

Transition to sustainable food: risks and levers for food retailers

Charlie Brocard (IDDRI)

The transition to sustainable food systems requires a coordinated approach “from farm to fork”. However, public policies tend to focus almost exclusively on the two ends of the chain: production and consumption. Those concerning consumption tend to promote dietary change by focusing only on the average consumer. This strategy is ineffective and can even be counterproductive, as shown by the lack of progress on key indicators such as meat, fruit and vegetable consumption, organic product sales and food inequalities.¹ Similarly, engaging the agricultural upstream sector in the agroecological transition remains particularly difficult in a context of international competition. Moreover, some scientists argue that private actors (supermarkets, industrial stakeholders, financial institutions) dominate the political economy of the food system.²

This suggests that public authorities should invest more in the intermediate links of the food chain to ensure its successful transformation. The retail stage is particularly important, given its position at the interface between production and consumption and the high level of concentration in the sector. Its influence on downstream dietary habits and on upstream agricultural and industrial practices is considerable, making retail a central driving force in both the food system³ and broader social dynamics.⁴

As the French government is expected to unveil its National Strategy for Food, Nutrition and Climate (*Stratégie nationale pour l'alimentation, la nutrition et le climat*, SNANC), this *Study* examines the role that food retailers can play in promoting healthy and sustainable food, and outlines ways to support the sector by analysing its constraints, strategies and scope for action.

¹ See Brocard *et al.* (2023); Rogissart (2023); Agence Bio (2023); Santé Publique France (2018).

² Burch & Lawrence (2009).

³ Burch & Lawrence (2005).

⁴ For example, Fourquet & Llorca (2022) refer to it as a “supermarket society”.

KEY MESSAGES

Whether for shifting the balance between animal and plant-based products or increasing the number of products from sustainable production methods, food retailers are not currently meeting the challenge of Europe's environmental and food transition. Yet their influence on household food practices is decisive, making it essential to mobilize this sector.

In addition, the food retail business model has inherent weaknesses, being based on long, internationally dispersed value chains and low operating margins that depend on high sales volumes. These vulnerabilities are further compounded by a growing succession of ecological, economic, health and geopolitical crises.

Public authorities have a legitimate role to play in providing the food retail sector with a better framework for achieving sustainability objectives, in line with existing policies (commercial relations, food waste, consumer information and protection) and building on current private initiatives.

The current context is favourable, as the environmental imperative aligns with other ongoing changes that are already pushing food retailers to reinvent themselves. The SNANC offers an excellent opportunity to plan the sector's contribution to environmental and health objectives through to 2030, while supporting it in meeting the challenges of the transition.

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1. ACTION ON THE RETAIL CHAIN IS NECESSARY AND RELEVANT

Large retailers are central to current developments in food. Through their physical presence, their dominance as places of purchase, their advertising budgets, and their influence across the food chain, they hold a uniquely powerful position. This finding, supported by the present *Study*, is echoed by researcher John Grin (2011), who, in a study of changes in the food system since 1945, highlights the central role of retail in modernizing both consumption and production. The presence of supermarkets and the strategies of retailers have been decisive in the spread of new dietary habits and practices (such as the adoption of refrigerators, changes in mealtimes and the growth of canned foods, etc.). Although large retailers are not yet playing the role they should in the food transition (as discussed in section 2), they could become powerful allies. Indeed, their influence in the food chain has grown steadily since their emergence after the Second World War, often at the expense of another major player—the agri-food industry. The latter is also a central link in the food chain: 331 large companies account for 80% of the sector's added value and capture 70% of turnover (OFPM, 2023). However, this publication focuses specifically on retail. According to Doris Fuchs and her colleagues (2009), three trends underpin the growth of retailers' power: capital concentration, the expansion of their control upstream in the food chain, and the widening of competitive areas between retailers. These three trends, which have continued and intensified since 2009, have further reinforced the dominance of supermarkets in the food system. This is reflected in their growing influence in four spheres: economic, normative, discursive and political.

1.1. A central, concentrated and powerful economic link

Retailers have acquired significant economic clout. Globally, the ten largest retail groups (including two German ones) generate annual revenues of \$1.923 trillion (Deloitte, 2023). The sector has grown steadily since 2018 in both net profit margins and

turnover. In France, the supermarket sector (food and non-food) was worth €176 billion in 2022, an 8.9% increase on 2019, driven by inflation. E. Leclerc's retail activities generate €55 billion in turnover, compared with €42 billion for Carrefour and €39 billion for Les Mousquetaires (including fuel).¹ According to INSEE data (across all channels), supermarkets accounted for 78% of food sales for home consumption in 2015. The remaining 22% came from independent shops (such as bakeries), markets and farm sales (Le Basic *et al.*, 2017). In addition, the retail link acts as a bottleneck in the food chain due to its extremely high level of market concentration: in 2023, the top five groups (E. Leclerc, Carrefour, Les Mousquetaires, Système U, Auchan) accounted for 80% of the market.²

However, the sector is even more concentrated when, rather than considering individual retailers, it is viewed in terms of the purchasing groups they form to reinforce their buyer power. These alliances primarily negotiate with suppliers by pooling orders either for a single retailer across several markets, or for multiple retailers in one or more markets. A retail group may belong to several purchasing groups, which differ in geographical scope (local, national, European), functions (negotiation, storage, supply management, legal or marketing support) and coverage (all suppliers, private labels—also known as own brands, national brands, specific products).³ Thus, in France in 2023, the five largest purchasing groups (Mousquetaires-Groupe Casino-Cora; E. Leclerc; Carrefour; Système U; Auchan Retail) accounted for nearly 90% of the market,⁴ compared with 56% in 1999 (Dobson *et al.*, 2003). In economics, this situation is

¹ <https://www.republik-retail.fr/strategie-retail/enseignes/pratiques/bilan-des-enseignes-alimentaires-2022-qui-s-en-sort-le-mieux.html>

² https://www.lsa-conso.fr/e-leclerc-etc-parts-de-marche-p9,446586?utm_source=newsletter&utm_medium=email&utm_campaign=lsa-quotidienne&email=2058930470&idbdd=56449

³ <https://gresea.be/Distribution-Concentration-dans-les-centrales-d-achats-europeennes>

⁴ This follows the split between Carrefour and Système U during negotiations in 2023, when their joint purchasing group Envergure accounted for 33.9% of the market on its own. <https://www.lsa-conso.fr/les-raisons-de-la-valse-des-alliances-a-l-achat-dans-la-distribution-alimentaire,416056>

described as an oligopsony, or even a monopsony, which confers exceptional market power on retailers. The direct consequence is that the already strong position of retailers in negotiations with upstream agricultural and industrial actors becomes even more dominant. The relationship with suppliers grows increasingly asymmetrical as the market power of retailers increases. According to figures collected by Sebastian Billows (2017), the top ten suppliers can account for up to 20% of turnover for an individual retailer. Conversely, a single retailer such as E. Leclerc or Carrefour can represent nearly a third of a supplier's sales. In negotiations, retailers—able to use the threat of delisting—hold the upper hand, as very few brands can afford to be absent from shelves for even a few weeks.

This process of concentration is not unique to France; the same phenomenon is evident in other European countries, in some cases even more pronounced. Alongside this is a parallel trend towards the increasing Europeanization of purchasing groups, through the creation of transnational alliances or the establishment of multi-country offices. These developments give retailers even greater leverage in negotiations with suppliers. Examples include Eurelec, the joint purchasing alliance established by E. Leclerc and the German group Rewe for procuring private labels, organic products and energy, which is based in Belgium; and Carrefour's new purchasing centre, that opened in Madrid in 2023, to manage purchases from national brands across six European countries.⁵ The largest European purchasing groups (EMD, Alidis, AMS, Coopernic) can have up to fifteen members across several countries, and each has a combined annual turnover exceeding €100 billion.⁶

Waves of consolidation in the sector in 2014, 2018 and again in 2023 have already prompted the French Competition Authority⁷ to require retailers to narrow the scope of their agreements to avoid "weakening suppliers", particularly micro-enterprises and SMEs. This concentration is also being monitored by the European Commission, which points to an increased risk of "anti-competitive practices", noting that the potential benefits of these agreements for consumers (lower prices)⁸ "may be offset by the damage caused to upstream players" (Colen *et al.*, 2020). The Commission has also identified the threat such a situation poses to food system sustainability, ranking it among the main drivers of practices that undermine sustainability (Bock *et al.*, 2022).

1.2. A major normative influence both upstream and downstream

This economic power of retailers, combined with the expansion of their scope of action, has reinforced their *normative* influence. This is most evident in their ability to coordinate industrial and agricultural production. Examples include the rapid growth of private labels, the setting of retailers' own standards (quality, sustainability, transparency, etc.), detailed product specifications and even the use of direct contracts with farmers. Such contracts may have multiple objectives, such as securing stable sales for producers (Amirault, 2020; Bouamra-Mechemache *et al.*, 2015; Burch & Lawrence, 2005). As a result, retailers control an increasingly large share of the food chain, extending beyond retail and encompassing production and processing. For example, private labels now account for 38% of the French market by value, compared with more than 43% in the Netherlands and up to 50% in the United Kingdom (McKinsey, 2023) and Switzerland.⁹ This strategy offers distributors several advantages: private labels offer more flexibility on prices and product specifications, gross margins 20% to 40% higher than those of national brands, and the ability to differentiate themselves from other supermarkets and ultimately build customer loyalty (Moati, 2010). It is also central to the business model of discounters such as Lidl, whose product range is more than 90% private label.¹⁰ Other retailers are also seeking to expand their private label offerings. Carrefour, for instance, aims for private label products to account for 40% of its sales by 2026, up from 25% in 2018.¹¹ The "price war" underpinning the food retail system continues to drive intense competition, which now seems to be extending to quality attributes ("free-from", organic, local products, etc.) as a way of gaining market share. This shift further strengthens retailer control over their supply chains, particularly through the launch of "premium" or "organic" private labels. To support these strategies, supermarkets are increasingly developing their own quality standards in areas such as health, taste and, more recently, environmental performance (e.g. Filières Qualité Carrefour).

