

ACCESS TO NUTRITION INDEX

GLOBAL INDEX 2018



ACCESS TO
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Acknowledgements

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Ministry of Foreign Affairs

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May 2018

Welcome

The Global Access to Nutrition Index 2018 is the third Global Index published by the Access To Nutrition Foundation (ATNF). The first was published in 2013 and the second in 2016.

I am very proud to share the results of this new Global Index with you. It shows the growing importance of nutrition issues in the Board rooms and operations of the largest global food & beverage (F&B) manufacturers - demonstrated by increased engagement and improved scores from most of the participating companies. It also shows the ground breaking role that ATNF now has in holding companies to account for their nutrition commitments.

We know that the Index is increasingly used as a reliable source of information by a growing range of investors who use the results in their engagement with the F&B companies they invest in, and also by global and in-country policymakers and research organizations. We have also seen the Indexes' methodologies and findings driving thinking and actions across the sector.

Nevertheless, despite good evidence of impact, the global nutrition crisis has not abated. In total, one in four adults is overweight, and the latest figures show that undernutrition is on the rise again, with 815 million people around the world suffering from hunger every day. Fortunately, ATNF is not alone in noting this and in its efforts to keep nutrition high on the world's agenda. Only by joining forces with other initiatives and organizations, and fighting malnutrition from every angle, will we succeed in achieving the Sustainable Development Goals and putting an end to hunger by 2030. For this reason, it remains critical to monitor and assess the policies and practices of leading food & beverage manufacturers. As some developing countries emerge and their populations eat more processed food, the presence

and influence of big F&B companies is growing, and their policies have the potential to make a significant difference to consumer health. Meanwhile, advances in digital technology can become cause for increased concern and vigilance around responsible marketing, in both developed and developing countries, with children being particularly vulnerable targets.

As with previous Indexes, the third Global Index measures companies' contributions to good nutrition against international norms and standards and includes a separate ranking of the world's leading manufacturers of breast-milk substitutes (BMS). A new feature of the third edition is a Product Profile measuring the healthiness of companies' product ranges in nine markets, namely Australia, China, India, Hong Kong, Mexico, New Zealand, the United Kingdom (U.K.), the United States (U.S.) and South Africa.

I am thrilled by the fact that many companies have stepped up their efforts to encourage better products and healthier diets, largely through better policies and disclosure of information, including on BMS marketing. On the other hand, it was disappointing to find that less than a third of the 23,000 products assessed in the Product Profile could be classified as healthy, according to our independently verified methodology. Many products contain levels of salt, sugar and fats that are too high for consumers' healthy diets. I urge companies to substantially increase their investments in producing healthier product portfolios in time for the next Index, and to set nutrition reformulation targets that are externally verifiable. BMS companies should further increase their compliance with the WHO International Code of Marketing of Breast-milk Substitutes in all markets.

The Index would not have been possible without support from the Bill & Melinda Gates Foundation and the Dutch Ministry of Foreign Affairs. I would like to thank our research partners Sustanalytics, The George Institute and Westat. Last but not least, I thank the members of the Access to Nutrition Foundation (ATNF) Board, the Expert Group, the Independent Advisory Panel and the ATNF project team for their enormous efforts and support in producing the third Global Access to Nutrition Index.

I am confident that this 2018 Index will further stimulate the F&B industry to do what is needed to respond to the Sustainable Development Goals (SDGs) as promised and call all stakeholders to act upon its findings.

Inge Kauer
Executive Director
Access to Nutrition Foundation





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Executive summary

Investing in better nutrition is critical to achieving the Sustainable Development Goals

The societal, economic and individual benefits of eating a balanced diet are substantial and well documented. It has been calculated, for example, that every dollar spent on addressing undernutrition in children yields \$45 in better health and economic growth. Because investment in nutrition is a powerful way to unlock socio-economic gains, the issue now has a prominent place in the Sustainable Development Goals (SDGs) established in 2015 by the United Nations.

The scale and complexity of the challenge of fighting malnutrition is enormous. Today, the two leading risk factors that contribute to ill-health, disability or early death globally are linked to poor diets rather than smoking, alcohol and drug use or environmental factors like air pollution.

One in three people worldwide are either overweight or underweight: Nearly two billion are overweight or obese, and an estimated 815 million people still go hungry every day. Moreover, two billion people are micronutrient deficient. By 2025, it is estimated that \$1.2 trillion will be needed per annum to treat the consequences of obesity globally while the total cost of addressing undernutrition is expected to be almost double – up to \$2.1 trillion globally per annum.

Good nutrition in the 1,000 days from the start of a pregnancy to a child's second birthday lays the foundation for life. It establishes a strong immune system and lessens the chances of suffering various illnesses and becoming overweight later in life. This means that children should be exclusively breastfed for the first six months of life according to the World Health Organization (WHO) and from then on safe, appropriate complementary foods (CFs) should be introduced to meet their evolving nutritional requirements. Further, it is important that CFs are not used as breast-milk substitutes (BMS) and that infants and young children continue to be breastfed until they are two or older.

The Global Access to Nutrition Indexes track the contribution food and beverage manufacturers make to delivering better diets worldwide

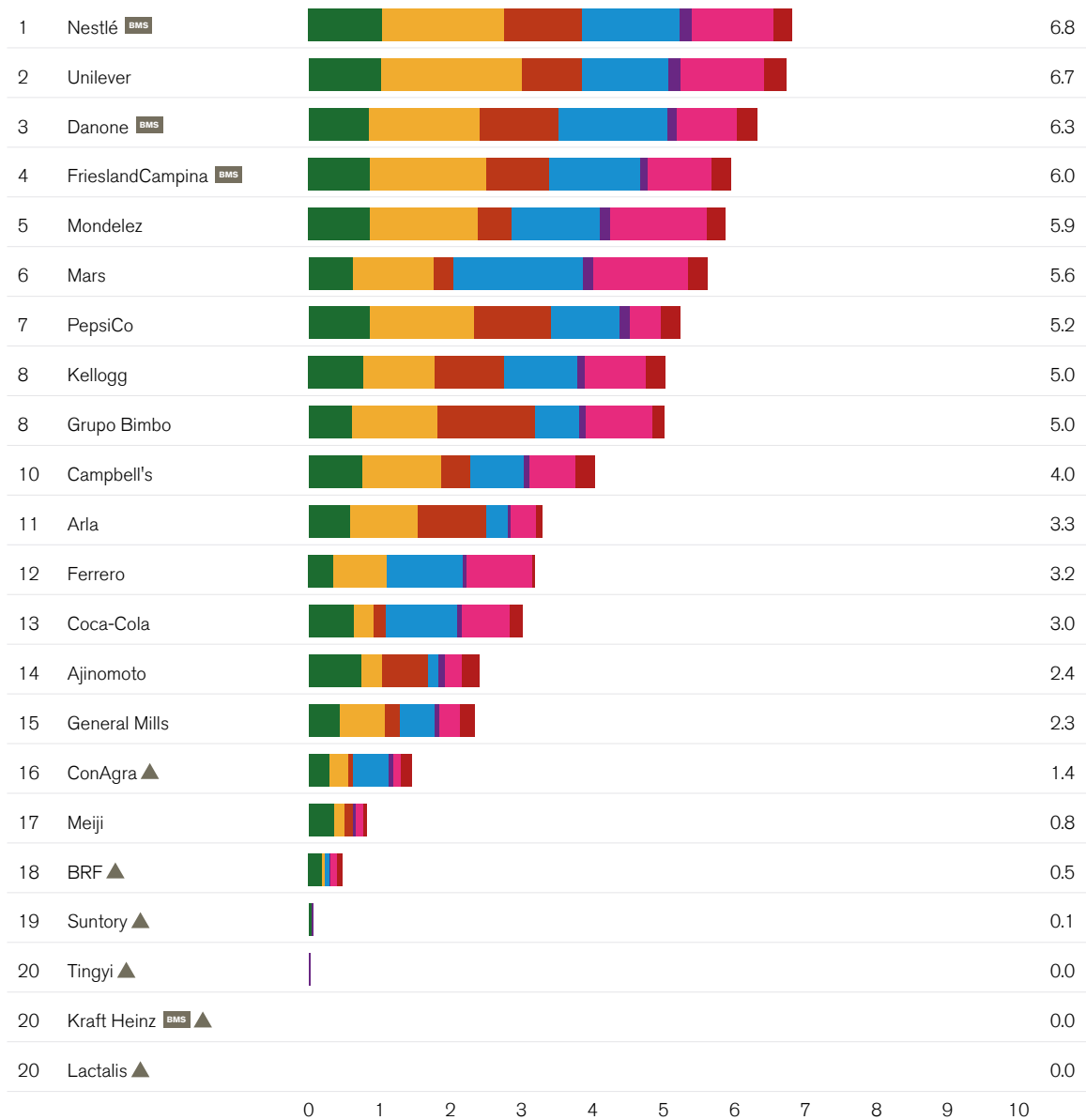
The first Global Index was launched in 2013 and the second in 2016. Both received a positive response from stakeholders, including many food and beverage (F&B) manufacturers, non-governmental organizations (NGOs) and experts. ATNF's 54 investor signatories, with close to \$5 trillion assets under management, and other investors, increasingly use the results of the Indexes in their investment research and engagement with companies in which they invest.

The Access to Nutrition Indexes (ATNIs) are designed to track the contribution of F&B manufacturers to address global nutrition challenges and to encourage them to do more. As incomes increase, consumers tend to eat and drink more packaged foods and beverages. This is driving growth in the F&B industry, particularly in emerging markets where economic growth has been almost five times faster than in mature markets. The 22 F&B manufacturers assessed in the 2018 Global Index operate in over 200 countries and generate approximately \$500 billion in sales. They therefore have a huge influence on the diets of consumers and the lives of their employees. As a result, ATNF believes that these companies have an important role to play in addressing the world's nutrition challenges – both overweight and undernutrition. Moreover, ATNF believes that companies that adopt comprehensive global nutrition strategies will perform better in the long term.

Based on total global sales in 2016, the 22 largest global F&B manufacturers were selected for inclusion in the 2018 Global ATNI. They are: Ajinomoto, Arla, BRF, Campbell's, Coca-Cola, ConAgra, Ferrero, FrieslandCampina, Danone, General Mills, Grupo Bimbo, Kellogg, Kraft Heinz, Lactalis, Mars, Meiji, Mondelez, Nestlé, PepsiCo, Suntory, Tingyi, and Unilever.

This third edition of the Global Index includes, for the first time, a Product Profile that assesses the nutritional quality of the Index constituents' products. Moreover, the 2018 Global Index again publishes a sub-ranking of the compliance of the world's six largest BMS manufacturers with the International Code of Marketing of Breast-milk Substitutes and subsequent related World Health Assembly (WHA) resolutions (together referred to as The Code): Abbott, Danone, FrieslandCampina, Kraft Heinz, Nestlé and RB/Mead Johnson Nutrition (RB/MJN).

FIGURE 1 Overall 2018 Global Index Ranking



BMS Assessed against the BMS methodology: An adjustment based on the BMS score is incorporated in the overall score

▲ Did not provide information to ATNF

● Category A ● Category B ● Category C ● Category D ● Category E ● Category F ● Category G

Key messages

The 2018 Index shows the world's biggest F&B companies have stepped up their efforts to encourage better diets, mostly through new and updated nutrition strategies and policies, improved commitments on affordability and accessibility, better performance on nutrition labeling and health and nutrition claims, and more disclosure of information across categories. Nevertheless, ATNF has serious concerns about the healthiness of the world's largest global F&B manufacturers' product portfolios.

Corporate Profile: Nutrition

The 2018 ranking is led by Nestlé with a score of 6.8, up from 5.9 in 2016. Nestlé shows above average performance in all, and improvements in most, of the categories of the Index. Unilever is second (6.7 versus 6.4 in 2016), and Danone third (6.3 versus 4.9 in 2016). Nine companies scored 5 or more, compared to only 2 in 2016; and the average score overall went up from 2.5 to 3.3 out of 10, but remains quite low. FrieslandCampina has

made the greatest improvement since the 2016 Index, from 2.8 to 6.0. It launched its new 'Route2020' strategy, has an updated Nutrient Profiling System (NPS), has a new publicly available responsible marketing policy, and publishes more about nutrition on its website. Kellogg also increased its score (from 2.5 to 5.0), mostly due to new disclosure spanning the full ATNI methodology in its 'Nutritional Milestones' document. On the other hand, two companies fell in the ranking: General Mills provided less information and supporting evidence in feedback to ATNF than previously, and BRF did not participate at all in this Index.

Many Index companies have stepped up their efforts to contribute to better diets over the last two years:

- Seven companies have **strengthened their nutrition strategies** and management systems, reflected in an increase of one point or more in their Category A (Nutrition governance) scores.
- Ten companies demonstrated that they **include nutrition considerations in their merger and acquisition (M&A) decisions**, including, for example, Campbell's when it took over Pacific Foods, PepsiCo when it bought KeVita, and Danone when it acquired WhiteWave.



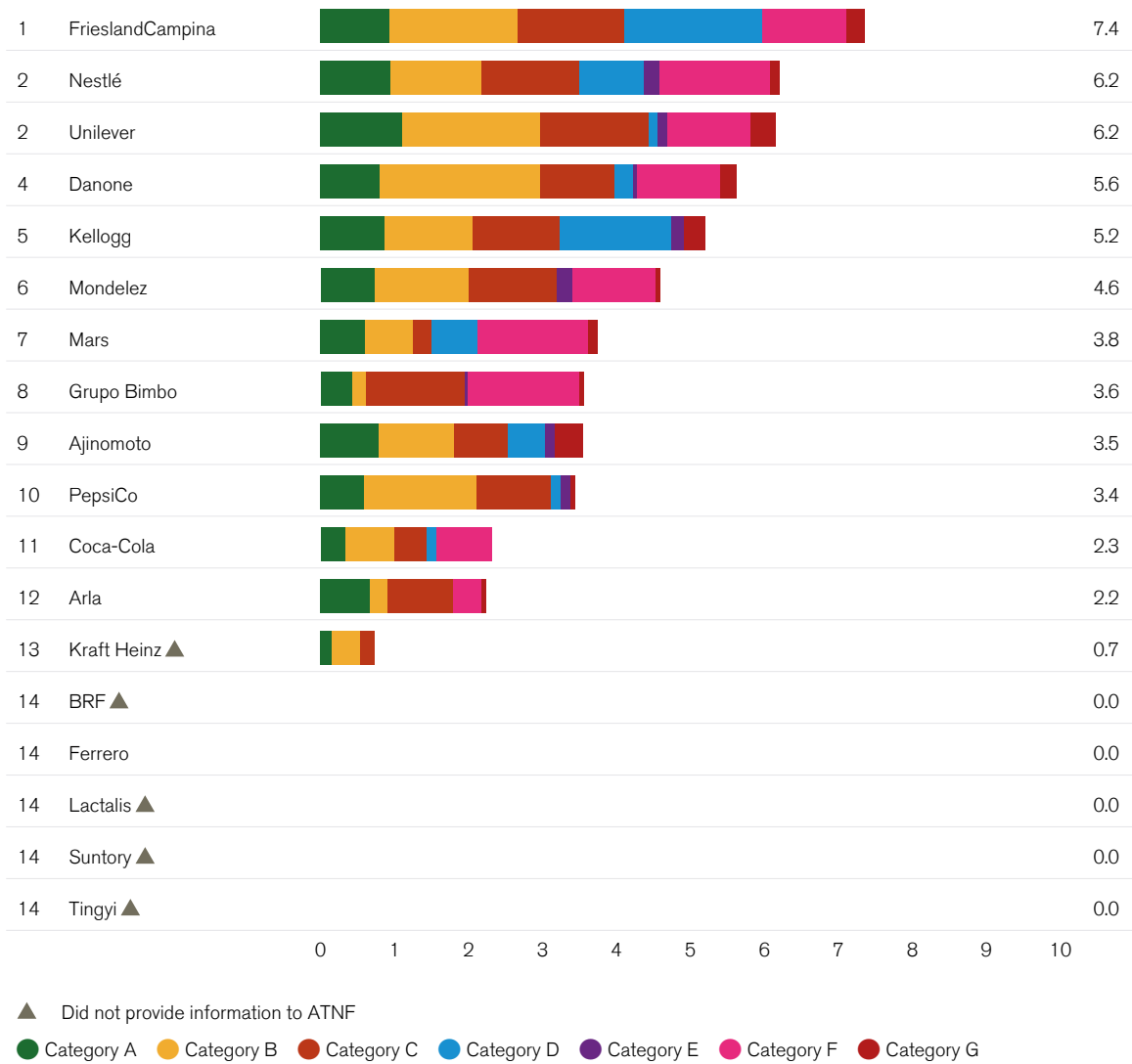
- Seventeen companies commit to **investing in healthy product development** and fourteen commit to aligning their research and development (R&D) to important public health frameworks such as national dietary guidelines.
- The companies **report to offer higher percentages of 'healthy' products** (according to their own definitions) as compared to 2016 in their portfolio, with seven companies now reporting that more than half of their products are healthy. This is five more than in 2016. However, most of the companies' definitions are less strict than those applied by ATNF in the Product Profile assessment (see below in the Product Profile section).
- Four companies have **improved their NPS** (used to assess and improve the healthiness of products) or strengthened the nutritional criteria related to them, and one company is in the process of implementing a new NPS.

On the other hand, companies have only set product reformulation targets for half of the product categories assessed and poorly define these targets. The majority of companies (16) define one or more targets to reformulate their products, but six companies – Ajinomoto, Kraft Heinz, BRF, Suntory, Tingyi and Lactalis – do not report any relevant targets. Across all companies and categories, in about half of all product categories assessed (61 out of 117), companies did not set targets for relevant nutrients. None of the companies yet has a full set of targets for all relevant nutrients across all product categories. The large majority of companies (19) have not yet set targets to increase positive nutrients (i.e. fruits, vegetables, nuts, legumes and whole grains). Targets that have been set are poorly defined in many cases. For example, they are not applied to all relevant products or, in case of relative reduction targets, baseline values and deadlines are not made clear.

Other aspects of their performance that companies urgently need to improve are:

- **Taking a systematic and clear approach to making healthy products more affordable and available to all consumers.** Only Ajinomoto, Grupo Bimbo and Nestlé have global policies to make healthy food affordable and accessible to all, including to low-income and high-priority populations.
- **Ceasing irresponsible marketing to all consumers and to children in particular.** Only six companies cover all types of media in their responsible marketing commitments to children. Only one company – Arla – extends its policy on responsible marketing from children to teenagers aged 13 to 18. The other companies should follow its lead and commit to stop marketing to teenagers - and in secondary schools.
- **Delivering clear, positive results from employee health and consumer education programs.** Although many companies commit to invest in the health of their employees, only eight offer employee health and nutrition programs to all employees, and only five implement independent evaluations. There is a similar trend for programs to encourage consumers to eat healthy diets and lead active lives. These programs are generally poorly designed, with few clear targets, seldom independently evaluated and insufficiently reported on.
- **Support to breastfeeding mothers** is not yet offered consistently around the world in terms of flexible and supportive working arrangements, and appropriate facilities to express and store breastmilk. Only Danone, Nestlé and Unilever have a global approach which is applied equally in all markets in which these companies operate.
- **Better labeling.** Although 12 companies' scores increased by at least one point in Category F, only Mars and FrieslandCampina commit to labeling all relevant nutrients globally. None of the companies yet commit to full, interpretative labeling on the front of all their products in all markets and ten companies still do not report any relevant commitments or practices related to the responsible use of health and nutrition claims.
- **Finally, only three companies – Danone, Nestlé and PepsiCo – commit to lobby in support of measures to prevent and address obesity and diet-related chronic diseases.** Other companies should follow this example and all companies (including the three mentioned) should specifically commit to not lobby against measures that aim to improve public health (e.g. sugary drinks taxes or front-of-pack labeling systems).

FIGURE 2 Undernutrition sub-ranking 2018



Note: Four companies that generate 95% or more of their sales from OECD countries – Campbell's, ConAgra, General Mills, Meiji – are not assessed on the undernutrition element of the Global Index.

Corporate Profile: Undernutrition

The highest-ranking companies on Undernutrition are FrieslandCampina, Nestlé and Unilever. The five companies that increased their scores substantially on undernutrition are FrieslandCampina, Kellogg, Mondelez, Grupo Bimbo and Danone. FrieslandCampina developed a new strategy aimed at addressing undernutrition and already makes a comprehensive set of commitments across the ATNI categories. It provided evidence of relevant commercial and philanthropic programs to fight undernutrition, as well as large-scale research projects to inform its strategy. Kellogg improved mostly because of new and more detailed disclosure of its activities.

The analysis of companies' actions to tackle undernutrition in emerging markets among priority populations yielded the following findings:

Companies have responded positively to SDG 2 (End hunger). More companies (11 compared to eight in 2016) now commit to address undernutrition, especially through their core businesses as well as other initiatives. Despite making more commitments to address undernutrition through their core businesses, companies did not provide evidence to demonstrate increased sales from these initiatives.

Twice as many companies provided evidence of investing in research to develop solutions to undernutrition: The number increased from six to 12 between 2016 and 2018. In addition, four companies commit to seeking to use biofortified staple foods or ingredients that are naturally high in micronutrients.

However, most companies' strategies to address undernutrition are not well-structured or informed by regular, well-organized input from independent experts. Only five companies describe well-structured and strategic commercial approaches to address undernutrition, and six assign top-level oversight to their chief executive officer (CEO) or another senior executive. Similarly, only five companies have a formal expert panel in place. The interaction of companies with key organizations working on undernutrition has not increased notably since 2016.

Only three out of 14 companies that do not sell breast-milk substitutes focus on women of childbearing age or on children under two in their commercial and/or non-commercial programs, which experts say should be prioritized in order to achieve the best, long-term health impacts. Ajinomoto and Unilever demonstrate best practice (of non-BMS companies) by addressing women of childbearing age and children under two in their commercial and/or philanthropic approaches.

Ten companies commit to improve the affordability and accessibility of products formulated to address undernutrition in underserved populations, but few set out measurable objectives and targets. Grupo Bimbo leads the way by combining a commitment to develop two fortified/enriched products aimed at vulnerable populations with concrete distribution and price targets. Only six of the companies commit to exclusively fortify products that are healthy and of high underlying quality. Related to this, seven companies commit to using health and nutrition claims on products that have been fortified only when these products are compliant with the internationally-recognized Codex Alimentarius (Codex) fortification guidelines.

A limited number of companies (five out of 18) demonstrate a commitment to the need to develop and deliver marketing strategies appropriate to reaching undernourished populations. Although more companies express a commitment to do so than in 2016, only Danone, FrieslandCampina and Nestlé provide evidence of activities that go beyond gathering consumer and market insights.

Methodology and approach

The Global ATNI methodology comprises three components:

- **Corporate Profile** – This assesses companies' nutrition- and undernutrition-related commitments and policies, practices and disclosure in seven categories:
 - **A Governance** (12.5%) – Corporate strategy, governance and management.
 - **B Products** (25%) – Formulation of appropriate products.
 - **C Accessibility** (20%) – Delivering affordable, available products.
 - **D Marketing** (20%) – Responsible marketing policies, compliance and spending.
 - **E Lifestyles** (2.5%) – Support for healthy diets and active lifestyles.
 - **F Labeling** (15%) – Informative labeling and appropriate use of health and nutrition claims.
 - **G Engagement** (5%) – Engagement with governments, policymakers and other stakeholders.
- **Product Profile** – This assesses the nutritional quality of the products of the Index companies in nine markets.
- **BMS Marketing sub-ranking** – This assesses companies' policies and practices in relation to breast-milk substitutes (BMS) marketing.

The structure of the **Corporate Profile** methodology for the 2018 Index has not changed since 2016, which means that scores can be compared to the 2016 Index overall. Nonetheless, some indicators were updated in line with changes to international and national guidelines, norms and accepted good practices. The approach to assessing companies' reformulation targets has also been strengthened considerably by focusing on their major product categories.

To calculate the final Corporate Profile score, each company is rated in each category on a scale of zero to ten. Part of this score (75%) consists of a 'nutrition' score (which reflects any actions the company has taken to address nutrition for all consumers), and the remaining part (25%) consists of an 'undernutrition' score (which reflects additional actions it has taken with respect to undernourished consumers). A score of zero indicates that no evidence was found for any positive nutrition-related commitments, practices or disclosure; a score of ten signifies that the company is achieving best practice according to the current state of knowledge and consensus reflected by the ATNI Corporate Profile methodology.

Analysis for the Corporate Profile was conducted by ATNF and the global ESG research firm Sustainalytics. The assessments were based on publicly available documents supplemented by information provided by companies via an online data platform developed by IT provider 73BIT.

Most companies provided input (partly under Non-Disclosure Agreement), but those that did not submit documentation, information or data during the research process were scored and ranked solely based on information published online.

The Product Profile assesses the nutritional quality of products in major categories sold by the Index companies in any of the studied nine markets in which they are present: Australia, China, Hong Kong, India, Mexico, New Zealand, South Africa, the U.K. and the U.S.. The results are based on scores generated by applying the Health Star Rating (HSR) nutrient profiling system, which analyzes the level of several positive nutrients (e.g. fruits, vegetables and fibers) and several negative nutrients (e.g. salt, sugar and saturated fat) in products. The system generates a rating for each product from 0.5 stars (the lowest rating, indicating that a product has low nutritional quality) to five stars (the highest rating, indicating that a product has high nutritional quality). Weighting the HSR for each product category by the sales of that category and re-basing that score on a scale of one to ten, generates the overall Product Profile score. A score of ten indicates that all of a company's sales derive from the healthiest possible products. A score of one indicates that a company's revenues are generated from selling only the least-healthy products. ATNF commissioned The George Institute (TGI), based in Sydney, Australia, to undertake this research. Although the Product Profile score is presented as a separate score in the 2018 Global Index, in future Indexes ATNF will explore opportunities to integrate it into the overall ranking and scores.

The BMS Marketing research of BMS companies' policies, management systems and disclosure was undertaken by ATNF. In addition, two in-country assessments were conducted by Westat in Thailand (July-August 2017) and in Nigeria (September-October 2017). The BMS Corporate Profile methodology for this Index remains consistent with that of the previous Index (apart from a few small changes) in order to retain comparability. The methodology for the in-country assessments has been updated. It is based on the 2015 edition of the Network for Global Monitoring and Support for Implementation of the International Code of Marketing of BMS and Subsequent relevant WHA Resolutions (NetCode). The results of these two elements of the BMS Marketing assessment are combined to generate the BMS Marketing score and presented in the BMS Marketing sub-ranking. The scores of the four Global Index companies that generate more than 5% of their revenues from baby foods were adjusted to reflect their scores on the BMS Marketing assessment.

Product Profile

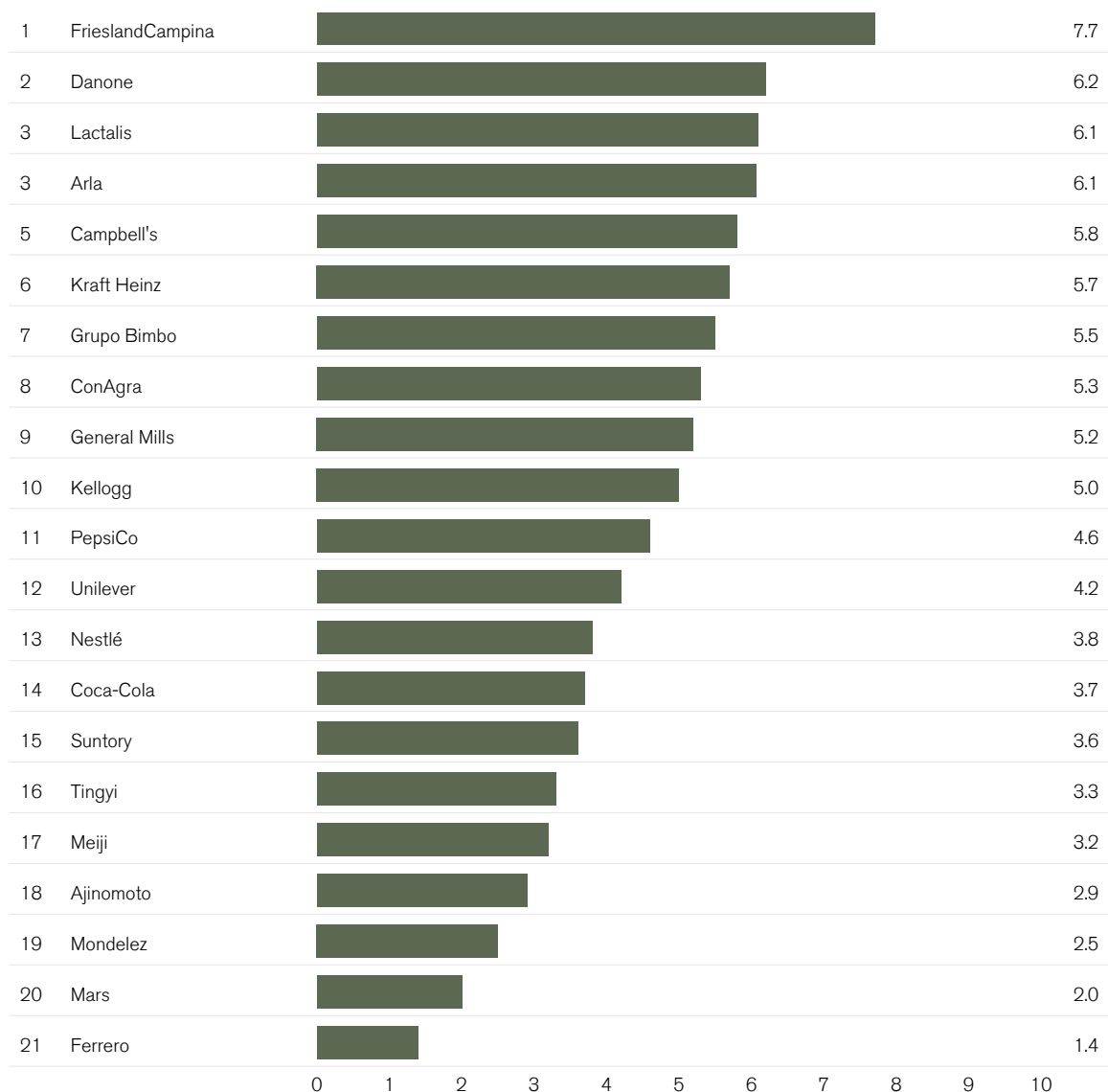
Of the total 23,013 products assessed, less than one third are considered healthy in the Product Profile analysis (i.e. with an HSR of 3.5 or higher), and only 14% of the products meet WHO EURO criteria for marketing to children. None of the companies' portfolios comprise more than 50% of products that meet the healthy standard suitable to be marketed to children.

The ranking of companies on the Product Profile is different to the Corporate Profile, with dairy companies in the lead and companies with diverse portfolios (such as Nestlé, Unilever and PepsiCo) in the middle of the ranking. Companies that predominantly offer confectionery are at the bottom of the ranking, which is expected based on the ingredients of these categories.

While many companies reported their sales for 2016 generated by 'healthy' products, for the most part their definitions of 'healthy' appear less strict than that of the independent HSR system used in the Product Profile, which is of considerable concern. Seven companies self-report that more than half of their products meet their own definition of healthy, five more than in 2016. However, the healthiness of companies' product portfolios across the nine countries studied shows a more negative picture. Only five companies have a portfolio consisting of more than 50% of healthy products and only two – FrieslandCampina and Lactalis – when these products are sales-weighted.

The healthiness of all companies' portfolios taken together vary by country. The U.S. and New Zealand had the highest mean HSR of the nine countries: 2.6 out of 5. The picture appears to be that developed countries such as the U.S. (2.6), New Zealand (2.6), Australia (2.4) and the U.K. (2.3) have higher overall HSRs compared to emerging markets such as India (2.1) and China (1.8) which rank last using this metric.

FIGURE 3 Product Profile sub-ranking 2018



BMS Marketing

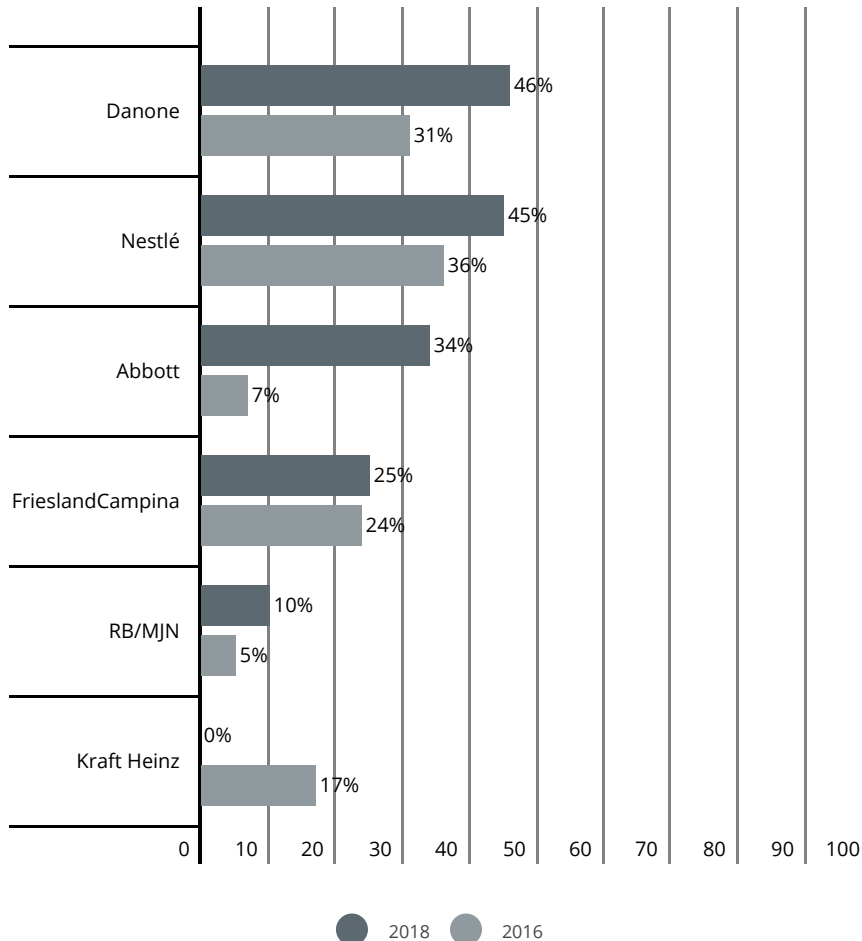
The world’s six largest baby food companies continue to market BMS using marketing practices that fall considerably below the standards of The Code. Although these companies state that they support breastfeeding to some degree, a substantial proportion of their revenues and profits depend on ever-increasing sales of their products, which are substitutes for breastfeeding. They therefore have strong incentives to market these products pervasively and persuasively – which the Index shows they continue to do.

Three companies have made significant improvements in aligning their BMS marketing policies and management systems with The Code. Danone improved both its BMS marketing policy and management systems following the publication of the 2016 Index, and now ranks first in the 2018 BMS Marketing sub-ranking, overtaking Nestlé which slipped to second place. Danone extended its policy in relation to infant formula to include low-risk countries and committed to follow its own policy in countries where the regulations are weaker than its policy. Abbott has also made significant improvements to both its policy and management

systems, moving up from fifth to third place in this sub-ranking. Since being acquired by RB, MJN shared documents with ATNF for this Index (which it did not do previously), resulting in a better score.

In Thailand and Nigeria, many marketing practices were found to not comply with the recommendations of The Code and/or local regulations. This illustrates that, in some cases, the management systems of companies are not being applied effectively. Meanwhile, in other cases, corporate policies do not encompass all the recommendations of The Code, nor all of the products within The Code’s scope. All four companies rated in the BMS Marketing sub-ranking in Thailand were found to have a low level of compliance (where 2,807 incidences of non-compliance were identified in total). Many fewer instances of non-compliance (130) were found in Nigeria, where local regulation at the time of the study was stricter than that in Thailand. In both markets, the two most extensive forms of marketing identified were: i) Point-of-sale promotions on online retailers’ sites, and; ii) Products with labels that were not compliant with The Code or local requirements.

FIGURE 4 BMS Marketing sub-ranking 2018



Recommendations

Corporate Profile: Nutrition

The Boards of the world's largest F&B companies should take more responsibility for spearheading a strategic response to delivering better nutrition through their global businesses.

Although average scores have increased, companies can and should still improve. When Boards back strategic commitments to nutrition, the businesses for which they are responsible are much more likely to deliver better performance on nutrition. Properly integrating nutrition into corporate strategy provides the basis for embedding it into all areas of a business. To ensure that nutrition performance is fully integrated into operations, executive compensation should be explicitly linked to the delivery of nutrition goals.

STRATEGIC NUTRITION COMMITMENTS EXAMPLE:

- **The operating principles embodied in Nestlé's 'Creating Shared Value' strategy include a comprehensive set of nutrition policies covering all areas that the ATNI methodology assesses. The company has defined 15 measurable 2020 nutrition-related commitments against which it reports progress. Nestlé links all of these commitments to the relevant SDGs.**

TRANSPARENT PRODUCT REFORMULATION TARGET EXAMPLES:

- **Danone, FrieslandCampina and Unilever meet best practice by publishing, in full, the criteria they use to determine whether their products are healthy, and link product reformulation targets to these definitions in a transparent way. Danone makes the clearest commitment: 100% of its products will meet its 'Nutritional Target 2020' criteria by 2020.**

Companies should, first and foremost, work to improve the nutritional quality of their existing products, particularly established, high-sales volume products.

Most companies only moderately improved their scores on product innovation and reformulation targets, on average by less than one point. Furthermore, the Product Profile outcomes show that, for the large part, companies' product portfolios do not meet the healthy standard. Companies should set and publish targets for achieving clear and objective nutritional criteria, covering all products and relevant nutrients, globally. Furthermore, companies should look to increase the proportion of healthier products within their portfolios, particularly products they market to children or that are a significant part of children's diets. This can be done by investing in making products healthier and by acquiring companies with healthy product portfolios.

Improvements in nutritional quality must be underpinned by a robust nutrient profile model. Companies that already have one should review it to ensure that it is in line with current knowledge. Those that do not have such a model can introduce one, as well-validated models are readily available.

Moreover, companies should increase their focus on improving the healthiness of categories in countries where product categories are of a lower nutritional quality than in other countries, in order to ensure that consumers everywhere are offered the healthiest products possible.

