for food manufacturers who have many incentives for packing more sugar into their processed foods.

Sugar delivers sweetness and enhances flavour; it also provides bulk and contains useful preserving properties. Its cheapness also makes it preferable to more expensive alternatives, such as dried fruit. Within the EU at least, there are also regulations restricting the benefit claims and use of alternative sweeteners.

However, perhaps the biggest impediment to limiting sugar usage by food producers is the fear that competitors will refuse to follow suit. A similar fear exists among retailers whose own motivations for selling processed foods lie in consumer tastes, product affordability — especially among lower- and middle-income consumers — and the longer life of high-sugar products.

Conversely, many of the potential disincentives for sugar usage focus on food manufacturers and retailers as there’s little that can be achieved on the production side beyond reforming agricultural policy. Sugar reduction in food production and retail isn’t solely about product reformulation; it requires a comprehensive set of government and industry policies and commitments in the key areas of availability, affordability, acceptability and awareness.

Food standards were introduced in schools and hospitals across the UK in 2015, limiting the availability of sugary foods, while sweets and confectionery have largely been removed from supermarket checkouts. In addition, local authorities have powers to limit planning permission for new fast food outlets, particularly near schools. The voluntary nature of these initiatives, however, creates some inconsistencies as smaller shops and newsagents are less likely to adopt them.

Quebec banned commercial advertising to children under 13 back in 1978 with the result that families there buy and consume far fewer high-sugar and processed foods and have some of the lowest obesity rates in Canada.

Initiatives tackling the issues of affordability and taste sensitivity have also yielded positive results. In 2016, a major hospital in Melbourne partnered with its on-site retailers to limit consumption of high-sugar drinks through adjustments to pricing and the visibility of ‘good’ and ‘bad’ product choices. The result was an estimated 26,500 fewer sales of high-sugar drinks per year with no significant impact on overall sales.

While food standards have increased the acceptability of healthy choices, particularly among children, advertising codes need to be broadened in order to cover all forms of child-accessible media through which food is advertised. Quebec banned commercial advertising to children under 13 back in 1978 with the result that families there buy and consume far fewer high-sugar and processed foods and have some of the lowest obesity rates in Canada.

Initiatives are also helping to reshape the retail environment with consumers becoming more aware of their product choices. Voluntary ‘traffic light’ labelling has made it easier for consumers to assess nutritional values and the adoption of the five-colour NutriScore system in France has been hailed by the country’s health minister as the most effective label for driving healthy consumer choice.

Responsible investors should note that all of the top ten global food and beverage companies are committed in some way to sugar reduction, despite its cheapness and utility. The challenge is to ensure all companies commit equally to mandatory and voluntary guidelines because the cost of overconsumption to our communities is growing.
Marks & Spencer has put the customer at the heart of a major, ongoing initiative to identify and respond to a diverse range of nutritional needs. Customer engagement, collaborative research and comprehensive product reformulation all indicate the strength of the commercial opportunities open to M&S in promoting a healthy, balanced diet to its customers.

Marks & Spencer’s strategy on food aims to help customers balance their diets because working to improve consumer health makes good commercial sense. By engaging with customers to tackle obesity and broader health concerns, M&S aspires to become the leading retailer for healthy eating, tailoring its products and services to achieve that end.
M&S has a history of first-to-market achievements with regard to healthy choice. Count On Us, launched in 1999, was the first low-fat, calorie-controlled food range on the market. M&S also took action ahead of the market by removing hydrogenated vegetable oils, introducing calorie labelling in its coffee shops and adding vitamin D in bread. The company has also recently responded to NHS guidance by removing sugar-sweetened drinks from its hospital outlets.

Research among its customers has revealed that concerns about health — particularly with regard to weight — are overshadowed only by worries about terrorism and financial security. Some 87% of M&S customers agree that healthy eating is important to them, particularly with regard to calorie intake, five-a-day targets and sugar consumption. In terms of lifestyle adjustment, customers are prioritising portion control and weight management above exercise. At the same time, more ambitious targets for fresh food consumption have resulted in M&S increasing volumes of vegetables in prepared meals. Media reports highlighting the dangers of salt and sugar overconsumption are driving reformulation initiatives as M&S looks to respond to a diverse and growing range of customer concerns and needs.

Obesity rates in the UK are shocking, particularly in Scotland and the north of England, but malnutrition is also on the rise because our diets lack key vitamins and minerals. Food choices made for lifestyle, ethical or weight management reasons don't necessarily mitigate the impacts on dietary health of the avoidance of certain foods or substitute additives — sugar itself is a difficult ingredient to replace and alternatives are heavily regulated. A recent focus on ‘clean eating’ has also contributed to customer confusion regarding nutrition quality and the causes of allergies and intolerances.