This normative influence also extends downstream from retail, i.e. to consumers. Through dense networks, ubiquitous advertising, sophisticated marketing techniques and increasing control over product specifications, large retailers play an ever-greater role in shaping consumer food purchases. Their dominant position in food sales makes them virtually unavoidable for consumers. Although the share hypermarkets and supermarkets in food sales has declined slightly (from 68% of the market in

⁵ <https://www.lsa-conso.fr/eureka-le-futur-bureau-d-achats-europeen-de-carrefour,419046>

⁶ <https://www.lsa-conso.fr/centrales-d-achat-queelles-sont-les-alliances-a-date,245130>

⁷ <https://www.autoritedelaconurrence.fr/fr/communiqués-de-presse/lautorite-rend-une-nouvelle-decision-concernant-les-centrales-d-achat-et-rend>

⁸ A recent study also notes that the top six retailers in France benefit, due to their market power, from higher profitability and significantly higher "brand rates" (margins) than other retailers, leading the authors to conclude that there has been a "reduction in consumer welfare." (Hirsch & Koppenberg, 2020).

⁹ <https://www.mind.eu.com/retail/en/analysis-private-label-what-are-the-best-practices-of-european-retailers-in-2023/>

¹⁰ <https://start.lesechos.fr/societe/culture-tendances/5-chiffres-pour-comprendre-la-hype-lidl-1784683> In the jargon of the *Fédération du commerce et de la distribution* or retail panels, discounters have become "retail chains dominated by private-label products" ("*enseignes à dominante marque-propre*", EDM).

¹¹ https://www.challenges.fr/entreprise/grande-conso/inflation-comment-carrefour-veut-partir-a-loffensive-sur-le-discount_834576

2010 to 62% in 2022),¹² they are actively investing in growth segments such as e-commerce and specialized food retail. Most now operate their own drive-through collection services and have moved into the organic market. This expansion has taken place both through acquisitions (such as Carrefour's purchases of Bio c'Bon in 2018 and So.bio in 2021; and Casino's ownership of Naturalia, the third-largest organic retailer by turnover)¹³ and through the sale of organic products in conventional supermarkets. The latter now account for half of organic product sales, with hard discount retailers gaining an increasing share (Agence Bio, 2023). Research on the commercial food environment shows how these actors influence not only food *purchases* but also the *meanings* attached to food (e.g. supermarkets help to shape and promote particular visions of "popular culture", such as the idea that food should be cheap) as well as consumer *skills* (e.g. reading labels, choosing between product formats, identifying bargains, etc.) (Herbert *et al.*, 2014; Mattioni *et al.*, 2020; Winkler *et al.*, 2020).

1.3. An influence on the collective imagination

A third dimension of the power of supermarkets lies in their ability to shape public *discourse* by presenting themselves as guardians of consumer interests. This positioning reflects a reality in which they closely monitor "consumer trends" and panel survey results, without necessarily following them uncritically, while at the same time striving to define "consumer interests" themselves. This discursive strategy offers two main advantages. First, supermarkets present themselves to politicians as key intermediaries capable of interpreting the supposed "wishes" of consumers. Second, they are well placed to meet needs they have helped to create. In France, the narrative of a "race to the bottom on prices" has been a defining feature of the rise of food retailers. When Edouard Leclerc opened his first supermarket in the 1950s, his stated aim was to replace small retailers, who were portrayed as exploiting consumers. This situation was framed as a "medieval" model that needed to be streamlined to shrink margins and effectively tackle the "high cost of living" (Fourquet & Llorca, 2022). This discourse remains central today to E. Leclerc's positioning as the market leader. Its slogan, "At Leclerc, you know you're buying cheaper," together with its (aggressive) pricing policy and (reduced) margins, its numerous promotions, and the launch of its online comparison tool, *quiestlemoinscher.leclerc* (which means "who is the cheapest"—with Leclerc as the implied answer) all reinforce this narrative. Fourquet and Llorca (2022) also highlight the omnipresence of retailers in the media coverage of inflation in autumn 2021: more than politicians, retailers positioned themselves as the main voices of consumer "anxieties", while simultaneously

responding with a series of promotions (e.g., baguettes at €0.29 and price freezes) and communication initiatives.

Today, internal competition within the sector increasingly plays out in the field of sustainability. Retailers are therefore developing narratives designed to broaden their customer base or enhance their reputation. Through an analysis of a trade journal, Ulrike Ehgartner (2018) shows how retailers construct the rhetorical figure of the consumer to influence purchasing behaviour and public policy. She traces the evolution of this discourse since 2005. At that time, the sector depicted consumers as confused and in need of guidance to help them make sustainable or healthy choices, promoting labels and certifications as tools for informed decision-making. More recently, supermarkets have reframed sustainability as a question of value, credibility and authenticity, calling for strong symbolic commitments and orienting in-store offerings towards societal concerns. In this context, they have sought to demonstrate responsiveness to "consumer concerns" by phasing out cage eggs, selling organic products at cost price, creating local product lines, and communicating a redefined corporate purpose centred on environmental dimensions. Another example is the sector's prominence in establishing "health safety" as a major public issue. This narrative positioned supermarkets as indispensable actors in monitoring and quality control, in contrast to competing retail channels (Oosterveer, 2011). These examples illustrate the extent to which the discursive strategies of supermarkets shape their approach to environmental issues and frame their interactions with public authorities.

Ultimately, retailers have positioned themselves as a leading authority on food, claiming to be the only legitimate voice "speaking on behalf" of consumers (Dixon, 2003). In this role, they confront manufacturers, government, and even traditional family authority in promoting new dietary habits. Ready meals, for example—now widely accepted—initially challenged the established norms of "healthy eating". Many tools are available for these discursive strategies: brand marketing, media statements, lobbying activities, and advertising budgets. The food distribution sector is the largest advertiser across all sectors in France, spending €2.69 billion in 2022, led by Lidl and E. Leclerc (Delvallée, 2023). In terms of "media share", four retailers (E. Leclerc, Intermarché, Lidl and Carrefour) rank among the top six advertisers across all sectors (Fourquet & Llorca, 2022). The ability to construct narratives and respond to the needs they imply gives retailers significant influence over households' food attitudes. This raises a central question: is this linking of virtue with "cheap food", which has been embedded in the public imagination by major food retailers, hindering the food transition?¹⁴ For some low-income households, access to low prices can represent a form of social emancipation, enabling them to

¹² <https://www.insee.fr/fr/statistiques/4473482#titre-bloc8> and <https://www.insee.fr/fr/statistiques/6467885>

¹³ <https://monde-epicerie-fine.fr/la-strategie-de-carrefour-pour-so-bio-et-bio-cbon/>

¹⁴ According to baseline scenarios, the transition to sustainable food is characterized by a decline in the consumption of animal products, an increase in the consumption of fruit, vegetables and pulses, and an increase in the consumption of products from sustainable production methods (agroecology, organic farming, etc.). See Willet *et al.* (2019), Couturier *et al.* (2016), Poux & Aubert (2018).

access other forms of consumption.¹⁵ However, this does not apply to the remaining 60% of the population. The discourse on “cheap” food is so pervasive that even wealthier households, able to spend more on higher-quality products, for example, often do not do so to the extent that they could (Brocard *et al.*, 2022). The strength of this narrative is such that it can override the actual economic capacity of households. As American lecturer, Bernardo Trujillo, nicknamed the “Pope of Supermarketing” once put it: “Rich people like low prices, poor people need them.”¹⁶ This captures the perverse effects of a consumption system based on abundance and low prices, whose normative power is imposed (in part) on consumers through a series of “power techniques” implemented by public and private actors, as analysed by Sophie Dubuisson-Quellier (2022). Food retail, through its influence on narratives and collective imaginations, undoubtedly plays a central role in this system, which is consistent with its broader contribution to the changes needed for social and environmental transition.

1.4. Resources mobilized at the political level

The mobilization of these economic, normative and discursive resources, in turn, further strengthens their *political* power (Fuchs *et al.*, 2009). This influence can take the form of direct pressure on public authorities. Examples include the sector’s joint efforts with manufacturers to oppose the introduction of Nutri-Score in France (Serra-Mallol, 2021) and its attempts to delay the implementation of environmental labelling, first announced in 2007, and now scheduled to come into force in 2024 (Barbat *et al.*, 2012; Croizean *et al.*, 2018). These “eco-defensive” strategies coexist with the use of environmental issues as a lever for market advantage or cost reduction. One example is the 2012 agreement with the government under which major supermarket groups committed to fitting doors on 75% of refrigerated display cabinets by 2020, in exchange for tax breaks (Croizean *et al.*, 2018). In addition, retailers are increasingly engaging directly with citizens for informational purposes, using advertising campaigns and frequent media statements by leading industry figures (e.g. Michel-Edouard Leclerc, Dominique Schelcher and Alexandre Bompard). This visibility was particularly evident during the COVID-19 health crisis (when distributors actively promoted “good behaviour” and sold masks and tests) and in response to the impact on food prices resulting from the war in Ukraine (Fourquet & Llorca, 2022). According to the authors, retailers at times “sought to assume responsibilities traditionally carried out by the welfare state” (p. 32).

¹⁵ If they had additional resources, the “low-income non-poor” and the “poor” would use this money primarily for savings. Food is second for poor households, at 18%, and third for the “low-income non-poor”, at 11%, behind leisure and holidays. The average intended increase in food spending is 7%, decreasing as household income increases, indicating that the more affluent classes do not restrict their food purchases (Lelièvre & Remila, 2018).

¹⁶ <https://www.thegrocer.co.uk/comment-and-opinion/how-1950s-retailing-advice-holds-up-in-2019/590756.article>

In conclusion, large retailers have amassed a combination of powers (economic, discursive, normative and political) that make them central actors in the food transition. These powers enable them to influence household food consumption and consumer attitudes directly, while also coordinating upstream actors and securing outlets for their products. Achieving the food transition without the active involvement of large retailers therefore appears unrealistic. This raises the question of whether public authorities should intervene in this area: is it necessary, justified and appropriate for them to do so to encourage supermarkets to mobilize the resources at their disposal in support of the food transition?