Products such as confectionery, ice cream, or sugar sweetened beverages should not be classified as healthy because companies have decreased the serving size of those products. This will help to ensure that companies do not overestimate the number of healthy products they offer and provide clear information to consumers.

Reformulation targets should also include increasing positive nutrients for qualifying products. Similar to the 2016 Index, 19 companies do not yet make commitments to increase levels of fruits, vegetables, nuts, legumes and whole grains. Although this may require new approaches to product reformulation, and/or the acquisition of businesses that offer such products, companies should redouble their efforts in this area.

POSITIVE NUTRIENTS TARGET EXAMPLES:

- Nestlé has made specific, clear, measurable and time-bound (2017-2020) commitments to “add at least 750 million portions of vegetables, 300 million portions of fiber-rich grains, pulses and bran, and more nuts and seeds to our products.” However, the company has yet to specify concrete product reformulation targets.
- PepsiCo states a similar commitment to “Increase positive nutrition— like whole grains, fruits & vegetables, dairy, protein and hydration— by expanding our portfolio containing one or more of these ingredients.”

Companies and industry associations should define product reformulation targets so that they can be verified by third-parties. Currently, product reformulation targets are expressed by individual companies as well as via their membership of industry associations, notably the International Food and Beverage Alliance (IFBA). The IFBA requires its members to define reformulation targets and publishes regular reports on the progress they are making to improve product compositions. However, this reporting is based on companies' self-reporting. Furthermore, the achievement of reformulation targets can only be verified by the companies themselves because of the way they are articulated, which applies to most non-IFBA companies reformulation targets as well. All companies should define targets as absolute nutritional criteria based on a weight, volume or calorie basis, with a clear time frame of achieving it, to enable verification by independent parties.

Companies should devote more resources to defining effective strategies to increase the affordability and accessibility of their healthy products in all markets. Despite considerable progress on aggregate on Category C (which measures the affordability and accessibility of healthy products), ten companies still do not have strategies or meaningful commitments in this area, especially for low-income populations. Making healthy products affordable and accessible is critical to improving consumer choice.

AFFORDABILITY AND ACCESSIBILITY EXAMPLE:

- Grupo Bimbo's global strategy for health and wellness is titled 'A Sustainable Way.' One of the focuses is the accessibility and affordability of healthy products to all consumers, based on the company's own definition of healthy. This is guided by the company's ambition to bring its products with improved nutrients closer to consumers.

The results on responsible marketing (Category D) did not change much between the 2016 and 2018 Indexes. All companies have scope to strengthen their responsible marketing policies. Specifically, they should commit to stop marketing products to children that do not meet the threshold for healthy products in the appropriate regional WHO nutrient profiling model or equivalent. Even companies that have adopted industry association pledges should look to go beyond those pledges by extending their coverage to all forms of media and marketing and to apply to all children and youth up to 18 years old, as well as to secondary schools and other places popular with children.

RESPONSIBLE MARKETING POLICIES EXAMPLES:

- Danone not only makes commitments that are fully aligned with the International Chamber of Commerce (ICC) Framework, but it also sets additional principles regarding marketing to all consumers that go beyond it. The company is transparent by publishing its commitments and compliance auditing results.
- Danone and Mars are the only two companies that appoint an independent party to audit their marketing activities complementary to industry association auditing and both for marketing to all consumers and marketing to children.
- Arla is the only company that pledges to market only healthy products to children under age 18 using an audience threshold of 30%.
- General Mills, Kraft Heinz, Mondelez and Danone have extended a ban on marketing in primary schools to secondary schools.



Although scores for Category E increased on average, corporate approaches to supporting employee and consumer health need to be scaled up, be better designed and promoted. All companies should commit to cover all employees and their family members with health and wellness programs, and all employees should be encouraged to participate. Clear articulation of health and business outcomes and independent evaluations are still missing for many companies. Maternity leave should be extended to a minimum of six months in all countries in order to support exclusive breastfeeding, and all mothers, irrespective of where they live and work, should have flexible working arrangements and access to appropriate facilities to express and store breastmilk. Consumer-orientated nutrition and physical activity programs should be developed and evaluated by independent third-parties with relevant expertise.

EMPLOYEE AND CONSUMER HEALTH EXAMPLES:

- **PepsiCo improved most in promoting healthy employees with a comprehensive program, independent monitoring and a focus on health and business outcomes.**
- **Nestlé demonstrates leading practice in supporting breastfeeding mothers through a set of comprehensive global commitments.**
- **Mondelez and PepsiCo show leadership by funding only healthy eating and lifestyle programs set up and run by third-parties.**

Not all companies commit to label all Codex-recommended and relevant nutrients, and seven companies do not make a global commitment. They should do so. They should also adopt interpretative front-of-pack labels, committing not to undermine a scheme when it has been agreed in a particular country or jurisdiction (e.g. by using their own preferred scheme as an alternative or in addition). Further, companies should commit to ensuring the responsible use of health and nutrition claims in all markets, especially where their use is not well regulated.

In addition, industry associations should update their commitments on product labeling to fill gaps and ambiguities in the global product labeling commitments, and companies should be more transparent about their implementation of industry associations' commitments. Companies should communicate on their own websites whether they pledge to support industry associations' product labeling commitments, and what these entail, so that these commitments can be recognized by the public and ATNF. In addition, industry associations are urged to begin monitoring their members' delivery of their nutrition labeling commitments, similar to the auditing they do with respect to members' marketing to children, in order to ensure that companies are putting their commitments into practice.

Companies should commit to lobby only in support of improving diets and public health and be more transparent about their lobbying activities. The six companies that still do not report any stakeholder engagement should do so.

NUTRITION LABELING EXAMPLES:

- **Mars commits to provide back-of-pack information on all key nutrients assessed by the Index globally: Energy/calories, protein, total carbohydrates, total or added/free sugars, trans-fat, total fat, saturated fat, dietary fiber and sodium/salt. In addition, the company commits to provide percentages of guideline daily amounts (GDAs) extensively on the back of packs and for calories on the front of packs, as well as comprehensive serving size information.**
- **FrieslandCampina defined an objective to include the reference intake guidance or GDA energy icon on 100% of relevant consumer packaging by 2020. The company publishes performance against this objective on its corporate website, showing annual progress since 2015.**

TRANSPARENT LOBBYING AND NUTRITION STAKEHOLDER ENGAGEMENT EXAMPLES:

- **Mars and PepsiCo show leading practice by publishing statements on the topics on which they actively lobby.**
- **Nestlé, PepsiCo and Unilever show leading practice on stakeholder engagement to develop their nutrition policies and programs.**



Undernutrition

All companies should adopt a structured commercial approach to addressing undernutrition in priority developing countries. Although the number of companies that commit to address undernutrition commercially has increased to 11, companies should improve their performance by setting clear objectives, including sales targets, related to their undernutrition strategies. ATNF will increase its focus on commercial approaches to addressing undernutrition in future Indexes.

UNDERNUTRITION COMMITMENTS AND STRATEGIES EXAMPLE:

- **Unilever no longer has an independent, philanthropic arm of the business. It now integrates its commercial and philanthropic efforts to address undernutrition and a wider range of sustainability goals into commercial category strategies. The Unilever Sustainable Living Plan (USLP) is the central business strategy to address these goals, which mirrors the SDGs. The company reports that its USLP brands grow faster than the rest of the company.**

UNDERNUTRITION ACCESSIBILITY, AFFORDABILITY AND MARKETING EXAMPLES:

- **Unilever describes two programs (with a similar structure to the Unilever Shakti program described in 2016) designed to increase the accessibility of products to address undernutrition: Project Zeinab in Egypt and the Gbemiga Programme in Nigeria. In both cases, Unilever works with external organizations and combines a focus on undernutrition with other important aspects that are part of its Unilever Sustainable Living Plan strategy. It does this by making local women entrepreneurs and ambassadors for nutrition.**
- **FrieslandCampina provides several examples of improving affordability in Nigeria and other high-priority countries. In addition, the company provides evidence of working with behavioral specialists and using multiple communication channels to reach undernourished consumers through specific marketing strategies.**

All companies should clearly express a commitment only to fortify products of high underlying quality and to place health and nutrition claims only on products aiming to address undernutrition when they comply with Codex guidelines.

Companies should improve their commercial strategies by specifying concrete objectives to include affordability and accessibility, and by developing specific marketing strategies that are appropriate to reach undernourished consumers. Companies need to improve their focus on priority populations and utilize more expert guidance and engagement with external organizations. Companies have a lot of room for improvement in relation to both their commercial and non-commercial strategies by increasing their focus on women of childbearing age and children under two in priority countries. To do this, companies should appoint formal panels of independent experts with a wide range of relevant expertise that focus not only on nutritional and health issues, but also on cultural, behavioral and other factors that influence dietary choices in developing countries. These panels should meet regularly to discuss, review and update the company's strategy. Companies should also engage more with organizations that work on undernutrition to learn how best to design and implement effective approaches.

TARGETING PRIORITY POPULATIONS EXAMPLES:

- **Ajinomoto states its intention to address undernutrition through the recently founded Ajinomoto Foundation, which will take non-commercial approaches to meeting undernutrition challenges. It demonstrates best practice by linking its efforts to SDG 2, with a focus on improving maternal and child nutrition.**
- **FrieslandCampina demonstrates best practice by selecting high-priority countries such as Nigeria, Indonesia and Myanmar to pilot new initiatives to address undernutrition.**

BMS Marketing

Given that all six companies scored 60% or below on BMS 1, which measures the quality and completeness of their BMS marketing policies, management systems and disclosure, they all need to take steps to bring their marketing fully in line with The Code.

First, they should include all of their BMS products within the scope of their marketing commitments, particularly growing-up milks (GUMs) aimed at children from 12 to 24 months of age or, ideally up to 36 months, to bring their policies into line with the definition of BMS products set out in WHA resolution 69.9. No company currently does this.

Second, they should commit to apply their policies worldwide, i.e in all countries, including low-risk countries, while at the same time committing to upholding those policies in countries where local regulations fall short of their own policies, or are entirely absent. This is particularly important given that only 39 countries currently have laws and regulations that embody all or most of the provisions of The Code. Currently most companies only commit to applying their policies in so-called high-risk countries (with some exceptions in respect of certain products) and include caveats that mean they do not uphold their policies if regulation is in place, even if it is weaker than their policies, or absent.

Baby food producers also need to do more to ensure that their management systems deliver consistent compliance with their stated commitments given the extensive non-compliance found by ATNF in Thailand and Nigeria. It is particularly important that these companies establish clear policies with online retailers to ensure that their products are not promoted or advertised on those sites.

Most BMS manufacturers have significant scope to improve their disclosure of all relevant policies, audit reports and responses and corrective actions in relation to reports of non-compliance with their policies.

Future opportunities

Corporate Profile

ATNF sees many opportunities to develop its work and amplify its impact. For the next Global Index, we intend to streamline the methodology to reduce the time required from companies to provide input to the research process. We will also look to utilize more independently generated research and/or verify data submitted by companies, similar to the approach used for the Product Profile. This could include, for instance, product pricing data and marketing expenditure or in-store marketing practices. We also aim to develop ways to clearly track companies' progress against their stated targets over time. Regarding undernutrition, ATNF will increase the focus on addressing undernutrition commercially in future Indexes.

Product Profile

This report sets out the results of the first ever multi-country Product Profile study published. It demonstrates the great value of such studies in providing a comprehensive picture of the nutritional quality of packaged foods that major companies sell in markets around the world. In the future, we will consider the feasibility of combining the Product Profile scores with the Corporate Profile scores to generate a combined score. In addition, we will explore integrating the Product Profile assessment into the Corporate Profile assessment to address the current limitation of depending on a company's own definition of healthy products.

The accuracy of future Product Profiles would be greatly improved if all Index companies were to provide their full product lists and nutrition content information. Combining sales figures for individual products would generate much more accurate sales-weighted figures but would also add complexity. Again, companies could provide these figures (although this information is clearly highly commercially sensitive), or the data could be purchased from commercial data providers (however, it is very expensive).

ATNF will work with TGI – and would welcome input from others – on improving future Product Profiles. Factoring in serving size, for example, would be a useful additional analytical tool, as would looking at the relative pricing of healthier versus less healthy products and the marketing spending on both types of products.

BMS Marketing

ATNF will also continue to commission and publish in-country assessments on an ongoing basis. In the future we also hope to be able to incorporate the findings of NetCode-based studies of BMS marketing conducted by others. We see opportunities to expand our assessment of baby food companies by, for example, developing an NPS for complementary foods and/or commissioning or utilizing studies done by other organizations relating to the marketing of baby foods. There is also potential to broaden the scope of assessment of companies' contributions to infant and young child nutrition and/or supporting breastfeeding more broadly.

Spotlight Indexes

Alongside the Global Indexes, ATNF intends to do more country-focused work. Spotlight Indexes, such as the U.S. Index (due to be published in the second half of 2018), and the 2016 India Index, offer the opportunity to verify whether global commitments are put into practice within specific markets and provide a valuable tool for engagement with local stakeholders within the specific country nutrition context.

Amplifying impact

ATNF encourages all stakeholders to actively use the 2018 Index results and provide their feedback to ATNF. We hope that the rated companies will commit to make changes based on our recommendations and that their investors will use them in their engagement with those companies to press for improvements in their policies, practices and disclosure. Further, we hope that governments and policymakers, NGOs, academics and others are able to use our analysis and findings in their work to encourage better diets worldwide.

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Context

The Global Access to Nutrition
Index 2018: Gaining importance

Malnutrition affects every country

The double burden of malnutrition, encompassing both undernutrition and obesity, is an increasingly pressing issue. Today, the two leading risk factors that contribute to ill-health, disability or early death globally are linked to poor diets rather than smoking, alcohol and drug use or environmental factors like air pollution – as shown in Figure 1.

Worldwide, malnutrition of one form or another affects one in three people.¹ In fact, many households experience different types of malnutrition, e.g. with some members being overweight or obese, while others are underweight or suffer from micronutrient deficiencies. Of the 140 countries with data available, 123 countries (88%) face the coexistence of two or more forms of malnutrition.²

Undernutrition on the rise

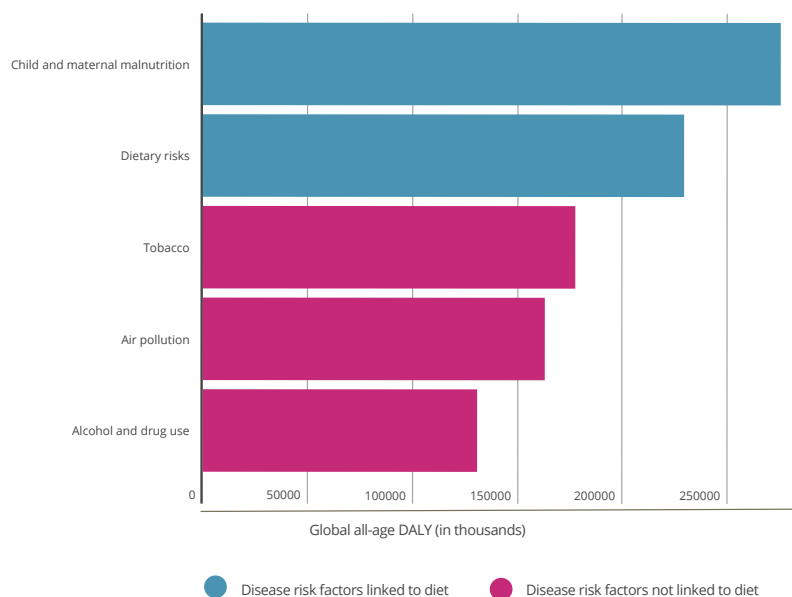
In 2016 a downward trend was observed in the number of undernourished people globally, but the Food and Agriculture Organization of the United Nations (FAO) showed that in 2017 the number increased again, with an estimated 815 million people around the world suffering from hunger every day.³ This reversal is the result of greater food insecurity caused by a higher number of conflicts, which are often aggravated by climate-related disasters. In addition, food availability and accessibility have been impaired due to slower economic growth.⁴

Undernutrition is a broad umbrella term associated with multiple conditions. According to the United Nations these are:

- **Wasting**, which reflects impaired weight gain in reference to an individual’s height. Wasting is usually the result of acute significant food shortage and/or disease.
- **Stunting**, which reflects impaired growth in height in reference to an individual’s age. Stunting is caused by long-term insufficient nutrient intake and frequent infections.
- **Micronutrient malnutrition**, which refers to the deficiency of vitamins and minerals, either due to limited intake or limited absorption, which results in diseases. The most common forms of micronutrient deficiency are vitamin A, iron and iodine deficiencies.

While wasting and stunting are mostly prevalent in developing countries, micronutrient malnutrition is prevalent in developing as well as developed countries.

FIGURE 1 Global disability-adjusted life years (DALYs)

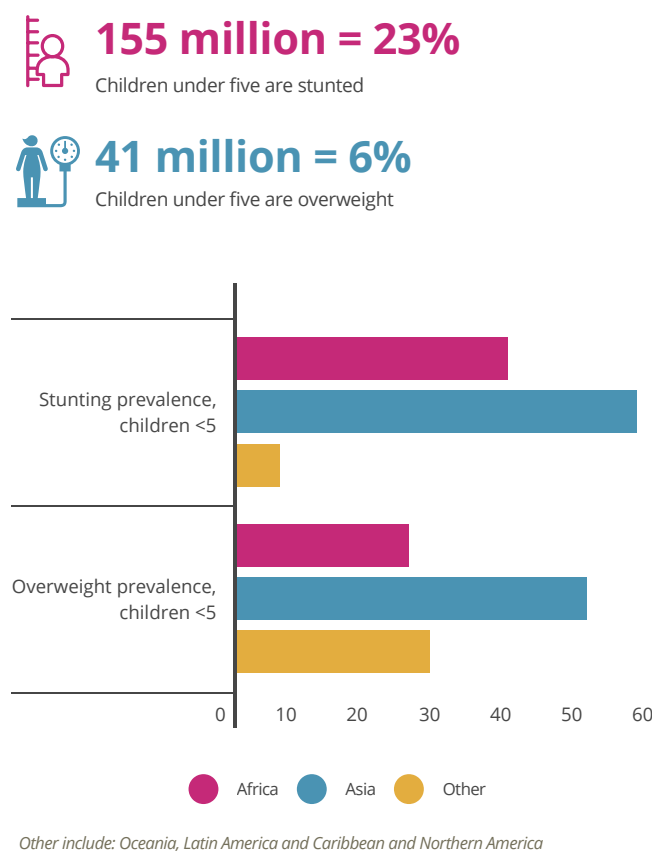


Source: Adapted from: Healthy diets for all: A key to meeting the SDGs, Global Panel on Agriculture and Food Systems for Nutrition, Policy Brief No. 10, November 2017.

While undernourished people are more prone to developing infectious diseases, undernutrition in children also affects their physical and mental growth, which in turn limits their achievements later in life. Globally, 23% of the population under five years of age is classified as stunted, of whom 94% live in Asia and Africa (Figure 2). Although the prevalence of stunting and wasting has decreased in many countries, progress is not on track to meet internationally set nutrition goals. For example, it is disquieting that, from 2000 to 2016, little or no progress was made in reducing stunting in Africa and Oceania.⁵ Furthermore, approximately half (45%) of the deaths of children under five globally are linked to undernutrition,⁶ a substantial proportion (12%) of which can be attributed to sub-optimal breastfeeding.⁷

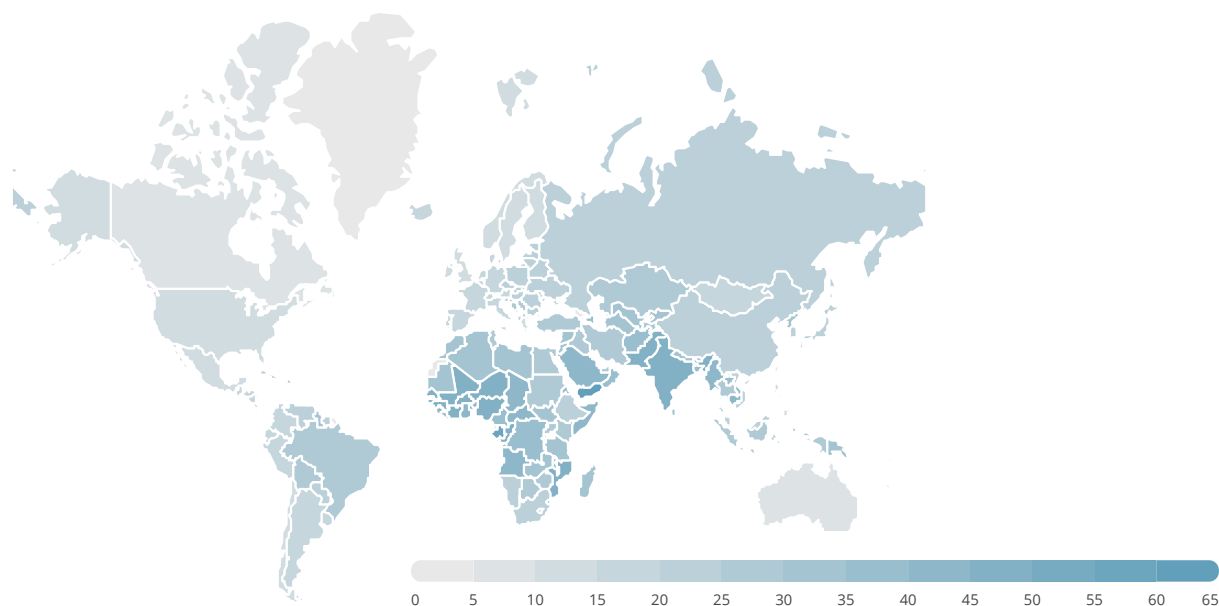
Micronutrient deficiency is a third form of undernutrition, also called hidden hunger. More than two billion people around the world suffer from key micronutrient deficiencies. This not only affects undernourished people in developing countries, people of normal weight or who are overweight can be affected as well.⁸ Micronutrient deficiencies may lead to ailments such as blindness due to vitamin A deficiency and skin disorders caused by zinc deficiency. Anaemia is another ailment that may result of insufficient intake of micronutrients. The number of women with anaemia has been going up since 2012, with currently 614 million women of reproductive age suffering from this condition, making them feel fatigued and, in the worst case, possibly causing heart failure. This issue is not limited to low-income countries as can be seen in Figure 3 below. High-income countries such as Switzerland and France face a prevalence of more than 18%.⁹

FIGURE 2 Undernutrition (stunting) and overnutrition (overweight) in children under five.



Source: Derived from UNICEF/WHO/World Bank Group (2017).

FIGURE 3 Prevalence of anaemia among women of reproductive age



Source: WHO Global Targets 2025 tracking tool.

The importance of optimal infant and young child nutrition for life-long health

Breastfeeding has long been proven to provide myriad significant health benefits compared to breast-milk substitutes (BMS). These benefits are unique to breastfeeding, and help both the mother who breastfeeds and the breastfed baby.^{10,11}

Positive long-term benefits for babies include protection against becoming overweight or obese, as well as against certain non-communicable diseases (NCDs) such as diabetes mellitus.^{12,13} Furthermore, in areas of the world where hygiene is poor and the availability of, and access to, food is sub-optimal, being breastfed is key to lowering babies' risk of undernutrition and acquiring infectious diseases.

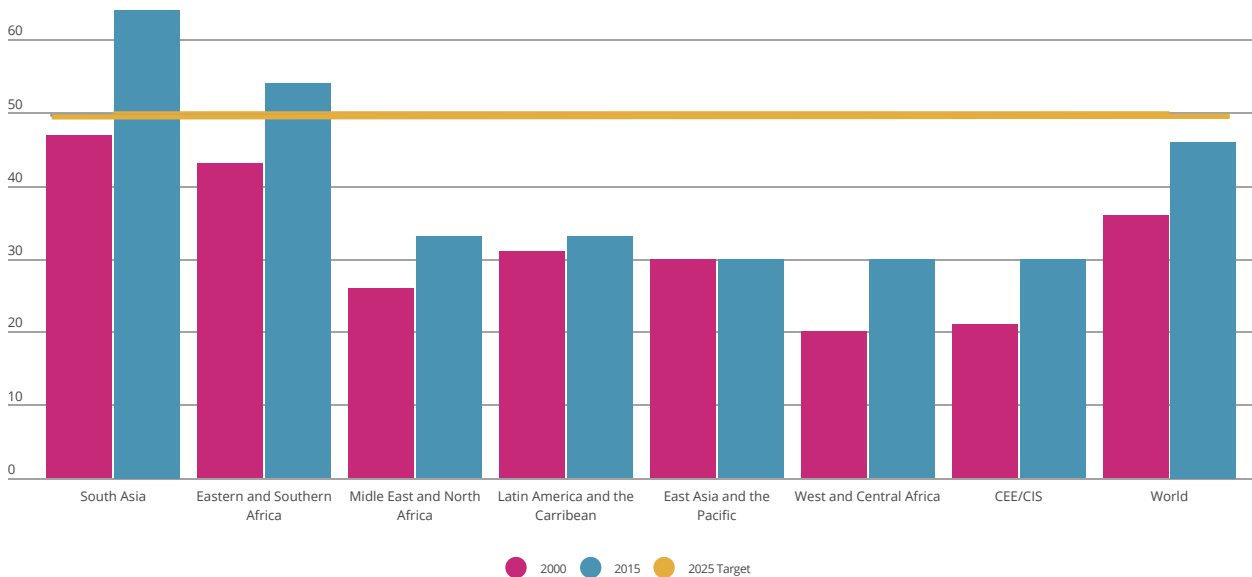
The World Health Organization (WHO) recommends that babies everywhere be breastfed exclusively for the first six months, at which point safe, appropriate complementary foods (CFs) should be introduced to meet their evolving nutritional requirements. The WHO also notes that complementary foods should not be used as BMS, and that infants and young children should continue to be breastfed until they are two or older.¹⁴ Nevertheless, while

breastfeeding up to the age of two years should be encouraged, the importance of appropriate CF from the age of six months onwards should not be undermined, as this has shown to be an important approach to prevent stunting.¹⁵ In 1981, The International Code of Marketing of Breast-milk Substitutes (The Code) was adopted by the World Health Assembly (WHA) as a minimum requirement to protect and promote appropriate infant and young child feeding.

Though there is a slight increase in the percentage of children being exclusively breastfed, global estimates of breastfeeding rates, published by UNICEF, show that still only 43% of children are exclusively breastfed during the first six months of life. Moreover, five of the seven global regions have current rates of only around 30% (see Figure 4). Hence, significant effort needs to be made to reach the global target of 50% set in 2014 in the WHO Global Maternal, Infant and Young Child Targets for 2025.¹⁶

For mothers, lactating can reduce the risk of certain types of cancer, such as ovarian and breast cancer.¹⁷ Prolonged breastfeeding can result in greater weight loss after delivery.¹⁸ Continued breastfeeding, rather than simply breastfeeding for a short period of time, can reduce the risk of type 2 diabetes as well as cardiovascular diseases for the mother.

FIGURE 4 Trend of exclusive breastfeeding¹⁹



Source: UNICEF Data, Monitoring the situation of children and women (2017).

Overweight and obesity: an alarming issue

The global pandemic of being overweight or obese is also alarming. Different studies from recent years show that excessive body weight increases the risk of developing a range of chronic conditions such as cardiovascular disease, diabetes and different types of cancer. Globally, 1.9 billion adults – approximately 25% of the global population – were overweight in 2014, of which more than 650 million were obese. This global prevalence of obesity doubled between 1980 and 2014.²⁰

Of particular concern is that children are also part of this growing global trend: 41 million children under five (6% of the total) are overweight.²¹ Further, 73% of these overweight children live in either Asia or Africa.

Obesity is spreading rapidly in both low- and high-income countries. The ten countries that account for more than half of the global obese population are the U.S., China, India, Russia, Brazil, Mexico, Egypt, Pakistan, Indonesia and Germany.²² While the U.S. accounts for 13% of the obese population, China and India combined account for 15%. Overall, 62% of the global obese population live in developing countries. Brazil offers an example of the shift that is occurring: While growing incomes and policy changes have improved lives and reduced hunger, 58% of the population is now overweight, and 20% are obese.²³

Many factors contribute to people becoming overweight or obese. These include advances in technology and transport that have led people to lead increasingly sedentary lifestyles, along with the more obvious cause that, as food becomes more affordable and accessible to more people, many consume more calories than they expend. Furthermore, with

the increase of urbanization globally, processed foods are forming a larger and larger part of many people's diets as they move away from traditional foods. Processed foods tend to be more energy-dense and higher in fat, salt and sugar than traditional foods.²⁴ Particularly in Western markets, populations of lower socio-economic status are more often overweight and suffer more from related illnesses.

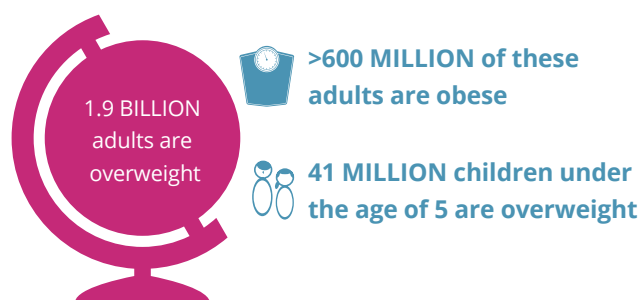
The economic cost of malnutrition

Malnutrition does not only negatively affect human health, impacting on the quality and length of people's lives, it also costs national governments a significant amount of money. All forms of malnutrition combined generate a global cost of close to \$3.5 trillion per year.²⁵

The FAO calculations show that undernutrition and micronutrient deficiencies cost up to \$2.1 trillion globally per year.²⁶ On average, countries lose 2-3% of their gross domestic product (GDP) due to undernutrition. However, in the hardest hit countries in Africa and Asia, the cost of undernutrition can be as high as 11% of GDP.²⁷ With respect to obesity, the World Obesity Federation projects that, by 2025, the annual medical cost of treating the consequences of obesity will be \$1.2 trillion globally.²⁸

The Global Nutrition Report (GNR) 2016 states: *"All of these figures mean that the burden of malnutrition falls heavily on all of us, whether directly suffering or not."* It is therefore time to reverse this 'new normal'.²⁹

FIGURE 5 Overweight and obesity figures



Various sources.

FIGURE 6 Global cost of malnutrition



Source: Global Panel 2016.

FIGURE 7 Sustainable Development Goals (SDGs) 2 and 3



Source: United Nations Sustainable Development Knowledge Platform.

FIGURE 8 WHO Global Action Plan and WHA Global Nutrition Targets



Source: World Health Organization.

The imperative of investing in malnutrition

Nutrition and the SDGs

The nutritional status of a population is an important – perhaps the most important – point of reference to understand the extent of poverty and hunger, but also its health status and the level of education that can be achieved. Nutrition indicators were prominent in the 2000–2015 Millennium Development Goals and also feature in the SDGs adopted in 2015.³⁰ Of the 17 SDGs, two of the goals relate to nutrition directly (SDGs 2 and 3), while 12 of the other goals cannot be reached without actions in relation to nutrition.³¹ Following the SDGs, more detailed plans and targets such as the WHO's Global Action Plan and related WHA Global Nutrition Targets have been developed to contribute to the achievement of the SDGs.

Investing in improving nutrition

Given the high human and monetary costs of malnutrition, investing in nutrition is among the most cost-effective forms of development spending.³² It can unlock socio-economic gains by affecting educational, employment and economic outcomes. This is illustrated by the Copenhagen Consensus that studied the most cost-effective SDG investments. It found that every dollar invested in nutrition has the ability to generate as much as \$45 in future benefits.³³

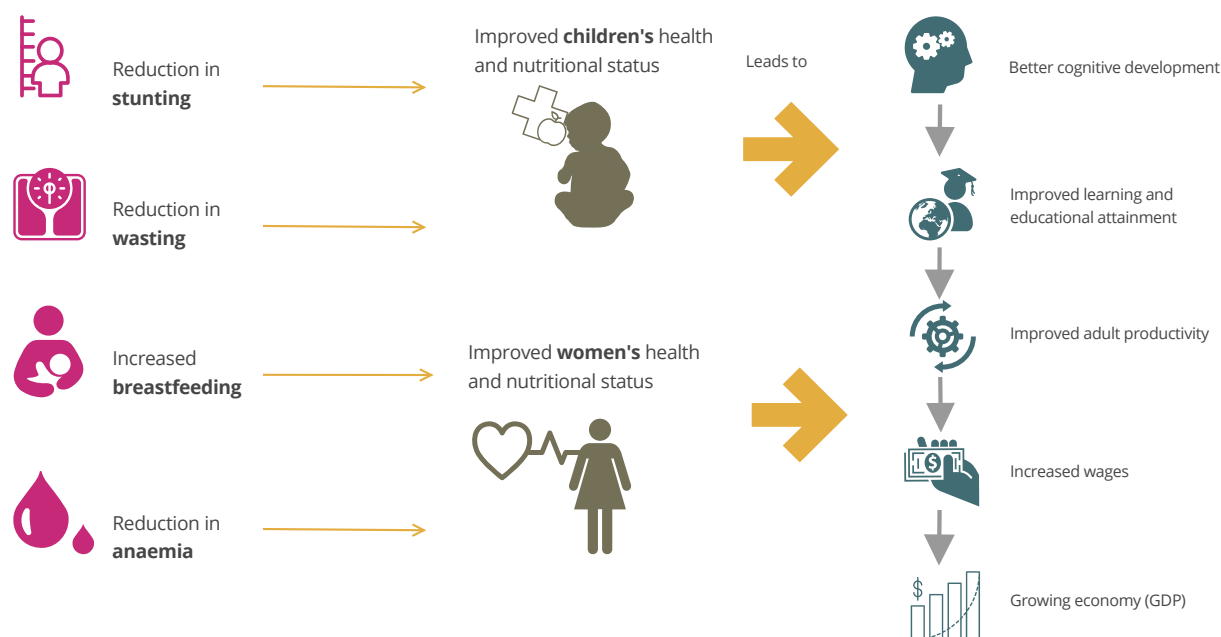
However, in order to reach the WHO Global Nutrition Targets, investments need to go up from \$2.6 billion to \$7 billion per year.³⁴ If investments of that magnitude were made, not only would the health status of a vast proportion of the global population improve, there would also be a significant increase in global economic growth (see Figure 9).

The need for concerted action

The GNR 2016 concluded that stakeholders need to work together to change the global nutrition situation. Policies and programs that address the underlying causes of malnutrition are vital to tackling all forms of malnutrition.³⁶

FIGURE 9 Benefits generated from investment in nutrition

If Global Nutrition Targets were reached



Source: World Bank Group (2017).³⁵

Policymakers particularly can play an important catalyzing role. An example can be found in Mexico where excise duties have been applied to sugary drinks and foods with high caloric density since 2014. This has resulted in an average drop in sugary drink purchases of 7.6% in two years.³⁷ Nevertheless, the GNR also showed that the implementation of policies on, for example, salt/sodium and saturated fat and trans-fat, is slow with only 32% and 20% of 193 countries respectively having such policies in place. Additionally, only 42 of these 193 countries have made some progress in restricting marketing to children. One of these is Ireland, where there is a mandatory marketing restriction on the use of celebrities for foods high in fats, sugar and salt.

Lastly, of the 194 WHO member state countries, about 135 have some sort of legal provision to restrict BMS marketing in place. This is a 31% increase since 2011. Of the 135, only 39 countries have adopted all or nearly all of the provisions of The Code.³⁸

Malnutrition and the global food and beverage industry

Development institutions, research bodies and funders have tended to focus on the determinants of malnutrition and potential policy solutions and direct interventions. Although the role of the private sector is more and more acknowledged, the potential impact of the private sector has not been sufficiently examined. The F&B industry can and (considering its growing impact on food consumption), *should* play a critical role.

The global F&B industry is enormous: It grew by 25% between 2011 and 2016, faster than the world population, and generated close to \$2.7 trillion in revenue in 2016.³⁹ Further growth is anticipated. In 2016, soft drink sales (not including those sold in licensed premises) were \$0.5 trillion globally. Their sales doubled in Latin America between 2000 and 2013.⁴⁰

Growth is especially strong in emerging and developing markets where sales of packaged foods increased at ten times the rate of high-income countries between 2008 and 2013 (See Figure 10).⁴¹ The impact of F&B manufacturers in these markets is increasing because, as incomes rise, levels of packaged food production and consumption, and numbers of supermarket retail outlets, also tend to increase.^{42,43}

FIGURE 10 The rise of packaged food



Source: Euromonitor International, 2016.

In contrast, in more mature markets, F&B companies have begun to lose market share. Consumers in these markets are becoming more concerned about their health and are turning away from processed food.⁴⁴ This increase in consumer demand for healthier choices, as well as the desire for greater traceability and authenticity, suggests that it is in the interest of F&B companies to change their policies and review their ranges if they want to retain their levels of sales and profitability. Moreover, F&B manufacturers that have comprehensive global nutrition strategies and policies are more likely to be able to better address the risks they face from increasing regulation and to take commercial advantage of changing consumer trends towards healthier living.

The Global Index 2018 aims to improve nutrition in the food & beverage sector

Since the launch of the first Global Access to Nutrition Index in 2013, the biennial Indexes have played an important role in assessing the role that F&B manufacturers play in addressing the global nutrition crisis, and how they can improve their performance.

As a result, several companies have already made tremendous steps forward, as evidenced in the outcomes of the third Global Index. At the same time, there is still much for food and beverage companies to do to end malnutrition.