There’s evidence to suggest the primary customer focus on weight management is increasing sales in plant-based foods. Last year, M&S reported a 43% increase in demand for vegetarian alternatives to the traditional Christmas centrepiece, which helps inform the development of future products. The focus on sugar consumption has prompted M&S to remove sweets from checkout displays and has reinforced the company’s decision not to actively market products to children.

The nutritional needs of an ageing population — Europe’s fastest-growing customer base — are also driving product development.

M&S influences healthy choice through product reformulation, customer communication and strategic partnerships. Positive product messaging in particular is key to establishing healthy food as a convenient choice, not a compromise. Vibrant, flavoursome ingredients help to create appealing recipes and demonstrate that healthy eating doesn’t have to be boring. They also reinforce the message that good dietary choices can be balanced with the occasional indulgence.

Product reformulation has led to the Balanced For You product range, developed with the University of Aberdeen, on the principle of enabling consumers to stay fuller for longer. The Made Without range targets nutritional parity where certain ingredients are replaced and steps are taken to ensure substitutes are no worse than their equivalents. Taste within these ranges also has to match high customer expectations and access to healthy choice is demanded across the company’s whole product line.

For sweet options, reformulation concentrates more on portion control and product size. Recipes and nutrition values are reviewed alongside product quality and design, and calorie levels are assessed. Public Health England recommends calorie reduction to combat obesity, so M&S is aiming for a 20% reduction across products by 2019 through adjustments to sugar or fat levels.

Labelling has also been improved to help customers make quick decisions about product choice. The visibility of complicated percentages has been reduced and clear colour coding allows customers to focus quickly on the nutrients they’re interested in. The Eat Well sunflower logo introduced in 2005 is also a positive indicator of the type of food customers should aim to eat more of.

Finally, as a responsible employer, M&S is carrying out a health screening programme among its staff, looking at a range of indicators. The company also continues to work with research bodies and the government as part of its contribution to the development of future public health strategies.
Weighing the facts

What is the problem?

**Overweight and obesity** is on the rise in every country in the world.

**What is obesity?**

- **Overweight**
  - BMI ≥ 25

- **Obesity**
  - BMI ≥ 30

BMI: Body mass index

Globally, 39% of adults over 18 were overweight. Of these, 13% were obese.

Countries facing the twin burden of under-nutrition combined with overweight and obesity.

More deaths worldwide are now linked to people being overweight or obese as opposed to being underweight.

**Age-standardised prevalence of overweight and obesity, ages ≥20 years, by gender, 1980-2013**

- Developed nations
  - women
  - men

- Global
  - women
  - men

- Developing nations
  - women
  - men


Non-communicable diseases

Raised BMI is a major risk factor for:

- cardiovascular diseases
- diabetes
- musculoskeletal disorders
- some cancers including breast, ovarian, liver, and colon.

**Annual cost of obesity**

$2,000,000,000,000

2.8% = £2.1 trillion

The global economic impact of obesity is approximately $2 trillion, or 2.8% of global GDP.

This is almost equal to the economic impact of smoking at £2.1 trillion.
Sugar: a major source of calories in our diet

The World Health Organization recommends that added sugars shouldn’t make up more than 5% of the calories you consume each day.

**Maximum added sugar per day**

- **Adults** 30g
- **Children 5-11 yrs** 24g
- **Children 4-6 yrs** 19g

**But much is hidden***

<table>
<thead>
<tr>
<th>Food</th>
<th>Sugar per serving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can of cola</td>
<td>32.6g</td>
</tr>
<tr>
<td>Low fat strawberry yoghurt</td>
<td>21.3g</td>
</tr>
<tr>
<td>Tomato soup</td>
<td>19.4g</td>
</tr>
<tr>
<td>Stir-fry sauce</td>
<td>14.2g</td>
</tr>
<tr>
<td>Muesli</td>
<td>12.9g</td>
</tr>
<tr>
<td>Baked beans</td>
<td>9.8g</td>
</tr>
</tbody>
</table>

*Sugar per serving

**Tackling the crisis**

“Only a holistic, broad, and multi-pronged approach can be successful in reversing the obesity crisis.”

McKinsey Global Institute

**Rathbone Greenbank’s engagement on sugar**

We are asking companies about their approach to sugar, health and nutrition, and are encouraging other investors to do likewise.