2. SUPERMARKETS AND SUSTAINABILITY: IMPACTS AND STRATEGIES OF STAKEHOLDERS

2.1. Environmental impacts

European food retailers and their value chain contribute, directly or indirectly, to nearly 20% of the European Union’s total greenhouse gas emissions. Of these emissions, only 5% stem from the direct activities or energy use of retailers (Scopes 1 and 2), while 95% come from indirect emissions (Scope 3, covering both upstream and downstream emissions) (McKinsey, 2022b). Emissions from the food retail sector are far higher than those from other forms of retail (furniture, fashion, electronics, etc.), each of which accounts for less than 5% of total European emissions. Beyond greenhouse gas emissions, the food system has a considerable impact on biodiversity, the economy, animal welfare and health. According to the same report, the hidden (or external) costs added to each euro spent on food are estimated at between €0.80 and €2.25 when these factors are considered. However, in the face of the two main challenges of the food transition—shifting the balance between animal and plant-based products and significantly increasing the share of products from sustainable production methods—major food retailers are still falling short of Europe’s environmental and food transition objectives. This has been demonstrated in several studies by civil society organizations, such as the Climate Action Network (RAC) or Foodwatch in France;¹⁷ WWF,¹⁸

¹⁷ They led two studies, one in 2023 : <https://reseauactionclimat.org/alimentation-et-climat-la-mauvaise-note-des-supermarches/> and the other in 2025 : <https://reseauactionclimat.org/la-grande-distribution-alliee-ou-frein-a-une-alimentation-saine-et-durable-pour-toutes-et-tous/>. Foodwatch and other consumer organizations analysed what products were discounted in 2025 : <https://www.foodwatch.org/fr/communiqués-de-presse/2025/promotions-alimentaires-lenquete-qui-prouve-que-les-supermarches-bradent-notre-sante>

¹⁸ <https://www.wwf.org.uk/sites/default/files/2022-11/WWF-Whats-in-Store-for-our-Planet-the-Impact-of-UK-Shopping-Baskets-on-Climate-and-Nature-2022-v1.pdf>

the Food Foundation¹⁹, or Feedback²⁰ in the United Kingdom; the Superlist retail ranking²¹ run by the think tank Questionmark in the Netherlands, Sweden, Belgium, the United Kingdom, similar to BEUC (which also conducted an EU-wide study in 2023) at the EU level.²² These studies generally examine the practices of retailers and their direct impacts on various environmental indicators. Others analyze retailers from a public health perspective, as does the 2025 report by ATNi.²³ They point to several concerns which are developed below: lack of transparency, marketing policies that work against sustainability (pricing, margins, promotions), and unsuitable product ranges. In addition, there is growing interest from governments across Europe to evaluate and monitor retailers' performance. For instance, the German Federal Agency for the Environment assessed the country's 8 main retailers' performance against environmental and social criteria in 2025.²⁴ The government of the Netherlands publishes a dashboard of retailers' progress on indicators such as deforestation, GHG, the protein transition or organic products.²⁵

The first challenge is the lack of transparency (and in some cases the lack of data) needed to objectively assess the scale of actions taken by retailers, beyond the best practices they claim to follow. At the European level, only 33% of retailers have set decarbonization targets for Scopes 1 and 2, and of these, 75% are aligned with European targets (McKinsey, 2022b). For Scope 3, the report does not indicate how many companies have set targets, but notes that where targets exist, they vary widely, ranging from 10% to 70% reductions. In France, the RAC notes that only three of the eight groups studied have set Scope 3 emissions targets, with reductions of 10% by 2025 and 29% by 2030. By contrast, the most ambitious commitments elsewhere aim for a 45% Scope 3 reduction by 2030 (Albert Heijn, Netherlands) or net-zero emissions by 2050 (Sainsbury's and Tesco, United Kingdom). However, there are concerns that these commitments will not be met in practice, due to the lack of publicly available information for verification and the absence of clear strategies for achieving them. The RAC notes, for example, that almost all French food retailers fail to disclose their soy footprint, its origin, or the associated risk of deforestation. In the United Kingdom, where the WWF is working with several retailers, only 6% of soy is guaranteed deforestation-free, and just 62% of palm oil sold in 2022 met this standard.²⁶ In July

2023, the NGO Feedback warned of a risk of greenwashing by the sector, which is stepping up symbolic actions, noting that "No UK supermarket has adopted a target to reduce sales of industrial meat and dairy—the single biggest slice of supermarkets' emissions."²⁷ No French retailer has set a target for rebalancing sales of meat or dairy products with their plant-based equivalents, nor have such targets been set in most of the countries covered by these studies. The Superlist project in Belgium likewise finds that Belgian retailers have no targets for increasing sales of plant-based proteins. However, such a target is included in the British Retail Consortium's "Climate Action Roadmap", which brings together a large number of stakeholders and sets a (non-quantified) target for "increasing proportion of plant-based food sales" by 2025.²⁸ On the broader objective of increasing sales of healthy products, only four retailers made global commitments in 2021, according to a comparison by the World Benchmarking Alliance.²⁹ Furthermore, the RAC and the British organization Feedback note that the CSR reports of retailers do not disclose the proportion of labelled or quality products in their sales or emissions, making it impossible to assess their commitments objectively.

The second challenge concerns in-store offerings and the marketing mix used by retailers, who influence purchasing choices through communication, pricing policies, shelf placement and other tools. In its assessment of the eight leading French retailers carried out in 2023, the RAC emphasises that the current retail mix³⁰ remains unfavourable to the food transition. It highlights the limited availability of sustainable options (such as organic meat and plant-based products), lower profit margins for meat³¹ while organic products appear to carry higher margins, frequent promotions and multi-buy offers for non-sustainable goods, and the dominance of animal products in ready meals. For example, organic products account for less than 10% of the average product range in France (RAC, 2023), while in the United Kingdom only 4% of meat, dairy and egg sales are certified (WWF, 2022). Meat is ubiquitous in the ready meal market: in France and Belgium, 92% and two-thirds of ready meals contain meat or fish, respectively (RAC, 2023; Superlist, 2022). At the "protein" category level, the picture is similar for the United Kingdom, where only 9% of sales come from plant-based products (WWF, 2022).

¹⁹ <https://foodfoundation.org.uk/publication/broken-plate-2025>

²⁰ <https://feedbackglobal.org/supermarkets/>

²¹ <https://www.rikolto.org/stories/supermarkets-can-do-much-more-for-environment-and-climate-as-shown-by-superlist>

²² <https://www.thequestionmark.org/project/superlist-environment-europe-2026>

²³ <https://accesstonutrition.org/index/retail-assessment-2025/>

²⁴ <https://www.umweltbundesamt.de/publikationen/wie-nachhaltig-sind-die-deutschen-supermaerkte-0>

²⁵ <https://dashboardduurzaamheid.nl/>

²⁶ <https://www.wwf.org.uk/sites/default/files/2022-11/WWF-Whats-in-Store-for-our-Planet-the-Impact-of-UK%20Shopping-Baskets-on-Climate-and-Nature-2022-v1.pdf>

²⁷ <https://feedbackglobal.org/uks-leading-supermarkets-prioritise-meat-and-dairy-sales-ahead-of-public-health-and-the-climate/>

²⁸ <https://brc.org.uk/priorities/sustainability/climate-action/lifestyles/>

²⁹ <https://www.worldbenchmarkingalliance.org/publication/food-agriculture/>

³⁰ The retail mix is an adaptation of the marketing mix concept (with its four Ps: product, place, promotion, price) to the retail sector, which also takes into account the nature of the retailer's offering (private label, product range), location and communication (Jara *et al.*, 2018).

³¹ According to OFPM figures (2023), meat (poultry 28.9%, red meat 27.2%) and dairy products (23.4%) have the lowest gross margins, below the average for all departments surveyed (29.8%). Only processed meat has gross margins above the average (33.9%).

Next, when we look beyond the products on offer and examine the marketing policies of retailers, a consistent pattern emerges: animal products receive most promotion. In France, the brands most frequently featured in promotional materials for fresh produce are those selling animal products.³² In Belgium, 70% of promotional offers relate to meat products (Superlist, 2022). A BEUC (2023) analysis of advertising brochures from 18 retailers in 11 European countries found 24% more promotions for meat than for fruit, vegetables and pulses in this sample, rising to 39% when meat-based ready meals are included. Furthermore, only 2% of meat promotions featured organic meat. In the UK, Superlist cites research showing that these marketing techniques contribute to overconsumption. For example, 14% of the volume of meat purchased on promotion would not have been purchased without a promotional offer. In the case of multiple purchases (such as "2 for 1" offers), the report finds that nearly 27% of additional purchases in a product category should be considered overpurchases, i.e. extra volumes that are not offset by reduced purchases of similar products. These findings clearly show that marketing techniques influence consumer behaviour. However, reports from civil society organizations note that such techniques are more often used to encourage the purchase of unsustainable or unhealthy products than to promote fruit, vegetables or pulses. The BEUC (2023) notes that the continued decline in promotional offers for organic products in Sweden between 2017 and 2022 coincides with a decline in organic sales. Within marketing, this is the case with pricing policy: according to experts consulted by the RAC (and in the absence of available quantitative data), French retailers systematically apply higher mark-ups to labelled products than to their conventional equivalents. These statements are corroborated by a 2017 study by UFC-Que Choisir, which found that margins on organic fruit and vegetables were on average twice as high as those on conventional products.³³ In doing so, they reinforce the price of these products and, in turn, the negative perception that consumers may have of them, especially low-income households.

These factors (supply, commitments, marketing practices) are well documented in research. Notably, Stéphanie Walton's literature review examined eight marketing strategies to assess their potential links to the overconsumption of unsustainable products and/or food waste (Walton, 2023). She found, with varying levels of certainty and scope, that all these techniques can influence consumption. Those most strongly linked with overconsumption and/or food waste include in-store placement strategies and the effects of packaging and portion size. An expert report commissioned by the European Commission also identifies these methods as major obstacles to the food transition (Bock *et al.*, 2022).

2.2. The sustainability strategies of retailers: scientific contributions

Scientific studies have examined how retailers approach sustainability strategies, asking how this relatively new concern is being integrated and addressed. The findings suggest that sustainability remains insufficiently integrated into the priorities of supermarkets, whose positions tend to be largely reactive and defensive towards the changes required by environmental standards or societal expectations (Barbat *et al.*, 2012; Croizean *et al.*, 2018). Hocquelet & Mahlaoui (2022), based on interviews with various stakeholders in the sector, conclude that environmental concerns "seem peripheral" to the industry. Action in this area is mainly driven by regulations (e.g. on waste, packaging and food safety) and do not disrupt distribution processes. Nevertheless, such actions are often framed in activist terms: "citizen food transition", "better food for all", etc. This narrative, however, appears largely confined to external communications and is not reflected internally: employees report having very limited knowledge of their company's overall sustainable development strategy and describe feeling "distant or even excluded from this issue, which is not discussed" (p. 9). Conversely, it is very rare for retailers to adopt an "eco-sensitive" stance by seeking to go beyond legal requirements. Finally, and somewhat paradoxically for a sector that has traditionally been highly innovative in areas such as customer relations (loyalty cards) and sales concepts (drive-through, product choice), disruptive innovations in the environmental sphere remain marginal (Barbat *et al.*, 2012). According to the authors, a proactive approach to ecological transition would require an "innovative and appropriative" process within retail organizations, which is currently lacking.