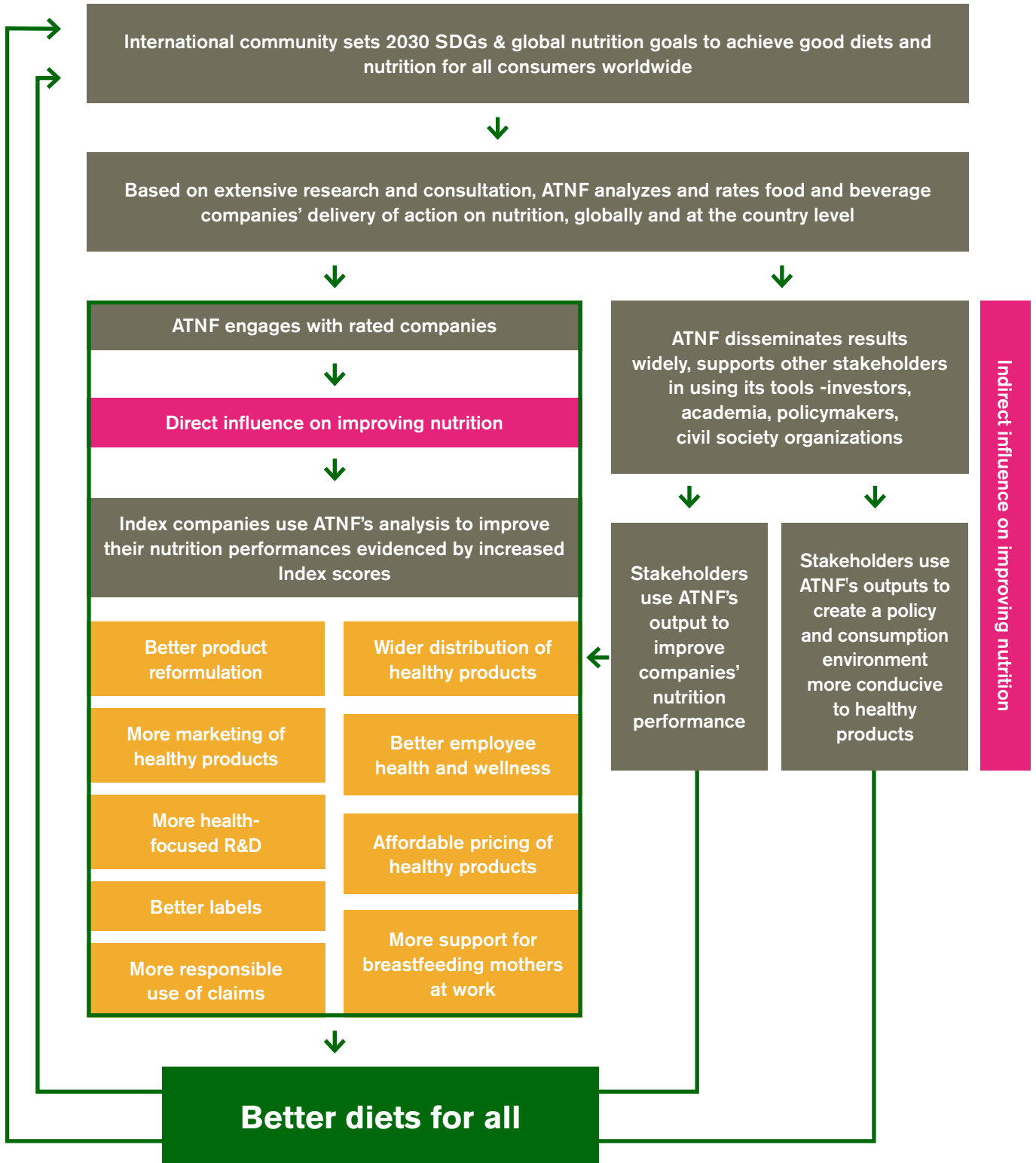
The Access to Nutrition Foundation's vision is a world where everyone eats a healthy, balanced diet that enables optimal physical and mental development and where, as a result, deaths and illness from diet-related diseases are eradicated.

The aim of the Foundation is to develop and deliver tools that track the contribution of the F&B industry to addressing the twin global nutrition challenges of overweight and diet related diseases and undernutrition, and to hold companies to account for delivering on their commitments to tackle these challenges. ATNF uses the Indexes – its flagship tools – to encourage F&B companies to do as much as they can to improve the diets of adults and children around the world, as depicted in ATNF's Theory of Change (Figure 11).

Given their scale and reach, and continued growth, particularly in emerging markets, these companies have a huge influence on the lives of consumers and employees' and so must play their part of the improving diets and health. The 22 F&B manufacturers companies in ATNF's Global Index operate in more than 200 countries, employ around 2 million people and generated sales of around US\$500 billion in 2016. The Indexes provide these companies with a means to benchmark their performance on nutrition against that of their peers, and offer stakeholders a comprehensive, objective source of information on companies' contribution to reducing the double burden of nutrition.

The Indexes are used by many civil society organizations and initiatives, as well as by policymakers, particularly the country-level detail provided by the individual country Spotlight Indexes. Further, 54 investors worldwide with assets under management of close to \$5 trillion have pledged their support for the Indexes through ATNF's Investor Statement. They engage directly with companies in which they are shareholders to encourage them to improve their performance on nutrition because they believe that it is critical to delivering long-term shareholder value.

FIGURE 11 ATNF Theory of Change



NOTES

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Scope of the Global Index 2018

The food value chain is complex and varied, encompassing farmers large and small, life sciences, agriculture and agri-processing companies through to manufacturers, retailers, restaurants and food service companies. However, given their particularly direct and influential role in our diets, and their growing role in many emerging markets, the third Global Index focuses on the role that F&B manufacturers play in making healthy food more affordable and accessible to all consumers globally.¹

Research scope

ATNF focuses on the most relevant aspects of F&B manufacturers' activities in addressing obesity and diet-related chronic diseases, and undernutrition. It assesses their policies, practices and disclosure related to promoting good nutrition for all, i.e. preventing and tackling obesity and a range of diet-related chronic diseases, as well as preventing and addressing undernutrition and associated micronutrient deficiencies. In addition to delivering healthy products that are affordable and accessible to consumers, companies can have an impact on their diets by influencing their choice and behavior. They do so through their marketing, consumer education, product labeling and use of claims, and through their lobbying and engagement with stakeholders.

Corporate Profile

Companies are assessed using the Global Index Corporate Profile methodology. Table 1 provides an overview of the categories and criteria of the ATNI 2018 Corporate Profile methodology. All categories include indicators to assess companies' action on nutrition. Where relevant, they also include undernutrition indicators to assess what companies

do to prevent and address undernutrition in developing countries. Only companies with more than 5% or more of their sales from non-OECD countries are assessed on the undernutrition part of the Corporate Profile methodology.² The assessment of the nutrition indicators is presented in the Corporate Profile Nutrition section of this report, and that of the undernutrition indicators in the Undernutrition section. The Corporate Profile methodology is based on international standards, guidelines and frameworks developed by organizations such as the WHO, FAO and others.

Product Profile

To measure the healthiness of companies' products, ATNF commissioned The George Institute for (TGI) to analyze the nutritional quality of the products made by the companies rated on the Index in nine markets around the world: Australia, China, Hong Kong, India, Mexico, New Zealand, South Africa, the United Kingdom and the United States. This research is called the Product Profile. The results are based on scores generated by applying the Health Star Rating (HSR) nutrient profiling system, which analyzes the level of several positive nutrients (e.g. fruits and vegetables and fiber) and several negative nutrients (e.g. salt, sugar and saturated fat) in products. The Product Profile also assesses whether products are suitable to be marketed to children.

TABLE 1 Overview of the categories and criteria of the ATNI 2018 Corporate Profile methodology

| Category (weight in total score) | Description | Criteria |
|---|--|--|
| Section 1: Nutrition governance and management | | |
| A (12.5%) | Corporate strategy, management and governance | A1 Corporate nutrition strategy* |
| | | A2 Nutrition governance and management systems* |
| | | A3 Quality of reporting* |
| Section 2: Formulating and delivering appropriate, affordable, accessible products | | |
| B (25%) | Formulating appropriate products | B1 Product formulation* |
| | | B2 Nutrient profiling system |
| C (20%) | Delivering affordable, accessible products | C1 Product pricing* |
| | | C2 Product distribution* |
| Section 3: Influencing consumer choice and behavior | | |
| D (20%) | Responsible marketing policies, compliance and spending | D1 Responsible marketing policy: All consumers* |
| | | D2 Auditing and compliance with policy: All consumers |
| | | D3 Responsible marketing policy: Children |
| | | D4 Auditing and compliance with policy: Children |
| E (2.5%) | Supporting healthy diets and active lifestyles | E1 Supporting staff health & wellness |
| | | E2 Supporting breastfeeding mothers in the workplace |
| | | E3 Supporting consumer-oriented healthy eating and active lifestyle programs* |
| F (15%) | Product labeling and use of health and nutrition claims | F1 Product labeling* |
| | | F2 Health and nutrition claims* |
| G (5%) | Engagement with governments, policymakers and other stakeholders | G1 Lobbying and influencing governments and policymakers* |
| | | G2 Stakeholder engagement* |

* Criteria with additional undernutrition specific indicators

BMS Marketing

Breastfeeding gives babies the best start in life, combined with the timely introduction of safe, appropriate complementary foods from six months of age onwards. Inappropriate marketing of breast-milk substitutes can undermine breastfeeding. The Index therefore assesses baby food manufacturers' marketing of breast-milk substitutes (BMS). The outcomes of this BMS Marketing assessment are set out in the BMS Marketing sub-ranking, which in turn feeds into baby food manufacturers' scores in the Global Index. The BMS Marketing methodology is based on international standards, guidelines and frameworks, such as the WHO International Code of Marketing of Breast-milk Substitutes and Codex.

In scope

The following principles have guided the development of the ATNI and the methodology used to assess F&B manufacturers.

Base the assessment methodologies on international norms and established best practices where possible

The ATNI aims to reflect the existing consensus on best practice, not to define such practices. The methodologies are therefore based on international policies, norms and guidelines, except when such guidance is not available. For aspects of the methodology that sit outside the sphere of policy- or norm-setting bodies, the methodology is based on leading corporate practices, recommendations drawn from stakeholder consultations and input from the ATNF Expert Group.

Ensure relevance and applicability to a range of company types

The Index assessment methodology is designed to evaluate the degree to which nutrition practices such as product formulation, marketing, distribution and product labeling are embedded in the core business functions of F&B manufacturers. This type of assessment is relevant to a variety of company ownership types (publicly listed, privately owned, cooperatives and government owned), as well as companies with different product portfolios (primarily food, primarily beverages, or a mix of both).

Identify, reward and spread good practice

The ATNI is not intended to be a 'name and shame' exercise. It aims to generate 'healthy competition' among the ranked companies to encourage them to do better in each Index, thereby demonstrating their increasing contribution to addressing the world's nutrition challenges.

Encourage transparency as well as good practice

The ATNI awards companies credit for their policies and practices as well as the level and quality of their disclosure. Greater levels of transparency allow stakeholders to better understand the extent to which companies are addressing obesity and diet-related chronic diseases and undernutrition, and to advance the dialogue about these important issues.

Utilize an inclusive approach, incorporating multi-stakeholder input

Input from relevant stakeholder groups – including governments, consumers, civil society and industry – was sought throughout the original methodology development process and subsequent revisions.

Recognize current state of knowledge and continually evolve

In recognition that knowledge and practices in the nutrition field continue to evolve, the assessment methodology is revised for each Index.

Out of scope

Products that are intended to address acute undernutrition or other special nutrition needs

The ATNI focuses on company practices related to foods and beverages formulated for, sold to, and consumed by the general population, which is the principal market for most major F&B manufacturers. The Index is not designed to look at approaches to addressing acute forms of undernutrition that are generally related to famine (e.g. wasting). The Index also does not take account of companies' activities targeting people with special nutritional or dietary needs such as athletes, the elderly, or those with particular illnesses not related to diet (such as HIV/AIDS).

Products that are a part of a formal weight management program

Some companies evaluated in the Index sell products that are intended to be a part of (or are marketed/branded in association with) a formal weight-management program. The ATNI does not assess these business lines, as there is currently no international consensus on standards for the content of such products. Furthermore, consumption of a balanced, healthy diet and regular physical activity are more likely to be beneficial than weight-management programs that often cannot be sustained.

Other issues

Other issues that are not nutrition-related per se, but related to the social and environmental impact of F&B companies are outside the scope of ATNI's assessment. Some of these issues are addressed by other assessment or rating systems.³ They include:

- Food safety.
- Water management practices.
- Environmental sustainability, including sourcing of ingredients.
- Impact on climate change.
- Fair treatment of workers and communities.
- Crop breeding (e.g. hybridization and genetic modification).

Full details of the methodology are published on www.accesstonutrition.org.

Companies included in the 2018 Global Index

The 2018 Global Index ranks 22 of the world's largest food and non-alcoholic beverage manufacturers, including companies that are publicly listed, privately owned or cooperatives. These companies are the 20 largest F&B manufacturers by total global FY2016 revenues, plus two companies that were included in earlier Global Indexes and ranked between the top 20 and 25 largest F&B manufacturers in 2016 (Tingyi and Campbell's). These companies were included to continue to track and encourage them to tackle global nutrition challenges. There are three new companies in the third edition of the Global Index: two Japanese companies Meiji and Suntory, and Kraft Heinz (which were assessed as two separate companies, Kraft and Heinz, in the 2016 Index). The Chinese company Wahaha dropped out of the top 25 and therefore is no longer assessed.

Of the 22 manufacturers assessed in the 2018 Global Index, most sell a range of F&B products. Three are primarily dairy and/or baby food producers (FrieslandCampina, Lactalis and Arla); three are predominantly confectionery companies (Ferrero, Mars, Mondelez); and two produce mostly beverages (Coca-Cola, Suntory). The companies also differ in ownership type and include publicly traded companies, privately held companies (Ferrero, Lactalis and Mars) and cooperatives (Arla and FrieslandCampina). The combined F&B sales of the companies assessed was estimated to be \$500 billion (FY2016).

Most of the Index companies sell their products globally, though ConAgra sells very little outside its U.S. home market. Most are headquartered in the U.S. and Europe. Three are headquartered in emerging markets (Grupo Bimbo, BRF and Tingyi), and three are Japanese (Ajinomoto, Meiji and Suntory).

Four companies that generate 95% or more of their sales from OECD countries – Campbell's, ConAgra, General Mills, Meiji – are not assessed on the undernutrition element of the Global Index. One company – Ferrero – is only assessed on non-commercial undernutrition indicators, as it does not manufacture any products that are suitable for fortification.

Companies included in the BMS Marketing assessment

As with the 2016 Index, the 2018 Global Index assesses the BMS marketing policies and practices of any companies included in the Index that derive more than 5% of their total revenues from baby food and are among the top ten largest global baby-food manufacturers. Six such companies have been assessed: Abbott, Danone, FrieslandCampina, Kraft Heinz, Nestlé and RB/MJN (see Table 2).

PepsiCo, Lactalis, Arla, Campbell's and Meiji were not assessed because their revenues from baby food do not reach the required threshold.

TABLE 2 Market shares and revenues from baby food of the world's ten largest manufacturers

| Rank | Company | Company's baby food share of total F&B revenues FY2016 |
|------|---|--|
| 1 | Nestlé | 10-20% |
| 2 | Danone | 20-30% |
| 3 | Mead Johnson Nutrition ⁴ | >90% |
| 4 | Abbott | >90% |
| 5 | FrieslandCampina | 20-30% |
| 6 | Kraft Heinz | <10% |
| 7 | Hipp GmbH & Co Vertrieb KG | |
| 8 | Feihe International Inc | |
| 9 | Inner Mongolia Yili Industrial Group Co Ltd | |
| 10 | China Mengniu Dairy Co Ltd | |

Source: Derived from Euromonitor International Packaged Food, 2017 Edition.

TABLE 2 Aggregated revenues and market share of the world's largest baby food manufacturers

| | Aggregate Food and beverage revenues FY2016 | Aggregate global baby food market share FY2016 | Aggregate baby food revenues FY2016 |
|---|---|--|-------------------------------------|
| Top 10 baby food manufacturers | > USD 135 billion | > 60% | > USD 39 billion |
| Top 6 baby food manufacturers (covered in BMS assessment) | > USD 100 billion | > 50% | > USD 35 billion |

Source: Derived from Euromonitor International: Packaged Food, 2017 Edition.

Approach to scoring and ranking

Overall Corporate Profile score

A company's overall score is generated by calculating a weighted average of its Corporate Profile category scores (see Table 1). Within each category, the nutrition score is weighted 75%, and its undernutrition score is weighted 25%. The scores of companies that generate less than 5% sales from non-OECD countries are based solely on their performance on nutrition (i.e. not on undernutrition).

Separate company rankings and scores on nutrition and undernutrition are also presented. The sub-ranking for nutrition reflects companies' efforts to deliver healthy food choices to all consumers and to responsibly influence consumer choice and behavior. The sub-ranking for undernutrition reflects additional actions that companies take to address undernutrition, including fortifying their products with micronutrients otherwise deficient in the diet. The nutrition and undernutrition scores and rankings are calculated using the same approach as described above for companies' overall scores but using only the indicators applicable to each ranking.

The full Corporate Profile methodology is available [here](#).

Product Profile score

For the 2018 Index, the largest five product categories of 21 of the 22 companies in the Global Index were assessed in nine countries.⁵ Data held in pre-existing nutrition content databases, supplemented with information submitted by the companies, was used to do the analysis.

A company's Product Profile score is calculated by multiplying its sales-weighted HSR score (which has a maximum range of 5) by two (to arrive at a score out of ten), so that it can be compared more easily to the Corporate Profile score. The Product Profile methodology explains how the sales-weighted HSR score is derived. Product Profile scores are not integrated in the overall 2018 Global Index scoring and ranking.

The full Product Profile methodology is available [here](#).

BMS Marketing adjustment to the Corporate Profile score

Similar to the 2016 Index, for the four BMS manufacturers included within the overall 2018 Index, an adjustment is made to their score based on their results in the BMS Marketing sub-ranking.

The adjustment depends on the level of compliance each company demonstrates with the BMS methodology. The maximum possible adjustment (i.e. reduction) is -1.5 out of the 10 total points available in the Global Index. This proportion of the total score (15%) was selected with the advice of the ATNF Expert Group to reflect the importance of the issue. If a company is fully compliant with the BMS methodology, demonstrating that it markets all of its BMS products in line with the recommendations of The International Code of Marketing of Breast-milk Substitutes (The Code), no adjustment is made to its Global Index score. If it achieves less than full compliance, an adjustment is made on a sliding scale. This approach was taken because if BMS companies were to be given an extra score for their performance in this area, they would have been privileged compared to non-BMS companies.

The full BMS methodology is available [here](#).

Key methodology innovations since 2016

Corporate Profile

The 2018 Global Index Corporate Profile methodology has been updated based on stakeholder consultations and taking into account the latest versions of various standards and guidelines. In addition, some indicators are more strictly assessed than previously. Some indicators that were not scored in 2016 are now scored.



A key change has been made in the way that ATNF assesses companies' product formulation activities in Category B. Product formulation and reformulation targets have been analyzed separately for up to five major product categories in the 2018 Index (if a smaller number of product categories covered 85% or more and the remaining product categories each covered less than 5% of company F&B sales, the analysis was limited to less than five product categories). The number of products within those categories that meet the target or threshold were also assessed. In the 2016 Index, product formulation and reformulation targets were assessed on the overall portfolio level. Because the relevant 'positive' and 'negative nutrient' targets vary by product category, we believe the current approach provides greater insight into companies' reformulation activities.

Furthermore, for companies offering confectionery, savory snacks, ice cream, carbonated drinks, juices, sports and energy drinks, and Asian specialty drinks, where reducing serving sizes can be particularly important in reducing the intake of calories, information regarding the percentages of products, in any of these products categories, offered in smaller serving sizes (in terms of calories) were analyzed but not scored.

These and all other smaller changes are described in the methodology's explanatory notes.

BMS Marketing assessment

The methodology to assess BMS marketing for the 2018 ATNI Global Index retains the same structure as that for the 2016 Global Index. It assesses whether BMS manufacturers take a responsible approach to marketing their products using two separate tools:

- **BMS 1 Corporate Profile:** The BMS 1 Corporate Profile methodology is designed to measure the extent to which BMS companies' marketing policies align with The Code whether companies have comprehensive, effective procedures and management systems to implement their policies, and their level of transparency.
- **BMS 2 In-country assessments:** In-country assessments are designed to measure companies' compliance with The Code and/or national regulations, whichever is stricter. These assessments cover all forms of marketing, as set out in The Code, by interviewing mothers and healthcare workers, visiting retail stores, monitoring online retailers, as well as monitoring traditional and digital media. For the 2018 Global Index, two such studies were undertaken for ATNF by Westat, working with the International Health Policy Program Foundation and iSentia in Thailand and Oxford Policy Management Group Nigeria, based on the 2015 [NetCode Protocol](#).

Limitations

Corporate Profile

The field of nutrition is complex and evolving rapidly, as is the F&B industry. Therefore, the universe of companies included in the Index has changed to some extent. Other limitations in the Corporate Profile are related to the setup of the methodology and the dependence on company-reported data.

- **Changes in Index companies.** Three new companies were included due to a merger of Kraft and Heinz and changes in the global top-20 largest F&B companies. As a result Meiji and Suntory have been included in the list. Because these companies were not included in the 2016 Index, it is not possible to assess the progress they have made. Furthermore, three companies dropped out for similar reasons: Heinz and Kraft as separate business entities and Wahaha due to a substantial decline in sales. Consequently, ATNF has lost the ability to encourage Wahaha to change through the Index.
- **The definition of healthy products and (re) formulation targets.** Due to the large variety of companies and the composition of their respective product portfolios, the Corporate Profile methodology currently depends on companies' own definitions of healthy products. There is no Codex or other externally recognized guideline that can be universally applied in the ATNI methodology to check the validity of the companies' definitions of healthy products – in other words, to verify whether products that meet a company's own healthy criteria are truly healthy. Related to this issue, the assessment of product (re)formulation targets in Category B is focused on the comprehensiveness of the targets, testing whether targets have been set for all products and all relevant nutrients ('negative nutrients' to decrease and 'positive nutrients' to increase) and how many of the companies' current products meet the targets. However, the lack of a universal, external standard does not allow an assessment of the ambition level and the relevance of the reformulation targets to impact health positively. Currently, an assessment of the strength of companies' Nutrient Profiling Systems (NPSs), which is (or should be) the basis to define healthy products and to set (re)formulation targets, is used as the best way to address this issue. In addition, the Product Profile was initiated as a complementary approach to objectively assess the healthiness of products according to a validated method.
- **Company commitments and self-reported performance.** The Corporate Profile relies to a large extent on companies' self-reported information and data. This is the case throughout the methodology, but it is particularly important in Category D, which addresses responsible marketing practices. Companies can only

achieve a full score if they make public commitments, show evidence of performing accordingly and have arranged third-party auditing of their marketing practices. However, unlike the BMS 2 in-country assessments that are carried out by ATNF and partners to verify companies' BMS marketing practices, external verification of all marketing practices and other aspects covered in the ATNI methodology is currently not included.

Product Profile

The limitations of the Product Profile are set out more fully in the [TGI report](#). In summary:

- **Nutrition data:** Some companies did not provide a full list of the relevant products in all countries or, in some cases, complete nutrition content data. The fact that not all countries require comprehensive nutrition content information to be provided on packaging also meant that proxy data had to be used for some products. The most likely impact of using proxy nutrient values was underestimation of the real differences between products (because proxy values were imputed at the sub-category level), and correspondingly, therefore, underestimation of the real differences between companies. It also resulted in some products having to be excluded from the analysis because data was not available for the nutrients essential to applying the nutrient profiling models.
- **Scope of products covered:** Ideally the analysis would have included all products sold by all companies in each of the nine countries in which product profiles were generated, rather than being restricted to their five best-selling categories. Similarly, had more countries been included, the coverage of companies' global sales would have been more complete. However, the study had to be limited in these ways given the resources available. Further product-level sales data should ideally be used to calculate the sales-weighted figures. However, this data is not currently available from Euromonitor International, and ATNF did not have the funding to buy such a large data set from another provider.
- **Nutrient profiling models used:** Both the HSR and WHO EURO models are still in early stages of implementation and subject to ongoing evaluation and refinement. While these models are based upon extensive research and validation, there is continuing discussion of how each applies to some food categories. In addition, the HSR model does not score 'non-nutritive' products such as tea and instant coffee. As a result, these products have not been included in the analysis. This means that the results for companies such as Unilever and Nestlé, for example, are based on their sales excluding these products.

- **Serving size of products not considered:** Neither of the nutrient profiling models used takes serving size into account. Some experts consider this to be a limitation, while others believe it is a strength. One important determinant of being overweight and obese is the quantity of food people choose to consume at one sitting (portion size). The serving size recommended on a multi-pack or provided within a single pack can influence how much of a product is eaten. Some argue that nutrient profiling models should include consideration of serving size – and some of the companies' systems do so. However, the absence of agreed national and international standards has meant that, to date, it has not proved possible to consider serving size with the models used for this study. This may also account for the differences between the numbers of healthy foods identified by this study and by the companies themselves using their own models.

Research considerations

In addition to the methodological limitations, similar research considerations apply as in the 2016 Global Index:

- **Confidential disclosures:** Much of the data provided by the companies was confidentially disclosed and therefore cannot be referenced explicitly in the report, although it is incorporated into companies' scores.
- **Limited or no disclosure:** Some companies disclose very limited or no information at all. Scores for these companies, therefore, are much lower than for those that disclose a lot of information. As such, they may not be representative of what the companies actually do.
- **Different financial years and time periods assessed:** Because companies often have different financial years and publishing timetables for their corporate reports, some relevant data was not published in time to be included in the research.
- **Language barriers:** Some companies reported that they lack the internal resources required to enter data via the online platform in English.
- **Time constraints:** Completing the Corporate Profile assessment survey requires significant time from the companies. Companies dedicate different levels of resources to engaging with ATNF during the research process.

NOTES

- ¹ The growing role of F&B manufacturers is particularly taking place in in Asia and Africa. See for more information the Context Section.
- ² In addition to OECD countries, ATNF also accepts initiatives in Mexico as relevant for our undernutrition assessment. This is reported on it in the Nutrition Section of the report.
- ³ Some of these issues are included in ATNF's country spotlight Indexes.
- ⁴ Mead Johnson Nutrition was acquired in the summer of 2017 by RB (formerly known as Reckitt Benckiser). As data is based on FY2016, the table displays data related to Mead Johnson Nutrition.
- ⁵ Fewer than 10 products were found for BRF in the nine countries included in the study. It was therefore not possible to include this company in the Product Profile.



Corporate profile

Nutrition

A Governance

12.5% of overall score

Category A consists of three criteria:

A1 Corporate nutrition strategy

A2 Nutrition governance and management systems

A3 Quality of reporting

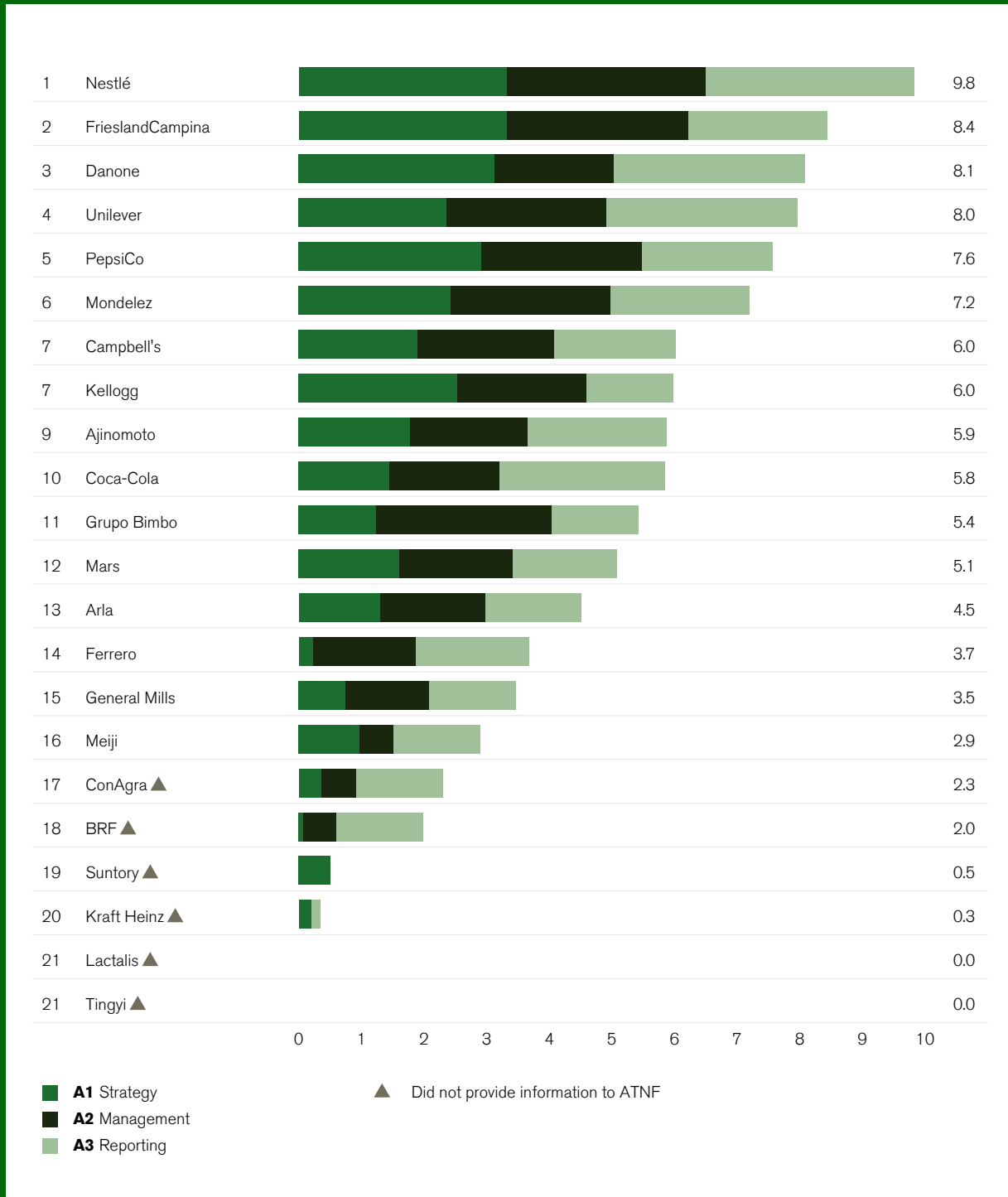
To perform well in this category, companies should:

- Commit at Board level to address obesity and diet-related chronic diseases.
- Set clear nutrition strategies, objectives and targets in all business areas underpinned by strategic market research.
- Establish and use incentive and accountability structures at senior management level to reward successful implementation of nutrition strategies.
- Demonstrate high and increasing levels of sales of healthy products.
- Clearly and comprehensively report on activities to prevent and address nutrition-related issues and on progress against nutrition-related objectives and targets, on a global basis.

Undernutrition analysis related to Category A is available in the [Undernutrition](#) section of the report. A full description of the ATNI methodology is available [here](#).

Results

FIGURE 1 Category A Nutrition ranking, based on equally-weighted Criteria A1, A2 and A3 scores

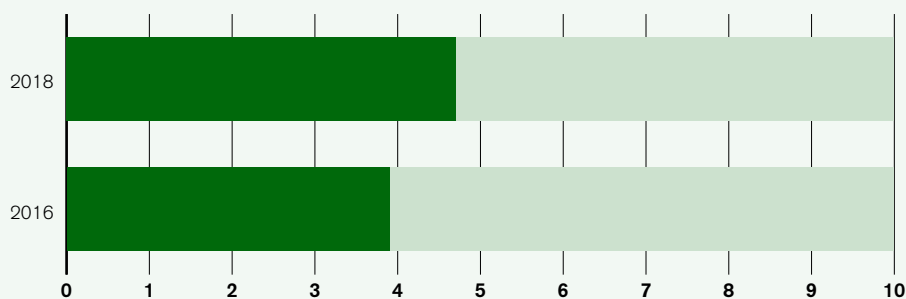


Category A Nutrition

What are the main changes in Category A compared to 2016?

- The average Category A nutrition score increased to 4.7 from 3.9 in 2016 (as shown in Figure 2), and Nestlé currently leads the score with 9.8 points.
- FrieslandCampina showed the largest improvement by increasing its score by almost 4 points, mainly due to its new more comprehensive nutrition strategy and strengthened nutrition governance and management system.
- Category A remains the highest-scoring category on the Index. Many companies have strengthened their nutrition policies and management systems.
- A particularly elucidating finding is that Category A scores correlate strongly with overall Global Index scores, clearly indicating that a company can better sustain and scale up its nutrition activities if commitment starts at the top and is integrated into its core business strategy (see Figure 6 in Box 7 – ‘Robust nutrition management systems’).

FIGURE 2 The average scores for Category A Nutrition in 2018 and 2016



A1 Corporate nutrition strategy

To what extent have companies enhanced the integration of their nutrition strategies into their core business since 2016?

Since 2016, companies' scores on Criterion A1, which measures the quality of their nutrition strategies, has increased by almost one point from 3.5 to 4.4 out of 10. More companies can now demonstrate a strategic orientation towards nutrition through commitments that indicate greater integration of nutrition factors into core business considerations.

FrieslandCampina and Nestlé score 100% on A1 and lead this ranking. Both companies make a strategic commitment to grow through a focus on nutrition, including by considering nutrition trends when making acquisitions and carrying out extensive nutrition risk assessments. Both companies can demonstrate that this focus has also resulted in increased sales from healthy products over recent years (company self-reported data). Danone ranks third with a score above nine. In 2017, the company adopted a comprehensive nutrition strategy that sets out clear 2020 nutrition commitments and targets.

Of the 22 Index companies, FrieslandCampina and Kellogg improved their scores the most – by more than 4.5 points. Compared to 2016, Kellogg discloses more information publicly about its nutrition strategy and how the strategy informs the company's 'way of doing business'. FrieslandCampina's A1 score increase is due to its new 'Route2020' strategy.

Overall, companies acknowledge they have a role to play in tackling nutrition challenges and support the WHO Global Action Plan for the Prevention and Control of Non-communicable Diseases (WHO Global Action Plan). Eleven companies also link this role to contributing to nutrition-related Sustainable Development Goals (SDGs) 2 and 3 (see Table 1 for more information). The WHO Global Action Plan serves as a roadmap for all relevant stakeholders to achieve nine targets including stopping the rise of diabetes and obesity, a 10% relative reduction in prevalence of insufficient physical activity and a 30% relative reduction in mean population intake of salt/sodium by 2025.¹ The SDGs provide a framework within which the private sector can orient their commitments to society and illustrate how they are contributing to achieving the SDGs by, for example, improving the nutritional profile of their products and developing strategies to tackle all forms of malnutrition. More information about the WHO Global Action Plan and the SDGs is available in the Context section of this report.

Conversely, BRF, Ferrero, Kraft Heinz, Lactalis and Tingyi show very limited or no evidence of having a relevant nutrition strategy in place according to ATNI methodology. These companies are encouraged to initiate a process of developing a formal global nutrition strategy.

TABLE 1 Companies' participation in nutrition partnerships

| | Ajinomoto | Arla | BRF | Campbell's | ConAgra | Ferrero | General Mills | Danone | Grupo Bimbo | Kellogg | Lactalis | FrieslandCampina | Mars | Meiji | Mondelez | Nestlé | PepsiCo | Suntory | Coca-Cola | Kraft Heinz | Tingyi | Unilever |
|---|-----------|------|-----|------------|---------|---------|---------------|--------|-------------|---------|----------|------------------|------|-------|----------|--------|---------|---------|-----------|-------------|--------|----------|
| Acknowledged a role to play in tackling global nutrition challenges | ● | ● | | ● | ● | ● | ● | ● | ● | ○ | | ● | ● | | ● | ● | ● | ● | ● | | | ● |
| Acknowledged the WHO Global Action Plan for the Prevention and Control of NCDs 2013-2020 | | | | | | ● | ● | ● | ● | ○ | | ● | ● | | ● | ● | ● | | ● | | | ● |
| Reference SDGs (Goal 2 zero hunger and Goal 3 good health and well-being) (new indicator) | ○ | ○ | | | | | ○ | ○ | | ○ | | ○ | | | ○ | ○ | ○ | | ○ | | | ○ |

● Committed in 2016 ○ New commitment

How many companies consider nutrition issues in their M&A activity?

Ten companies that have articulated a commitment to and/or strategic focus on health and nutrition and provided evidence of nutrition being a factor in decisions about acquisitions and disposals, as well as when forming joint ventures or other partnerships. This indicates that these companies have genuinely embedded a commitment to nutrition into their core business strategy. For some examples, please see Box 1.

Can companies demonstrate that their nutrition strategies are delivering increasing sales of healthy products?

A concrete indication of whether companies' commitments to deliver healthier products are bearing fruit is whether they can show that sales generated from healthy products are increasing over time. Based on their own definitions of healthy products, only four companies are then listed including Danone, FrieslandCampina, Meiji and Nestlé report that more than 50% of their F&B revenue was generated by healthy products in FY2016. ATNF's Product Profile analysis found different figures and findings compared to companies' own reporting. For more details, see Category B, page 64, Box 2 and the Product Profile chapter, page 149.

In addition to the companies that reported achieving more than 50% of sales from healthy products in the 2016 Index, companies such as Arla, Coca-Cola, FrieslandCampina, General Mills, Grupo Bimbo, Kellogg, Mondelez and PepsiCo reported increased revenues from healthy products since 2016. An overview and comparison to 2016 is shown in Figure 3.

The other Index companies do not demonstrate similar results, and many were either unable or unwilling to disclose this information.

BOX 1 EXAMPLES OF COMPANIES FACTORING NUTRITION INTO M&A DECISIONS

“At Danone, we constantly seek to align our vision of the world, our mission and our businesses: We believe we have a special responsibility, as expressed in our Manifesto, to help and support people in adopting healthier and more sustainable eating and drinking practices and constantly evolve our portfolio of brands and products to achieve this objective. To that extent, we found in WhiteWave the perfect alliance as we both believe in a healthier future and are conscious of our power to lead society forward.”

Danone

“Pacific Foods is a natural foods industry pioneer that has strong health and well-being and organic credentials, particularly with younger consumers. Its products and approach are very closely aligned with Campbell’s real food philosophy. Pacific Foods will help accelerate Campbell’s efforts to deliver real food and beverages that meet consumers’ changing tastes and preferences. The acquisition will also further Campbell’s efforts to drive innovation in health and well-being to reinvent the center store, while giving the company more access to natural and organic customers and channels.”

Campbell’s

“In 2016 FrieslandCampina obtained key positions in the Central Asian dairy market through strategic partnership with Engro Foods [...] The cooperation with Engro Foods will accelerate FrieslandCampina’s Route2020 strategy – which is focused on delivering health and nutrition through its products [...] This partnership enables us to provide a wider array of affordable high-quality dairy products for a healthier Pakistan, especially for its younger population.”