**Suggested interventions:**

- Reduce the sugar, fat and salt content in processed foods
- Control the advertising of unhealthy food, particularly to children
- Apply nutrition standards to all public sector institutions, including schools
- Strengthen planning laws to discourage fast food outlets
- Implement levies on sugar-sweetened drinks
- Improve labelling standards
- Increase access to healthy food choices
- Improve access to sports and leisure facilities
- Integrate nutrition and health issues into curricula
- Reduce portion sizes

**We have published a set of expectations covering five key areas:**

1. **Governance**
2. **Strategy**
3. **Implementation**
4. **Public policy positions and lobbying**
5. **Demonstrating progress**

For further information, visit [rathbonegreenbank.com/sugar-risks](http://rathbonegreenbank.com/sugar-risks)
For a number of years, Rathbone Greenbank has examined the financial and ethical impacts of over- and undernutrition on wellbeing, engaging with investors and food producers to raise awareness, increase transparency and improve performance. Our engagement assesses the effects of increased regulation and taxation as well as the risks and opportunities presented by growing consumer interest in healthy eating. This helps to identify those companies and industries best placed to respond to, and benefit from, changing investor and consumer demands. Comparing sugar levels in fizzy drinks against health organisation recommendations is one example where the risks of overconsumption and opportunities for mitigation are clear.

Obesity is not just a risk for individual companies or industries. The total economic impact of obesity, diabetes and other non-communicable diseases is put at $2 trillion each year, equivalent to 2.8% of global GDP. This is roughly equal to the economic impact of smoking and accounts for up to 20% of national health budgets. An additional risk to social equality is reflected in the disproportionate impact on those at the lower end of the wealth spectrum, who often face a double jeopardy of overconsumption and malnutrition. Obesity levels among adults, for example, increased in every region of both the developed and developing worlds between 2010 and 2014.

Comparisons between sugar and tobacco are evident: both are highly addictive substances with few positive consumer benefits and explicit links to chronic health disorders. But while the tobacco industry is limited to developing less harmful products, food producers have the potential to deliver enhanced nutritional benefits in a variety of ways. For example, Nestlé is fortifying foods to address micronutrient deficiencies while Unilever has established comprehensive targets for increasing nutritional content across its product portfolio, with reference to standards it could be held accountable to.

But while there’s reasonable consensus on the differences between good and bad practice in nutrition, information regarding the relative positioning of companies is harder to come by. In 2016, Rathbone Greenbank partnered with Schroders to conduct roundtable discussions with food and beverage producers, retailers, stakeholders, academics and public health organisations in order to develop a comprehensive investor briefing. A broad range of topics was discussed, including product reformulation, portion size and policy reform. The result was a balanced framework to enable investors to measure company performance against expectations in five key areas: governance, strategy, implementation, public policy positions and lobbying, and evidence of progress.

Governance identifies whether a company is reviewing nutritional risk and developing policies to combat it, whether there’s board-level oversight and whether or not executive remuneration is tied to meeting relevant targets. Strategy assesses how prepared companies are for opportunities presented by regulatory changes and consumer trends.

Implementation evaluates the extent to which companies are translating policies and strategies into positive actions, particularly with regard to existing product reformulation, investment in innovation and marketing across diverse media. Rathbone Greenbank’s engagement programmes with food and beverage producers have always looked to understand and evaluate the effects of industry practice on health, social equality and the environment. Our jointly published guidance for investors provides a toolkit to help identify those companies demonstrating best practice when contributing to improved dietary health and affordable nutrition. It also reminds investors of the power they have as shareholders to continually push for improvements in these industries.
Tactical product marketing is especially responsible for influencing poor dietary choices among children, so assessing producer and retailer responses in this area should encourage those with inconsistent records to emulate market leaders.

Assessing companies’ positions on public policy and lobbying helps investors to gauge levels of corporate transparency and the degree to which companies are behaving consistently. For example, between 2011 and 2015, Coca-Cola and PepsiCo provided funding to around 100 public health organisations in the US while simultaneously lobbying against almost every proposed public health intervention.

Demonstrating progress is a key performance indicator for investors, but there are pitfalls where company data lacks clarity or transparency is limited to notable examples of best practice. The investor briefing suggests a cross-business range of performance indicators to encourage greater reporting consistency.

For sugar, that might mean measuring content across product ranges, monitoring reduction targets or even recording how much sugar is purchased each year for food production. The briefing helps stakeholders, consumers and investors alike identify leaders in healthy nutrition, but it also serves to help poor performers raise their operational profiles. Ultimately, the aim of identifying and reducing investment risks is to improve health outcomes.