This makes it difficult for retailers to change their model, for three main reasons, according to the authors: (1) low cooperation within the sector fosters brand standardization rather than innovation; (2) the resources needed for disruptive innovations conflict with short-term profitability; and (3) environmental strategies decided at group level are slow to take hold in individual stores. As a result, changes in the sector tend to be driven by economic pressures or upheaval caused by digital technology than by environmental concerns, despite the many challenges involved (energy, waste, transport, eco-design, consumer practices, etc.) (Hocquelet & Mahlaoui, 2022). Notably, the impacts linked to upstream agriculture, which make up most of environmental footprint of retailers, are largely overlooked. The sector thus focuses mainly on Scope 1 (stores) and Scope 2 (energy) emissions, combining environmental protection with cost savings (Colla, 2018). The issues identified by Barbat *et al.* (2012) illustrate the limitations of this approach: their three-level classification does not address the business model itself—what to sell, to whom, and in what quantities? The examples of virtuous practices highlighted by supermarkets are mainly environmental efficiency measures, delivering only marginal reductions in the sector's environmental impact through technical

³² This refers to Président, Fleury Michon, Herta, Charal and La Laitière. Data from the Promo Flash study by Olivier Dauvers (2023).

³³ <https://www.quechoisir.org/action-ufc-que-choisir-sur-marges-sur-les-fruits-et-legumes-bio-la-grande-distribution-matrasque-toujours-les-consommateurs-n69471/>

levers.³⁴ Actions at the store level include reducing energy and water use, cutting refrigerant emissions, and recycling waste; at the product level, the eco-design of private-label packaging and the use of river transport; and at the customer level, raising awareness and offering electric-bike delivery.

Analysis of the discourse of major food retailers shows that industrial and commercial considerations dominate their approach to environmental issues, which are generally framed as either "market opportunities" or as "technical problems" to be solved. The prevailing narrative, echoed in the actions taken by supermarkets, reflects these perspectives. "Reduction programmes", "performance indicators" and "practical solutions" are pursued to reconcile "efficiency", "economy" and the development of a "commercial policy" centred on sustainable consumption. In practice, the sustainability strategies of retailers often prioritize symbolic innovations such as good practices, flagship stores, and internal or external competition (Croizean *et al.*, 2018). Nevertheless, these measures do not address the fundamental unsustainability of mass retail, particularly its reliance on high volumes and low-priced animal products. In terms of greenhouse gas emissions, the main contributors are the upstream agricultural and industrial sectors (77%), which require far more attention from retailers than emissions from product use by consumers (19%)—both of which fall within Scope 3 (McKinsey, 2022b). Addressing environmental challenges therefore demands a broader rethinking of the sector's economy.

3. SUPERMARKETS AND SUSTAINABILITY: THE DANGERS OF THE STATUS QUO

3.1. A colossus built on sand?

The food retail sector is highly exposed to environmental challenges, particularly as it sits downstream in a globalized food chain. Any crisis or disruption upstream inevitably affects the sector, which has limited manoeuvre room with consumers. A study of the impact of the COVID-19 pandemic on the German food chain found that retailers faced multiple challenges: fluctuating quantities, stricter traceability and quality requirements, managing surpluses and shortages, shifting consumer demand, reduced availability of some suppliers, and longer delivery times (Burgos & Ivanov, 2021). The sustainability of the mass retail model therefore depends on the smooth functioning of the rest of the chain.

Furthermore, the major food retailers sector was built on the promise of "giving value back" to consumers by streamlining the distribution system as much as possible—eliminating intermediaries, developing self-service, expanding sales areas, expanding purchasing volumes and the customer base, and selling at low prices with low margins (Hocquelet *et al.*, 2016). The model is therefore intrinsically tied to mass consumption, sustained by relatively low net margins. As a result, pre-tax profits were just 0.6% (compared with around 8% in commercial catering, according to the study), and net profit at brand holding company level was around 1.5% in 2014.³⁵ This very low profitability can also be explained by just-in-time operations, which depend on a small number of profitable departments, or even a handful of products, as shown by a study by Basic (2023). Only a few departments (mostly animal products) generate a positive net margin, while the rest operate at a loss.³⁶ However, over the past decade there has been a trend towards increasing gross margins for both supermarkets and manufacturers (Le Basic *et al.*, 2017).

In this context, efficiency gains are sought at every level (workforce deskilling, economies of scale, capital-labour substitution, lower-paid positions, and greater use of part-time work than the average)³⁷ to boost shelf profitability. But this alone is not enough: the sector also depends on income from other activities. One such source is the financial income generated from investing working capital, made possible by the time lag between the date of sale in the store and the date the supplier is paid—typically 30 to 45 days (Moati, 2016; Le Basic *et al.*, 2017). Another is property income, for example through the valuation of store premises or rent from leasing space in shopping centres. A study by Le Basic, ASca and ADEME (2017) observes that the food retail economic model is based mainly on volumes and a wide range of product references (goods sales account for 96% of turnover), but also on property and financial activities, which make up the remaining 4%. This reliance on non-retail income means that retailer profitability (and pricing policy) is partly tied to interest rate fluctuations, making the sector even more vulnerable to crises.

Goods make up the bulk of expenditure (79% when logistics and purchasing centre costs are included). Price competitiveness therefore depends on negotiations with suppliers, which can strain relations with manufacturers and damages the image of retailers among consumers, who accuse them of putting

³⁴ See, for example, the progress made in the sector as reported by the FCD: <https://www.fcd.fr/qui-sommes-nous/actualites-de-la-fcd/detail/publication-des-resultats-de-lobservatoire-de-la-distribution-responsable-2021/> or the website <https://www.magasinsresponsable.com/>, which lists examples for the retail sector.

³⁵ The study explains this difference with the figure of 1.5% from a Deloitte study on the net profit/turnover ratio of Carrefour S.A, Auchan and Casino S.A by the fact that the very low current pre-tax profit is partly due to internal re-invoicing within large retail groups (logistics costs, central purchasing, franchises, etc.).

³⁶ Here it is important to note the difference with the earlier point: although gross margins for animal products are squeezed, net margins (after deducting direct and indirect costs for the department—taxes, staff costs, energy, property, etc.) are higher than for other departments (with the exception of meat), mainly due to lower staff costs.

³⁷ Salaries in supermarkets are lower than the French average for each salary bracket studied; the use of part-time work is higher than average for both women and men (35% in total compared to 18%); contract lengths are similar (87% permanent contracts), (Le Basic *et al.*, 2017).

pressure on "small producers" (Moati, 2016). As a result, private labels have become central to the profitability model, allowing retailers to differentiate themselves in an otherwise fairly uniform sector, and to regain greater flexibility where competition on national brands is intense. The difference between national brands and private labels is striking: the former often serve as "loss leaders" to attract consumers, generating very low gross margins (for example, around €0.10 per product for Carte Noire coffee at Franprix). This is offset by private-label products, which offer much higher gross margins (for instance, Leader Price Arabica coffee has a margin of nearly one euro),³⁸ and require less investment in advertising, marketing and innovation, and are managed directly by retailers. Finally, expenses are also reduced through cost-cutting strategies: although goods account for the lion's share of spending, their cost is lowered by a series of discounts and rebates negotiated with suppliers (known as "back margins"), which typically represent 30 to 40% of the prices charged by those suppliers.³⁹ Supermarkets therefore also rely on these financial advantages to generate profits.

While it cannot be said at this stage that retailers are on borrowed time, given that they remain by far the dominant actors in food sales, it is worth considering the risks posed by environmental issues and shifts in societal practices and values. The above paragraphs highlight three major dependencies of the sector's business model: national brands (which attract customers with margins close to zero and generate income through back margins), animal products (one of the few profitable categories), and property assets (shopping centres and urban locations). In the following section, we draw on the classification of Barbat *et al.* (2012) (store, product, customer) to examine the challenges facing food retail: the slowdown of a hypermarket-centred development model; evolving consumer behaviour, perceived by retailers as unstable and disconcerting; and economic dependence on animal products, which account for the majority of the sector's environmental footprint.

3.2. Stores: reintroducing local shopping

At the most basic level, stores constitute the vast majority of the (property) assets of supermarket chains. However, the number of stores has been falling for both supermarkets (a 4.4% decline) and hard discount outlets (a 22.5% decline) between 2016 and 2020 (LSA, 2021), while the share of hypermarkets in sales has been declining since 2020.⁴⁰ Hypermarkets are emblematic of the food retail sector in France, whose rapid expansion since Carrefour opened its first store in 1963 has permanently reshaped dietary habits and land use. According to Moati (2023), the turning point came in 1999, when hypermarkets' share of retail sales began to decline. This trend was first seen

in non-food goods but soon spread to food, driven initially by customer shifts towards hard discounters, then by the return of local shops and competition from alternative channels (direct sales, community-supported agriculture, etc.). In the food sector, hypermarkets have lost almost 14 percentage points of market share in twenty years, dropping to 38% in 2021. This decline appears to be accelerating: the number of transactions in 2021 was down 11% compared to 2019.⁴¹ Despite still attracting high footfall, hypermarkets face an increasingly poor public image: most consumers say they avoid doing all their shopping there and doubt that hypermarkets genuinely increase their purchasing power (Moati, 2023). These changes are benefiting new retail formats (e-commerce, drive-throughs, local shops), specialist shops (butchers, bakeries, large fresh produce stores, etc.)⁴² and short supply chains. A recent France Stratégie report on the economic impact of climate action (2023) warns of the risk of financial depreciation for large retail sites (supermarkets and hypermarkets), given their intrinsic link to lifestyles of abundance (mass consumption, unlimited mobility) that are being challenged by policies promoting sufficiency. The sector is aware of this risk, particularly through forward-looking studies,⁴³ and is already seeking to diversify its sales formats.