FrieslandCampina

“In addition to our new product innovations, where appropriate, we are making smart acquisitions to build our Everyday Nutrition portfolio. We did so in late 2016, when we announced our acquisition of KeVita, a leading maker of fermented probiotic and kombucha beverages in the U.S.. All KeVita drinks are certified organic, non-GMO, gluten-free and vegan [...] This announcement is further evidence of PepsiCo’s focus on delivering Performance with Purpose by continuing to evolve our health and wellness offerings to meet consumers’ changing needs.”

PepsiCo

FIGURE 3 Distribution of revenues generated from healthy products 2018 versus 2016

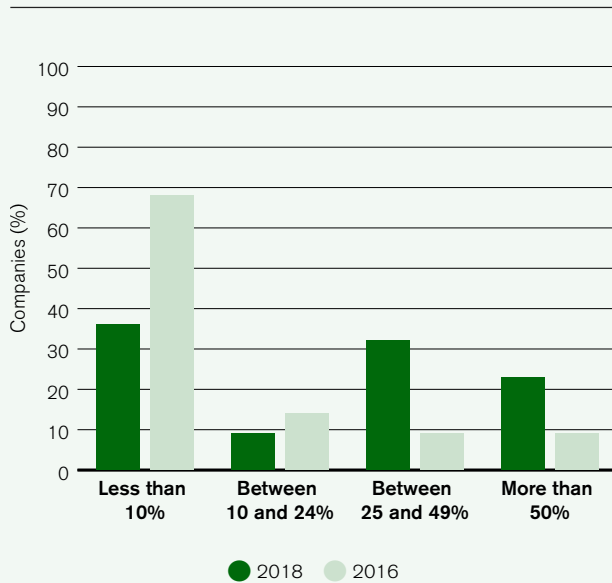


Figure 3 shows the percentage of companies (y-axis) and the value and distribution of revenues generated from healthy products as defined by the companies (x-axis). Data was provided by the companies, and, if no data was available, it was classified as 'less than 10%'.

A2 Nutrition governance and management systems

Have companies moved beyond simply making commitments on nutrition and put in place or strengthened their nutrition policy and objectives to deliver on high-level, strategic nutrition commitments, and how are these translated into management systems?

Some companies can demonstrate that they have improved their nutrition policy and strengthened governance systems to deliver objectives articulated in their nutrition policies since the last Index in 2016. The average score on Criterion A2 increased from 3.5 to 4.7 out of 10. Nestlé leads the ranking on A2 with a score of 9.5 followed by FrieslandCampina. Grupo Bimbo, PepsiCo, Mondelez and Unilever, each with a score of more than 7. All of these companies have a comprehensive nutrition policy with clear objectives and Board-level oversight. Examples of leading nutrition policies are described in Box 3.

BOX 2 A1 RECOMMENDATIONS FOR IMPROVEMENT

Implement a strategic commitment to delivering better nutrition across their businesses

Nine companies do not have a strategic commitment to nutrition that is endorsed by their Boards. These companies should take steps to develop a nutrition strategy. If they do not, they run the risk of losing ground on their competitors and being seen as not committed to helping their customers eat healthily and avoid diet-related diseases. This could damage the reputation and value of their brands – and even those of the overall company in the long run.

Take measures to boost global sales of healthy products and report on these publicly

The sales of healthy products (based on the companies' own definition of healthy) account for 50% of the total sales of only five companies. Eight companies either do not provide this data, or their data shows that their sales of healthy products accounts for less than 10% of total sales. These companies should develop clear plans and targets to increase the nutritional quality of their products and to boost their sales of healthy products through better marketing, pricing and distribution strategies.

BOX 3 SOME EXAMPLES OF LEADING NUTRITION POLICIES AND OBJECTIVES

Grupo Bimbo has developed a new strategy for health and wellness called 'A Sustainable Way.' This strategy covers a broad range of topics such as governance, products (nutritional quality of the company's portfolio), provision of nutrition information, responsible marketing, promotion of healthy lifestyles, alliances and research. The document includes 2020 goals for all the topics including:

- Decrease negative nutrients.
- Increase positive nutrients.
- Develop two fortified/enriched products aimed at vulnerable populations annually, starting actions in Mexico and Latin America as part of the fight against undernourishment.
- Include messages promoting healthy lifestyles in the company's healthy products.

In addition, Grupo Bimbo's management systems have strong elements to support its strategy. The company has allocated Board-level oversight for delivering its 2020 nutrition goals and conducts a standard internal audit and annual management review.

Nestlé's operating principles are embodied in its 'Creating Shared Value' strategy. The company has a comprehensive set of publicly available nutrition policies covering all areas that the ATNI methodology assesses. The company has defined 15 measurable 2020 nutrition-related commitments against which it reports progress. The company links all of these commitments to relevant SDGs. The Nestlé in Society Board, which is chaired by the CEO and Executive Board, is responsible for the supervision and management of the company's role in society and the creating shared value (CSV) strategy. In addition, the company seeks specialist external advice from

its formal panel of experts, which have a broad range of knowledge regarding nutrition issues. This is considered industry leading practice.

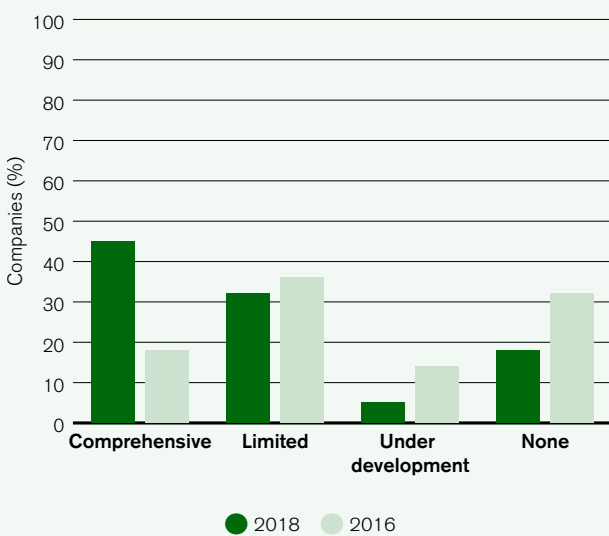
PepsiCo articulates its commitments to sustainability and responsible business through its overarching 'Performance with Purpose' strategy. In 2016, the company announced its new Performance with Purpose goals to be reached by 2025. It has defined a broad range of measurable targets against which it reports from a set baseline.

The 'Unilever Sustainable Living Plan' is at the core of the company's growth strategy. It has three overarching goals, among which is: "Improving Health and Well-being: By 2020 we will help more than a billion people take action to improve their health and well-being." In addition, the company developed a nutrition policy and strategy. Among other goals, the company defines the following commitments:

- Develop a deep understanding of consumers' nutrition and health needs and wants.
- Know the nutritional composition and dietary role of our products and label our products in a consumer-friendly and meaningful way.
- Optimise the nutritional composition of our products to meet consumer needs and wants.
- Undertake and support scientific research to provide evidence for benefit claims for our products.
- Ensure responsible communication about product benefits to health care professionals and consumers.
- Seek external partnerships to develop mutual understanding and agree on common approaches in nutrition and health programs.

In 2016, two thirds of the companies assessed had some elements of either a Board-approved nutrition strategy or policy, whereas in 2018, 77% companies had such a system in place – an increase of 15%. As shown in Figure 4, considerably more companies (four in 2016, ten in 2018) provided evidence of comprehensive nutrition policies with a broad range of objectives. In 2016, seven companies did not have a nutrition policy in place, and by 2018, this number had decreased to four.

FIGURE 4 Comparison of the scope of companies' nutrition policies in 2018 versus 2016



The companies that have strengthened their nutrition policy objectives and management systems the most since 2016 are Ajinomoto, FrieslandCampina and Mondelez.

- Ajinomoto has recently adopted its new global 'Nutrition Policy and Strategy Guidelines,' which cover a broad range of nutrition topics and goals such as providing more nutrition information on products, developing new nutritionally improved products, developing a strategic approach to availability of healthy products, developing a Nutrient Profiling System (NPS) and developing guidelines for stakeholder engagement.
- FrieslandCampina also strengthened its Board-approved global strategy, which focuses on healthy product development, responsible marketing, lifestyle education and access and availability of nutritious products, among other things. One of its major improvements is that the company has set a comprehensive set of nutrition objectives, and its nutrition strategy is subject to standard internal audit and annual management review.

- Mondelez's 'Well-being Strategy' covers a broad range of topics. Compared with 2016, the company shared more evidence, which had a positive impact on its score. An executive who reports directly to the CEO is responsible for implementing and delivering this strategy. In addition, the company links the CEO's compensation to performance on initiatives related to delivering the company's growth and revenue targets, which indirectly includes the Well-being Strategy goals that cover nutrition-related objectives. Despite the progress, this improvement still does not meet industry leading practice described in Box 4.

BOX 4 LEADING PRACTICE

CEO remuneration linked explicitly to nutrition performance

Grupo Bimbo is one of only two companies that make an explicit link between compensation and achieving nutrition objectives at the CEO level. This is a major improvement since 2016, when no company had such a provision, and represents industry best practice.

Six companies do not solicit any external expert advice on preventing and addressing obesity and diet-related chronic disease at Board level. While five of the companies do so on an ad-hoc basis. Ten of the companies have a formal panel of experts (albeit with rather limited expertise) in place. On this topic, Nestlé shows leadership as described in Box 5.

BOX 5 LEADING PRACTICE

Using external expert advice to address obesity and diet-related chronic diseases at Board level

Nestlé is the only company that has established a formal expert panel. The 'Nestlé Creating Shared Value Council' and 'The Nestlé Nutrition Council' consist of a broad range of experts with backgrounds in nutrition and health, responsible marketing, labeling and promoting active lifestyles. These formal panels provide strategic input on nutrition strategy and policy. Furthermore, Nestlé is very transparent about the composition of these panels and provides full names and descriptions of expertise on its website.

Compared with 2016, four more companies conduct a standard internal audit and annual management review that covers nutrition issues. While in 2016 only two companies conducted both assessments, in 2018, the number had increased to six. BRF, ConAgra, Lactalis, Meiji, Suntory, Kraft Heinz² and Tingyi do not share relevant information or do not publish this in the public domain about their nutrition governance.

Do companies increasingly assign Board-level oversight and executive responsibility for their nutrition strategies?

The CEO accountability arrangements remain similar to 2016, with only Danone strengthening its approach in this area. In terms of managerial oversight and day-to-day responsibility for the nutrition policy and strategy, some progress has been made as shown in Figure 5. Ajinomoto, General Mills, Grupo Bimbo and Mondelez re-allocated day-to-day responsibility for implementing their nutrition strategy/plan to an executive-level manager, which contributed to their higher scores. BRF, Kraft Heinz, Lactalis, Suntory and Tingyi do not report on accountability and managerial oversight.

FIGURE 5 Allocation of day-to-day responsibility for nutrition strategy by companies 2018 versus 2016



BOX 6 A2 RECOMMENDATIONS FOR IMPROVEMENT

Adopt or enhance a formal global nutrition policy

Ten companies have a comprehensive nutrition policy, but only six of these have a comprehensive measurable set of objectives in place covering all relevant topics as defined by the ATNI methodology. The remaining four defined limited objectives. Twelve companies did not articulate a comprehensive nutrition policy and have a more limited or ad hoc approach, if any at all. These companies should develop more formal and comprehensive policies. Companies that have not developed objectives and measurable targets should do so, addressing areas such as product reformulation, accessibility, responsible marketing, healthy lifestyles, labeling, the use of health and nutrition claims, and engagement with governments and stakeholders.

Link executive compensation to performance on nutrition objectives

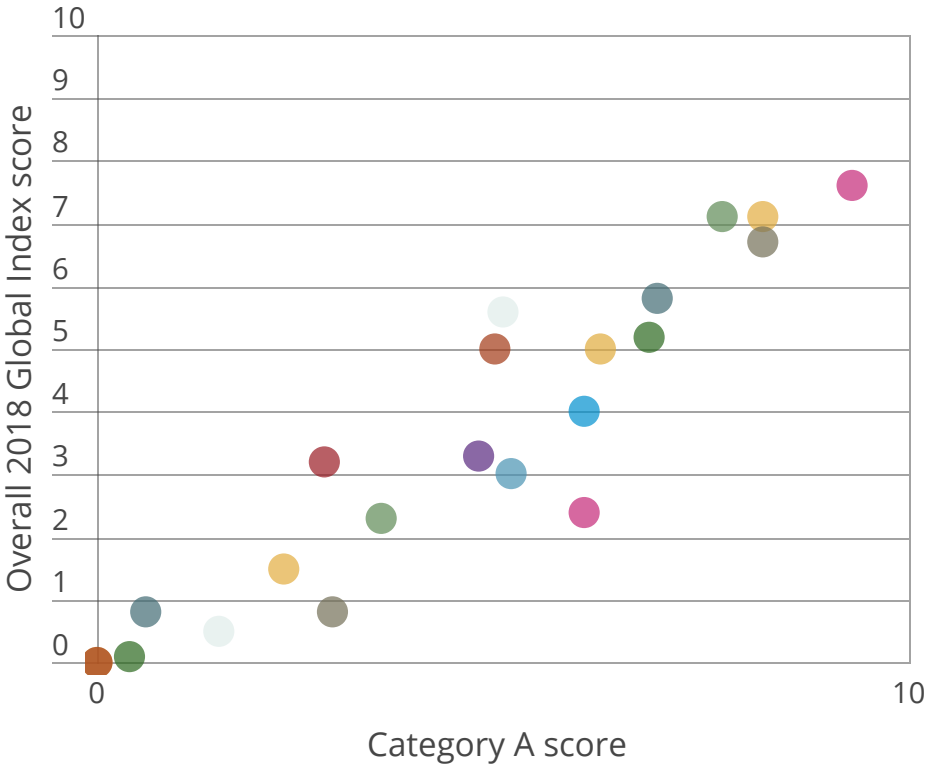
An increasing number of companies have started to link executive compensation with broad CSR initiatives, most of which include nutrition objectives. In 2018, five companies took this step, while in 2016, only three companies had such a mechanism in place. Nevertheless, only two companies link CEO remuneration directly to nutrition performance, which is considered industry best practice. All other 20 companies need to link CEO remuneration directly to nutrition performance and targets in order to demonstrate their commitment to nutrition and that the CEO has responsibility for delivering on this commitment.

BOX 7 ROBUST NUTRITION MANAGEMENT SYSTEMS

A company can better sustain and scale up its nutrition activities if commitment starts at the top of the organization and is integrated into its core business strategy. Nutrition issues are then more likely to be prioritized as the company allocates resources, tracks performance and reports to its stakeholders.

The results of the 2018 Global Index confirm this assertion. The research results show that the higher the overall Category A (nutrition governance) score, the higher the overall Global Index score (see Figure 6). These results reflect more comprehensive commitments and better performance on topics such as responsible marketing, labeling, product formulation and consumer education.

FIGURE 6 Correlation between Category A (nutrition governance) scores and overall Global Index scores



A3 Quality of reporting

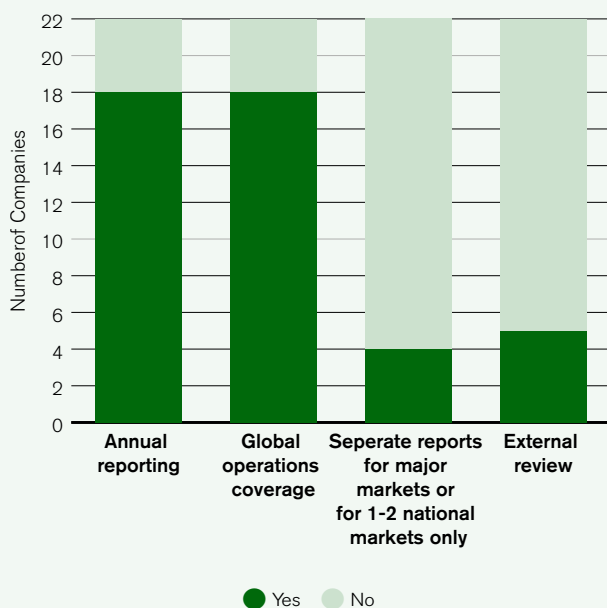
Nestlé leads the ranking of A3, achieving a full score on this criterion. Danone and Unilever share the second rank with a score above nine. Campbell's, Coca-Cola, FrieslandCampina and Mondelez improved the quality of their reporting since 2016. Campbell's provides more nutrition reporting in its annual reports and, since 2017, the company conducts independent verification of the nutrition commentary included in its corporate responsibility report. FrieslandCampina and Mondelez now provide more comprehensive reporting on preventing and addressing obesity and diet-related chronic diseases in their annual reports.

Eighteen companies report annually on their nutrition activities at a global level. This increasingly widespread practice appears to indicate that companies are aware of the need to be more transparent and accountable on this issue.³

Coca-Cola, Danone, Nestlé and Unilever publish separate reports for a few national or several major markets in which they operate, in addition to their global reporting.

Only five companies' reports that cover nutrition issues – those of Campbell's, Danone, Ferrero, Nestlé and Unilever – are externally verified.

FIGURE 7 Overview of company's nutrition reporting practices on nutrition in 2018 (by number)



BOX 8 A3 RECOMMENDATIONS FOR IMPROVEMENT

Publish separate reports for major markets

Out of the four companies that have additional reports besides its global report, only Coca-Cola and Nestlé provide separate reporting for their major markets; most of the companies (18) have only one report covering major operations. The companies are encouraged to report more information on their major markets.

Conduct external verification of nutrition data and commentary

External verification is industry best practice. It enhances accountability and should be adopted more widely. External verification should be carried out by an independent third-party (such as Bureau Veritas, KPMG or PwC, among others) to assure accuracy of reported nutrition-related data (e.g. calculation of sales generated from healthy products). Seventeen companies do not conduct independent external review of their nutrition reports or of the nutrition information contained in other reports or on their websites. Companies are encouraged to extend the scope of externally verified information on which they report.

For more detailed information about the performance of individual companies, see the [company scorecard pages](#).

NOTES

- ¹ WHO (2013). Global Action Plan for the Prevention and Control of NCDs 2013-2020. Available at: http://www.who.int/nmh/events/ncd_action_plan/en/ [Accessed 18 Apr. 2018].
- ² In December 2017, after the research process had concluded, the company published its first CSR report in which the company provides some information on its nutrition strategy.
- ³ In December 2017 – after Index research had been completed – Kraft Heinz published its first CSR report in which the company committed to reporting once every two years.

B Products

25% of the score

Category B consists of two criteria:

B1 Product formulation

B2 Nutrient profiling

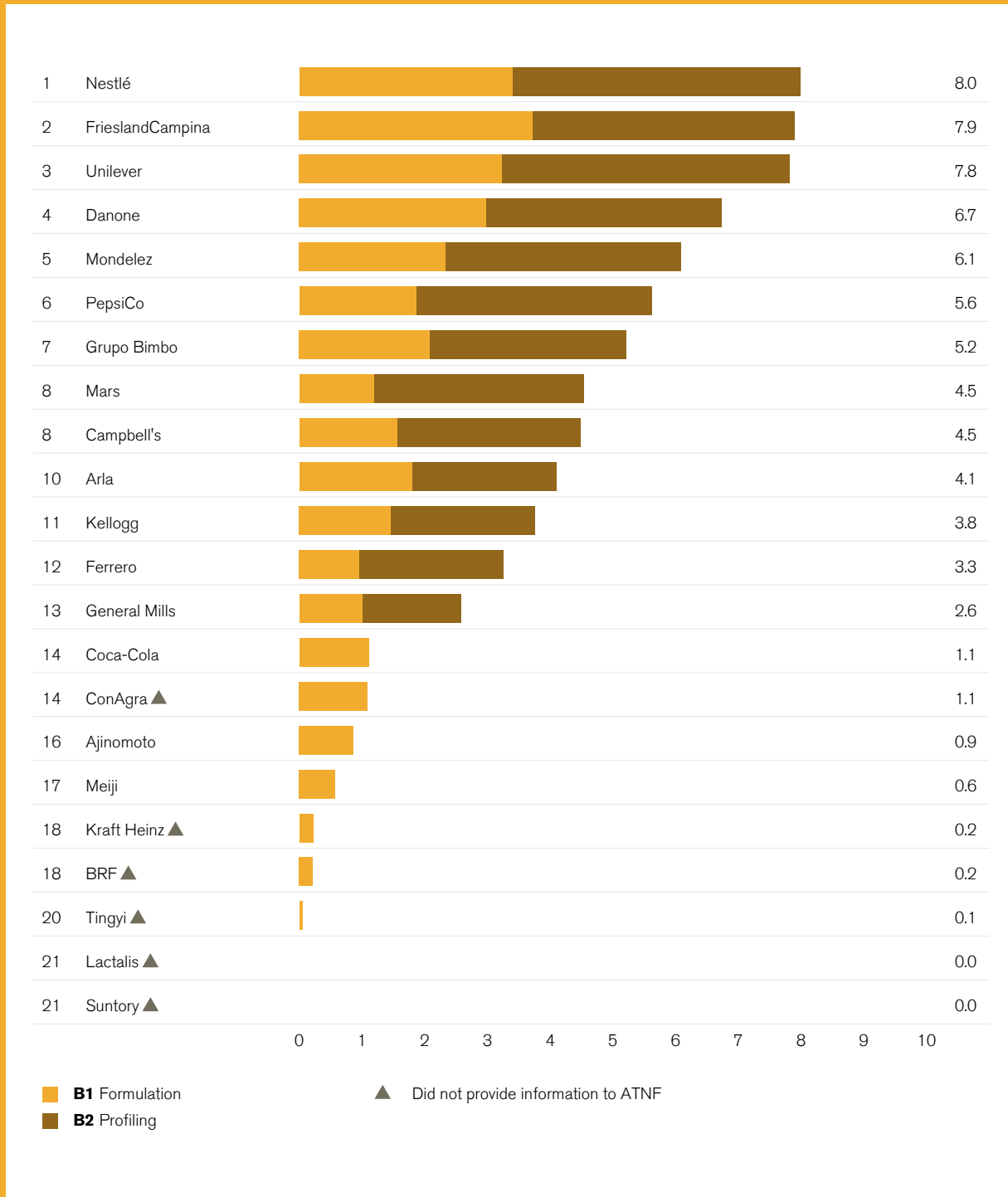
To perform well in this category, companies should:

- Invest in research and development to improve the nutritional quality of new and existing products.
- Define a clear approach to reformulating existing products against well-defined nutritional targets to decrease 'negative nutrients' (salt/sodium, trans-fat, saturated fat, added sugars/calories) and increase 'positive nutrients' (fruits, vegetables, nuts, legumes, whole grains).¹
- Offer a high percentage of products within their portfolio that meet these nutritional targets and offer healthy options across all company brands.
- Employ a comprehensive and appropriately set up Nutrient Profiling System (NPS) that is applied to all products, as the basis for the company's product formulation and/or reformulation efforts and its definition of healthy products.

Undernutrition analysis related to Category B is available in the [Undernutrition](#) section of the report. A full description of the ATNI methodology is available [here](#).

Results

FIGURE 1 Category B Nutrition ranking, based on equally-weighted Criteria B1 and B2 scores

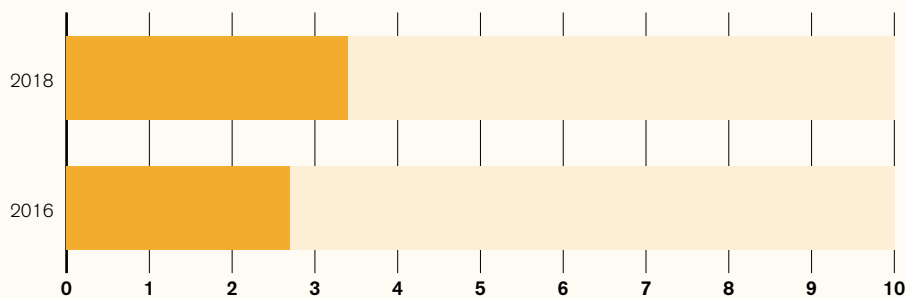


Category B Nutrition

What are the main changes in Category B compared to 2016?

- The average score increased to 3.4 from 2.8 in 2016 (as shown in Figure 2), and Nestlé currently leads the ranking with a score of 8.0 points.
- Campbell's showed the largest improvement by increasing its score by three points, mainly related to more reporting on nutritional criteria, which are therefore now recognized as a precursor to a NPS in Criterion B2.
- Reformulation targets were assessed in more detail than in 2016. Although the basis for scoring remained the same, this limits the comparability of Criterion B1 scores to some extent.
- There is a modest increase in the number of companies that commit to invest in R&D, that show evidence of offering more healthy products and that disclose relevant information publicly. In addition, two companies have implemented new NPSs, and several have implemented stricter criteria and product formulation and/or reformulation (henceforth '(re)formulation') targets.

FIGURE 2 The average scores for Category B Nutrition in 2018 and 2016



B1 Product formulation

What are the developments in companies' commitments to invest in R&D to improve nutritional quality?

Seventeen out of 22 companies express commitments to invest in R&D to improve the nutritional quality of products, two more than in 2016. The financial investment in R&D is stable: The average percentage of global revenues spent remains at 1.3%. Although 15 companies tracked and reported their R&D investment in the last three years, only four define concrete future R&D targets. Nestlé and Arla set a financial investment target (Nestlé discloses specific information, see Box 1), and Coca-Cola and Unilever set concrete targets to introduce a certain number of new, healthy or low-calorie products.

BOX 1 LEADING PRACTICE

Transparent R&D spending to develop healthy products

Nestlé disclosed an investment of 1.7 billion CHF in nutrition research and development in 2016, accounting for 1.9% of its relevant revenue. On its website, the company mentions the specific amount spent on developing healthy products: "In 2016, 64% of the R&D budget was used to develop more nutritious products. For a number of categories, such as Nestlé Nutrition, Nestlé Health Science, this is already 100% of the R&D spend."

The company has confirmed that it will increase its R&D effort on nutrition in coming years.

It is important that companies commit to follow recognized guidelines published by national or international bodies such as the WHO to ensure that their efforts to improve the healthiness of their product portfolio align with public health requirements. The number of companies that commit to follow recognized guidelines increased from nine in 2016 to 14 in 2018.

Is there evidence that companies have increased their healthy product offering?

Compared to 2016, companies report to offer a higher percentage of products in their portfolio that meet the company's healthy standard. In addition, they report having increased the introduction of new products meeting those standards. Seven companies report that more than half of their products meet their own definition of healthy, five more than in 2016. The actual healthiness of companies' product portfolios across nine countries was assessed independently using validated Health Star Rating (HSR) criteria in the Product Profile assessment (for more information, see the Product Profile section. According to this analysis, five companies have a portfolio consisting of more than 50% of healthy products. This falls to two companies – Arla and FrieslandCampina – when sales-weighted data is taken into account. A comparison of the percentages of healthy products as defined by companies versus the percentage defined by HSR criteria is described in Box 2.

The reported percentages of products that are suitable to be marketed to children in the U.S., EU and the rest of the world is low.² Only two companies report that more than half of their products meet the company criteria for this in the U.S.; for the EU the figure is five; and for the rest of the world, four. According to the WHO EURO criteria used in the Product Profile assessment, none of the companies offer more than 50% of products that meet such criteria. Although not all products in companies' portfolios are marketed to children, children are an important consumer group. Many categories (for example breakfast cereals, confectionery, dairy products, various soft drinks and sweet biscuits, snack bars and fruit snacks) are frequently consumed by children, regardless of whether children are the target group to which the products are marketed. Therefore, it is important for companies to try to meet these criteria for such categories or products.

No changes were reported at the brand level. As in 2016, 12 companies reported that more than half of their brands offer healthy choices for adults.

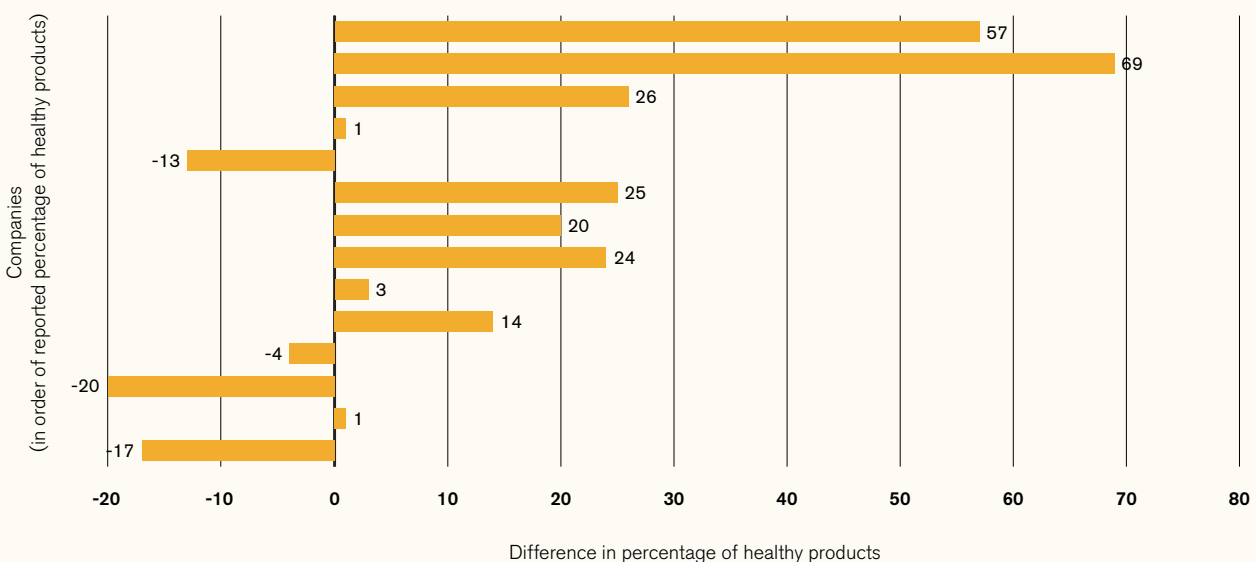
Limiting serving size is a strategy that can be used to improve a product's health profile. With input from its Expert Group, ATNF has defined seven product categories in which serving size should be limited to support a healthier diet (confectionery, savory snacks, ice cream and four high-calorie soft drink categories). Nine of 20 relevant companies reported their performance in offering product serving sizes under specific calorie cut-offs,³ of which seven did so for all relevant categories. For example, PepsiCo reported data on all five relevant categories for the company. Overall, information was provided in only 40% of relevant cases, suggesting that companies do not track this information and/or do not focus on providing smaller serving sizes in the majority of cases. The overview is shown in Table 1.

BOX 2 COMPARISON OF COMPANY-REPORTED PERCENTAGES OF HEALTHY PRODUCTS WITH PRODUCT PROFILE RESULTS

A comparison of company-defined percentages of healthy products in their entire portfolio was made versus the outcomes of the Product Profile assessment (for more information, see the Product Profile section), which was performed using data from nine countries across the world. The results, shown in Figure 3, reveal an overall tendency of companies to report higher percentages of healthy products compared to the results of the Product Profile

assessment, in which an HSR of 3.5 or higher was considered healthy. The data shows a trend that companies reporting higher percentages of healthy products tend to overestimate the percentage more compared to the results of the Product Profile assessment, by up to 69%. A positive example is ConAgra, which reports that 65% of its products meet its healthy standards, versus 64% in the Product Profile assessment.

FIGURE 3 Overview of differences between company-defined percentages of healthy products and the results of the Product Profile assessment.



Fourteen companies provided relevant data for comparisons and each bar represents one company. The data is ordered by company-reported percentage of healthy products, showing highest to lowest from top to bottom. Some companies shared data underlying this assessment confidentially, therefore companies are not identified.

Do companies disclose information about their healthy products?

Companies' transparency about the healthiness of their products has improved, as ten companies now disclose the percentage of products that meet their healthy criteria versus five in 2016. However, on a critical note, four of these ten companies do not publish their criteria for healthiness in full, which severely limits the meaningfulness of the information. Nestlé and Unilever disclose publicly the total number of new healthy product introductions, as well as its nutritional

criteria, providing insight into the results of its work to innovate – a best practice that others should emulate. Transparency has also improved around the proportion of products meeting criteria for marketing to children, but remains low overall with 15 companies not disclosing any information of this sort.

Have companies improved the nutritional targets to (re)formulate their products?

Product formulation and reformulation should be driven by clear, valid and published definitions of which products are

TABLE 1 The overview of company reporting on products with limited portion sizes across seven relevant product categories

| | Ajinomoto | Arla | BRF | Campbell's | ConAgra | Ferrero | General Mills | Danone | Lactalis | Grupo Bimbo | Kellogg | FrieslandCampina | Mars | Meiji | Mondelez | Nestlé | PepsiCo | Suntory | Coca-Cola | Kraft Heinz | Tingyi | Unilever | |
|---------------------------------|-----------|------|-----|------------|---------|---------|---------------|--------|----------|-------------|---------|------------------|------|-------|----------|--------|---------|---------|-----------|-------------|--------|----------|---|
| Confectionery | | | | | | ● | | | | ● | | | ○ | ● | ● | ○ | ● | | | | | | |
| Savory snacks | | | | ○ | ○ | | ○ | | | ● | ○ | | ○ | ○ | ● | ○ | ● | | | | ○ | | |
| Ice cream | | | | ○ | ○ | | ○ | | | | | | ● | ● | | ○ | | | | | | | ● |
| Carbonated drinks | | | | | | | | ● | | | | | | | | ○ | ● | ○ | ○ | | | | |
| Juices | | | | ○ | | | | ● | ○ | | | ● | | | | ○ | ● | ○ | ○ | ○ | ○ | ○ | |
| Sports and energy drinks | ○ | | | | | | | ● | | | | | | ○ | | | ● | ○ | ○ | | | | |
| Asian specialty drinks | | | | | | | | | | | | | | | | | | ○ | ○ | ○ | | | |

- Signifies that the company has reported a percentage of products being offered with limited portion sizes
- Signifies that no data on small portion size products was reported, but the product category is relevant considering the company's portfolio
- Not filled indicates the product category is not relevant for the company

considered healthy, as described in the company's NPS (see Criterion B2). Danone, FrieslandCampina and Unilever clearly link their healthy definitions and product (re) formulation targets to their NPSs. FrieslandCampina and Unilever commit to meet the nutritional criteria in their NPSs for 65% and 60%, respectively, of their products based on sales volume by 2020; however, Danone makes the clearest commitment. See Box 3 for a description of its leading practice.

Nestlé and Unilever achieve the highest scores on (re) formulation targets across a range of relevant product categories.⁴ FrieslandCampina and Danone achieved similarly high scores related to (re)formulation targets for their dairy products, the sole relevant category included for this assessment for these companies (other product categories were excluded before analysis).⁵

FrieslandCampina shows a new approach in its updated NPS regarding product (re)formulation targets to limit both added sugars and total calories. Whereas most companies define either added sugar or calorie targets, FrieslandCampina defines both types of targets for most of its products. By exception, added sugar criteria are not defined for products that are categorized as 'Treats and Taste Enhancers'; however, total calorie targets apply without exception to ensure that energy intake considerations are always taken into account.

BOX 3 LEADING PRACTICE

Product (re)formulation defined to meet the company's nutritional criteria for 100% of products

The obvious purpose of product (re)formulation targets is to make products healthier. It is considered best practice to guide these efforts by clear, externally-recognized and published nutritional criteria for healthy products, rather than to define blanket targets to reduce 'negative nutrients' by a certain percentage.

Danone demonstrates best practice by fully publishing the nutritional criteria for considering products healthy in their NPS document and by linking product reformulation targets to these definitions in a transparent way: 100% of products will meet its 'Nutritional Target 2020' criteria by 2020. Although Danone defines targets for protein and calcium as 'positive nutrients', it has not set targets to increase levels of fruits, vegetables, nuts, legumes or whole grains (considered 'positive nutrients' in the ATNI methodology), and therefore has room for further improvement.

The majority of companies (16) define one or more targets to (re)formulate their products, but six companies – Ajinomoto, BRF, Kraft Heinz, Lactalis, Suntory, Tingyi – do not report any relevant targets. The commitments to (re)formulate products according to well-defined nutritional targets were extensively assessed, and an overview is shown in Table 2. In about half of the cases (61 out of 117), no relevant target was defined by the companies. Of the 56 targets that were identified, 16 were fully defined (covering all products across relevant product categories, globally). In six instances, companies provided evidence that comprehensively-defined targets were fully met for all products across relevant product categories, globally.

Eleven companies define relevant targets to limit trans-fat from the most important industrial fat sources (partially hydrogenated vegetable oils), aligned with current WHO recommendations to limit trans-fat intake.⁶ Six companies

cover all of the relevant product categories with their trans-fat target, but only three companies do so with a clear global scope: Mars, Nestlé and Unilever. Several companies report commitments to have zero grams trans-fat indicated on the product labels. However, (re)formulation targets addressing trans-fat should not be related to the nutrient declaration on the product label. Instead, targets should be defined on a weight or calorie basis and should ensure the elimination of artificial trans-fats in product reformulation. Five companies define commitments that are not considered relevant or show no commitment at all.

Nestlé and PepsiCo are the only companies that have set at least one target for all relevant nutrients globally, although the targets to increase ‘positive nutrients’ are still in an early stage of development (see Box 4 for more details). None of the companies defined a full set of targets for all relevant nutrients across all product categories. In particular, targets to increase ‘positive nutrients’ (fruits, vegetables, nuts, legumes and whole grains) are missing for the large majority of companies.

TABLE 2 Overview of product (re)formulation targets

| | Ajinomoto | Arla | BRF | Campbell's | Coca-Cola | ConAgra | Danone | Ferrero | FrieslandCampina | General Mills | Grupo Bimbo | Kellogg | Kraft Heinz | Lactalis | Mars | Meiji | Mondelez | Nestlé | PepsiCo | Suntory | Tingyi | Unilever |
|-----------------------------|-----------|------|-----|------------|-----------|---------|--------|---------|------------------|---------------|-------------|---------|-------------|----------|------|-------|----------|--------|---------|---------|--------|----------|
| Salt/sodium | ◆ | ◆ | ◆ | ◆ | NA | ◆ | ◆ | ○ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ○ | ● | ◆ | NA | ◆ | ○ |
| Trans-fat | NA | ◆ | ◆ | ◆ | NA | NA | ◆ | NA | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ● | ◆ | ◆ | ○ | ◆ | NA | NA | ● |
| Saturated fat | ◆ | ◆ | ◆ | ◆ | NA | ● | ○ | ○ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ○ | ● | ◆ | ◆ | ◆ | ○ |
| Added sugar/calories | ● | ◆ | ◆ | ◆ | ◆ | ○ | ○ | ○ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Fruits, vegetables | NA | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Whole grains | NA | NA | ◆ | ◆ | NA | NA | NA | NA | ◆ | ◆ | ◆ | ◆ | ◆ | NA | NA | NA | ○ | ◆ | ◆ | ◆ | NA | ◆ |

Note: Definitions of product (re)formulation targets and performance against those targets were assessed for companies' main product categories. Depending on the company product portfolio, selected targets were considered not applicable. For example, a target to reduce saturated fat in carbonated soft drinks is not applicable, as these products do not contain saturated fat.