When the investor guide was published in December 2016, signatories included a coalition of investors with approximately £1 trillion of assets under management. The significance of this commitment, combined with the impending implementation of the UK’s Soft Drinks Industry Levy, is already being felt. In March 2017, A.G. Barr announced that it would halve the sugar content in its flagship brand, Irn-Bru — a positive indication of how companies are responding to the urgent need to reformulate their product ranges. 

UK Soft Drinks Industry Levy (effective from April 2018)

≥5g added sugar per 100ml
18p/litre

≥8g added sugar per 100ml
24p/litre
Questions and answers

With obesity rates so high around the world, are there any reliable pharmaceutical solutions we might look to?

GM Not that I’m aware of. Drugs that have claimed to be useful either have addictive qualities or cause unpleasant side effects such as loss of bowel control. The only effective treatment for obesity is surgery, but I don’t think burdening the NHS with gastric operations for the obese is something we should be aiming for. Prevention really is the only answer, through the policy options and restrictions on advertising discussed today, but particularly product reformulation.

In the US, there was action at state level to recover the healthcare costs connected to smoking. Is that kind of litigation something that could potentially affect sugar?

KE It’s certainly a risk we need to be aware of as there are parallels between the litigation triggers for the tobacco industry and what could be applied to sugar. There’s an increased awareness of the cost to public health and therefore pressure on health authorities to recoup that cost. Litigation around tobacco was also successful due to the spread of awareness that companies knew their product was harmful prior to warning consumers. To date, labelling and advertising are the most regulated areas, but it wouldn’t surprise me to see broader health regulation in the future.

GM I think it’s a possibility, but the problem’s a financial one. Any action might cost millions and a company like Coca-Cola would fight it to its dying day as did the tobacco industry. What worked against tobacco was the correspondence showing that they were aware of the dangers and wanted to avoid public disclosure. Proving the addictive quality of sugar in a scientific way is actually quite difficult — I don’t disagree that it is addictive, but it’s difficult to demonstrate in court.
Thinking about the structure of the sugar supply chain, what might be the impact of removing production quotas on smallholders here and in the developing world, particularly with so much support for fair trade?

FW
It's true that the lifting of quotas is going to negatively affect smallholders. Production for them is far more expensive than it is for large-scale farmers and their operations support a huge network of employees worldwide. In the UK, our exit from the EU gives us an opportunity to rethink our agricultural policies and develop a much more holistic and sustainable plan for supporting farmers and production.

Most of the fresh fruit we're being encouraged to eat more of is being flown in from growers abroad. Doesn't this conflict with principles of sustainability?

FW
It's a difficult one! We don't have the climate here to grow certain fruits and vegetables all year round, but I think the transportation conflict is resolvable. To aim for healthy and sustainable diets, we need to encourage people to eat more home-grown, seasonal fruits and vegetables. It's distressing to find strawberries in supermarkets at a similar price all year round. What we need is a greater awareness of seasonal availability at home and a cost structure to match – cheaper when abundant, more expensive when in shorter supply.

Can consumers be sure that sugar substitutes and sweeteners are subject to rigorous trial and review before they're released to consumers?

CH
Any new sweetener that comes to market would have to pass EU regulation, acquire an E number and be included on the list of permitted additives. When stevia [a plant-based sweetener] was sold to M&S as a solution to sugar substitution, our trials concluded that it couldn't be used in a variety of products and didn't deliver the quality of product our customers were used to. We maintain strict controls on artificial sweeteners and rarely use them. There's also an internal regulatory review process for any prospective ingredient we might introduce, something we've already adopted with salt substitutes.

Is there any great political will for change? Any hope for the future of food and health generally?

GM
The difficulty is to distinguish the hype from the reality. Politicians need to be forced to take action and there are very few who are committed. One exception was former Under-Secretary of State for Public Health, Anna Soubry, who showed the kind of no-nonsense determination necessary to prompt others to act. There's no doubt the food industry's on the back foot – many individual companies are keen to take action but need regulation to back them up to help create a level playing field. However, politicians too often listen to lobbying organisations, who have proved reluctant to back many of the positive suggestions and policy changes discussed today. We have to hope for stronger, more supportive personalities in ministerial positions and continue pressing for change across all political parties.
Contact us

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For further information on the services that we provide, or to arrange a meeting, please contact us.

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For international investment services, Rathbones has an office in Jersey.*

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