Faced with the decline of a model based on distant, hypermarket-centred retail and the rise of alternatives to major chains, larger retailers are responding by incorporating various forms of proximity into their development strategies (Blanquart & Chanut, 2016). This can be seen in the expansion of drive-through services (including pedestrian click-and-collect services in city centres), investments in new supply strategies (regional private labels, local products) and the introduction of artisanal products (in-store bakeries in supermarkets, the revival of deli counters,⁴⁴ etc.). Proximity, understood in both geographical and non-geographical terms, is therefore emerging as a priority for retailers. From a sustainability perspective, however, these developments do not mark a shift in the practices of supermarkets, whose business model remains based on high purchase volumes. The share of sales generated by promotions in hypermarkets and supermarkets is now at its highest since 2009, accounting for 21.4% of turnover, and 20.9% for food in 2021.⁴⁵ It is also likely that the growth of these new distribution channels will come at the expense of the turnover of other channels, against a backdrop of falling purchase volumes (FCD,

³⁸ <https://www.leparisien.fr/economie/marges-dans-la-grande-distribution-dans-le-secret-de-la-fabrique-des-prix-09-10-2019-8169825.php>

³⁹ <https://www.definitions-marketing.com/definition/marge-arriere/>

⁴⁰ <https://www.reussir.fr/lesmarches/5-chiffres-savoir-sur-les-hypermarches-en-france>

⁴¹ <https://www.lsa-conso.fr/pgc-117-3-milliards-d-euros-de-chiffre-d-affaires-en-2021-selon-nielseniq.403006>

⁴² <https://www.toute-la-franchise.com/vie-de-la-franchise-A29271-marche-de-la-grande-distribution.html>

⁴³ For example, those produced for the Fédération du commerce et de la distribution (FCD) by Olivier Badot and his colleagues (2020), by Obsoco (2021), a foresight study resulting from a partnership between the Ministry of Labour, the FCD and the Horizons Commerce trade unions (2021), or the expert-based scenario developed by Herbert (2014).

⁴⁴ <https://www.lsa-conso.fr/dossier-traiteur-les-distributeur-accelere-en-cuisine.437579>

⁴⁵ <https://www.lsa-conso.fr/pgc-117-3-milliards-d-euros-de-chiffre-d-affaires-en-2021-selon-nielseniq.403006>

2023). Faced with the expansion of alternative channels (short supply chains, markets, etc.), will this strategy prove effective for supermarkets? Finally, at the store level, the ecological transition also raises questions about skills and changes in job profiles (McKinsey, 2022b), which are not addressed in this *Study*.

3.3. Consumers: rapidly evolving demands and barriers to sustainable practices

Consumer preferences present a second major challenge. Using consumer surveys and panels, retailers are seeking to identify both emerging trends and those gaining momentum. Yet they face apparent contradictions: citizens are said to be increasingly aware of issues such as health, the environment, animal welfare, local sourcing; are increasingly well-informed; and are more sceptical of corporate commitments (Colla, 2018). However, these attitudes are not reflected in sales figures. As a result, professionals tend to overestimate certain drivers (the appeal of online shopping, the desire to consume "better", the deterioration of household finances, the appetite for local and national products) and underestimate others (the integration of environmental considerations into consumer behaviour, the pursuit of pleasure and the attraction of good deals) (Obsoco, 2021). These concerns may appear inconsistent at first glance. However, this is only the case if one assumes an analytical framework in which individuals are free to choose, act rationally, and behave in line with their beliefs. In previous work,⁴⁶ we have highlighted how romanticized this vision of the "citizen" or the "committed" and "responsible" consumer can be. In short, it overlooks the material and immaterial conditions that shape food purchases, many of which are linked to the socio-economic status of individuals or households. It is therefore not surprising that seemingly contradictory trends can coexist in society, within households, and even in the behaviour of a single individual.

Year after year, price remains a key factor in purchasing and store selection decisions.⁴⁷ However, it is no longer the only one: even in 2022, during a period of inflation, health ranked second, and budgets for "food transition" (plant-based, local, "free-from" products, etc.) were holding steady despite the decline in organic products.⁴⁸ The dogma that price is the main or even sole expectation of consumers is gradually crumbling. Retailers are developing new sales concepts, looking for ways to revitalize hypermarkets, and focusing on diversifying private labels. According to P. Moati (2016), there is a notable shift from a "product" to a "customer" priority. This is illustrated by the success of Grand Frais, voted France's favourite retailer in

2018 and now one of the few still growing in the supermarket segment (LSA, 2021), which is capitalizing on a concept built around customer experience: authenticity, freshness, quality advice and variety.⁴⁹ A ten-year forecast produced in 2014 highlights these tensions within the consumer profile: from a "child in search of short-lived hedonism", the customer is becoming an "adult" capable of balancing budget, time and pleasure, seeking out information and sometimes making philosophical choices (Herbert *et al.*, 2014).

These tensions between growing concerns and inertia in purchasing behaviour are real and, according to some, signal an ongoing shift towards a new consumption regime (Collin-Lachaud *et al.*, 2022). For now, the consumerist lifestyle remains dominant, but new consumer profiles are emerging that turn away from retailers to varying degrees. Based on qualitative research into weak signals of low-impact practices, the researchers identify three ideal types:

- The "engaged" – actively changing their practices and purchases towards sustainability, and open to proposals from supermarkets in this regard;
- The "sufficiency-minded" – minimizing purchases and store visits, favouring quality in the right quantities, interested in the social issues behind production, and seeking out the best retailers based on these criteria;
- The "alternative consumers" – tending to distance themselves from traditional distribution channels and hyper-consumption, or even organizing to bypass intermediaries altogether (buying groups, self-production, exchange, etc.).

Preparing for the future means that distributors must take these signals seriously and use their influence both upstream and downstream to navigate the transition.

3.4. Products: animal products are central but high-risk

Lastly, we turn to the products. The diversity, quality and price of a retailer's range are key to its ability to attract consumers. Research on the sector has identified a tipping point: as retailers became bogged down in the "Big Middle" (Levy *et al.*, 2005) due to the pricing strategies adopted by all actors, the question of differentiation arose (Herbert *et al.*, 2014). Fresh produce, followed more recently by organic products, then served as a growth driver for retailers. In 2018, "food transition" products (plant-based, local and organic) accounted for nearly three-quarters of growth in the mass consumption market.⁵⁰ The trend now appears to be towards local products and/or short supply chains, which combine quality, support for producers and affordable

⁴⁶ Brocard, C., & Saujot, M. (2023). Environment, inequalities, health: what strategy for French food policies? IDDRI Study. See also <https://www.iddri.org/en/publications-and-events/blog-post/public-decision-makers-must-change-their-food-transition>

⁴⁷ See Dembo *et al.* (2018) and this recent OpinionWay/Max Havelaar survey (2022).

⁴⁸ <https://www.kantar.com/fr/inspirations/consommateurs-acheteurs-et-distributeurs/2023-analyse-de-la-consommation-2022>

⁴⁹ https://www.philonomist.com/fr/article/du-supermarche-lhyper-lieu?utm_source=Philonomist&utm_campaign=0a1d348d4f-newsletter1_20181018_FR_COPY_01&utm_medium=email&utm_term=0_ecc4e436bd-0a1d348d4f-218119621

⁵⁰ <https://www.lesechos.fr/industrie-services/conso-distribution/distribution-la-montee-en-gamme-peine-a-compenser-la-deconsommation-1163806>

prices,⁵¹ as well as plant-based products.⁵² However, this shelf space for new products has partly come at the expense of organic products, whose share of FMCG (fast-moving consumer goods) has been declining since late 2022, falling to 7.5% of the total offering. Alongside this delisting trend, sales of organic products are collapsing, dropping below 4% of supermarket sales in 2023.⁵³

However, the type of food product sold, and how it is produced, accounts for the vast majority of a retailer's environmental impact. Within "upstream" emissions, which are the most significant, animal products alone make up 51% of the total, with meat accounting for 34% and dairy products for 17% (McKinsey, 2023). This issue is increasingly recognized by the global financial community. Several institutions view current levels of meat and dairy consumption (and their continued abundance in stores) as incompatible with a sustainable pathway for the food system, economically and environmentally. Modelling by the UN's Race to Zero initiative (2022) suggests that major industrial and retail companies could face financial losses of up to 26% of their value if they fail to adapt to forthcoming shifts in public policy and consumer demand. For investors, the report estimates that this would translate to around \$150 billion in losses, with long-term effects comparable to those of the 2008 financial crisis. Conversely, developing alternatives to animal products could bring both environmental and economic benefits. A study by Planet Tracker (2023) projects potential global gains of around \$240 billion from such a shift.

In addition to contributing significantly to the ecological crisis, the animal production sector faces three categories of growing risks: systemic, physical and transitional. Systemic risks include ecosystem impacts and cross-sector contagion; physical risks include exposure to price volatility and uncertainties affecting supply; while transitional risks stem from shifts in demand, changes in public policy, evolving strategies among financial actors, reputational damage (e.g. following environmental damage) and stranded assets (FAIRR, 2022; Nicholson *et al.*, 2022). According to the FAIRR investor group (2022), 55% of companies producing meat, dairy products and aquaculture are rated "high risk". In a sample of 60 companies, which also includes distributors such as Carrefour and Tesco, only half include Scope 3 emissions in their carbon neutrality commitments, while the vast majority face high or moderate risks on the ten indicators considered.⁵⁴ In this context, retailers are falling

short, as discussed in the previous section. It is time for these actors to reassess their strategies, taking into account the risks of dependence on animal products, their true share in revenue, and their environmental footprint. At present, animal products account for 51% of Scope 3 emissions and 18% of revenue⁵⁵ for retailers, compared with 4% and 9% respectively for the fruit and vegetable segment (McKinsey, 2022a).

Nevertheless, animal products remain central to the supermarket model, due to higher margins in certain departments, the volume of spending they generate, and their role in attracting consumers. This sustained emphasis on promoting animal products demonstrates a clear "dependence". In 2020, meat products were the largest food expenditure category in supermarkets and hypermarkets (22%), followed by dairy products and eggs (17%) (OFPM, 2023). The most profitable supermarket departments in 2021 were also those selling animal products: processed meats (9.7% net margin before corporation tax) and poultry (8.8%). Across the departments studied (butchery, processed meats, poultry, dairy products, fruit and vegetables, bakery, and fish and seafood) the average net margin was 2.4% (OFPM, 2023).⁵⁶ Among these seven departments, processed meats, which accounts for 18% of turnover, contributed 53% of the overall net margin (OFPM, 2023). Examining the balance within each department would be revealing: which type of meat is the loss leader, at what margin level, and which products generate the highest margins? Questions about the food transition therefore go hand in hand with questions about the economic model of retailers, which is far from a minor issue.