- Indicates that the target covers all relevant products and is fully attained
- Signifies that the target covers all relevant products
- ◆ Indicates that the target does not cover all relevant products and/or is not fully specified as required in ATNI's methodology
- NA Means the target is not applicable for the company based on its product portfolio
- Not filled indicates that no relevant target was defined

BOX 4 DEVELOPMENTS IN COMMITMENTS TO INCREASE 'POSITIVE NUTRIENTS'

Commitments to use more fruits, vegetables, nuts, legumes and whole grains in product formulation are defined by only a few companies. Nestlé had made 2017-2020 commitments to “add at least 750 million portions of vegetables, 300 million portions of fiber-rich grains, pulses and bran, and more nuts and seeds to our products”, but concrete product (re)formulation targets have yet to be specified. PepsiCo states a similar commitment to “increase positive nutrition — like whole grains, fruits & vegetables, dairy, protein and hydration — by expanding our portfolio containing one or more of these ingredients”. Fruits, vegetables, nuts, legumes and whole grains are described as elements of a healthy diet by WHO⁷ and are therefore assessed in the ATNI methodology. Some companies provide other examples of ‘positive nutrients’ in their NPSs or product (re)formulation targets (e.g. related to protein or calcium content, or on the inclusion of specific micronutrients). Because there is no current basis for such (re) formulation targets in international guidelines, these ‘positive nutrient’ targets were not credited in Criterion B1.

Compared to 2016, companies have increased their transparency by disclosing more information about their targets and the number of products meeting them. Danone, FrieslandCampina and Unilever show best practice by disclosing all relevant information on (re)formulation targets, as well as on the number of products that meet these targets, globally. Because the targets were analyzed in a new way, with separate assessments for up to five major product categories per company, a comparison of the industry-wide quality of (re)formulation targets compared to 2016 is not possible.

Companies that are members of the IFBA make commitments on product innovation and (re)formulation within the framework of the industry association, which are published on the IFBA website.⁸ These commitments are similar to the commitments expressed on companies’ own websites or in feedback to ATNF, but not defined the same in all cases. The IFBA reports regularly on the progress of the member companies against their commitments, providing the industry association perspective on product (re)formulation. ATNF has assessed the product (re)formulation targets as disclosed by the IFBA to relate it to ATNF’s own assessment. The latest IFBA progress report was published in February 2018, covering IFBA companies’ activities in 2015/2016. A detailed assessment of the reported progress and the underlying product (re)formulation commitments is described in Box 5.



BOX 5 ASSESSMENT OF PRODUCT (RE)FORMULATION COMMITMENTS AND REPORTING ON PROGRESS BY THE IFBA

The IFBA is the only leading global industry association that makes concrete product (re)formulation commitments that are translated into individual company commitments and targets. These commitments were first formulated in 2008 and were updated in 2014 and 2017. The IFBA has published regular reports to describe achievements and progress against commitments.

The latest progress report describes progress against the product (re)formulation commitments in 2015/2016, reporting on an aggregated industry level.⁹ ATNF has analyzed IFBA commitments and reported progress, in an effort to understand how these relate to the assessment of product (re) formulation targets in Criterion B1 and what the IFBA-reported progress since 2008 means for the healthiness of companies' product portfolios.

Currently, the IFBA publishes a general framework¹⁰ as a basis for product (re)formulation commitments:

- Improve the formulation of products, continuing to reduce nutrients such as sodium, sugar and saturated fats.
- Increase components to encourage wherever possible (fiber, whole grains, vitamins and minerals, fruits and vegetables and low-fat dairy).
- Provide reduced sugar/saturated fat/salt options.
- Replace trans-fatty acids (TFAs) with unsaturated fats; and/or continue progress on trans-fat reductions.
- Provide a variety of portion size packaging, including small and/or reduced portion sizes and/or low- and no-calorie options, as well as portion guidance.

Each IFBA member company undertakes to make a specific commitment; however, the IFBA does not specify a need for companies to make a comprehensive set of commitments. This appears to leave room for companies to pick and choose commitments that suit the company best, or to apply commitments to a part of its product portfolio instead of all relevant products.

The IFBA publishes an overview document for each commitment to reduce specific nutrients or increase beneficial ingredients. In addition, all member companies publish an additional commitment document or link to a relevant part of their corporate website. This means that, for most companies, two source documents exist on the IFBA website to reflect what should be one coherent set of company

commitments. Unfortunately, both sources do not always provide the same information, leading to unclarity and even conflicting information.

ATNF has assessed the current (2017) commitments in both sources, focusing on consistency and comprehensiveness of the commitments, as shown in Table 3. Similar to the assessment of commitments within the framework of the ATNI methodology (see Table 2), it is clear that member companies do not make a comprehensive set of commitments that cover all products and all relevant nutrients. In addition, ATNF assessed whether the company commitments are defined well enough to enable verification of progress by independent third parties (Table 3, bottom row). Making targets verifiable externally and commissioning external verification of progress would greatly improve IFBA and member company accountability and credibility.

The most prevalent issues with the commitments is that **they are limited to certain products or product categories, without covering all relevant products in the portfolio, or that different commitments are stated in the different source documents.** In various instances, **commitments are missing without clarification.** Furthermore, **several commitments are non-quantitative and express an intention rather than a concrete target.** For example, Ferrero's sugar reduction commitment is to *"Reduce sugar in new products with regard to the overall energy level and product's integration into a varied and complete diet"*, and Coca-Cola's commitment to increase beneficial ingredients is *"Producing drinks that are better and more nutritious by adding vitamins, minerals and protein, as well as more natural and organic ingredients when possible"*. Reporting whether such commitments are on track in a progress report is not verifiable.

In its 2015/2016 progress report, the IFBA paints a positive picture regarding the progress of its member companies to make products healthier. An overview of all member companies and their commitments is provided, showing that the majority are on track or even ahead of schedule to deliver their product (re)formulation commitments.¹¹ Only in two instances are companies reported as being behind schedule. However, in the light of the current assessment, it is unclear what the reported progress in the current IFBA report actually means and it is difficult to determine whether the overall healthiness of the companies' product portfolios has improved due to company efforts as reported by the IFBA. On a positive

TABLE 3 Overview of IFBA company commitments to improve the nutritional quality of products

| | | Coca-Cola | Danone (joined in 2017) | Ferrero | General Mills | Grupo Bimbo | Kellogg | Mars | Mondelez | Nestlé | PepsiCo | Unilever |
|--|----------------------------------|-----------|-------------------------|---------|---------------|-------------|---------|------|----------|--------|---------|----------|
| Product (re)formulation commitments | Reduce sodium | | ●* | ●* | ●* | ●* | ○ | ● | ● | ●* | ○ | ● |
| | Reduce sugar /calories | ● | ●* | ● | ● | ●* | ○ | ○ | ● | ● | ○ | ○ |
| | Reduce saturated fat | | ●* | | ● | | ○ | ○ | ● | ● | ○* | ○ |
| | Eliminate trans-fat | | | ● | | | ○ | | ● | ● | | |
| | Increase beneficial ingredients# | ● | | ● | ● | ●* | ○ | ○ | ● | ● | ● | ○ |
| Barriers to independent verification of some or all quantitative commitments | | ● | ○ | ◆ | ● | ● | ● | ● | ○ | ◆ | ◆ | ◆ |

Commitments to increase fruits, vegetables, nuts, legumes and whole grains, including fiber from these sources, are taken into account

* Indicates a difference and/or inconsistency between IFBA overview and company commitment documents

● Quantitative

○ Quantitative (partial)

● Non Quantitative

○ Non Quantitative (partial)

● None defined

○ Unclearly defined

◆ Inconsistent definitions

● Confidential data needed

○ Confidential data needed & unclearly defined

◆ Inconsistent definitions & confidential data needed

Not filled indicates missing

note, the product (re)formulation commitments have improved over time for at least some of the companies. The clarity of definitions and the degree of quantitative commitments have improved when comparing the 2017 commitments with information about 2008 and 2014 commitments provided in previous IFBA progress reports.

In conclusion, the IFBA should improve its accountability in the future by ensuring that product (re)formulation and innovation commitments comprehensively cover all relevant products and nutrients, and that these are defined in such a way that they can be verified independently. In addition to monitoring the quality of reformulation targets in the future, ATNF plans to use its Product Profiling approach, with the data collected for the 2018 Index as baseline values, to follow up on the product (re) formulation improvements for all companies assessed in the Index, including IFBA companies.

The IFBA, its member companies, as well as all other companies are encouraged to define (re)formulation commitments according to these principles:

- Commitments should relate to absolute nutritional criteria based on a weight, volume or calorie basis. In the case of relative targets to increase or decrease nutrients compared to a baseline date, a full specification of baseline nutritional values is needed, to ensure that progress can be tracked without the need for historic product data.
- The time frame of achieving the target should be fully defined and the commitment should be SMART.
- The description of the products to which the commitment applies should be clear-cut and independent from company-internal information or definitions.

BOX 6 B1 RECOMMENDATIONS FOR IMPROVEMENT

Companies should define a comprehensive set of product (re)formulation targets

The majority of companies define commitments for product (re)formulation to increase the healthiness of product portfolios. However, across all companies and product categories, relevant targets were missing in half of the cases. Companies should define targets covering all relevant nutrients and all relevant products, globally. The definition of these targets should be related to companies' definition of healthy products, which should be based on, or at least be equivalent to, a leading international NPS. ATNF plans to perform regular Product Profile assessments in the future based on the HSR methodology. Company reformulation commitments and efforts should lead to demonstrable improvements in Product Profile outcomes over time.

Clarity on product (re)formulation commitments

Companies are responsible for making clear what their commitments are regarding product innovation and (re)formulation, whether communicated by the company or through industry association commitments. Industry associations also have a role to play to ensure that clear and consistent commitments are defined for all members. In all cases, companies should communicate their commitments pro-actively, and not rely on industry associations to make these public.

Commitments and progress should be verifiable by third parties

Product (re)formulation commitments, expressed by companies or through industry associations, should be defined in such a way that these can be verified independently. ATNF will increase its focus on the assessment of objective data to track companies' progress against their commitments.

More attention for (re)formulation targets to increase 'positive nutrients'

Commitments to increase the levels of fruits, vegetables, nuts, legumes and whole grains are lacking for the large majority of companies. Although it may require new approaches to product (re)formulation, companies should increase their efforts in this area.

More attention to limiting serving sizes

Less than half of the relevant companies reported the percentage of relevant products that are offered in small serving sizes. More attention and transparency is needed in this area. Limiting the serving sizes of single-packaged products is the preferred approach to influence consumer behavior, but companies are encouraged as well to work with academia and other stakeholders to identify new effective strategies to limit serving size, leading to reduced calorie intake. Furthermore, products such as confectionery, ice cream, or sugar sweetened beverages should not be classified as healthy because companies have decreased the serving size of those products. This will help to ensure that companies do not overestimate the number of healthy products they offer and provide clear information to consumers.

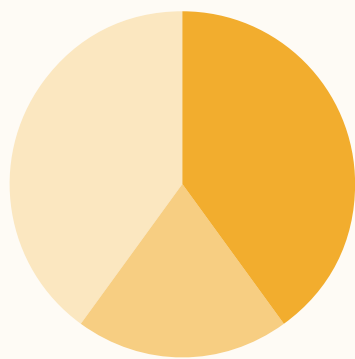


B2 Nutrient profiling

What has changed in the Nutrient Profiling Systems that companies have implemented?

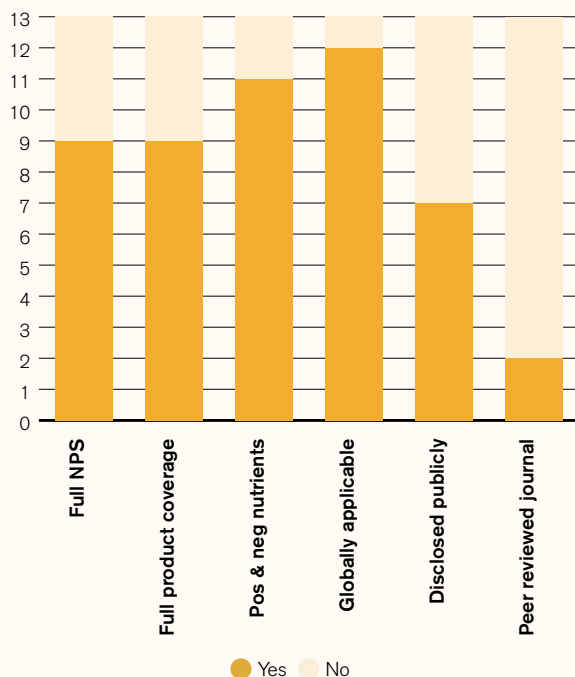
The quality of company NPSs is very important across the ATNI methodology (see Box 7 for more information). Thirteen companies have currently implemented an NPS. An overview of the main characteristics of these systems is shown in Figure 4.

FIGURE 4 Overview of Nutrient Profiling Systems:
The number of companies having implemented an NPS



● Full NPS ● Precursor NPS ● No NPS

Characteristics of the 13 precursor and full NPSs implemented



● Yes ● No

BOX 7 USING NUTRIENT PROFILING SYSTEMS TO DEFINE WHAT PRODUCTS ARE HEALTHY

Nutrient profiling is the science of classifying or ranking foods according to their nutritional composition for reasons related to preventing disease and promoting health.¹² For maximal impact on public health (and therefore addressed throughout the ATNI methodology), it is crucial that companies focus on producing and responsibly selling more healthy products and less unhealthy products. Nutrient profiling can be used to make the distinction between healthy and unhealthy products, and to identify various grades of healthiness through a set of relevant nutritional criteria in an NPS.

Companies should implement an NPS that is based on internationally recognized guidelines on diets and nutritional quality, ideally adapting it from an existing NPS developed through an independent multi-stakeholder consultation process. It should cover a range of nutrients (negative and positive) and apply to all products, globally. A full NPS calculates overall scores of the nutritional quality of products and takes into account that nutritional criteria differ between product categories. More limited systems (e.g. defining generic limits for specific nutrients) are considered to be a 'precursor' to an NPS.

The quality of the NPS that each company utilizes is used to weight the score for the parts of the ATNI methodology that depend on a definition of 'healthy' products. Although the methodology allows for other definitions of healthy products (e.g. in the case where a company has not implemented an NPS), companies with a strong NPS as a basis to define 'healthy' products will receive a higher score. Danone, FrieslandCampina, Nestlé and Unilever demonstrate best practice by implementing a strong and fully disclosed NPS as the basis for their approach to product reformulation, responsible marketing and other areas where the identification of healthy products is important.

The total number of companies that have implemented an NPS (13) remained the same compared to 2016, but there were positive changes. Campbell's provided more information about its precursor NPS, which defines criteria for both positive and negative nutrients, increasing its score from 0 to 5.8 for Criterion B2. Mars has set up nutrient criteria for additional product categories compared with 2016. Its NPS is now considered to be a 'full NPS' that covers all products and, as a result, its score increased from 5.4 to 6.7.

Several companies have updated their NPSs and the criteria related to them. Unilever strengthened its 'Highest Nutritional Standards' in November 2016, and FrieslandCampina updated its 'Global Nutritional Standards' with stricter requirements in 2016. Danone updated its 'Nutritional Commitments' in December 2016, which now include product category and audience-specific nutrition criteria. In addition to the 13 companies that have implemented an NPS, it is noteworthy that Ajinomoto is in the process of setting up a new NPS. Nestlé published a new study on the impact of its NPS on the reduction of negative nutrients in its product portfolio. Together with Unilever, it now leads Criterion B2 with full public disclosure of its NPS and publications in scientific, peer-reviewed journals (see Box 8).

BOX 8 LEADING PRACTICE

Nestlé's full disclosure of its NPS and publications in peer-reviewed journals

Nestlé has been using an NPS for well over ten years and has updated the methods and nutritional criteria regularly. The company has already disclosed its NPS in full. Recently, Nestlé published multiple studies in scientific, peer-reviewed journals. One of these describes that the application of its NPS in the U.S. and France has reduced sodium and total sugars over a five-year period.¹³ The transparency demonstrated is considered best practice, and, although the findings in studies published by Nestlé should be verified independently, the company is commended for studying the impact of implementing its NPS.

Four companies – Campbell's, Ferrero, General Mills and Kellogg – have implemented a pre-cursor to an NPS. These systems are not fully disclosed by the companies or were set up long ago without updating the nutritional criteria.

Kraft Heinz does not report having implemented an NPS, although H.J. Heinz Holding Corporation was credited in 2016 for having implemented a precursor to an NPS. Kraft Heinz is encouraged to ensure that previous performance before the merger is maintained and improved upon across the newly-formed company.

For more detail information about the performance of individual companies, see the [company scorecard pages](#).

BOX 9 B2 RECOMMENDATIONS FOR IMPROVEMENT

Companies should implement, or upgrade to, a full NPS

Nine companies have not yet implemented an NPS, and four companies have implemented a limited system that qualifies as a precursor NPS. One company – Ajinomoto – is in the process of implementing a new NPS; however, the other 12 companies should implement, or upgrade to, a full NPS that calculates overall scores of the nutritional quality of products and defines relevant nutritional criteria per product category.

The NPS should be the basis to define healthy products

Companies should adopt a consistent approach to define products as healthy based on the nutritional criteria in the NPS. This definition should clearly be referenced in companies' approaches to product (re)formulation; their reporting on the number of healthy product introductions; and in their strategies regarding responsible marketing, affordability and accessibility, and nutrition and health claims.

Details of the NPS should be disclosed publicly

To provide full transparency on companies' efforts to support healthy diets, the details of the NPS should be fully disclosed, both on the companies' websites, as well as in peer-reviewed, scientific journals. This opens the nutritional criteria to scrutiny and public or scientific debate, which can provide input for companies to revise or update these criteria if necessary.

NOTES

- ¹ ATNF defines fruits, vegetables, nuts, legumes and whole grains as 'positive nutrients' that should be increased when (re) formulating products in order to contribute to healthier diets. Although they are not nutrients in a technical or scientific sense, for ease of communication they are referred to as 'positive nutrients.' They are in contrast to 'negative nutrients' such as added sugar or saturated fat, which need to be decreased in processed foods and diets. As well as containing a wide range of vitamins and other health-enhancing micronutrients, fruits, vegetables, nuts, legumes and whole grains are often naturally rich in fiber and can therefore naturally contribute to the fiber content of products, which is preferable to adding isolated or artificial fiber. The wide definition of fruits, vegetables, nuts, legumes and whole grains is used to provide companies the widest range of options of ingredients or components that they can use in a wide variety of product categories.
- ² Companies were asked for the percentage of products in their total portfolio that meet the company's own nutritional criteria for marketing to children or local nutrition criteria according to WHO EURO in Europe, and in the U.S. according to CFBAI.
- ³ Companies were requested to provide the percentage of the product that are offered below cut-offs of 150 and 100 kcal per serving, within the relevant products categories as shown in Table 1. The method of calculating varied too greatly between companies to allow for a meaningful comparison of the percentages.
- ⁴ Nestlé was assessed on product categories Dairy; Confectionery; Ready Meals; Ice Cream and Frozen Desserts; and Sauces, Dressings and Condiments. Unilever was assessed on product categories Ice Cream and Frozen Desserts; Sauces, Dressings and Condiments; Dairy; Ready-To-Drink Tea; and Soup.
- ⁵ Up to five of the largest product categories, by sales volume, were assessed per company. To avoid niche product categories influencing the scoring too much, product categories that represented less than 5% of total revenue were not included if the remaining product categories represented 85% or more. In addition, selected product categories were excluded because product reformulation is not relevant (e.g. bottled water, coffee, tea). Due to this approach, FrieslandCampina and Danone were assessed for Dairy only.
- ⁶ WHO (2013). Diet, Nutrition and the Prevention of Chronic Diseases, WHO Technical Series Report 916. Geneva.
- ⁷ WHO (2015). Healthy Diet Factsheet No. 394. Available at: <http://www.who.int/mediacentre/factsheets/fs394/en/>
- ⁸ IFBA (2017). Status of Efforts at the End of 2016 for IFBA's 11 Member Companies. Available at: www.ifballiance.org.
- ⁹ Table 'Status of Efforts at the End of 2016 for IFBA's 11 Member Companies', page 6, IFBA 2015/2016 Progress Report. Available at www.ifballiance.org.
- ¹⁰ IFBA (2017). Our Commitments – Product formulation and innovation. Available at: <https://ifballiance.org/commitments/product-formulation-and-innovation>
- ¹¹ IFBA (2017). Status of Efforts at the End of 2016 for IFBA's 11 Member Companies. Available at: www.ifballiance.org.
- ¹² WHO (2018). Nutrition Health Topics. Available at: <http://www.who.int/nutrition/topics/profiling/en/>.
- ¹³ European Journal of Nutrition (2017). A nutrient profiling system for the (re)formulation of a global food and beverage portfolio. Vol. 56, No. 3, pp. 1105. <https://doi.org/10.1007/s00394-016-1161-9>.

C Accessibility

20% of the score

Category C consists of two criteria:

C1 F&B product pricing

C2 F&B product distribution

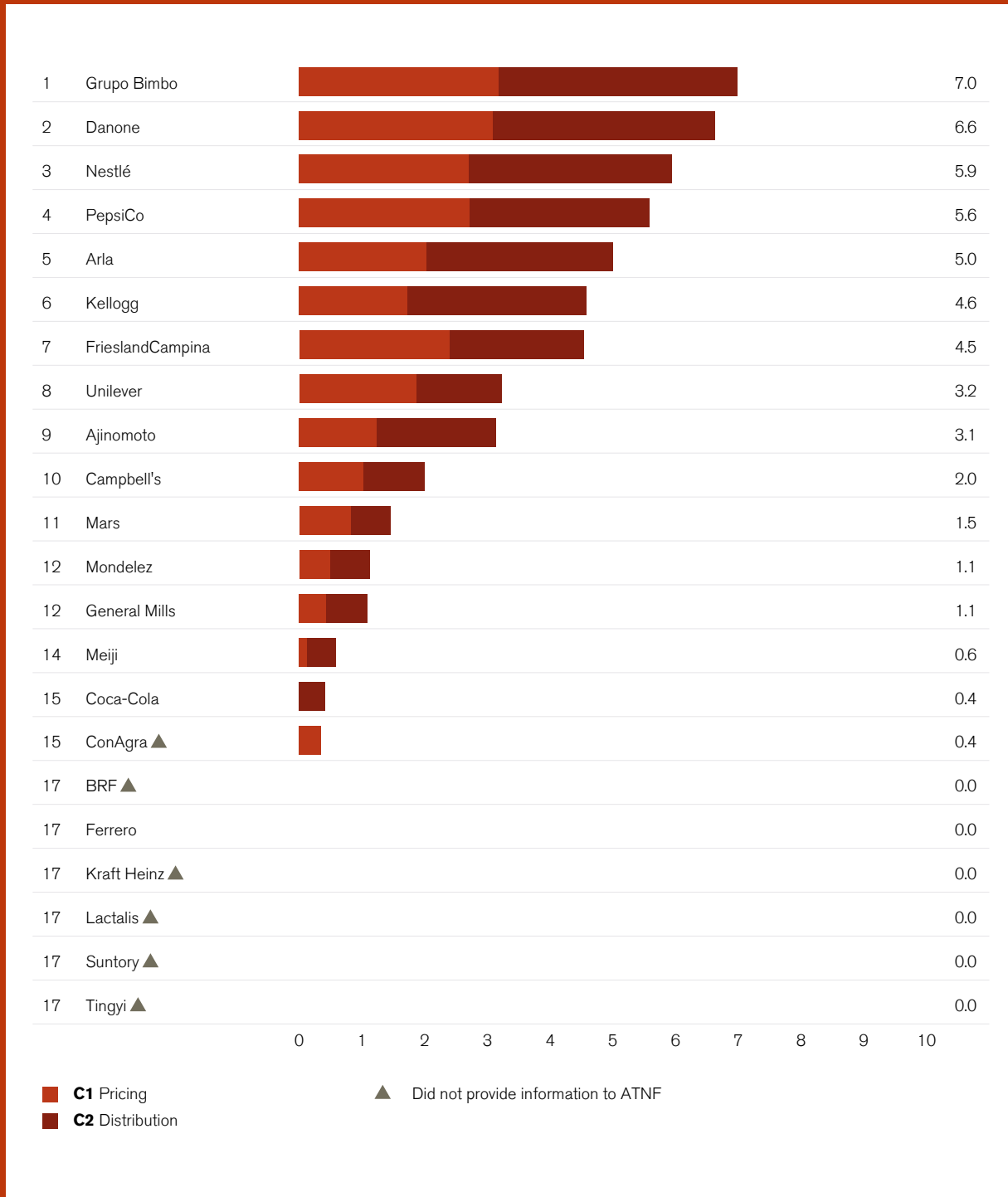
To perform well in this category, companies should:

- Have formalized written commitments, measurable objectives and targets to improve the affordability and availability of their healthy products for all consumers in all countries worldwide. For example, they should define targets on price points for healthy products and set goals on how many low-income consumers should be reached.¹
- Publicly disclose their commitments, objectives and targets on accessibility and affordability.
- Apply their approach to affordability and availability for low-income consumers to all the markets in which they operate, including developed and emerging markets, and provide evidence of relevant examples.

Undernutrition analysis related to Category C is available in the [Undernutrition](#) section of the report. A full description of the ATNI methodology is available [here](#).

Results

FIGURE 1 Category C Nutrition ranking, based on equally-weighted Criteria C1 and C2

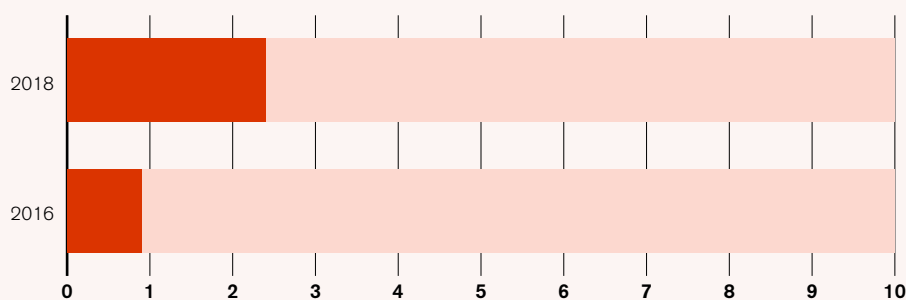


Category C Nutrition

What are the main changes in Category C compared to 2016?

- The average Category C nutrition score increased to 2.4 from 0.9 in 2016 (as shown in Figure 2), and Grupo Bimbo currently leads with 7.0 points.
- PepsiCo showed the largest improvement by increasing its score by more than 5 points. This increase is mainly related to the company's new global and comprehensive commitment to address the affordability and accessibility of its healthy products. The company is currently developing a set of guidelines on these topics and it provided evidence of pricing and accessibility analysis of healthy products for low-income populations in developing countries.
- Since 2016, on average, Category C performance has considerably improved. While scores are still very low (2.4 out of 10), they have more than doubled between 2016 and 2018. Progress is visible in all areas – more companies provided evidence of commitments, performance and disclosure to improve the pricing and availability of healthy products. While this is encouraging, it is disappointing that Category C is still the lowest scoring category of all, and, overall, companies are placing little focus on the pricing and distribution of their healthy products.

FIGURE 2 The average scores for Category C Nutrition in 2018 and 2016



C1 and C2

Product pricing and distribution

The ATNI research shows that companies address accessibility and affordability as related and interconnected when defining their approaches and policies to these topics. Therefore, Criteria C1 and C2 are presented together.

Do more companies have clear commitments related to improving the affordability and accessibility of their healthy products for all consumers worldwide?

Compared to 2016, more companies in 2018 have articulated commitments to improve the affordability and availability of their healthy products. While in the 2016 Index, 14 companies did not have any commitments on pricing, and 18 had no commitments on improving the availability of healthy products, by 2018, only ten companies had no commitments at all. Further, of the 12 companies that have some kind of commitment in place in 2018, the vast majority (11) have made a global commitment.

BOX 1 LEADING PRACTICE

Grupo Bimbo built affordability and accessibility into nutrition strategy

In 2017, Grupo Bimbo launched its new global strategy for health and wellness entitled 'A Sustainable Way'. One of the focuses is the accessibility and affordability of healthy products to all consumers, based on the company's own definition of healthy, guided by the company's ambition to bring its products with improved nutrients closer to consumers.

The company has developed a global policy in which it aims to distribute its product portfolio at affordable prices and to offer its consumers a wide variety of products that meet their needs and preferences according to their lifestyle and consumption needs. To achieve this ambition, the company articulated the 2020 goal in its 'A Sustainable Way' strategy and shared with ATNI examples of pricing and affordability analysis of the most relevant healthy products that meet the company's own definition of healthy.

Furthermore, Grupo Bimbo shared examples from Canada, Mexico and Brazil on price promotions of products that are classified as 'Best' and 'Better' based on the company's NPS.

Grupo Bimbo leads the nutrition ranking on Category C with a score of 7 out of 10, a significant improvement on its 2016 score of 1.8. The company has developed a global policy covering all relevant product categories and defined price point and distribution targets, which provide strategic guidance for its activities in this area. Further, Grupo Bimbo can demonstrate pricing and accessibility analysis for developed and developing countries and shared concrete examples of improving pricing and distribution of its healthy products in developed and developing markets, as shown in Box 1. Kellogg and PepsiCo each improved their scores by more than 4 points mainly due to strengthened global commitments and providing more evidence of activity in these areas. In addition, Danone and Nestlé scored 6.6 and 5.9 out of 10, respectively, and appear to have a strong strategic focus on the accessibility and affordability of healthy products.

Do more companies make commitments to address affordability and accessibility with particular reference to low-income populations?

The number of companies that have made specific commitments with reference to low-income populations has increased since 2016. In 2016, only three companies made commitments that referenced low-income populations in terms of pricing (and one on availability), now five companies – Arla, Danone, Grupo Bimbo, Nestlé and PepsiCo – show leading practice commitments in both areas. For more details see Box 2 on leading practice examples.

As the results of the previous two Indexes show, commitments often take the form of company-wide mission statements or publicly available goals. Very few companies embed their commitments within an affordability and/or accessibility policy. Ajinomoto, Grupo Bimbo and Nestlé have such global policies. Consequently, the strength of companies' commitments is reflected in their performance scores. As shown in Figure 3, the higher the commitment score, the better the performance score. All low-scoring companies are encouraged to begin to define strategic commitments and publish them in an accessibility and/or affordability policy. Companies with strong affordability and accessibility policies, as reflected in high commitment scores, showed most evidence of concrete activities to improve accessibility and affordability, resulting in high performance scores.

BOX 2 EXAMPLES OF ACCESSIBILITY AND AFFORDABILITY COMMITMENTS

A selection of examples is provided to illustrate the scope and level of concreteness of commitments that companies make in this area.

“Adequate nutrition is a constant challenge for low-income families living on a few dollars a day. For many, the priority is to buy the most filling foods they can afford to avoid everyday hunger. Their staple diet often lacks essential nutrients as a result. Working with external partners, Arla Foods Ingredients aims to make affordable and nutritional food accessible to all families.”

Arla

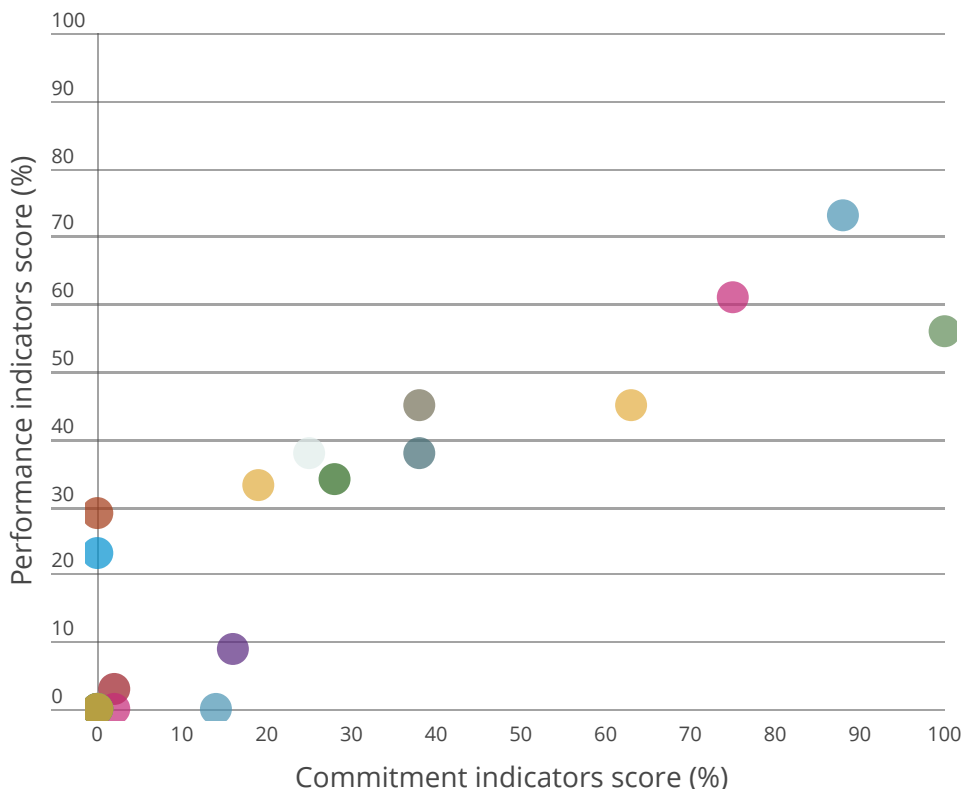
“We have a responsibility to ensure consumers can access high-quality, nutritious foods and beverages, regardless of where we sell them. Price is also an important consideration, which is why we make them available to those on lower incomes through our Popularly Positioned Products (PPPs). We sell PPP versions of several leading brands, including Milo, Maggi and Nescafé.”

Nestlé

“As a company with global reach, in communities on every continent on earth, our products reach people from virtually every background, including across the economic spectrum. In formulating our Performance with Purpose (PwP) 2025 goals, we felt it was important to challenge ourselves to reach the economically underserved and improve access to positive nutrition, to help address the issue of under-nutrition. Specifically, we have set a target of providing access to at least 3 billion servings of nutritious foods and beverages to underserved consumers and communities by 2025. We believe that this is a goal best reached through a combination of commercial and philanthropic programs that can collectively serve a diversity of underserved populations, each of which faces unique challenges. The issue of accessible nutrition is a nuanced one, and one approach will not serve the needs of all populations. That is why we are taking a portfolio approach, using several different programs to reach different populations, with products that are accessible and nutritionally appropriate for each population.”

PepsiCo

FIGURE 3 Correlation between company commitment and performance scores, related to the accessibility and affordability of healthy products



Do companies define affordability and accessibility targets and do they base their approach on pricing and affordability analyses?

Despite stronger commitments, in general, very few companies set clear tangible targets for accessibility and affordability of healthy products. Six companies – Arla, Danone, Grupo Bimbo, Mars, Nestlé and PepsiCo – articulate some targets on affordability. For example, how many consumers should be reached with affordably-priced healthy products and targets with particular reference to low-income populations. Arla, Grupo Bimbo, Meiji, Nestlé and PepsiCo have defined relevant targets related to distribution of healthy products by setting a number of consumers to be reached through improved distribution. For example, Meiji has a home delivery service, which by improving its distribution and reaching out to local dairy distributors, reaches 2.6 million families.

Pricing and affordability analyses entails research focused on determining what low-income populations are willing and able to pay for healthy products and how best, and through which distribution channels, these consumers should be reached. The number of companies conducting some type of accessibility and/or pricing analysis has significantly increased – five companies out of 22 conducted pricing analyses in 2016 versus ten in 2018. In terms of accessibility analysis, the increase is even more evident, from two companies in 2016 to 11 in 2018. This is a good step towards developing a strategic focus and approach to finding solutions on affordability and accessibility of healthy products for vulnerable populations.

Do companies provide more evidence of reducing the price and expanding the availability of their healthier products for all consumers worldwide?

Compared with 2016, in 2018, three more companies provide examples of activities that improve the affordability of healthy products in developed countries and four more for developing markets. Leading companies on Criterion C1, in terms of examples, are Campbell's, Grupo Bimbo and Unilever (for more details on Campbell's activities see Box 3). However, the scope of the examples remains limited and companies lack a global or even multi-country strategy.

BOX 3 LEADING PRACTICE

Campbell's accessibility and affordability approach in a developed market

The company has a number of programs in place to address affordability (and consequently accessibility) of healthy foods in the U.S. It is among the leading companies that provided evidence of relevant programs for developed markets. For example, the company offers coupons for many of its healthy products – approximately 75% of its couponing program includes its healthy or 'better for you' products.

Further, Campbell's also addresses the accessibility of healthy products through its flagship program 'Healthy Communities', a philanthropic program that aims to ensure access to affordable and fresh foods by motivating youth and adults to purchase healthier items through direct marketing in corner stores that are part of The Food Trust's Healthy Corner Store Network. Corner stores receive, for example, equipment or training to provide more fresh food options. In 2017, 48 corner stores were part of the program and reportedly 95% of participating stores increased their sales of healthy products. In addition to this focus on accessibility, the program aims to also increase physical activity in a safe environment and support healthy lifestyles through nutrition education.

BOX 4 EXAMPLE OF MAKING HEALTHY PRODUCTS MORE ACCESSIBLE

To increase underserved consumers' access to affordable nutritious foods, PepsiCo has set up platforms to offer Quaker 3 Minutos (healthy fortified oat-based breakfast products) in Latin America and is piloting a similar approach in Africa. In Mexico, the nutritional profile of Quaker products has been adjusted to local needs, and the price point of 10 pesos falls within the most affordable set of food products in the country.

The company also works with Bodega Aurrerá, a Mexican discount store that has more than 1,780 locations in the country. The retailer offers special promotions of products at the level of 5, 10 and 20 pesos per item. In 2017, PepsiCo worked with the retailer to offer Quaker 3 Minutos at these promotional prices for eight months.