Finally, beyond the type of products sold and their production methods, there is also the issue of consumption levels. A trend towards "de-consumption"—a decline in food sales volumes—has been evident in recent years.⁵⁷ Under the impact of high inflation, this trend has accelerated, hitting higher-priced products particularly hard, such as organic goods (13% fall in volume between January and July 2023)⁵⁸ and meat (3% fall in turnover for the sector in 2023).⁵⁹ As Hocquet & Mahlaoui (2022) note, retailers generate nearly two-thirds of their sales by selling large quantities at low prices, while simultaneously diversifying their formats (drive-through, click & collect, convenience

⁵¹ <https://www.lsa-conso.fr/les-acteurs-historiques-de-la-distribution-doivent-changer-de-visage,308481>; https://www.lemonde.fr/economie/article/2021/11/26/alimentation-l-essor-du-local-fait-de-l-ombre-au-bio_6103638_3234.html

⁵² <https://www.lefigaro.fr/societes/la-vogue-du-vegetal-chasse-les-produits-bio-des-rayons-des-grandes-surfaces-20221014>

⁵³ <https://www.lsa-conso.fr/le-bio-passe-sous-la-barre-symbolique-des-4-en-grande-distribution,443911>

⁵⁴ Greenhouse gas emissions; deforestation and biodiversity; water availability and use; waste and pollution; antibiotics; animal welfare; working conditions; food safety; sustainable governance. Only the criterion "alternative proteins" shows encouraging signs.

⁵⁵ French sales figures for meat (16.5%) and fruit and vegetables (9.1%) provided by INSEE for 2018 are similar to those recorded at European level.

⁵⁶ However, the meat, fish and bakery departments are operating at a loss, mainly due to higher labour costs in these departments. As highlighted by the OFPM, these departments contribute to the overall profitability of the store by enhancing its appeal, thereby increasing footfall and the net margin of other departments. Other profitable departments include fruit and vegetables (4.4% net margin before tax) and dairy products (0.9%). (OFPM, 2023).

⁵⁷ <https://www.lesechos.fr/industrie-services/conso-distribution/2010-2019-le-commerce-au-grand-defi-de-la-deconsommation-1159091>

⁵⁸ <https://www.lesechos.fr/industrie-services/conso-distribution/alimentation-cette-spirale-infernale-qui-renvoie-le-bio-cinq-ans-en-arriere-1973205>

⁵⁹ More specifically, we refer here to a decline among members of Culture Viande, which accounts for 82% of livestock slaughter in France. <https://www.lesechos.fr/industrie-services/conso-distribution/nous-croulons-sous-les-stocks-lannee-noire-de-la-filiere-viande-1975603>

stores) and developing new segments (organic, bulk, quality chains). In terms of turnover, this decline in volumes was initially offset by inflation, demographics and the value-added (or premiumization) strategies of retailers. This mechanism slowed in 2020 and, although supermarket sales continued to grow in 2022 and 2023, this growth now stems mainly from inflation. According to the FCD (2023), the gap between value and volume has never been so wide. Does this signal a lasting slowdown in consumption levels, leading to stable or stagnant sales volumes? If so, how will retailers recover their room for manoeuvre?

3.5. Interim conclusion

The business model of retailers is therefore undergoing changes that are prompting a reinvention. While the sector remains highly dominant in French shopping habits and plays a major role in shaping the agricultural and industrial upstream sectors, current trends in consumer behaviour need to be taken seriously, even if they are sometimes difficult to predict. Furthermore, the strategies of retailers to diversify sales formats, expand private labels, and to increase (to varying degrees) the share of plant-based products on their shelves can be seen as ways of addressing the three major dependencies identified in this *Study* (dependence on national brands, on the profitability of financial products, and on the sale of animal products). However, this analysis shows that French retailers are paying insufficient attention to their dependence on low-priced animal products, in contrast to some of their foreign competitors. While not exemplary, initiatives by British (Tesco,⁶⁰ Sainsbury's⁶¹), Dutch (Albert Heijn)⁶² and German (Lidl)⁶³ retailers suggest that they are aware of this issue and are beginning to address it, particularly under growing pressure from stakeholders and public authorities.

4. GROWING PRESSURES CREATE OPPORTUNITIES FOR ACTION

Retailers are under increasing pressure from a range of stakeholders, including investors, civil society and public authorities.

From the investor perspective, it is the recognition of the risks already mentioned that is driving their activism. Examples

include the work and commitments of the FAIRR investor network, whose 370 members represent \$90 trillion in assets and are specifically engaged in reducing the risks linked to animal-based products. In 2021, British retailer Tesco was also formally called on by shareholders to strengthen its policy on animal products.⁶⁴ It should also be noted that mass retail relies on a fragile model built on long international supply chains and low operating margins, which in turn require high sales volumes. Yet with the growing frequency of ecological, economic, health and geopolitical crises, this business model, although still dominant, is becoming increasingly risky: supply chain disruptions are already a reality, short supply chains are expanding⁶⁵ amid consumer mistrust, and store closures have no longer seemed unthinkable since the COVID-19 pandemic. Adding to this are major shifts in food consumption, such as the growth in eating out, the reduction in time spent on meals, and the individualization of consumption (Hérault *et al.*, 2019), all of which bring new uncertainties. The food retail sector turnover continued to grow in 2022, but mainly due to inflation.⁶⁶ The average EBIT of nine European grocery retailers is 2.8% in 2024, while the EBITDA has decreased slightly from 6.9% in 2019 to 6.2% in 2024⁶⁷. What does the future hold? Are we seeing "the end of large retailers", as Philippe Moati (2016) asks? In any case, Moati argues that it marks the end of a certain growth model, with retailers and manufacturers converging towards an "integrator" model that aims to control the largest possible share of the supply chain, from agricultural production to consumer sales. This model is characterized by the spread of a "service-oriented" approach in which customer support becomes the cornerstone of the business.

Retailers are also increasingly the focus of civil society campaigns. Such actions can shape public discourse and, in turn, influence consumer attitudes towards certain products or brands. Some of these actors, whose work we have cited, are intensifying their efforts to assess and publicize brand performance, identify risks, and support the sector (e.g. the Food Foundation in the United Kingdom), or are pursuing legal action based on an emerging body of law (e.g. Mighty Earth in France).⁶⁸ These "stakeholders" are important sources of influence and expertise that should not be overlooked, particularly considering the reputational risks they pose. (Figure 1)

⁶⁰ Tesco was the first retailer to set a target for increasing sales of meat alternatives (300% increase by 2025) (Feedback, 2021).

⁶¹ The retailer is using several marketing tools to promote healthy and sustainable choices: 40% increase in shelf space for plant-based products, new products, reformulation, the addition of pulses to meat-based ready meals, specific advertising, etc. <https://www.about.sainsburys.co.uk/food-back-at-heart/helping-everyone-eat-better>

⁶² The retailer has committed to ensuring that 60% of its protein sales are plant-based by 2030 (Deloitte, 2023). In 2024, 10 other major Dutch retailers followed suit. <https://vegconomist.com/retail-e-commerce/dutch-supermarkets-plant-based-proteins-2030/>

⁶³ <https://www.just-food.com/news/lidl-to-cut-back-on-meat-sales-in-favour-of-plant-based-food/>

⁶⁴ <https://www.ft.com/content/4ceae52-3d9f-45f8-8859-91753a4cceb>

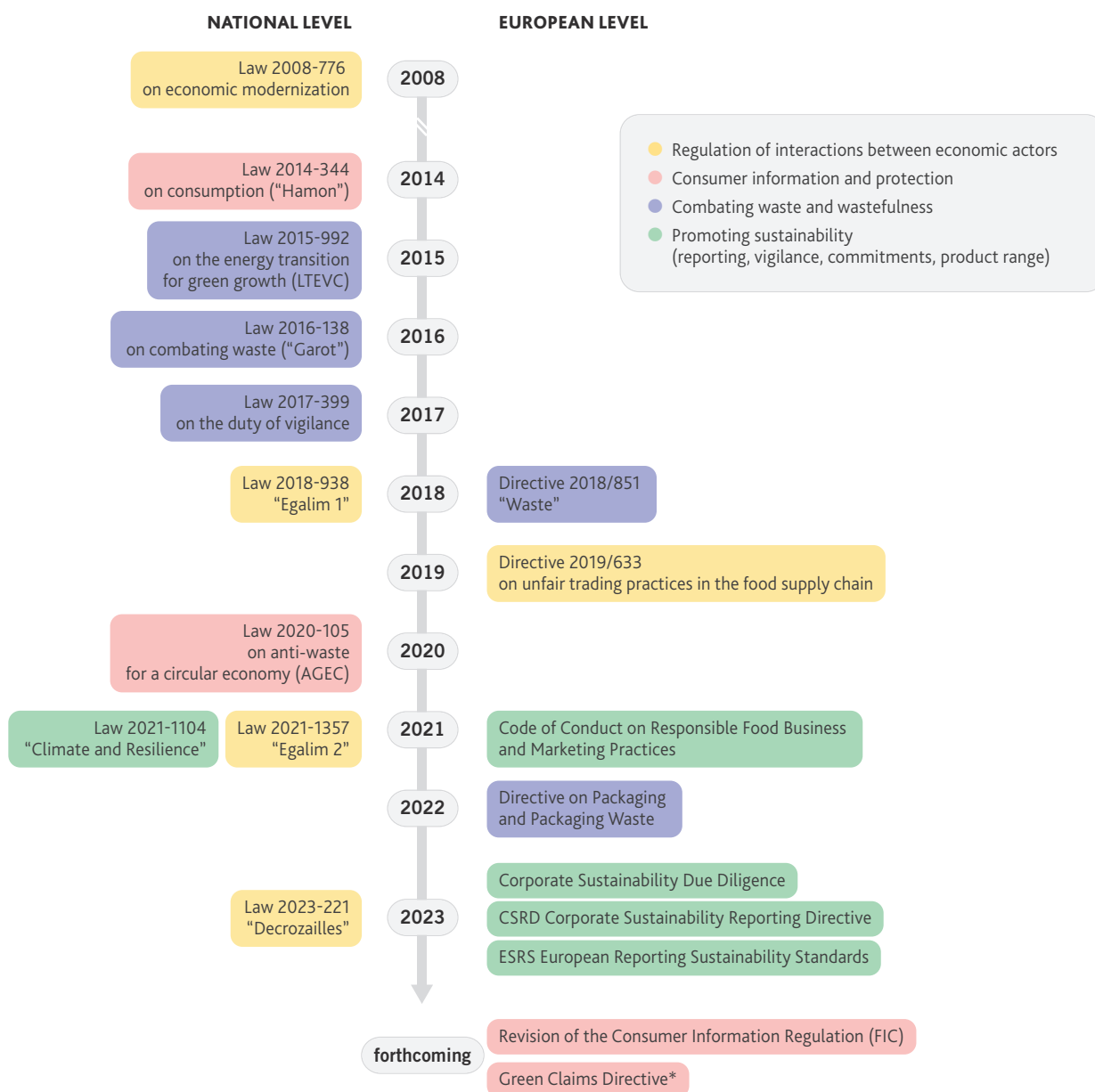
⁶⁵ The growth of short supply chains for all sectors between 2010 and 2020 according to agricultural census figures (Agreste, 2023), while INRAE (2022) notes a stabilization since the COVID period.