Evidence that companies are working with retailers and distributors to expand the availability of their healthy products, such as providing incentives to distributors regarding healthy product distribution, e.g. to ensure that rural and poor urban retailers are provided with healthy options as standard, remains very limited. From this limited evidence, an example of improving accessibility through work with retailers is illustrated in Box 4.

The lack of disclosure of specific examples demonstrates, as in 2016, that corporate awareness and concern about the accessibility of healthy products still appears to be low. There is room for significant improvements to be made across the industry.

For more detailed information about the performance of individual companies, see the [company scorecard pages](#).

BOX 5 AREA OF CONCERN: FOOD DONATIONS ARE A LIMITED WAY TO ADDRESS ACCESSIBILITY

As examples of addressing accessibility of healthy products, several companies provided evidence of donation programs. While food donations are important, accessibility solutions focused mainly on food donations are not a sustainable commercial approach to increasing consumers' access to healthy foods. Furthermore, based on the evidence provided, the donated products are not always healthy and, to date, no company appears to have a policy that sets out rules for donations of healthy products.

BOX 6 C1 AND C2 RECOMMENDATIONS FOR IMPROVEMENT**Companies should develop a strategic focus on affordability and accessibility**

Overall, a limited number of companies have set out a clear or systematic approach to making healthy products more affordable and available to consumers. Despite the positive progress since 2016, most companies' efforts remain weak and do not appear to be guided by a unifying strategy (i.e. they take an individual project-based approach rather than a more strategic approach).

Companies should go beyond making 'a product' affordable and accessible

Several companies have a commitment in place to make products more affordable and accessible. While some companies explicitly mention that the commitment covers healthy, nutritionally-improved or fortified products, other commitments remain unclear by not specifying whether they explicitly and exclusively cover healthy products. To improve scores, companies are encouraged to be more specific in their commitments and to explicitly focus on healthy products, as defined by the company's NPS.

Companies should have a strategic focus on accessibility and affordability of healthy products in low-income and rural areas

Overall, companies provided limited evidence of a tailored approach on accessibility and affordability of healthy products in low-income rural and urban areas in developed and developing countries. In their commitments, policies and practices, companies should focus on these consumers and develop solutions to make healthy products accessible and affordable for them.

A multi-stakeholder approach is needed to address accessibility and affordability dilemmas

Research for the 2018 Index indicates two areas with little evidence of activity:

- How to improve accessibility and affordability of healthy products in rural and urban areas in developed and developing markets.
- The role that companies can play through arrangements with distributors and retailers in order to make healthy products more accessible.

In both situations, the issues and solutions go beyond the direct scope of influence of F&B manufacturers. To find (business) solutions to these complex issues, an approach involving multiple stakeholders such as distributors, retailers, governments and municipalities is needed.

NOTES

- ¹ Category C of the Nutrition section assesses companies on making healthy foods affordable and accessible to all consumers, globally. The focus is on low-income consumers in developed and developing countries, without a particular focus on undernourished consumers. The affordability and accessibility of products specifically aimed at undernourished populations is addressed in Category C of the Undernutrition section..

D Marketing

20% of the score

Category D consists of two parallel groups each with two criteria:

All consumers

D1 Responsible marketing policy

D2 Auditing and compliance with policy

Children

D3 Responsible marketing policy

D4 Auditing and compliance with policy

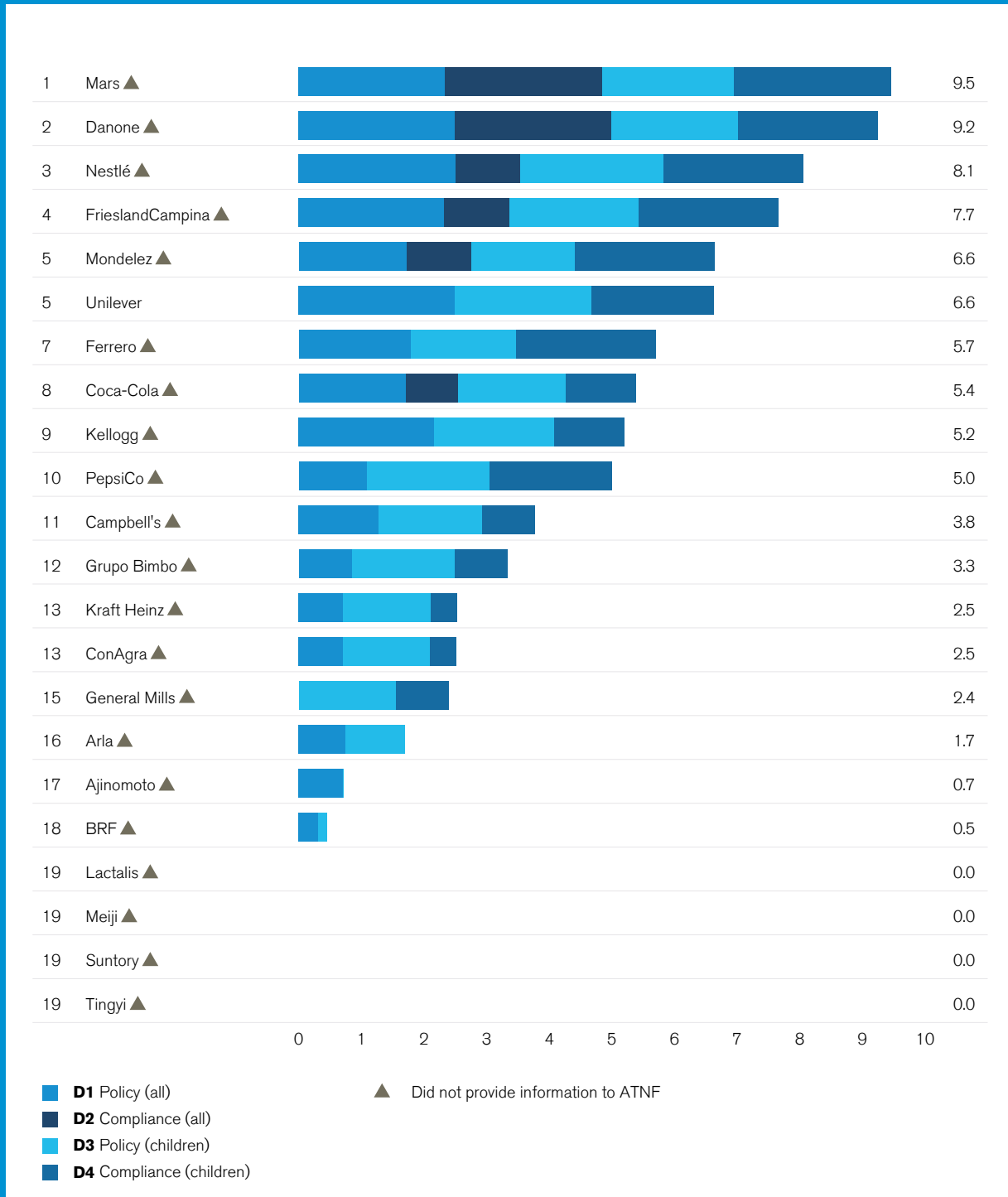
To perform well in this category, companies should:

- Develop and implement a responsible global marketing policy for all consumers that incorporates the responsible marketing principles of the International Chamber of Commerce Framework¹ and is applied equally to all media channels and all markets of operation.
- Adopt a comprehensive global policy on responsible marketing to children, which, at a minimum, applies to children under 12, as well as to when children make up more than 25% of a general audience.
- Explicitly commit not to market any products to children under 12 on all media, unless the products meet the company's definition of healthy, and should commit to use only responsible marketing techniques.²
- Commission or take part in industry-level independent audits of compliance with these policies and disclose individual compliance levels for traditional and new media.

Undernutrition analysis related to Category D is available in the [Undernutrition](#) section of the report. A full description of the ATNI methodology is available [here](#).

Results

FIGURE 1 Category D Nutrition ranking, based on equally-weighted Criteria D1, D2, D3 and D4 scores

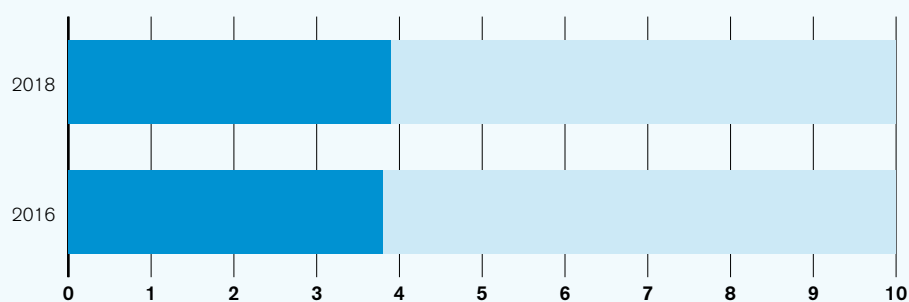


Category D Nutrition

What are the main changes in Category D compared to 2016?

- The average Category D nutrition score increased to 3.9 from 3.8 in 2016 (as shown in Figure 2), and Mars currently leads the ranking with a score of 9.5 points.
- FrieslandCampina showed the largest improvement by increasing its score by almost five points, primarily related to its updated global responsible marketing guidelines, which were updated in 2017. The guidelines now address a comprehensive set of media channels to which the company applies its responsible marketing policy, covers a wider range of commitments related to the representation of products when marketing to all consumers and includes a compliance assessment of marketing communications across relevant company markets.
- Since 2016, companies strengthened their responsible marketing commitments – seven companies updated their marketing commitments to all consumers, and ten companies updated their marketing commitments to children. As indicated above, overall, the score of Category D has increased slightly. Based on stakeholder advice and input that indicated that, despite companies' commitments, there is still evidence of companies marketing to children, ATNF has applied a stricter approach for evaluating evidence compared with 2016. This has consequently led to stricter assessment and less progress in terms of score increases.

FIGURE 2 The average scores for Category D Nutrition in 2018 and 2016



All consumers

D1 Responsible marketing policy

To what extent did the companies strengthen their commitments to market responsibly to all consumers?

Danone, Nestlé and Unilever lead the ranking on Criterion D1 responsible marketing policy for all consumers (see Box 1 for more details on leading practice). All three achieved a score of 100% (Danone and Mars both rank first on D2 with a full score as well).

Since 2016, seven companies have adopted new policies in which they strengthened their commitments, and some expanded the scope of media covered by their policies. Overall, all 17 companies that make commitments to market responsibly to all consumers apply their practices globally in all markets where they operate.

In 2016, Unilever was the only company that fully aligned its commitments with ICC principles. The company made two additional commitments that go beyond the commitments covered by the ICC Framework and are covered by the ATNI methodology: Not to use models with a body mass index (BMI) of under 18.5 and to present products in the context of a balanced diet. Going beyond the ICC and committing to these additional responsible representations of products commitments is considered industry-leading practice. Danone, Mars and Nestlé also made both commitments, which contributed to increasing their scores for the 2018 Index, illustrating leading practice in the sector and scoring 100% on this particular element of the ATNI methodology.

Coca-Cola, Ferrero, Mondelez and PepsiCo also pledge to comply with the ICC Framework (in addition to Danone, Nestlé and Unilever), and make comprehensive commitments related to the representation of products. However, the companies that pledge to the ICC Framework interpret and therefore apply these commitments to different media and, consequently, not across all media as indicated in Box 2. For an overview of relevant media covered by the ATNI methodology, see Box 2.

Since the 2016 Global Index, Coca-Cola, FrieslandCampina, Grupo Bimbo, Mars and Mondelez have increased their scores, as they implemented new policies that are more aligned with the principles of the ICC Framework in terms of commitments related to the representation of products. In the cases of Coca-Cola and FrieslandCampina, their

policy updates contributed to an increase of more than six and five points, respectively, taking their 2018 Criterion D1 scores to 6.9 and 9.3, respectively.

Some companies, for example, Campbell's, provided evidence of an already existing policy for the 2018 Index, which in 2016 was not shared and thus not credited. Consequently, this had a positive impact on the company's score.

Five companies – General Mills, Lactalis, Meiji, Suntory and Tingyi, do not make relevant commitments related to criteria D1 – responsible marketing practices related to all consumers.

BOX 1 LEADING PRACTICE

Danone's responsible marketing commitments to all consumers and auditing

Danone leads the 'marketing to all' criteria assessment. The company's commitments are fully aligned with the ICC Framework, and it commits to additional principles beyond those included in the ICC Framework. Further, Danone is one of only two companies that commission an independent audit of compliance with its marketing policy in order to assess whether it follows through on its strong marketing commitments. The company also exhibits a high degree of transparency by publishing its commitments and information about those audits.

BOX 2 BACKGROUND FACTS: MEDIA COVERED BY LEADING PRACTICE POLICIES

A best-practice marketing policy does not only incorporate relevant responsible marketing principles as described in the ICC framework, but it also applies to a broad range of media including:

- TV & radio.
- Own websites.
- Third-party websites.
- DVDs, CDs and games.
- Social media (Facebook or Twitter feeds of companies or brands).
- All print media (newspapers, magazines, books, and printed advertising in public places).
- Mobile and SMS marketing.
- Cinema.
- Outdoor marketing.
- In-store marketing / point of sales marketing.
- Sponsorship.
- Product placement (i.e. in movies or TV shows).

Did companies expand the scope of media channels covered by their policies?

Overall, the media channels covered vary by company and are usually aligned with media covered by individual pledges to which companies commit in different markets. The media channels that companies omit from their policies most commonly are in-store marketing and cinema. These media are only covered by seven companies explicitly. For a full list of media covered by the ATNI methodology, see Box 2.

Of those companies that make at least some kind of commitment related to responsible marketing, six companies – Coca-Cola, Danone, Ferrero, Mondelez, Nestlé and Unilever – apply their commitments to all media as specified in Box 2. Eleven other companies do not specify the media channels to which their responsible marketing commitments apply. This number has increased since 2016, mainly due to the fact that more companies are not providing sufficient evidence.

Arla and Coca-Cola expanded the scope of media covered by their policies, increasing their scores on this specific indicator from 0 to 5.8 and 10, respectively. Campbell's also improved its score because of its expanded commitments and provided evidence of a policy.

How good are companies' disclosures of policy commitments to all consumers?

From the 17 companies that have commitments to responsible marketing practices, 15 disclose their responsible marketing commitments to all consumers in the public domain. However, full disclosure, including media channels, is more limited. Only six companies also disclose publicly the media channels that are covered by their policy. The remaining eight companies provided information about media channels confidentially.

D2 Auditing and compliance with policy

Do more companies conduct an independent third-party audit to assess their compliance with their responsible marketing policies?

Danone and Mars are the only two companies that commission independent third-party audits of their marketing activity to all consumers. Four other companies conduct an internal audit, but 16 companies do not report having any type of auditing mechanism in place.

The audits of all six companies that do either internal or third-party audits – Danone, FrieslandCampina, Mars, Mondelez, Nestlé and Unilever – are global in scope.

BOX 3 AN ADDITIONAL APPROACH TO AUDITING: INDEPENDENT REVIEW OF COMMITMENT IMPLEMENTATION

Coca-Cola has hired an independent auditor to review the processes it uses to implement its new marketing commitments (rather than whether its marketing activity meets its standards per se). Although the ATNI methodology does not give credit for this approach, it is an example of how companies can track proper implementation of new commitments.

How good are companies' disclosures of their audit results?

Of the six companies conducting audits to assess compliance with marketing to all commitments, only three companies – Coca-Cola, Danone and Mars – disclose information about the audits and compliance with their marketing policies. Despite the fact that three additional companies provide some information about audits, disclosure remains very poor.

BOX 4 D1 AND D2 RECOMMENDATIONS FOR IMPROVEMENT

Apply responsible marketing practices to a broader scope of media channels

A limited number of companies (6 out of 22) apply their responsible marketing commitments for all consumers to a wide range of media. All companies should extend their marketing policies to include in their scope both a wide range of media and forms of marketing, and all markets in which they operate.

More disclosure and transparency

The level of transparency, especially in terms of auditing results, is very poor. Only six companies out of 22 disclose their marketing commitments in full, including the media to which their policies apply, and only three companies disclose partial information regarding their auditing practices. It is important for companies to be more transparent about their commitments, compliance procedures and levels of compliance in order to win public trust.

Expand the scope of compliance review of marketing practices targeted at all consumers

Two companies provided their commercial or advertisement approval process as evidence of an auditing process. While such approval processes are necessary, they are not sufficient. All companies should set up a post-hoc auditing process as an additional check on the effectiveness of that internal auditing process, to ensure that it delivers complete compliance with the stated policy.

Children**D3 Responsible marketing policy****Did companies make progress since 2016 in adopting comprehensive best-practice policies across their whole business to strengthen their commitments to market their products responsibly?**

Since 2016, ten companies updated their policy commitments, expanded the media channels covered and strengthened audience age thresholds. Of these, eight are International Food and Beverage Alliance (IFBA)³ members, and two are EU Pledge members.⁴ These policy updates resulted, on average, in higher scores on Criterion D3.

Nestlé leads the ranking on marketing to children (Criterion D3), followed by Unilever and Mars. Arla and FrieslandCampina demonstrated the biggest improvement due to significantly strengthening their policies to cover more media channels and setting stricter audience thresholds. Kraft Heinz made a public commitment to support the Children's Advertising Review Unit (CARU) guidelines in the U.S., which include many specific provisions on marketing communications to children embodied in the ICC Framework.

Lactalis, Meiji, Suntory and Tingyi did not provide relevant information, and do not seem to have any commitments to responsible marketing to children available in the public domain.

Compared to 2016, no companies expanded the geographic scope of their policies. Fourteen companies apply their commitments globally, and eight apply them in their home markets only.

Are more media covered by policies in 2018?

Since the 2016 assessment, additional media were added to the assessment – mobile and SMS marketing, and product placement in movies or TV shows. Six companies make explicit commitments to cover all forms of media. Table 1 indicates new and already identified in 2016 commitments of media covered by companies' policies.

Ajinomoto, Lactalis, Meiji, Suntory and Tingyi did not share relevant evidence with ATNF, and no data on media covered is available in the public domain.

TABLE 1 Areas of application of responsible marketing to children policies

| | Ajinomoto | Arla | BRF | Campbell's | Coca-Cola | ConAgra | Ferrero | General Mills | Danone | Grupo Bimbo | FrieslandCampina | Kellogg | Lactalis | Meiji** | Mars | Mondelez | Nestlé | PepsiCo | Suntory** | Kraft Heinz** | Tingyi | Unilever |
|--|-----------|------|-----|------------|-----------|---------|---------|---------------|--------|-------------|------------------|---------|----------|---------|------|----------|--------|---------|-----------|---------------|--------|----------|
| TV & radio | | ● | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | | | ○ | ○ | ○ | ○ | | ● | | ○ |
| Own websites | | ● | | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | | | ○ | ○ | ○ | ○ | | ● | | ○ |
| Third-party websites | | ● | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | | | ○ | ○ | ○ | ○ | | ● | | ○ |
| DVDs/CDs/games | | ● | | ○ | ○ | ○ | ● | ● | ● | ● | ○ | ○ | | | ○ | ○ | ○ | ○ | | ● | | ○ |
| Social media (Facebook, Twitter feeds of companies and brands) | | ● | | ○ | ○ | ○ | | ○ | ● | ● | ○ | ○ | | | ○ | ○ | ○ | ○ | | ● | | ○ |
| All print media | | ● | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | ○ | | | ○ | ○ | ○ | ○ | | ● | | ○ |
| Mobile and SMS marketing* | | ● | | ● | ● | ● | ● | ● | ● | ● | ● | ● | | | ● | ● | ● | ● | | ● | | ● |
| Cinema* | | ● | | ● | ● | | ● | | ● | ● | ● | ● | | | ● | ● | ● | ● | | | | ● |
| Outdoor marketing | | ● | | | ● | | ● | | ● | ● | ○ | ○ | | | ○ | ○ | ○ | ○ | | | | ○ |
| In-store marketing / point-of-sale marketing | | | | | ● | | | | | | | ○ | | | ○ | ○ | ● | | | | | ○ |
| Sponsorship | | ● | | | ○ | | | ● | | | ○ | ○ | | | ○ | ○ | ○ | | | | | |
| Product placement (i.e. in movies or TV shows)* | | ● | | ● | ● | ● | ● | ● | ● | ● | ● | ● | | | ● | ● | ● | ● | | ● | | ● |

● New commitment ○ Committed in 2016

* Media were not included and assessed in the 2016 Index.

** New companies on the 2018 Index – not assessed in 2016.

BOX 5 LEADING PRACTICE

Arla responsible marketing commitment to children aged 12 and above

Arla is the only company that pledges to market only healthy products to children under 18 using an audience threshold of 30% to restrict its marketing practices. No other company extends its responsible marketing policy to children older than 12. Arla is the first company to have done so and, as a result, is the industry leader.

Marketing to children aged 12 and above remains a point of concern to nutrition and child health experts given the levels of obesity and diet-related diseases in many countries among this age group. In addition, this period has been identified as a habit formation phase during which the establishment of behavioral and metabolic risk factors can track into adulthood.

Teenagers, while better able than younger children to critically evaluate marketing, are still susceptible to persuasive marketing. They, too, need to be encouraged to eat healthy foods and live active lifestyles. Moreover, media targeted at youth aged over 12 may hold significant appeal to younger children, meaning that companies are also reaching children under 12 with ads for ‘unhealthy’ products targeting slightly older children. Companies are encouraged to extend their commitments to children over 13. Several organizations have called for industry pledges and company policies to be extended to older children.⁵

TABLE 2 Overview of good practices regarding age restrictions and audience thresholds

| | | |
|-----------------|------------------------|---|
| Age 2-6 | Audience threshold 25% | FrieslandCampina, Mars, Nestlé |
| | Audience threshold 30% | Arla |
| | No products | BRF, Campbell's, Coca-Cola , ConAgra, General Mills , Kellogg , Kraft Heinz, Mars , Mondelez , Nestlé , PepsiCo , Unilever |
| | Healthy products only | Arla, Ferrero, Danone, Grupo Bimbo, FrieslandCampina, |
| Age 7-12 | Audience threshold 25% | FrieslandCampina, Mars, Nestlé |
| | Audience threshold 30% | Arla |
| | No products | Coca-Cola , Mars , Mondelez |
| | Healthy products only | Arla, BRF, Campbell's, ConAgra, Danone, Ferrero , FrieslandCampina, General Mills , Grupo Bimbo , Kellogg, Kraft Heinz, Nestlé , PepsiCo , Unilever |
| Age 13+ | Audience threshold 25% | |
| | Audience threshold 30% | Arla |
| | No products | |
| | Healthy products only | Arla |

Blue: Change compared to 2016 **Bold**: IFBA companies

Some companies claim that even though not explicitly mentioned, their commitments are broader than specified in their policies. For this assessment, these commitments were not taken into considerations.

Did companies strengthen the age restrictions and audience thresholds since 2016?

- Since 2016, five companies – Arla, FrieslandCampina, General Mills, Mondelez and Nestlé – have expanded the age restrictions and/or audience thresholds determining marketing to children. Table 2 presents companies with leading commitments in these two areas. Companies highlighted in blue show commitments that have changed since 2016.
- Ajinomoto, Lactalis, Meiji, Suntory and Tingyi do not publish in the public domain and did not share with ATNF any audience thresholds and age restrictions on their marketing practices to children.

Areas in which too little progress has been made:

- Marketing in and around schools**
 - Primary schools:** 16 companies commit to not market in primary schools, of which ten make broader commitments, mostly pledging to only offer 'educational materials' when in agreement with schools/parents. Alarmingly, only two companies – Danone and Nestlé – commit to not market near schools. Overall, Nestlé has the strongest commitments, making additional commitments to uphold its marketing in and around schools to new media advertising techniques such as websites, social media and apps run by schools. This is a best practice among the companies assessed.
 - Secondary schools:** Only four companies – Danone, General Mills, Kraft Heinz and Mondelez – have extended a ban on marketing in primary schools to secondary schools. Kellogg and Mars make limited commitments relating to offering only educational materials. Danone has the most comprehensive commitment as it is the only company committing to a responsible marketing approach near secondary schools. Overall, limited progress has been made since 2016, demonstrating the need for the industry as a whole to do more to restrict marketing to adolescents to only healthy products.

BOX 6 CHILDREN'S RIGHTS AND DIGITAL MARKETING

1. What is the issue?

Children are a vulnerable demographic in the digital marketing sector, as they are targeted by marketing techniques that exploit the ways in which they use the Internet for social networking, video-sharing, gaming, etc. Despite being 'digital natives', research shows that only a minority of children can identify sponsored content. For example, 24% of children aged 8 to 11, and 38% of those aged 12 to 15, can correctly identify sponsored search links on Google. A 2016 study of websites and apps used by children found that 67% collected children's personal data and half shared that personal data with third parties.

Digital marketing is sustained by collecting, analysing, storing and selling personal data, including the personal data of children under the age of 18. Many data collection practices occur without children's knowledge and consent, or under circumstances that do not empower children to understand and control the use of their personal data. Children's right to privacy and the protection of personal information are closely tied to children's dignity, autonomy and ability to develop free from adverse influence. Furthermore, digital advertising may contribute to the sexualization of children, entrench gender stereotypes, create body image issues, stigmatize poverty, or reduce parents' authority and influence.

2. What is the current regulatory and self-regulatory environment?

As digital advertising expands and becomes more sophisticated, privacy becomes a growing issue. The gaps continue to increase in existing laws and policies that were designed to regulate traditional broadcasting, media and marketing practices and protections. Today, regulation addresses digital marketing in a piecemeal manner. Few regulatory provisions place restrictions on the timing, placement, context and form of digital advertisements. The Children's Online Privacy Protection Act (COPPA) has had an impressive influence over the practices of global companies, many of which apply the COPPA standard outside of the United States. However, the Act does not address how children's personal data are used after consent is given, and only applies to children under the age of 13, leaving teenagers up to the age of 18 vulnerable. Moreover, the EU promises to raise the standards for personal data protection, including through the General Data Protection

Regulation, which comes into effect this May 2018. It includes provisions that mimic the COPPA rules, requiring providers to obtain parental consent. Numerous other sector-wide, self-regulatory initiatives also promote standards for advertising in general, with some adopting additional protections for children.

3. What can companies do?

Changes need to occur in digital marketing to improve protections for children's rights online. However, it is important to acknowledge which barriers prevent progress on this issue. Even good intentions to respect children's rights can be thwarted by some of the realities of the digital marketing universe, which include financial barriers (financial benefits of digital advertising to publishers and advertising intermediaries dis-incentivizes curtailing digital advertising practices), legal barriers (national regulations cannot keep pace with technological change) and technical barriers (children may become exposed to advertising not intended for them because the publisher or advertiser does not know the viewer is a child). Nevertheless, despite these challenges, there is substantial value in attempting to set standards and benchmarks for responsible digital advertising to children, and seeking to improve the digital landscape to protect children's rights.

4. What needs to be done?

Governments around the world need to ensure that technology-neutral legal frameworks reflect the ongoing shift from broadcast to digital advertising. Data protection regulation is also an essential means of restricting the use of children's personal data in digital advertising in line with children's right to privacy. The role of parents is instrumental in the digital advertising value chain. According to Article 4 of the Convention on the Rights of the Child, parents have both a right and a responsibility to provide their children with appropriate guidance and direction consistent with the evolving capacities of the child. Companies are best placed to adopt and adhere to self-regulatory standards regarding children and digital advertising, and bear some responsibility for the impact of digital advertising on children. The policies of advertising actors on responsible digital marketing targeting children could include, for example, the following commitments and provisions:

- Developing a responsible marketing policy that extends protections to children’s personal data.
- Excluding advertising of child-directed products, applications and services on sites where children should not be (such as age-gated sites).
- Refraining from targeted and behavioral marketing or profiling of children. Prohibiting behavioral marketing on child-directed sites, including through the use of third-party cookies. Taking all reasonable measures taken at age-gated sites to enforce restrictions on children of a certain age – requiring parental consent for access to services or for the provision of personal data, without creating unfair barriers to children’s access to online spaces.
- Through digital advertising and marketing, reducing children exposed to advertising of foods high in fat, sugar or salt, or of age-restricted products.
- Responsibly using young children and teenagers as influencers, or any influencers for child-directed products, applications and services. All advertising to children will be identified as such. Branded and immersive environments are used with caution, and only under circumstances in which children understand that the content is advertising. Children’s games do not include advertising.

Note: The content of this box is based on a paper recently published by UNICEF ‘Children and Digital Marketing: Rights, risks and responsibilities’⁶

- **Other places where children gather⁷:** Danone and Nestlé are the only two companies that make a commitment to restrict their marketing in places where children gather. Even though these companies are leading in this area, their commitments remain relatively limited in terms of the facilities to which they apply.

- **Use of own fantasy and animated characters:**

While most companies (and industry pledges) contain a commitment not to use third-party fantasy and animation characters with a strong appeal to children, few companies make a similar pledge regarding the use of their own trademarked characters. Only seven companies extend their commitments to only use their own fantasy characters when marketing healthy products.

What is the geographic application of companies’ responsible marketing policies to children?

From the companies that make commitments relating to responsible marketing to children, 13 companies have a global policy; ConAgra and Kraft Heinz have policies in place that only cover their home market, the U.S.. Campbell’s commits to relevant local pledges in its major markets of the U.S., Australia and Canada, and, thus, does not appear to have one comprehensive, overarching policy. General Mills pledges to IFBA globally, but its U.S. (home-market) commitments on responsible marketing techniques are stronger than its global ones, as the company commits to comply with the relatively extensive CARU guidelines and Children’s Food and Beverage Advertising Initiative (CFBAI) applicable in the U.S. Although the company does commit to apply CFBAI nutrition standards worldwide, it is encouraged to define globally applicable commitments on the use of marketing techniques and activities.

D4 Auditing and compliance with policy

How have auditing practices improved since the last Index?

While a number of companies strengthened their marketing commitments to children, progress is less pronounced regarding auditing, as most of the companies participate in audits conducted by the industry pledge organizations they are members of. Only three companies – Danone, Mars and Nestlé – appoint an independent auditor, the best practice that ATNF encourages.

In auditing their compliance, only Mars and Nestlé audit compliance across all media to which they commit to apply their responsible marketing principles. The remaining 13 companies’ audits only cover media within the pledges, which do not encompass all media as shown in Table 1.

Fourteen companies do not report results of their individual compliance level, illustrating a relatively low level of transparency.

For more detailed information about the performance of individual companies, see the [company scorecard pages](#).

BOX 7 INDUSTRY PLEDGES AND THEIR IMPACT ON COMPANIES' COMMITMENTS

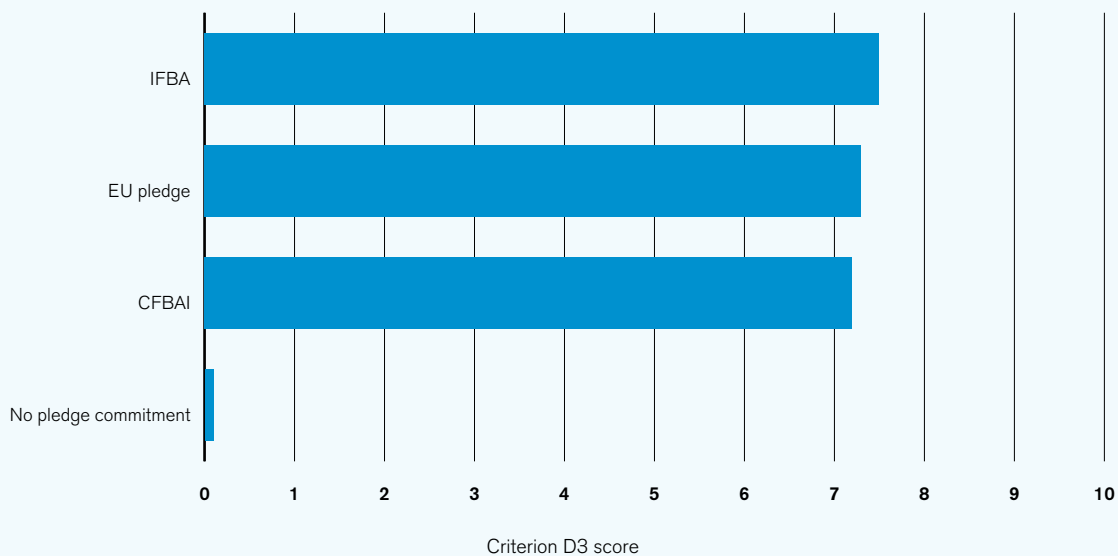
A number of F&B companies, in partnership with industry trade organizations, have issued voluntary pledges to regulate the marketing of foods and non-alcoholic beverages to children. These include the globally applicable IFBA Pledge, the EU Pledge, the CFBAI Pledge in the U.S. and the India Pledge.

The findings of the 2018 Global Index show that companies that commit to a pledge score, on average, significantly higher on Criterion D3. In the absence of a strong, globally applicable company policy, pledging to adopt an industry association's commitments can be a good way to set a minimum

standard for responsible marketing. This is especially important in countries where there is weaker national legislation and/or in situations where there are no local pledges.

Since the 2016 Index, The EU Pledge and IFBA Pledge have extended their commitments and media covered. Even though both of these organizations expanded their standards, the commitments, media and age thresholds do not yet meet the best-practice standards such as of audience threshold of 25% and covering in-store marketing and sponsorship that the ATNI methodology recommends.

FIGURE 3 Average score of companies on Criterion D3 'responsible marketing policy to children' per pledge organization to which they commit



BOX 8 D3 AND D4 RECOMMENDATIONS FOR IMPROVEMENT

Align interpretations of commitments covered by pledges

Greater specificity is needed regarding what is covered by a pledge to create clarity for consumers and other stakeholders. The analysis has shown that when adhering to international frameworks or pledges, companies are not necessarily aligned on the interpretation of which media or commitments are covered by the pledges. This creates a discrepancy in the implementation of the frameworks by companies. Therefore, scores for some companies may be impacted by their interpretation of commitments. For example, scores on Criterion D3 may be lower or higher than for other companies depending on their interpretation and application.

Adopt or strengthen marketing policies

Companies with a policy that does not meet best practice should strengthen the policy. Companies that

have not yet adopted a global policy on responsible marketing to children should do so and publish it. Policies should cover a wide set of channels and set strict age and audience thresholds equally in all markets.

Underpin marketing practice with an appropriate NPS

Companies should use a robust Nutrient Profiling System that meets the criteria set out in Criterion B2 Nutrient profiling to define which products can be marketed to children across all markets.

Publish individual audit results

To demonstrate their commitment to fully implement the policy and their willingness to be held accountable, companies should make their individual compliance rates for traditional and new media publicly available.

NOTES

- ¹ The Consolidated ICC Code of Advertising and Marketing Communication Practice (ICC Code) provides guidance to a wide range of stakeholders and is the foundation of most national self-regulatory marketing codes. The ICC Code sets out general principles governing all marketing communications including separate sections on sales promotion, sponsorship, direct marketing, digital interactive marketing and environmental marketing.
- ² The current ATNI methodology assesses marketing commitments and does not extend to measuring the effectiveness of companies' policies in limiting children's exposure to marketing of unhealthy foods and beverages. Additionally, The ATNI does not assess the actual marketing activity for any particular market, it is not able to determine the extent to which companies adhere to their commitments in any specific market.
- ³ The International Food & Beverage Alliance (IFBA) is an association of leading food and non-alcoholic beverage companies. The association has developed a voluntary strategy designed to change how and what F&B companies advertise to children under 12 years of age worldwide.
- ⁴ The EU Pledge is a voluntary initiative by leading food and beverage companies. The EU pledge is designed to change food and beverage advertising to children under the age of 12 in the European Union.
- ⁵ Healthy Eating Research (2018). Food & Beverage Marketing. Available at: <http://healthyeatingresearch.org/focus-areas/food-beverage-marketing/>.
- ⁶
- ⁷ These include but are not limited to childcare and other educational establishments, family and child clinics, paediatric services or other health facilities, including sporting or cultural events held at those premises. The box on Children's Rights and Digital Marketing is based on a recently published paper on 'Children and Digital Marketing: Rights, risks and responsibilities' by UNICEF. The paper is available [here](#). Although the information is used with permission, this does not imply any endorsement of UNICEF of this report or any corporate practices presented in the report.

E Lifestyles

2.5% of the score

Category E assesses the extent to which companies support efforts to encourage healthy lifestyles through three criteria:

- E1** Supporting staff health and wellness.
- E2** Supporting breastfeeding mothers in the workplace.
- E3** Supporting consumer-oriented healthy diet and active lifestyle programs.

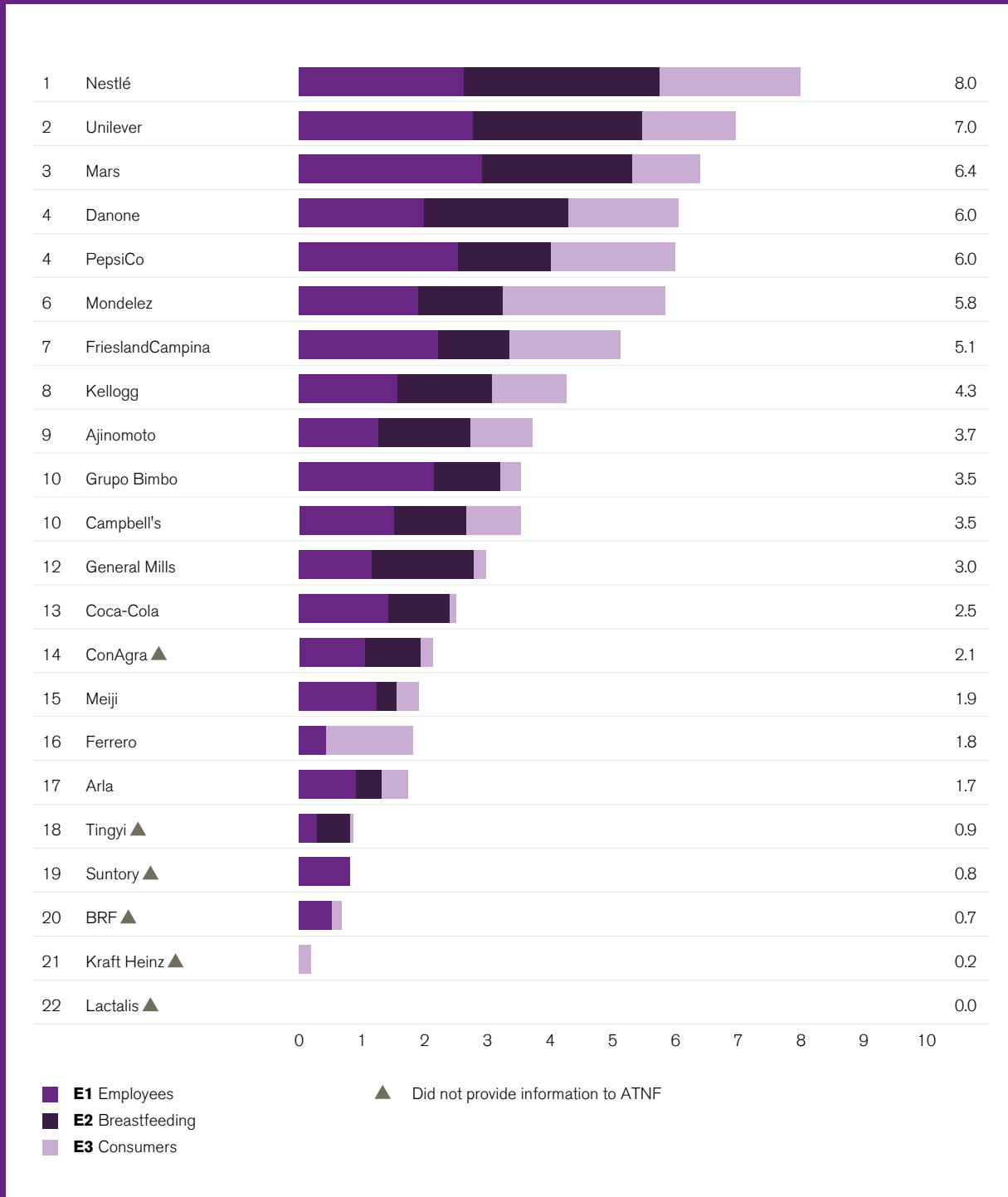
To perform well in this category, companies should:

- Offer comprehensive nutrition and healthy lifestyle programs within their overall staff health and wellness programs, for all employees and their families globally.
- Offer supportive maternity leave policies including paid maternity leave of ideally six months or more, flexible working arrangements and appropriate workplace facilities for breastfeeding mothers when they return to work.
- Commit to support integrated, comprehensive, consumer-oriented healthy diet and active lifestyle programs and campaigns globally, developed and implemented by independent organizations with relevant expertise.

Undernutrition analysis related to Category E is available in the [Undernutrition](#) section of the report. A full description of the ATNI methodology is available [here](#).

Results

FIGURE 1 Category E Nutrition ranking, based on equally-weighted Criteria E1, E2 and E3 scores

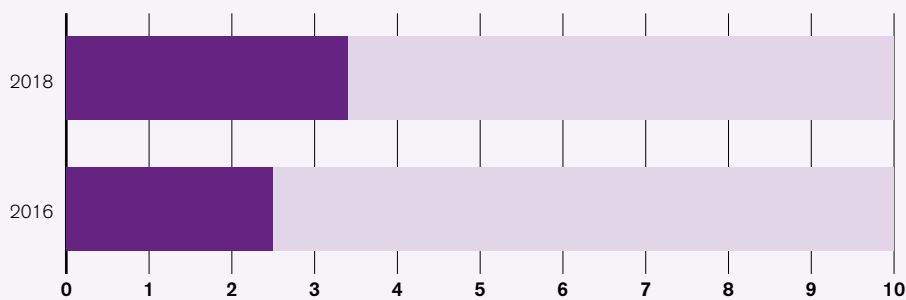


Category E Nutrition

What are the main changes in Category E compared to 2016?

- The average score increased to 3.4 from 2.5 in 2016 (as shown in Figure 2), and Nestlé currently leads the ranking with a score of 8.0 points.
- PepsiCo showed the largest improvement by increasing its score by more than three points, which is mostly related to clearer articulation of expected health and business outcomes in relation to the nutrition, diet and activity elements of its health and wellness program. Further, PepsiCo has a new commitment in place to support and set up facilities for breastfeeding mothers at work and has a more explicit commitment in place to exclusively supporting educational programs developed and implemented by independent groups with relevant expertise.
- Since the previous Index, companies' support for healthy diets and active lifestyles overall has increased. The companies provided more evidence of commitments and programs to encourage their staff to adopt healthy diets and active lifestyles, as well as those to support new mothers to continue to breastfeed in the workplace. On the other hand, progress on developing well-designed and effective nutrition education and activity programs remains limited.

FIGURE 2 The average scores for Category E Nutrition in 2018 and 2016



E1 Supporting staff health and wellness

Do more companies commit to offering employee health and wellness through a program focused on nutrition, diet and activity?

Since 2016, corporate commitments to support employee health and wellness have increased. In the previous Index, 13 companies had such a commitment in place; in 2018, all companies, with the exception of Lactalis and Kraft Heinz, report some commitment to support employee health and well-being. This is a considerable improvement since 2016. Of these 20 companies, 12 make a global commitment.

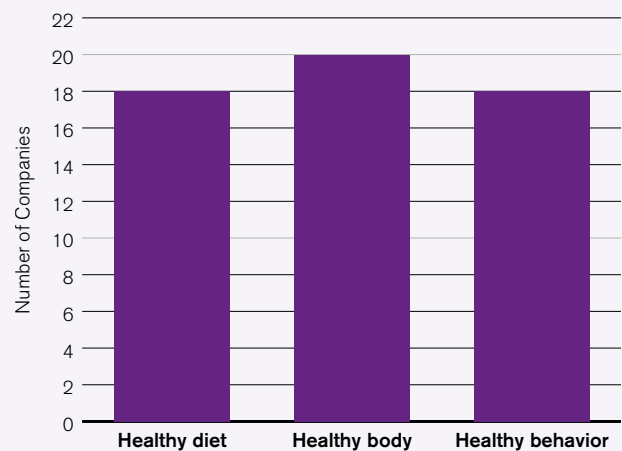
Mars leads the ranking on Criterion E1, followed by Unilever and Nestlé. All three companies offer robust employee health and wellness (H&W) programs, with employee participation targets, and clearly set out the health and business outcomes they aim to achieve.

In Criterion E1, PepsiCo has improved the most since 2016 among its peers. The company has a strategy that includes a comprehensive H&W program entitled 'Healthy Living', which aims to help employees and families improve their physical, financial and emotional health. It also includes independent monitoring and articulates a focus on health and business outcomes.

More companies improved their score on E1 since 2016. Of these, Arla and Tingyi scored zero in 2016 and have improved since then. In 2016, Arla and Tingyi reported no commitment or activities in this area. In this Index, both companies have articulated a commitment and provide evidence of programs offered at their headquarters. Additionally, Arla has extended the types of H&W programs available to its employees and is in the process of conducting a review of these activities.

As shown in Figure 3 below, most of the companies have some type of workplace H&W programs at their headquarters. However, the scope of these programs varies considerably, as only eight companies offer their H&W programs to all employees worldwide.

FIGURE 3 Overview of companies offering employee H&W programs at their headquarters



BOX 1 BACKGROUND TRENDS ON EMPLOYEE HEALTH AND WELLNESS: SITTING IS THE NEW SMOKING

A recent study shows that there is a link between the length of sedentary time and health issues including high blood pressure, high blood sugar, high cholesterol, excess body fat and premature mortality.^{1,2} A number of companies assessed in the Global Index (e.g. FrieslandCampina, Mars, Mondelez and Nestlé) offer standing workstations and encourage more physical activity in the workplace in a variety of ways. Additionally, companies may face increasing legal requirements in the future. For example in Denmark, employers are legally required to offer workers the option of having a standing desk since 2014.

Do companies increasingly conduct independent evaluations of the health impact of their H&W programs?

Twelve companies report that they conduct some form of evaluation of their wellness programs. However, only five of these companies – Danone, FrieslandCampina, Mars, Nestlé and PepsiCo – have adopted the best practice of commissioning independent evaluations by a third-party. No companies publish an independent evaluation of their wellness programs in full. Only Grupo Bimbo and Unilever publish summary evaluations; however, these are conducted by the companies themselves. Considering the importance of H&W for employee well-being, companies should do a lot more to assess whether their programs are delivering real health outcomes.

E2 Supporting breastfeeding mothers in the workplace

Do more companies support breastfeeding mothers at work by providing them with appropriate working conditions and facilities?

In 2016, corporate performance on this criterion was relatively poor, and most companies provided information only upon request. In this Index, the average score increased from 2.4 to 3.3 (out of 10), mainly due to better disclosure and slightly improved commitments to support breastfeeding mothers at work.

Nestlé leads the E2 ranking. The company has a global policy with comprehensive standards that support the key principles set out by the International Labour Organization (ILO) Maternity Protection Convention. For more details about Nestlé’s approach to supporting breastfeeding mothers at work, see Box 3.

Unilever and Mars rank second and third, respectively, on Criterion E2. Unilever has a new global policy that is disclosed publicly, and Mars now offers breastfeeding facilities globally.

BOX 2 E1 RECOMMENDATIONS FOR IMPROVEMENT

Make H&W programs available to all employees and their families globally

Companies are encouraged to offer H&W programs to all employees and extend the scope to employees’ families as well, globally. By extending the scope of these programs, companies can make an even bigger impact regarding healthy lifestyles. Healthy lifestyles not only contribute to corporate competitiveness through lower absenteeism and higher productivity, they also lower the likelihood of individuals developing non-communicable diseases.

Define health and business outcomes for programs focused on nutrition, diet and activity

By defining clear, expected health and business outcomes for their programs, companies give themselves the means to demonstrate both the health improvements and business benefits of those programs. This can help to demonstrate the value of making and maintaining such investments to

senior management, investors, employees and other stakeholders. Currently, only five companies are able to provide health and business outcomes.

Commission more external evaluations

An area of weak performance across the board is the failure to commission external evaluations of the impact of H&W programs. Such evaluations can help to ensure that resources are being deployed wisely and illustrate how they can be improved to have the most meaningful health and business impact.

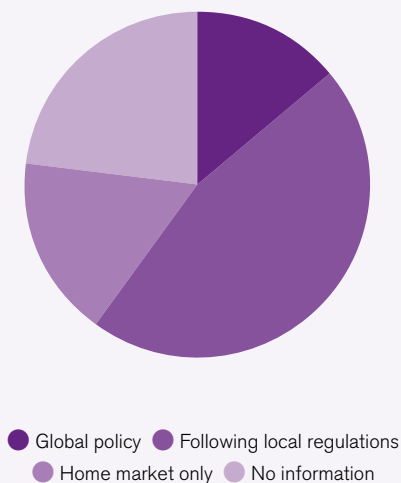
Increase transparency

Disclosure, beyond a description of commitments and a few example programs, remains very limited. While employees’ personal data and privacy should be protected, many companies have the scope to provide more reporting on their targets, health and business outcomes and the results of (independent) evaluations. Companies that are able to demonstrate that their programs are effective have much to gain in terms of their corporate reputation and increasing their ability to attract and retain staff.

More companies (15 compared to nine in 2016) now commit to supporting breastfeeding mothers. Companies with a new commitment include Ajinomoto, Campbell's, Coca-Cola, Mondelez, PepsiCo and Tingyi. For more details about Campbell's and Coca-Cola's policy, see Box 4. Seven companies did not provide any evidence in this area.

Of the 15 companies that have a commitment to support breastfeeding mothers at work, six have a policy that defines appropriate working conditions and facilities at work for breastfeeding mothers. Of these six companies, only Danone, Nestlé and Unilever have a global policy that goes beyond local legislation and offers paid maternity leave between three and six months and standard facilities in all markets. The global application of the policy is considered an industry-leading practice. Companies that do not have a global policy that is equally applied in all markets often commit only to follow local regulation or only to provide breastfeeding facilities in their home market. Consequently, the scope of support for breastfeeding mothers in the workplace continues to differ across countries. An overview of companies' scope of commitments is available in Figure 4.

FIGURE 4 The proportion of companies and the scope of their commitments/policies to support breastfeeding mothers at work



The most progress has been made by Ajinomoto and PepsiCo. In its internal documents, Ajinomoto articulates support for breastfeeding mothers and offers up to 14 weeks of paid maternity leave and voluntary childcare leave of one year. In addition, the company now offers breastfeeding rooms at its headquarters.

BOX 3 LEADING PRACTICE

Nestlé's comprehensive approach to supporting breastfeeding mothers

Nestlé's publicly-available, global 'Maternity Protection Policy' is built around five pillars:

1. Maternity protection.
2. Employment protection and non-discrimination.
3. A healthy work environment.
4. Flexible work arrangements.
5. A conducive work environment to breastfeed.

The policy embraces the principles of the ILO Maternity Protection Convention (Convention C183). It is equally applicable worldwide and offers a minimum of 14 weeks of paid maternity leave. The policy allows for an extension of maternity leave of up to six months (however, only 14 weeks are remunerated unless local legislation defines the length of paid leave differently). In addition, employees are allowed the option of flexible working arrangements, and the company offers a work environment conducive to breastfeeding.

BOX 4 AN ADDITIONAL APPROACH TO PAID MATERNITY LEAVE

Campbell's gender-neutral paid parental leave in the U.S.

In 2016, Campbell's adopted a gender-neutral paid parental leave policy that provides ten weeks of fully paid leave for primary caregivers and two weeks for secondary caregivers after a birth or adoption. Even though the length of paid maternity leave does not yet reflect industry best practice, Campbell's policy extends its scope beyond working mothers.

Coca-Cola's parental leave policy in the U.S.

As of 2017, Coca-Cola offers its U.S. employees an enhanced paid parental leave policy to all mothers and fathers. The policy offers six weeks of paid leave to all new parents at the company, including biological, adoptive and foster parents. This benefit supplements the six to eight weeks of paid leave Coca-Cola currently provides to birth mothers through short-term disability.

PepsiCo has developed a strategy in which the company commits to provide breastfeeding mothers with appropriate working conditions and facilities. Currently, in a number of its locations worldwide, the company offers either mother's rooms, wellness rooms, or alternate space available for nursing mothers. In addition, the company is expanding the number of PepsiCo locations with facilities for nursing mothers.

Did companies improve their public reporting on supporting breastfeeding mothers in the workplace?

Seven companies publish commentary about how they support breastfeeding mothers in the workplace. However, of these, only Danone and Nestlé share their maternity policy in full in the public domain. Compared with 2016, companies disclose more information in this area, though disclosure remains weak overall.

BOX 5 E2 RECOMMENDATIONS FOR IMPROVEMENT

Extend paid maternity leave to six months

As in 2016, none of the companies provide paid maternity leave of six months or more to all employees. Only Danone, Nestlé and Unilever made a public commitment to provide paid maternity leave between three and six months, globally, by 2018. All companies are encouraged to adopt global, paid maternity leave policies, ideally for six months or more, in order to facilitate exclusive breastfeeding in a child's first six months of life.

Develop a global policy that applies equally in all markets

Only Danone, Nestlé and Unilever have a structured, global approach to supporting breastfeeding mothers at work by having a policy with a standard period of paid maternity leave applied in all markets. While some companies make global commitments (e.g. Campbell's, Mars and PepsiCo), the length of paid maternity leave, and facilities offered, vary by country. Breastfeeding mothers need support regardless of their geographic location. Companies are encouraged to go beyond a commitment only to comply with local regulations and implement their own international standards.

Increase transparency

Increasing numbers of companies have a relevant policy, commitment or standard in place. Some companies provide commentary in the public domain, but often in a limited form. Only Danone and Nestlé publish their policies in full – which is leading practice in the industry. Disclosure of or reporting on these policies and provisions can contribute to companies' reputations and help to attract and retain employees, particularly women. Moreover, it can help shape societal norms related to the position of women and support of breastfeeding.

BMS companies should step up their support of breastfeeding mothers at work

Nine of the 22 Global Index companies are baby food manufacturers, though for many this is a small component of their overall business. Of these companies, only Danone and Nestlé have a policy to support breastfeeding mothers at work, as described above. Campbell's, FrieslandCampina and PepsiCo make a commitment in this area, but only to follow local legislation. Companies that make baby food have an opportunity to demonstrate, in practical terms, their support for breastfeeding by adopting leading maternity policies and supporting breastfeeding mothers in their workplaces. This is in addition to committing to upholding the International Code of Marketing of Breast-milk Substitutes in all markets.

E3 Supporting consumer-oriented healthy diets and active lifestyle programs

Which companies lead the ranking on supporting consumer-oriented healthy diets and active lifestyle programs?

Mondelez, Nestlé and PepsiCo lead the ranking on Criterion E3. These companies show leading practices in different areas, for example, by making sure that their programs are designed primarily to deliver good nutrition education or to promote physical activity (rather than being an extension of their marketing activities) and by commissioning independent evaluations to assess the impact of their programs. More details about these programs are described in Box 6.

Even though one-on-one comparison between 2018 and 2016 scores is not possible due to some changes in the methodology, for indicators that allow direct comparison, little progress has been made. Since 2016, there are no examples of a company making a new commitment to exclude brand-level sponsorship of healthy diets and/or active lifestyle programs, and only one more company now commits to support nutrition education programs developed by third-party organizations.

Do more companies have policies to guide their funding of nutrition education and physical activity programs?

In terms of formalizing their commitments to fund consumer education programs on nutrition, as in 2016, Nestlé is the only company that commits to aligning its healthy diet programs to national dietary guidelines and has a clear policy that excludes brand-level sponsorship (as opposed to corporate branding, which is not necessarily discouraged by ATNF). Five other companies commit to aligning their healthy diet educational programs to national dietary guidelines. Mars is the only other company with a policy to exclude brand-level sponsorship, covering both educational and lifestyle programs.

Have companies made strides in committing only to funding programs developed and run by independent expert organizations?

Mondelez and PepsiCo are leaders in this area, as they only fund healthy eating and healthy lifestyle programs set up and run by third-parties. Furthermore, these companies only support and fund programs for which content is written by an independent third-party and over which the companies have no editorial control. This approach to supporting consumer education programs is an industry-leading practice.

Mondelez (through the Mondelez International Foundation) remains the only company that commissions independent evaluations of all the programs it funds. Eight other companies commission some type of independent evaluations of some of their programs' health impacts.

BOX 6 EXAMPLES OF COMPANIES' CONSUMER EDUCATION PROGRAMS

Mondelez International Foundation's health and well-being programs are usually school-based, targeting children aged 6-12 during and/or after school hours. They are designed to help empower communities, restore play and physical activity, provide access to fresh foods with rooftop gardens and micro-farms, and improve underlying health issues associated with malnutrition in developing markets, including anaemia and parasitic infections.

One of Nestlé's consumer education programs, entitled 'Healthy Kids,' aims to raise nutrition and health knowledge and promote physical activity among school-age children around the world. On a local level, the company commissions independent assessments of the impacts of the program such as its reach and scale, as well as of the changes in knowledge and behavior it drives.

PepsiCo's 'Global Citizenship' strategy focuses on internal and external efforts that can create a positive impact for the communities in which the company operates. The strategy is aligned with the company's 'Performance with Purpose' priority areas of 'Products, Planet and People.' The company aims to promote healthy lifestyles in communities and raise awareness about nutritious diets and the benefits of physical activity by making grants to a variety of community programs around the world.

Do companies disclose more information about their support of consumer-oriented educational programs?

Disclosure of commitments, policies and independent evaluations remains poor. Of the 22 assessed companies, six do not disclose any information about the consumer education programs they offer or support and six other companies publish only limited information..

For more detailed information about the performance of individual companies, see the [company scorecard pages](#).

BOX 7 E3 RECOMMENDATIONS FOR IMPROVEMENT

Develop a policy that excludes brand-level sponsorship of consumer-orientated programs

Only Mars and Nestlé, with some limitations, commit not to use brand-level sponsorship in their nutrition education programs. Companies are encouraged to not associate any consumer-oriented programs they support with particular brands in order to clearly differentiate their marketing efforts from those genuinely focused on improving consumers' diets, physical activity and well-being.

Support programs exclusively developed by independent third-parties with relevant expertise

Only two companies, Mondelez and PepsiCo, exclusively support programs designed and implemented by independent organizations. Delivering effective programs at scale requires multi-stakeholder collaboration around comprehensive, integrated initiatives designed and implemented by independent organizations with relevant expertise. Companies should seek to support these kinds of programs exclusively, rather than design programs that have commercial goals, and be more transparent about their role.

Commission independent evaluations and publicly disclose the results

Companies should follow the lead of Mondelez and embed independent evaluations into the design of all programs they support. Moreover, companies should publish the results of all evaluations they commission, including both the successes and challenges they have faced. Sharing lessons learned should lead to better approaches being adopted across the industry, more effective use of corporate resources and an understanding of which approaches are ineffective.

NOTES

- ¹ Annals of Internal Medicine (2017). Patterns of Sedentary Behavior and Mortality in U.S. Middle-Aged and Older Adults. *Annals of Internal Medicine*, vol. 167, pp. 465-475.
- ² Science Daily (2017). If sitting is the new smoking, should employers be held liable? Available at: www.sciencedaily.com/releases/2017/11/171114155531.htm.



F Labeling

15% of the score

Category F consists of two criteria:

F1 Nutrition labeling

F2 Health and nutrition claims

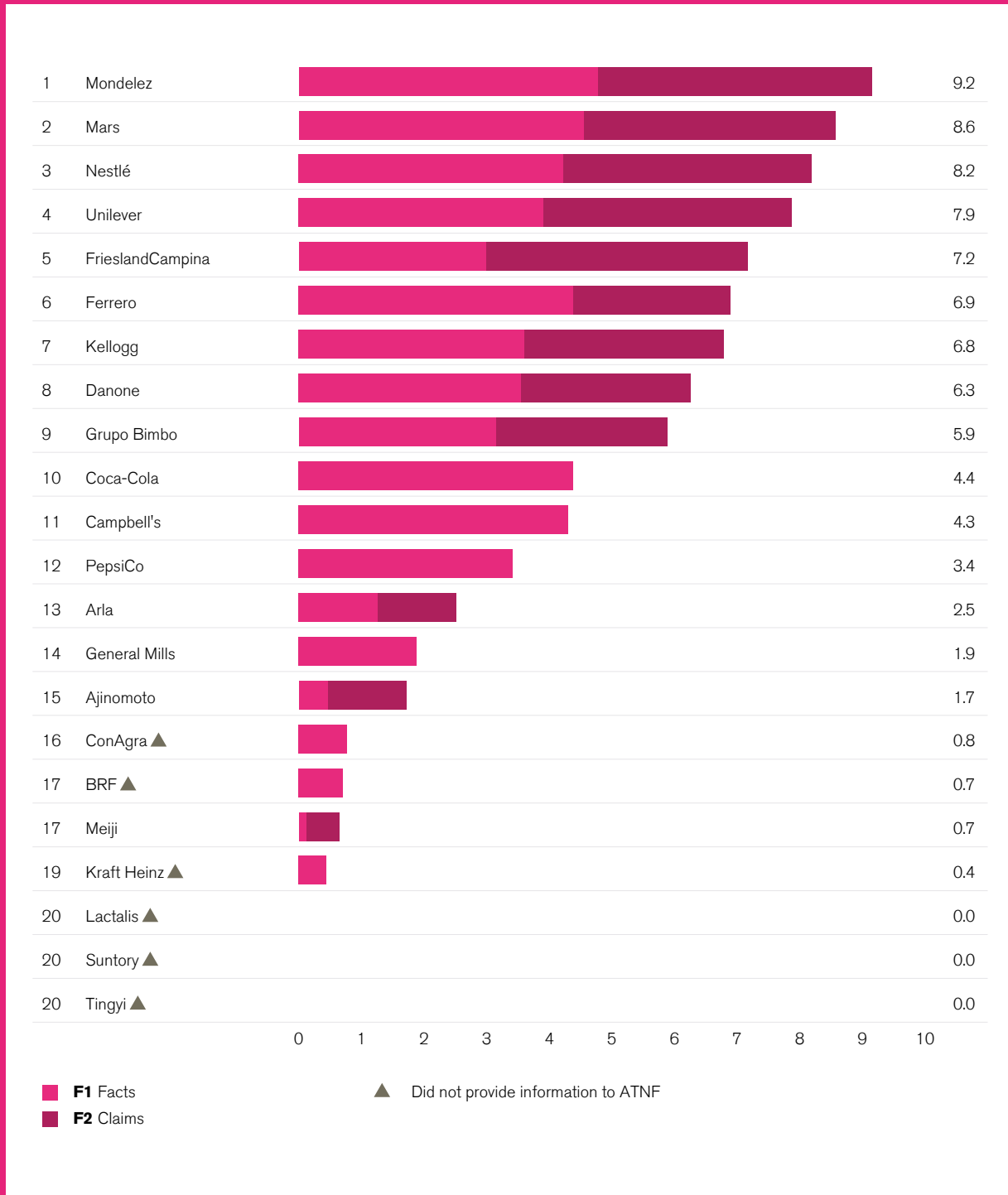
To perform well in this category, companies should:

- Adopt, publish and fully implement a global policy on nutrition labeling that commits to provide information on all key nutrients in a way that is easy to understand for consumers, including information on portion size and nutrients as percentages of Daily Values (or equivalent) displayed appropriately in nutrition information panels on the back of packs and in interpretative format on the front of packs.
- Disclose the degree to which full labeling policy is implemented, at the level of markets with full roll-out.
- Adopt and publish a global policy on the use of both health and nutrition claims that states that, in countries where no national regulatory system exists, such claims will only be placed on products if they are in full compliance with the relevant Codex standard.¹
- Track and disclose the number of products that carry health and nutrition claims.

Undernutrition analysis related to Category F is available in the [Undernutrition](#) section of the report. A full description of the ATNI methodology is available [here](#).

Results

FIGURE 1 Category F Nutrition ranking, based on equally-weighted Criteria F1 and F2 scores

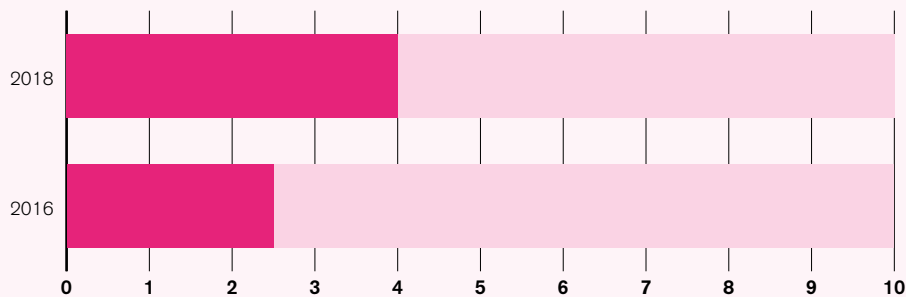


Category F Nutrition

What are the main changes in Category F compared to 2016?

- The average score increased to 4.0 from 2.5 in 2016 (as shown in Figure 2), and Mondelez leads the ranking with 9.2 points.
- Mars showed the most improvement by increasing its score by more than five points, which is mostly related to the complete roll-out of its labeling commitments and disclosure of this information, as well as its tracking of health and nutrition claims, which was not reported in 2016.
- Overall, companies have made considerable progress on nutrition labeling since 2016. Nineteen companies now express a commitment to provide consumers with nutrition information on product labels, 15 of which commit to provide it both on the back and front of packs. The greatest difference compared to 2016 was that companies provided more evidence of roll-out of these commitments across markets, as well as more public disclosure of policies and performance. Combined with an increase in commitments to appropriately use health claims (four more companies) and nutrition claims (three more companies).

FIGURE 2 The average scores for Category F Nutrition in 2018 and 2016



F1 Nutrition labeling

Have companies improved their commitments to provide nutrition information on the back and front of packs?

Mondelez leads the ranking in Criterion F1 and, together with Mars, scores more than nine points. Both companies make public commitments to comprehensive nutrition labeling and publicly disclose information about their progress to roll-out comprehensive nutrition labeling in more than 80% of their markets.

In 2016, the majority of companies had expressed commitments to provide comprehensive nutrition information on back-of-pack (BOP) labels and an overview of essential nutrition information on front-of-pack (FOP) labels; however, little change was observed in this regard for 2018. The number of companies that make global commitments increased by one to 15 out of 22 companies. Thirteen of these companies commit to provide nutrient quantities as percentages of daily values (or equivalent) globally as well, the same as in 2016, and two additional companies (ConAgra and Kraft Heinz) commit to do so in their home markets.

Only nine companies commit to provide nutritional information on a per serving (or per portion) basis for products whether packaged as single portions or as multiple portions (rather than only per 100 grams or 100 ml). This is a slight increase on eight companies in 2016.

Mars and FrieslandCampina are the only two companies that commit to provide the full list of the eight most important nutrients globally (see Box 1 for more information on Mars' commitments and future plans). Several other companies commit to provide the full list of nutrients, but do not extend this commitment to all markets in which they are active.

Commitments to label trans-fat² and fiber are most often missing from companies' global commitments.

BOX 1 LEADING PRACTICE

Mars' comprehensive nutrition labeling commitments and implementation

Mars commits to provide BOP information on all the key nutrients assessed in the ATNI methodology – which is based on internationally recognized standards such as Codex and U.S. regulatory frameworks. These include: Energy/calories, protein, total carbohydrates, total or added/free sugars, trans-fat, total fat, saturated fat, dietary fiber and sodium/salt.

In addition, the company commits to provide percentages of daily values extensively on BOP labels. It provides comprehensive serving size information as well; the company reports that 99% of its global products include numeric FOP nutrition labeling, with information about the amount of calories.

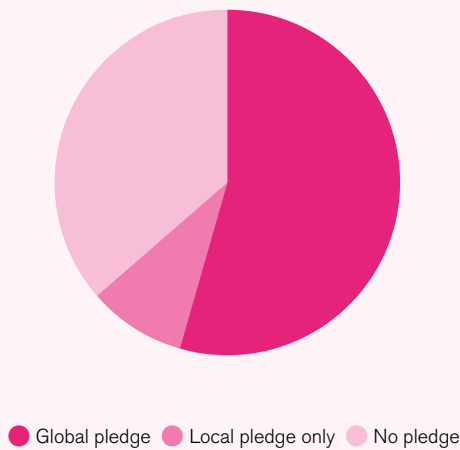
Mars' actions are currently leading practices in the industry. Yet, there is no room for complacency, as global implementation of interpretative FOP labeling is needed, working as much as possible with available systems locally. Mars reports to apply the 'traffic light' system in the U.K. and the Health Star Rating system in Australia currently, but it does not make a global commitment on this topic.

Most of the companies that express commitments to provide nutrition information on their labels are associated with the International Food and Beverage Alliance (IFBA) and/or the Consumer Goods Forum (CGF), two global industry associations. By being a member or partner, companies pledge to the global nutrition labeling commitments as determined by the association. Figure 4 shows that companies' scores on Criterion F1 are strongly associated with whether they have pledged to global industry association commitments.

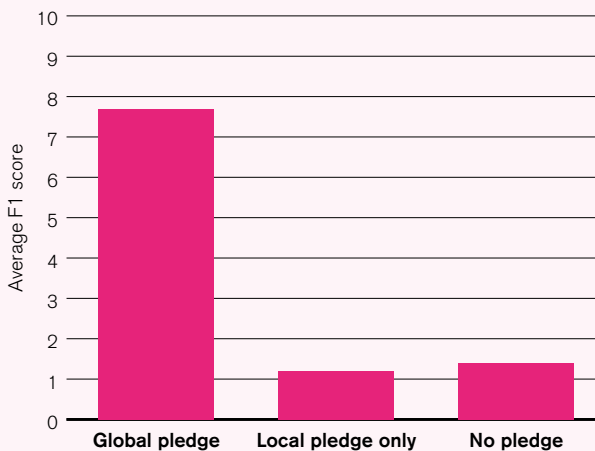
The industry association commitments are good starting points to define globally applicable minimum standards for nutrition labeling. However, these commitments are far from complete and companies should make additional commitments, e.g. on important topics such as interpretative FOP labeling. An overview of the global IFBA and CGF commitments and gaps is provided in Box 2.

FIGURE 4 Industry association nutrition labeling commitments and Criterion F1 scores

The proportion of companies pledging to global or local industry association labeling commitments



The average scores on Criterion F1 for companies pledging to global or local industry association labeling commitments



Three CGF member companies – Ajinomoto, Meiji and Suntory – do not pro-actively disclose these commitments on their own website, nor did they report to adhere to these specific commitments to ATNF. This raises questions about how companies implement them. Given this lack of implementation evidence, these companies have not been scored based on their pledge to the CGF commitments.

Similar to 2016, none of the companies commit to provide FOP interpretative nutrition information for all products and for all markets in which the company is active. Fifteen companies commit to provide numeric FOP nutrition information, with 13 of these committing to showing percentages of recommended daily intake as well. There are relevant developments regarding interpretative FOP labeling, see Box 3 for more information.

Lactalis, Suntory and Tingyi are the only companies that do not express relevant commitments for any type of labeling, while Ajinomoto, BRF and Meiji disclose only very limited information. In addition to committing to provide information on calories and three ‘negative nutrients’ as partners in the Facts Up Front initiative locally in the U.S., ConAgra and Kraft Heinz commit only to follow national regulations. Arla makes labeling commitments for Europe, covering its main markets, but the company does not extend these globally.

What progress have companies made in rolling out their labeling policies since 2016?

Companies report higher rates of progress in rolling out their labeling commitments and disclose more information about their actions in this area than in 2016. This better performance and disclosure contributes most to the increase in the average score of Criterion F1 since 2016.

Ten companies report having fully rolled out their BOP nutrition labeling commitments in more than 80% of their markets, and six companies achieved this level of roll-out for FOP labeling, compared to only four for both types of labeling in 2016. Campbell’s, Ferrero, Grupo Bimbo, Mars, Mondelez and Coca-Cola report that they have rolled out their full commitments for both BOP and FOP labeling in more than 80% of their markets, which is an industry-leading practice.

Six companies – Campbell’s, Danone, FrieslandCampina, Kellogg, Mondelez, and Unilever – publicly disclose their performance in rolling out their labeling commitments, which is four more than in 2016 (see Box 4 for best-practice examples). In addition, six companies disclose non-quantitative or indicative information about their labeling performance.

BOX 2 GLOBAL INDUSTRY ASSOCIATION NUTRITION LABELING COMMITMENTS AND GAPS

Both the CGF and IFBA commitments are explicitly global in scope, thereby setting a minimum standard that is independent of the strength of local regulation. However, there are gaps in the commitments according to the ATNI methodology, which is based on internationally recognized standards and expert input, as indicated in Table 1. Furthermore, there are specific issues with the definition of the commitments:

- The CGF commitment applies to ‘the Food sector’; however, the commitment document does not provide a definition of this sector. As such, it is unclear whether the commitments apply to beverages as well, and whether all packaged food and beverage products manufactured by CGF members are covered.
- Both the CGF and IFBA commitments contain words such as ‘may’ or ‘if required’ (e.g., “*The contribution to the diet as a percentage of the daily reference intake guidance for one or more of the above key nutrients, where such values are available, may also be applied.*”). This creates a lack of clarity about the actual commitments. These types of words should be avoided.

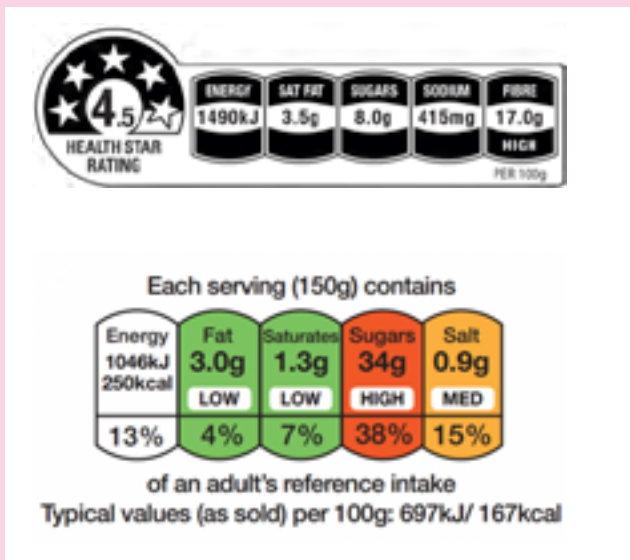
TABLE 1 An overview of global industry association nutrition labeling commitments

| Commitment (according to the ATNI methodology) | CGF ³ | IFBA ⁴ |
|---|----------------------------------|----------------------------------|
| Nutrition information on the back and front of packs' | ✓ | ✓ |
| Nutrient quantity as the percentage of daily values (or equivalent) | ✗ | ✓ |
| BOP labeling (energy, protein, total carbohydrates, total or added sugars, trans-fat, total fat, saturated fat, dietary fiber, sodium/salt) | trans-fat, dietary fiber missing | trans-fat, dietary fiber missing |
| Nutrition information provided per serving or per portion | ✓ | ✓ |
| Explicit commitment to provide the number of servings or portions contained in the package | ✗ | ✗ |
| FOP nutrition information | energy/calorie only | energy/calorie only |
| Interpretative FOP labeling | ✗ | ✗ |

BOX 3 DEVELOPMENTS IN INTERPRETATIVE FOP LABELING

Interpretative FOP labeling (e.g. using color-coding, a traffic light system or a star or similar rating system) to indicate a product’s healthiness is an important tool to inform the public in a way that is easy to understand. Two examples are shown in Figure 3.

Figure 3 Examples of interpretative FOP labeling: the Australian Health Star Rating and the U.K. traffic light systems



Interpretative FOP labeling systems have been discussed for many years, but no consensus has been reached about which system is the most effective at encouraging consumers to eat healthier. In several countries, voluntary systems are in place. Most recently, France’s NutriScore was introduced in 2017. None of the companies assessed for the 2018 Global Index commit to implement an interpretative FOP labeling system globally or have committed to develop and/or implement such a system within a specified time frame. Nevertheless, some companies are involved in relevant initiatives.

In March 2017, Coca-Cola, Nestlé, Mondelez, PepsiCo, and Unilever launched the Evolved Nutrition Label Initiative in order to develop a new interpretative FOP labeling system across Europe.⁵ The objective of the scheme is to use traffic light colours to indicate the levels of nutrients in foods.

Its criteria will most likely be set on a per 100g and per portion basis. The stated goal of the companies is “to put in place a robust nutrition labeling scheme that helps consumers make balanced and mindful choices,” but no implementation date has been set.