⁶⁶ <https://www.insee.fr/fr/statistiques/6791950>

⁶⁷ <https://www.mckinsey.com/~/media/mckinsey/industries/retail/our%20insights/state%20of%20grocery%20europe%202025%20quest%20for%20growth/the-state-of-grocery-retail-europe-2025.pdf?shouldIndex=false>

⁶⁸ See, in particular, the lawsuit filed against Carrefour in 2022 by the NGO Mighty Earth, denouncing its responsibility for Amazon deforestation; a possibility opened up by the 2017 law on the "duty of vigilance".

FIGURE 1. Examples of public policies at national and European levels



* After being withdrawn in June 2025 by the European Commission, its status is now uncertain.

The public authorities are the final key actor to consider. The common market is the exclusive competence of the European Union and is governed by a series of regulations, particularly in marketing, consumer protection, and consumer information. European legislation is also expanding into environmental areas under the Green Deal and the Farm to Fork Strategy, which sets out objectives for the agri-food system. The European Commission is therefore showing growing interest in actors in the middle of the chain, particularly retailers (Figure 1). Already

bound by a voluntary Code of Conduct launched in 2021 to improve the sustainability of their retail mix, retailers are now also subject to a series of provisions that strengthen their direct social and environmental responsibilities towards both upstream and downstream partners. In 2023, the Corporate Sustainability Due Diligence Directive (CSDD) was adopted, applying at European level the concept of "duty of care" already present in French law since 2017. This was followed by the Corporate Sustainability Reporting Directive (CSRD), which

requires companies to analyse and publish detailed information on their risks, opportunities and material impacts in relation to social, environmental and governance issues. The CSRD will apply from 1 January 2024 to companies already required to publish a non-financial statement, and from the following year to all companies meeting at least two of the following criteria: 250 employees, €40 million in turnover, or €20 million in total assets.⁶⁹ Reporting standards have been proposed in a third legal document, and the agri-food sector will also be subject to specific sectoral guidelines under the auspices of EFRAG.⁷⁰ Finally, at European level, the forthcoming law on sustainable food systems expected in 2023 mentioned the possibility of examining the role of retailers. In France, government priorities have shifted from regulating commercial negotiations, to tackling food waste, and then to environmental issues. Provisions concerning the regulation of relations between actors in the food chain are important from a sustainability perspective: the overwhelming weight of retailers in their relations with suppliers contributes to imbalances in the system. This has been a major concern for the public authorities, which have legislated three times in recent years: the Egalim 1 law in 2018, Egalim 2 in 2021, and the "Decrozailles" law in 2023. The latter, moreover, for reasons of regulating relations between actors, proposed to continue the restrictions on in-store promotions (25% by volume and 34% by value) initiated by Egalim 1, which could benefit sustainability. The State then introduced two provisions with environmental objectives through the Climate and Resilience Law (2021): the first concerns the launch of a trial for environmental labelling,⁷¹ which should subsequently become mandatory; the second directly concerns the product range offered by retailers (requiring that 20% of the sales area of shops larger than 400 m² must consist of bulk sales).

These pressures have been identified by a number of actors in the sector, who are committing to targets for reducing their Scope 3 emissions and/or implementing a range of measures to encourage sustainable and healthy eating habits, as shown in **Table 1**. However, these actions by individual actors alone do not seem sufficient to bring about a fundamental transformation of the sector or to address the challenges identified: significant environmental impacts, uneven treatment of economic risks, and demands from stakeholders and public authorities. It is therefore the role of public authorities to go beyond individual initiatives and to support the sector to address these demands and adapt to a changing environment. Section 5 sets out the levers available to retailers in this context and examines the legitimacy of public authorities in supporting such changes.

5. LEVERS AND PUBLIC POLICIES TO PROMOTE THE SECTOR'S TRANSITION

The context is ripe for transforming the food retail industry, and change seems inevitable given the risks inherent in maintaining the status quo. Sustainability strategies in the sector are driven by five main factors: environmental concerns, evolving legislation, shareholder demands, pressure from stakeholders such as NGOs, and the pursuit of stronger competitive positioning (Colla, 2018; Dagilienė *et al.*, 2021; Saber & Weber, 2019). Yet the environment remains a "peripheral" consideration for retailers (Hocquelet & Mahlaoui, 2022), and sustainability still struggles to take root within organizations, although differences do exist (RAC, 2023). According to a report by Oliver Wyman commissioned by the Food Marketing Institute in the US (2019), this limited adoption of sustainability is due to two main factors. First, there is insufficient integration into internal processes (for example, whether there is a centralized and cross-functional "sustainability management" role, whether pay is linked to environmental and social performance, and whether strategies are implemented consistently from head office to stores). Second, there are shortcomings in assessing risks and opportunities for retailers. The CSRD is a step in the right direction here, as it requires stakeholders to define the issues and collect relevant data. Without such efforts, "sustainability" programmes often remain limited to symbolic actions that do not fundamentally challenge the prevailing business model (Dagilienė *et al.*, 2021). And yet, this is precisely the transformation that is needed. In this sense, while government intervention is politically legitimate given the power and central role of the sector in the food system, it also appears the most effective way to create the conditions for such a transformation.

The lack of environmental regulation concerning in-store supply allows short-term circumstances, such as economic considerations, to dominate the sector's long-term interests. This is reflected in the rate at which organic products are being delisted from large and medium-sized stores: their share of FMCG fell by almost one percentage point (to 7.5% of supply) in less than a year, against a backdrop of inflation.⁷² Not surprisingly, the trend in available supply mirrors that of organic sales: when the former falls, the entire sector is put at risk.

Furthermore, public regulation has the advantage of creating conditions for a new, level playing field. This will reward companies that have taken the greatest risks in pursuing sustainability (**Table 1**) while encouraging others in the sector to follow suit.

This was the conclusion of a report commissioned by a coalition of British food companies and produced by the University of Oxford (2020): "*more progressive companies are held back by an absence of regulation to level the playing field and mitigate*

⁶⁹ More information on the CSRD can be found in this article by the AMF.

⁷⁰ <https://www.efrag.org/lab5>

⁷¹ See Brimont, L., & Saujot, M. (2021). Environmental food labelling: revealing visions to build a political compromise. IDDRI Study.

⁷² In August 2023, organic products fell below 4% of sales in supermarkets. <https://www.lsa-conso.fr/le-bio-passe-sous-la-barre-symbolique-des-4-en-grande-distribution,443911>

TABLE 1. Examples of best practices

	Measure / Commitment	Example	Country	Source
SUPPORTING CHANGES IN FOOD PURCHASING	Financial assistance (discount coupons) for the purchase of healthy and/or sustainable products	Sainsbury's: £2 voucher for fruit and vegetables for recipients of the UK government's Healthy Start programme	United Kingdom	Sainsbury's, 2023
	Loyalty programme rewarding healthy and/or sustainable purchases	Albert Heijn: rewards for Nutri-Score A or B products	Netherlands	Deloitte, 2023
		Colruyt: rewards for Eco-Score A or B products	Belgium	Climate Action Network, 2023
		Auchan: 10% credit to loyalty card for purchasing organic products	France	
		Carrefour: 10-15% discount on private label organic products		
	Promoting sustainable products through in-store marketing	Sainsbury's: 40% increase in shelf space for plant-based products	United Kingdom	Sainsbury's, 2023
		Carrefour, Tesco: weekly fruit and vegetable promotions at attractive prices	France	Carrefour, 2023
		Tesco: in-store signage for "Better Basket" products		Tesco, 2023
Reformulate ready meals	Sainsbury's: adding pulses to meat-based meals	United Kingdom	Sainsbury's, 2023	
Supporting consumer information	Carrefour: encouraging drive-through customers to substitute certain products with more sustainable alternatives (based on Eco-Score, origin, nutrition): 3% of customers changed their baskets in the first month	France	Olivier Dauvers, 17.06.2022; LSA Green 20.04.2022	
	Casino Group: launched a seasonality barometer in 2022			
PROMOTING CHANGE IN AGRICULTURAL PRACTICES	Establishing long-term sustainability partnerships with farmers	Ahold Delhaize: 1,100 producers in the "Better For" programme	Netherlands and Belgium, France	Carrefour
	Creating a "climate" fund to support suppliers in adopting sustainable practices	Anonymous retailer	Switzerland	Deloitte, 2023
	Setting supplier emissions-reduction targets	McKinsey, 2022		
	Carrefour: top 100 suppliers required to adopt a "1.5-degree pathway" by 2026 or face delisting	France	Challenges, 08/11/22	
INTEGRATING SUSTAINABILITY INTO CORPORATE STRATEGY	Setting sales targets for plant-based proteins within the "proteins" category	Albert Heijn: target of 60% plant-based protein by 2030 (compared to 30% today)	Netherlands	Deloitte, 2023
	Changing sourcing strategies	Carrefour: ultra-local agreements through standard contracts enabling short supply chains	France	LSA Green, 03.01.2022, E. Leclerc, 2023
		E. Leclerc: 15,000 short-supply chain partnerships		
	Setting targets for increasing sales of sustainable products	Tesco: 300% increase of plant-based protein sales by 2025	United Kingdom	Feedback, 2021
	Carrefour: €8 billion for "sustainable" products (organic, filière qualité Carrefour, etc.) by 2026	France	Challenges, 08/11/22	
	Lidl in France: 20% of private-label chicken sales to be organic or Label Rouge by 2030		Réseau Action Climat, 2023	
TRANSPARENCY TOWARDS STAKEHOLDERS	Publishing sales figures for sustainable products (e.g. plant-based, organic, fruit and vegetables)	Sainsbury's: 12% of sales from fruit and vegetables in 2019/2020	United Kingdom	Peas Please Pledge
		Lidl Germany: commitment to disclose the plant/animal protein sales ratio	Germany	Future of Protein Production, 06/02/2023
	Commitment to transparency on sustainability	Six UK retailers have joined the WWF's Pact, committing to transparency and action on six issues (waste, agricultural production, deforestation, packaging, marine resources, diets and climate)	United Kingdom	WWF, 2022

commercial risk." Conversely, "stronger regulation" would establish practices that promote healthy food environments as the norm for commercial companies.⁷³ A similar initiative has already been taken in the automotive market with the announcement in 2016 and 2017 of the end of sales of internal combustion engine vehicles in ten countries, followed by a comparable announcement by the European Union in 2022 for 2035. Some authors view this as a strategy of "political signalling" designed to shape markets in favour of the electric vehicle industry (Meckling & Nahm, 2019). The development of start-ups in Europe's

plant-based products market (meat substitutes and pulses) and the interest shown by major industrial groups in these segments,⁷⁴ suggest that a comparable disruption is conceivable in the food sector in the medium term, provided it is supported by coordinated, well-designed planning with stakeholders.

The question of what constitutes "better" in the sale of animal products is also significant from the perspective of the agroecological transition, which relies on less intensive and more environmentally sustainable production methods (Poux & Aubert, 2018). This aligns with the need to integrate "Farm to Fork" planning to develop the necessary outlets for quality

⁷³ This refers to a coalition of companies that are members of the international industry lobby group The Consumer Goods Forum, within the Collaboration for Healthier Lives Coalition.

⁷⁴ <https://www.lsa-conso.fr/substituts-vegetaux-les-start-up-a-la-man-uvre,415866>

production, in line with the discussions initiated by the General Secretariat for Ecological Planning.

Finally, government action could also enable actors in this "green" economy (retailers and suppliers) to collaborate in a pre-competitive context to develop joint solutions to the challenges of the food transition, as recommended by McKinsey (2021). Such collaboration also offers the benefit of a long-term vision (through the setting of clear targets, for example) for a sector whose value chain management is typically focused on short-term operations. In this context, regulation is among the key levers for "*strongly encouraging*" distributors to commit to environmental issues (Dagilienė et al., 2021).

In summary, there is no doubt that large retailers have a role to play in the food transition, and that public authorities also have a relevant role in supporting this shift. The levers available to promote more sustainable supply and consumption include:

- a) Incentives for healthy and sustainable household consumption (marketing mix);
- b) Measures influencing in-store supply (product range or mix);
- c) Transparency and reporting requirements; and
- d) Support and governance mechanisms tailored to the sector.

Figure 2/Table 1 presents examples of measures, primarily downstream, and to a lesser extent upstream in the supply chain, initiated by private actors, which signal changes already underway in the sector. Measures relating to shifts in sector-specific professions or the integration of sustainability into organizational structures are not included here.

6. RECOMMENDATIONS AND PRIORITIES FOR THE SNANC

In this *Study*, we focus on the large food retail sector and the measures that impact changes in dietary practices. We have therefore deliberately excluded another important actor in the middle of the chain: the agri-food industry, as well as measures that may be more relevant to the upstream rather than the downstream part of the food chain. While these recommendations would undoubtedly have economic implications for actors in the upstream food chain (industry and primary agriculture), such impacts would need to be examined in more detail. The recommendations presented here therefore aim to highlight that new public policy options are available to stimulate momentum in the sector, particularly in four main areas.

The first area concerns the marketing policies of retailers: which products are most visible on the shelves? Which are promoted? Which are sold with the lowest margins? Reviewing the literature, Walton (2023) identifies causal links between certain marketing practices and the overconsumption of products harmful to health or the environment. For product placement and portion or package size, the scientific evidence is conclusive. For example, increasing shelf space can boost sales by 19–39% and by up to 243% for

end of aisle displays (Wilkinson *et al.*, 1982). Shelf placement strategies, whether products are positioned at the top, bottom, or centre, can increase unplanned purchases by 40% (Inman *et al.*, 2009). In-store promotions, advertising, the omnipresence of certain products (such as meat), the formulation of processed foods and low prices also lead to increased consumption, with a moderate level of certainty. Regarding marketing and advertising, the author recommends examining in-store applications (e.g. promotions) as well as media spending. The impact of these techniques has been demonstrated for both adults and children (unlike television advertising, where the effect on adults is inconclusive) meaning they influence a far wider audience (all supermarket visitors). The marketing mix of retailers, which strongly promotes meat consumption, as highlighted in the RAC report (2023), therefore has a direct effect on current consumption levels. This highlights the need for mechanisms to regulate such strategies.

The composition of the product range (or in-store offering) is another major issue. While exposure to a product does not guarantee its purchase, it shapes consumers' perceptions of food (Mattioni *et al.*, 2020). Major food retailers have played a decisive role in the spread of ready meals (Oosterveer, 2011) and in the development of Denmark's organic market, actively making such products available, accessible and visible (through advertising and marketing campaigns) and more appealing by helping suppliers adapt to consumer preferences (Daugbjerg & Schwartzman, 2022). Applying a food-environment perspective,⁷⁵ which holds that individual choices are shaped by the characteristics of the environment in which they live, regardless of personal preferences, helps to gauge how changes in the in-store product range can influence consumption. Public policy can therefore seek to influence shelf offerings to increase the share of plant-based, sustainable, and healthy products, much as current legislation sets target for bulk sales. For example, the obligations of the Egalim law on food supply could be extended to retailers, requiring them to implement plans to increase the proportion of plant-based products in their ranges, or to regulate the formulation of ready meals. In addition, supermarkets could be encouraged to adjust their marketing and pricing strategies to make it as easy as possible for consumers to choose healthy and sustainable products (e.g. through in-store promotions, reduced margins, advantageous shelf placement, etc.). Government action could also support households directly, ensuring they have the economic means to purchase these higher-quality (and often more expensive) products.⁷⁶

Finally, the last two types of measures focus on retailer transparency, governance and support. The aim is to foster a virtuous dynamic within the sector, complimenting the European Union's ongoing efforts to develop common reporting

⁷⁵ For more details on this approach, see Brocard, C., & Saujot, M. (2023). Environment, inequality, health: what strategy for French food policies? IDDRI study.

⁷⁶ See, for example, our Note on sustainable food vouchers, which explores the details of this public policy option: Brocard, C., & Saujot, M. (2022). Sustainable food vouchers: analysis and proposals to reinforce the accessibility and sustainability of food. IDDRI Note.

standards. The first step before the implementation of an action plan is to identify an organization's risks and vulnerabilities, and to publish this information to fully inform stakeholders. In the UK, the preliminary work leading to the adoption of the national food strategy proposed publishing annual sales figures for the main product categories (Walton, 2023). The WWF⁷⁷ has similarly recommended disclosing the share of plant proteins in total protein sales. Such proposals could be integrated into future transparency requirements for the agri-food sector under the CSRD, which the French government will be responsible for implementing (particularly in defining penalties), given the shortcomings of the duty of vigilance law (Conseil général de l'économie, 2020). Governance is essential both at the organizational level (retailers and stores) to ensure the cross-cutting integration of sustainability objectives, and at the sectoral level. In this regard, stakeholder platforms

have played a decisive role in developing the organic market in Denmark, bringing together actors from across the food chain (Daugbjerg & Schwartzman, 2022). The UK has launched the Food Data Transparency Partnership as part of its national food strategy, with the aim of developing impact measurement metrics in collaboration with companies and making such reporting mandatory. Civil society initiatives also exist, such as Duralim⁷⁸ in France for animal feed. However, in France there are currently no comparable multi-stakeholder, cross-sectoral platforms dedicated to the food transition. The creation of such spaces could help trigger a positive dynamic for change.

The National Strategy for Food, Nutrition and Climate (SNANC), scheduled for release at the end of 2023, provides an appropriate tool for initiating dialogue with stakeholders and planning the gradual implementation of the measures outlined in **Figure 2**.

FIGURE 2. Levers available to public authorities to promote sustainability in large-scale food retail

GOVERNANCE AND SUPPORT	
<ul style="list-style-type: none"> ● Establish a working group bringing together the main sector bodies (FCD, Perifem, FCA) and retailers to support the implementation of measures. ● Conduct a prospective study for the sector for 2030 and 2050, addressing ecological transition and adaptation needs. 	<ul style="list-style-type: none"> ● Consider establishing and financing a fund to support changes in practices in the upstream agricultural and industrial sectors.
EVOLUTION OF THE IN-STORE OFFER	
<ul style="list-style-type: none"> ● Require all retail groups to set targets for reducing Scope 3 emissions. ● Launch an initiative to reformulate private-label products to lower their animal product content, reduce portion sizes, and improve nutritional quality. 	<ul style="list-style-type: none"> ● Set minimum thresholds for quality (agroecological) products as a percentage of a store's offerings. ● Move towards a binding roadmap for large retailers to reduce Scope 3 emissions (France, Europe).
TRANSPARENCY ET REPORTING	
<ul style="list-style-type: none"> ● With the CSRD entering into force on 1 January 2024: publish figures on the share of quality products in the offering, plant-based products (protein), and nationally-sourced products, as a percentage of purchases/sales and as a percentage of shelf space. 	<ul style="list-style-type: none"> ● Communicate gross margins by product category (e.g. plant-based products, beef, organic products, etc.) to public institutions on an annual basis.
INCENTIVES FOR SUSTAINABLE CONSUMPTION	
<ul style="list-style-type: none"> ● Run public communication campaigns in partnership with large retailers (in-store, TV, etc.). ● Expand consumer reward schemes for purchasing sustainable products, especially through loyalty cards. ● Ensure clear visibility of environmental labelling in stores. ● Regulate advertising (media and print) by retailers through a sustainability charter. 	<ul style="list-style-type: none"> ● Systematically offer drive-through customers healthier and more sustainable options. ● Set a ceiling on gross margins applied to "sustainable" products. ● Require that a set proportion of marketing benefits granted to suppliers (e.g. shelf space, promotions, visibility in advertising brochures) is allocated to "sustainable" products and brands. ● Prohibit bulk sales of products identified as "to be reduced" in the PNNS.
SHORT TERM	MEDIUM TERM

⁷⁷ <https://www.wwf.org.uk/sites/default/files/2022-11/WWF-Whats-in-Store-for-our-Planet-the-Impact-of-UK%20Shopping-Baskets-on-Climate-and-Nature-2022-v1.pdf>

⁷⁸ <https://www.duralim.org/>

Transition to sustainable food: risks and levers for food retailers

Charlie Brocard (IDDRI)

The Institute for Sustainable Development and International Relations (IDDRI) is an independent think tank that facilitates the transition towards sustainable development. It was founded in 2001. To achieve this, IDDRI identifies the conditions and proposes the tools for integrating sustainable development into policies. It takes action at different levels, from international cooperation to that of national and sub-national governments and private companies, with each level informing the other. As a research institute and a dialogue platform, IDDRI creates the conditions for a shared analysis and expertise between stakeholders. It connects them in a transparent, collaborative manner, based on leading interdisciplinary research. IDDRI then makes its analyses and proposals available to all. Four issues are central to the institute's activities: climate, biodiversity and ecosystems, oceans, and sustainable development governance.

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