The initiative has raised concerns from various stakeholders, including dairy companies and civil society organizations, with French consumer groups expressing fears that it will undermine their newly implemented NutriScore system⁶. Furthermore, the companies involved in the Evolved Nutrition Label initiative, as well as Ajinomoto, Arla and Danone, have indicated that they will either explore interpretative FOP labeling systems and/or apply such systems in one or more countries where these are available (e.g. Australia, France, Mexico). Although these intentions appear good, it is of utmost importance that companies do not implement alternative or additional systems that undermine existing government-supported systems which are available in some countries or regions. Implementing multiple systems is likely to cause confusion for customers, rather than helping them to make choices to eat healthier.

Some existing FOP labeling systems also include health warnings, such as the scheme that has been in place since 2016 in Chile. There, FOP health warning labels are mandatory for any food or beverage that exceeds specified levels of sugar, calories, sodium or saturated fat. In addition, limitations apply to marketing these products to children under 14. The national public health department in Canada, Health Canada, has proposed similar regulations for mandatory health warning labels, aiming to finalize these in 2018 and to implement them in 2022.

BOX 4 LEADING PRACTICE**FrieslandCampina's provision of online information about progress of labeling commitment roll-out**

As part of FrieslandCampina's nutrition labeling commitments, the company defined an objective to include the reference intake or GDA energy icon on 100% of the relevant consumer packaging by 2020. The company publishes performance against this objective on its corporate website, showing annual progress since 2015.

All of the companies that report to have rolled out their labeling policies in more than 80% of their markets are members of global industry associations IFBA and/or CGF. Although the industry associations arrange third-party auditing of responsible marketing to children commitments, third-party auditing of labeling compliance is not currently in place. By implementing these types of audits, there is potential to raise credibility and transparency in the area of nutrition labeling across a substantial part of the F&B industry.

BOX 5 F1 RECOMMENDATIONS FOR IMPROVEMENT**Companies should commit to provide comprehensive nutrition label information globally**

To compensate for differences in the strength of local regulations around the world, companies should commit to provide comprehensive nutrition information on all product labels in all countries – to the extent they are legally allowed to do so. The seven companies that did not express global labeling commitments – Arla, ConAgra, Lactalis, Kraft Heinz, Meiji, Suntory and Tingyi – should formulate these or extend their existing commitments.

Companies and industry associations should commit to provide interpretative FOP labeling globally

Interpretative FOP labeling provides an excellent opportunity to quickly inform consumers about the healthiness of products. Although it is recognized that several companies are actively exploring opportunities to implement such labeling, and that a globally accepted and available system does not exist currently, companies should increase their efforts and level of ambition by making a concrete and time-bound commitment to implement interpretative FOP labeling globally, making use as much as possible of existing systems that are endorsed by local policymakers. Industry associations could play

a role in harnessing and coordinating company commitments and efforts.

Improve industry association commitments on nutrition labeling

As shown in Box 2, there are several gaps and ambiguities in the global nutrition labeling commitments defined by industry associations. The associations should update their commitments to fill these gaps. Furthermore, the CGF and IFBA are encouraged to harmonize their commitments, as these and their member companies overlap to a large extent.

Better transparency regarding the implementation of industry association commitments

Companies should be transparent and communicate on their websites if they pledge to industry associations' nutrition labeling commitments and what these commitments entail, in order for these commitments to be recognized by the public and ATNF. In addition, in order to demonstrate progress across the industry, industry associations are urged to implement compliance monitoring of nutrition label information, similar to the auditing that is implemented regarding responsible marketing to children.

BOX 6 HEALTH AND NUTRITION CLAIMS

Health and nutrition claims are often used on product packaging and in marketing communications. It is important that such claims are accurate and do not mislead consumers. Such claims should help consumers to make informed choices about what they eat. The use of health and nutrition claims is highly regulated in most developed countries (e.g. in the U.S. and the EU), but this is not the case in much of the rest of the world, particularly in developing countries. Codex guidelines are in place to define the criteria that health and nutrition claims should meet. Therefore, in countries where no national regulatory system exists, ATNF believes that companies should commit to using health and nutrition claims only when they comply with this Codex guideline. In addition, health or nutrition claims should only be placed on healthy products as defined by a nutrient profile model, to prevent unhealthy products from being perceived as (more) healthy because of such claims.

Nutrition and health claims are defined as (Codex CAC/GL 23-1997; abbreviated).⁷

Nutrition claim means any representation that states, suggests or implies that a food has particular nutritional properties, including but not limited to the energy value and to the content of protein, fat and carbohydrates, as well as the content of vitamins and minerals. The following do not constitute nutrition claims:

- The mention of substances in the list of ingredients.
- The mention of nutrients as a mandatory part of nutrition labeling.
- Quantitative or qualitative declaration of certain nutrients or ingredients on the label if required by national legislation.

Examples of nutrition claims are statements on products such as ‘source of calcium’ or ‘low in fat’.

Health claim means any representation that states, suggests, or implies that a relationship exists between a food (or a constituent of that food) and health. Health claims include nutrient function claims, other function claims and reduction of disease risk claims.

Examples of health claims are statements on products such as ‘calcium may reduce the risk of osteoporosis’ or ‘vitamin D contributes to the normal function of the immune system’.

F2 Health and nutrition claims

Have companies improved their commitments to use health and nutrition claims appropriately?

Mondelez, FrieslandCampina, Mars, Nestlé and Unilever (in that order) lead the ranking for Criterion F2, scoring more than seven points each, indicating good overall performance regarding the appropriate use of health and nutrition claims, as reported by the companies.

For countries where no national regulatory system exists, the ATNI defines the appropriate use of health and nutrition claims as only placing a health or nutrition claim on a product when it complies with Codex guidance (see Box 6 for more information). The number of companies that commit to upholding this Codex guidance, in the absence of local regulation, increased from six to nine companies for both types of claims. One additional company – Ferrero – commits to not use health claims at all. All commitments are expressed with a global scope, a substantial increase compared to four companies expressing global commitments in 2016. Overall, these improved commitments contributed to the increase in average score of Criterion F2 by 1.4 points compared to 2016.

Six companies publicly disclose their commitments on health and nutrition claims, with Nestlé and Unilever providing most information. Nestlé publishes its full ‘Policy on Nutrition and Health Claims’ (see Box 7 for more information), and Unilever publishes a position statement that describes the general criteria that apply.

Despite progress since 2016, less than half of the companies express commitments to use health and nutrition claims appropriately, which explains why the average score for Criterion F2 remains low at 3.1 points.

Do companies track and disclose the number of products that carry health and nutrition claims?

More companies provided evidence to show that they internally track health and nutrition claims, from four (both types of claims) in 2016 to eight (both types of claims) and three (only one type of claim) in 2018. Of note, PepsiCo adopted a new internal policy in 2016 and has started to track health and nutrition claims internally.

Several companies reported the number of healthy products carrying claims to ATNF confidentially (seven for nutrition claims and five for health claims), but none of the companies discloses this information publicly.

BOX 7 LEADING PRACTICE

Nestlé's health and nutrition claim policy is disclosed and applies broadly.

Nestlé published its Claims Policy in 2016. As well as referring to Codex standards, the company states criteria for products carrying a health claim, linking it to the definitions of healthy products as defined in its NPS:

- a. *Nutrition information labeling is mandatory.*
- b. *The Nestlé Nutritional Foundation criteria as defined by the Nestlé Nutritional Profiling System must be met.*
- c. *A statement about the importance of a balanced diet and a healthy lifestyle must be included in the labeling.*

In addition, the company states that the policy applies globally and with the explicit scope to cover all products sold under brands owned by the company that carry a claim, including products sold by joint ventures and licence partners.

For more detailed information about the performance of individual companies, see the [company scorecard pages](#).

BOX 8 F2 RECOMMENDATIONS FOR IMPROVEMENT

All companies should commit to use health and nutrition claims appropriately

For countries where no national regulatory system exists, less than half of the companies commit to use health and nutrition claims only when these comply with Codex guidance. In order to ensure that consumers are not misled, and are provided with accurate and appropriate information, all companies should make this commitment.

Health and nutrition claims should only be used for healthy products

ATNF believes that health and nutrition claims should only be used for products that are healthy, which should be defined by published nutritional criteria in companies' NPSs. Similar to the example of Nestlé's criteria for health claims as shown in Box 6, companies should commit to only apply health and nutrition claims on products that meet the company's healthy standards, which should be aligned with recognized governmental or WHO standards.

Improve governance and transparency

Less than half of the companies have shown evidence of tracking the use of health and nutrition claims internally for their healthy products. This implies that, for the majority of companies, governance related to health and nutrition claims is weak. Companies are encouraged to track and publish the use of health and nutrition claims in order to demonstrate that they are used responsibly in support of healthy diets.

NOTES

- ¹ European Commission Regulation 2006, No. 1924.
- ² It should be noted that inclusion of trans-fat content in the nutrient declaration is legally not possible in the EU, mandatory in various countries including the U.S. and voluntary in some countries including Australia and New Zealand. The current ATNI methodology assesses whether a commitment is in place to include trans-fat content information in BOP labeling globally (where legally allowed) but this may change for future Indexes.
- ³ The Consumer Goods Forum Board-Approved Resolutions & Commitments. (2017). [ebook] Available at: <https://www.theconsumergoodsforum.com/what-we-do/resolutions/>.
- ⁴ Principles for a Global Approach to Factbased Nutrition Information 2017. Available at: <https://ifballiance.org/commitments/nutrition-information>.
- ⁵ Evolved Nutrition Label (2017). Evolved Nutrition Label Initiative. Available at: <http://www.evolvednutritionlabel.eu>.
- ⁶ Sante Publique France (2018). Available at: <https://www.santepubliquefrance.fr/Sante-publique-France/Nutri-Score>.
- ⁷ The Codex Guidelines for Use of Nutrition and Health Claims (1997). (CAC/GL 23-1).

G Engagement

5% of the score

Category G consists of two criteria:

G1 Lobbying and influencing governments and policymakers

G2 Stakeholder engagement

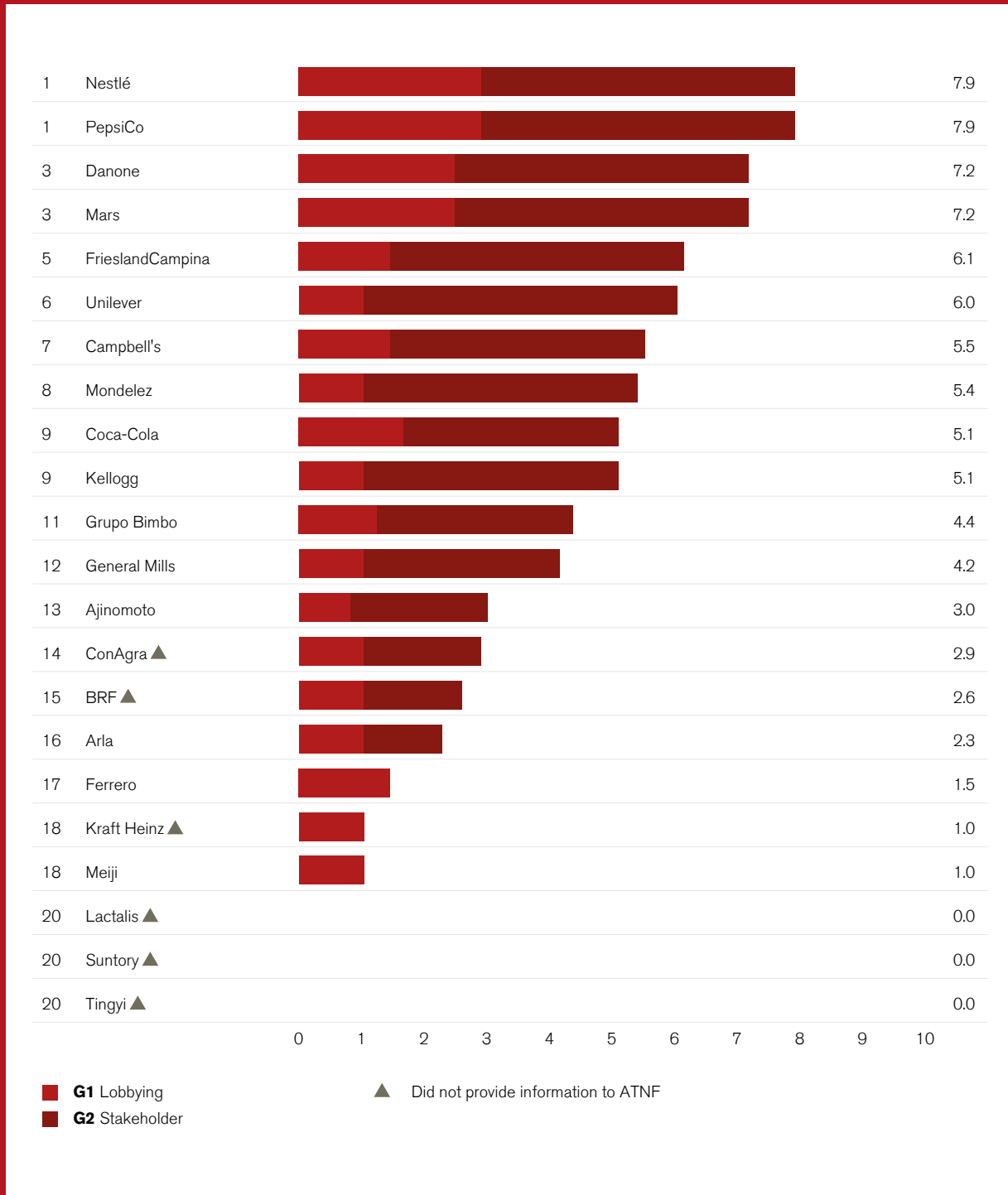
To perform well in this category, companies should:

- Commit to lobbying on nutrition issues only in support of public health, or to not lobby at all. Also to publish a policy that covers lobbying, engagement with governments and policymakers and donations.
- Disclose all lobbying activities on nutrition issues, membership and financial support of industry associations or other lobbying organizations, and board seats on such bodies.
- Conduct comprehensive, well-structured stakeholder engagement focused on improving their business strategy and performance, and provide evidence and examples showing how stakeholder engagement has led to improvements of policies and practices.

Undernutrition analysis related to Category G is available in the [Undernutrition](#) section of the report. A full description of the ATNI methodology is available [here](#).

Results

FIGURE 1 Category G Nutrition ranking, based on equally-weighted Criteria G1 and G2 scores

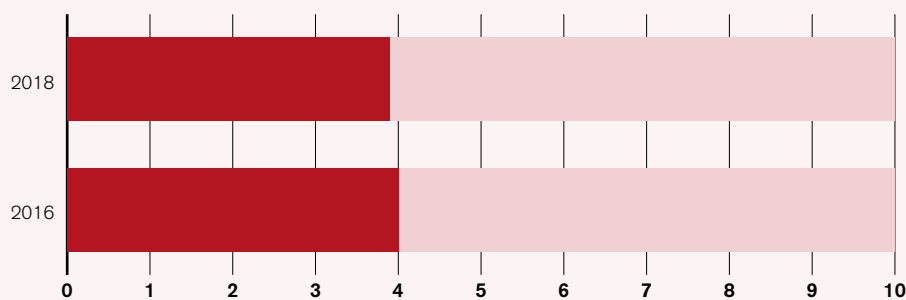


Category G Nutrition

What are the main changes in Category G compared to 2016?

- The average score decreased to 3.9 from 4.0 in 2016 (as shown in Figure 2). Nestlé and PepsiCo lead the ranking, both with a score of 7.9 points.
- PepsiCo also showed the largest improvement in score, increasing more than three points, mainly due to disclosing more information regarding structured stakeholder engagement (related to criteria G2).
- While there is some improvement in companies' commitments and disclosure relating to their lobbying activities (in Criterion G1), overall performance is still very low.
- Performance related to stakeholder engagement (in Criterion G2) has improved, with the majority of companies providing relevant evidence of using stakeholder input to inform their nutrition policies and programs.
- The principles that were assessed in Category G remained the same, but the basis for calculating the scores for Criteria G1 and G2 changed compared to 2016. Low scores across companies on commitments regarding engagement with governments and policymakers in support of public health reduced scores in G1, as this aspect was now included in the scoring for the first time (it was an unscored indicator in 2016; see the ATNI methodology for details). The 2016 score is provided for reference rather than for direct comparison.

FIGURE 2 The average scores for Category G Nutrition in 2018 and 2016



G1 Lobbying and influencing governments and policymakers

To what extent are companies transparent about their approach to lobbying and making political donations, and do they commit to lobbying on nutrition issues only in support of public health?

Three companies (two more than in 2016) – PepsiCo, Danone and Nestlé – express a commitment to engage with governments and policymakers with the intention to support measures to prevent and address obesity and diet-related chronic diseases. Strictly speaking, these companies do not make an unequivocal commitment to not lobby on anything else regarding nutrition issues, but their commitment, combined with a high level of public disclosure makes them leaders in this area (see Box 1). PepsiCo has the highest score for Criterion G1 with more than five points, followed by Danone, Mars and Nestlé. Although Mars does not make a commitment to lobby on nutrition issues only in support of public health, it achieved a high score because of good disclosure of its lobbying activities and other relevant information.

Danone and Nestlé have the most comprehensive commitments, linking to nutrition issues in its policy and explicitly covering all third-parties that work on the company's behalf. Danone's policy is most explicit: "This policy applies equally to Danone employees of all companies controlled by Danone's affiliates and subsidiaries and employees of all agencies working on behalf of Danone and its affiliates who are engaged in contact with authorities, organizations and policy makers worldwide – an activity often referred to as lobbying or advocacy."

Similar to 2016, the large majority of companies publish relevant policies, often referred to as a code of conduct, code of business ethics or an advocacy policy. However, of the 19 companies that do so, only the three companies mentioned earlier make an explicit link to nutrition, public health and diet-related chronic diseases. Political engagement, lobbying and/or donations are addressed in all of these documents, and many aspects of food safety (unrelated to nutritional quality or healthiness), environmental sustainability and other important societal issues are also addressed. Most companies do not address the highly important societal issues of obesity, undernutrition and/or diet-related chronic diseases. In fact, the word nutrition is not present in most of the policies examined.

BOX 1 EXAMPLES OF COMMITMENTS TO LOBBY ON NUTRITION ISSUES ONLY IN SUPPORT OF PUBLIC HEALTH

Three companies express commitments in their formal policies to lobby on nutrition issues in support of public health. There is room for improvement in all of these examples, for example, by stating clearly that they will also not lobby in such a way as to undermine public health.

"Where the company does engage in advocacy activities, this will be conducted transparently and ethically, with the interests of the consumer in mind and with the will to meet public health goals (of which tackling obesity, mal- or under-nutrition)."

Danone

"Nestlé shall, to the best of its abilities, support the actions of public authorities that aim to enhance quality of life and build a healthier future for individuals and families, for communities and for the planet. This includes, but is not limited to, support to government efforts to address malnutrition and diet-related chronic diseases."

Nestlé

"In addition to transforming our portfolio and adhering to responsible labeling and marketing policies, PepsiCo is committed to engaging in conversations with governments and other stakeholders around the world on public health topics, such as improving nutrition, addressing undernutrition, supporting responsible marketing, promoting healthy lifestyles and developing nutrition programs."

PepsiCo

Have companies increased their public disclosure of nutrition-related lobbying activities and positions?

In addition to the five companies that publicly disclosed information about their lobbying activities to prevent and address obesity and diet-related chronic diseases in 2016 – Coca-Cola, Ferrero, Grupo Bimbo, Mars, PepsiCo, two additional companies – Campbell’s and Nestlé – disclosed relevant information in 2018. These seven companies provide concrete information about issues on which they have lobbied and authorities with whom they have engaged. For example, Nestlé provides press releases on its corporate website addressing its lobbying activities; PepsiCo does so in the ‘Health and Wellness Approach and Engagement’ section of its website; and Campbell’s publishes relevant commentary in its CSR report.

Mars and PepsiCo provided full transparency on their lobbying positions related to health and nutrition claims, regulatory development, FOP labeling and fiscal instruments related to nutrition and marketing to children, showing leading practice by disclosing these comprehensively in one document. PepsiCo did not disclose this information in 2016, showing some progress in 2018 together with Campbell’s, which discloses some information on its lobbying on FOP labeling. Several companies disclose position statements or other formal documents that reflect the company position; however, it is not clear whether these documents and positions are used in actual lobbying activities. For example, Unilever publishes a large number of company statements and positions in its ‘Our position on’ section of its corporate website.¹

BOX 2 LEADING PRACTICE

Mars’ comprehensive disclosure of external engagement and advocacy

On the ‘Our Public Policy & Advocacy’ section of its corporate website², Mars provides a comprehensive overview of relevant topics related to lobbying and political engagement, including information and links related to these areas:

- The company policy on participating in political processes (and links to all other public policies).
- The focus areas of the company’s advocacy activities.
- Trade association memberships and financial contributions.
- An overview of spending on lobbying and a list of examples of the company’s lobbying and advocacy positions.

To what extent do companies disclose membership and financial support of industry associations or other lobbying organizations, as well as board seats on such bodies?

Mars demonstrates best practice by disclosing its membership in and financial support of industry associations, lobbyists or other organizations that lobby on its behalf, any potential governance-related conflicts of interest and board seats at industry associations and on advisory bodies related to nutrition issues (see Box 2 for details).

FrieslandCampina and PepsiCo provide almost full disclosure related to the topics mentioned, and 14 additional companies disclose at least some information. Overall, the number of companies disclosing information remains the same as in 2016, but the top-performing companies have disclosed more relevant information.

BOX 3 G1 RECOMMENDATIONS FOR IMPROVEMENT

Unequivocal commitments to lobbying on nutrition issues only in support of public health

Danone, Nestlé and PepsiCo are the only companies to commit to lobbying in support of public health as it relates to nutrition issues. However, they are encouraged to strengthen their commitments by stating clearly that they will not engage in any other nutrition-related lobbying, or to state clearly that they will not lobby against initiatives to improve public health. All other companies should express such commitments as well.

Providing a comprehensive overview of companies’ lobbying and other direct or indirect ways to influence the public agenda

Both Mars and PepsiCo provide a comprehensive overview of their lobbying policies, activities and memberships in and support of other organizations involved on their behalf in lobbying and influencing. Other companies should follow these examples, especially regarding actual lobbying activities. In the U.S. and the EU, public databases have been set up to disclose industry lobbying expenditure and activities. Companies should improve their transparency by disclosing such information on their own websites for example, providing a dashboard that is updated regularly.

G2 Stakeholder engagement

Do companies commit to engage with stakeholders to develop their nutrition policies and programs?

Fourteen companies commit to engage with stakeholders, or show evidence of such engagement, in order to inform and improve their nutrition policies and programs. Twelve of these disclose this information publicly. Three of these companies – Nestlé, PepsiCo and Unilever – achieve the full score for Criterion G2 and lead the ranking. This is just ahead of Danone, FrieslandCampina and Mars, which all score over nine points each. Examples of clear commitments and the embedding of these in central corporate strategies are presented in Box 4.

To what extent are the companies' approaches to stakeholder engagement well-structured?

Nine companies provide evidence of a clear, well-structured approach to stakeholder engagement in 2018 (compared to ten in 2016), and seven show a more ad-hoc approach

(compared to eight in 2016). This slightly lower performance across the industry is related to changes in companies' assessments, and some companies provided less evidence than before.

PepsiCo is a good example of having a structured approach. It states: "PepsiCo's Performance with Purpose agenda allows us to make valuable contributions to goals shared by the global community. The SDGs call for worldwide action among governments, business and civil society to end hunger, protect the planet and enrich the lives of people around the world." To address these issues with stakeholders, including a focus on nutrition, PepsiCo uses the engagement expertise of Ceres, a non-governmental organization (NGO) that brings together investors, NGOs and businesses in support of sustainability. Ceres facilitates PepsiCo's engagement with certain stakeholders on critical issues such as climate change, water scarcity and public health.

Six companies do not provide information on stakeholder engagement with the aim to improve its nutrition policies and practices – Ferrero, Kraft Heinz, Lactalis, Meiji, Suntory and Tingyi. Box 5 explains what is good stakeholder engagement according to the ATNI methodology.

BOX 4 EXAMPLES OF EMBEDDING COMMITMENTS TO ENGAGE WITH STAKEHOLDERS IN CORPORATE STRATEGIES

FrieslandCampina describes a clear approach in its 'CSR Update 2016'. It says:

"In order to chart the stakeholder expectations and keep up to date with all current and relevant developments, FrieslandCampina maintains structural contact with its key stakeholders. The key stakeholders were identified during the materiality analysis. This concerns Zuivelcoöperatie FrieslandCampina U.A. member dairy farmers, employees, customers, suppliers, government bodies, financiers, a number of NGOs and society in general. Having a dialogue with these stakeholders enables FrieslandCampina to collect the issues that are important to them, to be used to prioritize the relevant issues and to tighten up the CSR and Nutrition policy."

Nestlé calls its central 'Creating Shared Value' strategy a fundamental principle of how to do business and links it to health in society. In its 2016 'Creating Shared Value' report, it states: "Engaging stakeholders on Creating Shared Value issues and tackling them together lies at the heart of how we do business. We seek the advice of the best experts and advocates to

develop and improve our corporate policies and commitments, strengthen our business and target our societal investments." Nestlé organizes an annual meeting with representatives of NGOs, academia, government and international organizations, focusing in 2016 on collective action to support the UN's SDGs.

Unilever connects its stakeholder engagement to its central 'Unilever Sustainable Living Plan' (USLP), which focuses on improving health and well-being (among other things). The company states on its website³ that "Engaging with stakeholders improves our decision-making and relationships. It helps us to achieve our goals and to create transformational change." This approach is linked to the company purpose: "To succeed in our purpose of making sustainable living commonplace, we need to engage and work in partnership with a wide range of stakeholders. These include: investors; customers and consumers; suppliers; governments, regulators and legislators; NGOs; civil society; and others in the business environment, including peer companies."

What are the best examples of companies improving their nutrition policies based on stakeholder engagement?

Seven companies provided evidence of extensive engagement with stakeholders on an international level, and three did so on a local level. Furthermore, nine companies provided limited evidence of stakeholder engagement, and the six companies that did not provide information (mentioned above) logically did not provide either evidence or examples. Four companies – Coca-Cola, Nestlé, PepsiCo and Unilever – provided specific examples of how stakeholder interaction has informed their nutrition policies or strategy.

Nestlé discloses in its 2016 ‘Creating Shared Value’ report how its annual stakeholder meeting has informed its business strategy in Africa: “The 2016 Creating Shared Value Global Forum was held in Abidjan, Côte d’Ivoire, on 21 June 2016. Under the theme of ‘Investing in Sustainable Development in Africa’, the forum brought together leaders from across business, civil society and government to discuss key topics affecting the continent.”

PepsiCo describes an example of engagement with stakeholders informing the company strategy in 2016 when the company was developing its ‘Performance with Purpose’ 2025 goals. The company states: “Members of our management team met with a significant number of stakeholders throughout this process to reconfirm that those aspects and matters align with our corporate priorities, support our Performance with Purpose 2025 Agenda and reinforce the integration of sustainability throughout our business.” Related to this process, the company expressed the intention to complete a formal materiality assessment with external and internal stakeholders by the end of 2017.

BOX 5 WHAT IS GOOD STAKEHOLDER ENGAGEMENT?

Effective engagement should communicate both what the company is trying to achieve and what it has achieved, but should principally be designed to learn from stakeholders so as to inform and improve a company’s own policies, practices and products.

Many companies describe their efforts to contribute to external causes and/or society. For example, Danone states a commitment to “contribute to address local public health challenges in which Danone can have a most favorable impact through partnerships”, and Unilever is looking to drive ‘transformational change’ by combining action in its business with external advocacy and jointly working with governments, NGOs and others. While these actions are commendable, this type of activity is not assessed in Category G (although it is to some degree in Category E).

Other companies explain that they present their corporate social responsibility or nutrition reports (or summaries of progress) to their stakeholders once a year (or even less often). This, again, is not ‘engagement’, as it is not designed to understand stakeholders’ perspectives or to gather their input and advice.

For more detailed information about the performance of individual companies, see the [company scorecard pages](#).

BOX 6 G2 RECOMMENDATIONS FOR IMPROVEMENT

Low scoring companies should increase their focus on stakeholder engagement

Six companies – Ferrero, Kraft Heinz, Lactalis, Meiji, Suntory and Tingyi – do not report a commitment or other information regarding stakeholder engagement to inform their nutrition policies and practices. Four other companies – Arla, BRF, ConAgra and Ajinomoto – report very limited information. These companies are urged to improve their commitments and performance given how serious global nutrition challenges are and how critical it is that all companies play their part in addressing them.

A structured approach to stakeholder engagement, linked to the corporate strategy

Nestlé, PepsiCo and Unilever are exemplars of a structured approach to stakeholder engagement that is embedded in their central strategies, ‘Creating Shared Value’, ‘Performance with Purpose’ and the ‘Unilever Sustainable Living Plan’, respectively. Other companies should mirror these approaches to ensure that external stakeholder input is used to inform corporate strategy, including a focus on nutrition and health.

NOTES

- ¹ Unilever global company website (2018). Our position on.... Available at: <https://www.unilever.com/about/our-position-on/index.html> [Accessed 18 Apr. 2018].
- ² Mars, Incorporated (2018). Public Policy and Advocacy. Available at: <http://www.mars.com/global/about-us/policies-and-practices/public-policy-advocacy> [Accessed 18 Apr. 2018].
- ³ Unilever global company website (2018). Engaging with stakeholders [online] Available at: <https://www.unilever.com/sustainable-living/our-approach-to-reporting/engaging-with-stakeholders/> [Accessed 18 Apr. 2018].



Corporate profile

Undernutrition

How companies address undernutrition in low-income countries through targeted commercial and philanthropic approaches to reach undernourished consumers is assessed across the seven categories of the ATNI methodology. New compared to previous Indexes, all reporting on undernutrition is now grouped into one chapter, to provide a more comprehensive view of companies' activities in this area.

Undernutrition

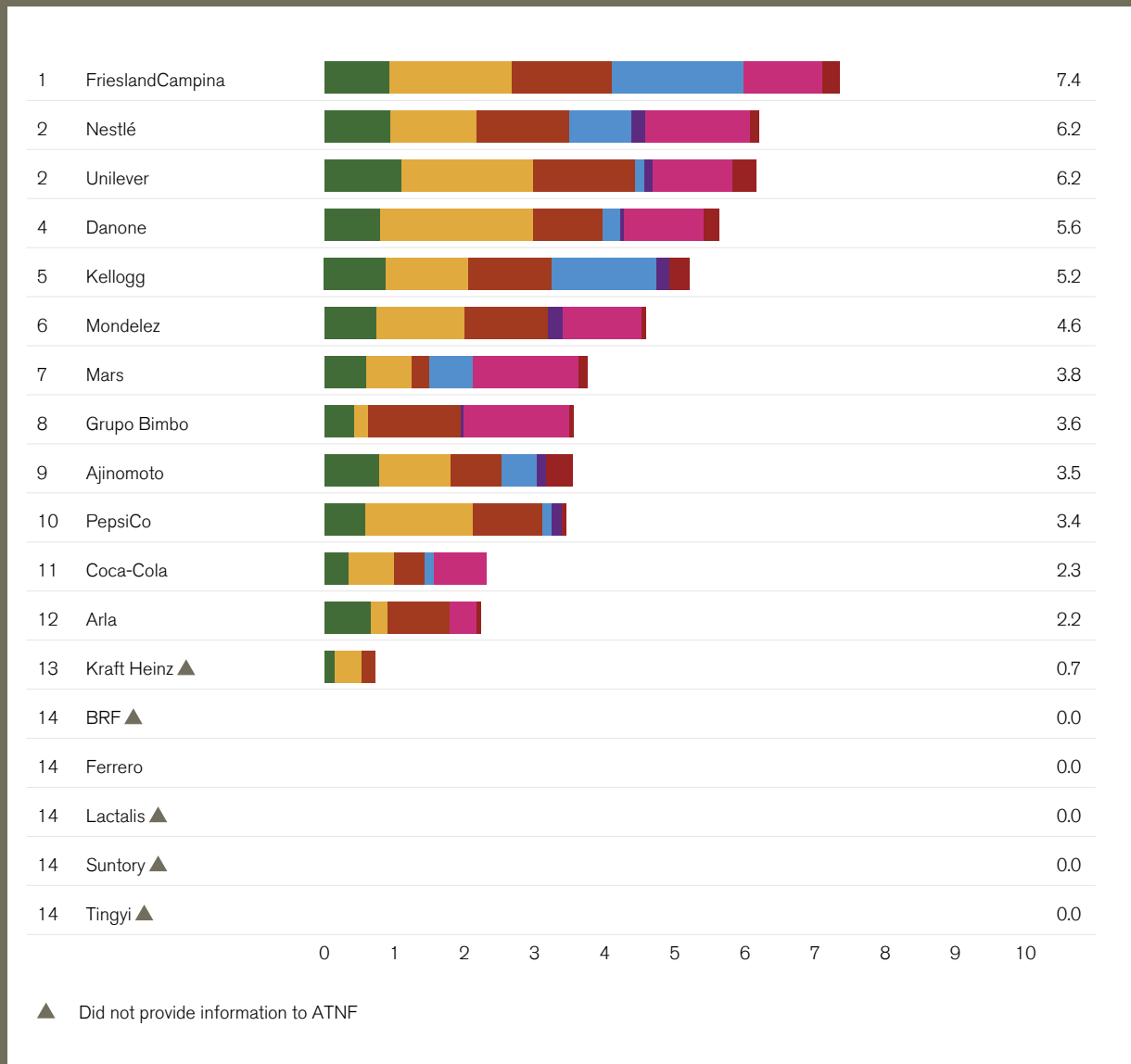
25% of the total Corporate Profile score

What are the main changes in the approach of companies to fight undernutrition and how is this reflected in scores compared to 2016?

- More companies have committed to address undernutrition compared to 2016, especially through commercial approaches. Combined with more disclosure of these commitments and new programs and initiatives, the average score has increased from 1.7 to 3.0. Five companies did not provide any information or evidence related to addressing undernutrition, leading to a score of zero: BRF, Ferrero, Lactalis, Suntory and Tingyi.¹
- FrieslandCampina is the company that showed the largest improvement and now leads the ranking ahead of Nestlé, Unilever and Danone. FrieslandCampina has developed a new strategy called 'Broadening access to nutrition', which is aimed at addressing undernutrition. Although the strategy is still in development, the company already makes a comprehensive set of commitments across the ATNI categories and provides evidence of relevant commercial and philanthropic programs to fight undernutrition, as well as large-scale research projects to inform its strategy. It ranked consistently among the top performing companies across all categories except in Category E (consumer education on micronutrient deficiency in developing countries). With a score of 7.4 points, it has increased by five points compared to 2016.
- Kellogg increased its score substantially as well, mainly by publishing relevant commitments and examples of relevant programs in its new 'Nutritional Milestones' document. Danone, Grupo Bimbo and Mondelez increased their score by two points or more, and Arla, Mars, Mondelez, PepsiCo and Unilever by more than one point.

Results

FIGURE 1 Undernutrition ranking



A Governance of undernutrition

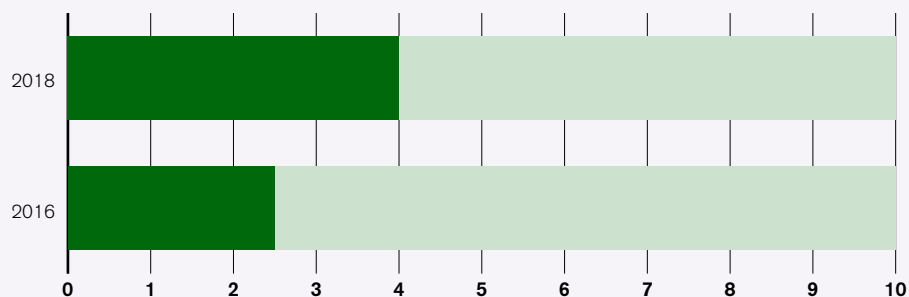
To perform well on undernutrition in Category A (12.5% of the total undernutrition score), companies should:

- Commit to address undernutrition and set objectives and targets as part of their core commercial business and philanthropic programs, with oversight assigned to their Board or other senior executives.
- Take a well-structured approach with a focus on high-priority countries and on critical population groups, pledging to work within regional and national frameworks to address specific fortification needs and undernutrition issues more broadly.
- Carry out extensive research and publicly disclose information about these activities to identify the needs of key populations with specific micronutrient deficiencies.

What are the main changes in Category A compared to 2016?

- Eleven companies now commit to addressing undernutrition either using commercial and non-commercial approaches, up from eight in 2016. Of these, ten now formally define a commercial approach, compared to four previously.
- It appears that companies now recognize they can, and should, do more to tackle undernutrition. The average score increased substantially from 2.5 to four points (as shown in Figure 2). However, there is clearly still room to do much more.
- Unilever leads the rankings in Category A with the most comprehensive approach to address undernutrition, followed by Nestlé, FrieslandCampina, Kellogg and Danone.

FIGURE 2 The average scores for Category A Undernutrition in 2018 and 2016.



What has changed in the companies' strategic commitments and approaches to delivering better nutrition for undernourished consumers in developing markets?

A crucial starting point for addressing undernutrition in low-income countries is for companies to make a commitment to do so. Eleven out of 18 companies have committed to playing a role in addressing undernutrition, three more than in 2016. Arla, Kellogg and Mars have published new commitments. Nine of the 11 have undertaken a Board-level strategic review of the commercial opportunities available to them in addressing undernutrition and/or developing products for the undernourished, underlining the importance to the business. Two companies have undertaken strategic reviews but not at Board level.

BOX 1 CHANGES IN COMMERCIAL AND NON-COMMERCIAL APPROACHES TO ADDRESSING UNDERNUTRITION

In 2018, more companies have formalized a commercial, rather than a non-commercial or philanthropic, approach to address undernutrition. This apparent trend of placing a stronger commercial focus on undernutrition is best illustrated by the approach that Unilever has taken since 2016.

The company no longer has an independent philanthropic arm of the business (previously the Unilever Foundation) but now integrates its commercial and philanthropic efforts to addressing undernutrition (and a wider range of sustainability goals) into commercial category strategies. The Unilever Sustainable Living Plan' Sustainable Development Goals (SDGs) is fully integrated as the central business strategy to address these goals, which mirror the SDGs. The company reports that 'USLP brands' grow faster than the rest of the company, demonstrating that it is a good business strategy. Nestlé, with its 'Creating Shared Value' framework, takes a similarly integrated approach.

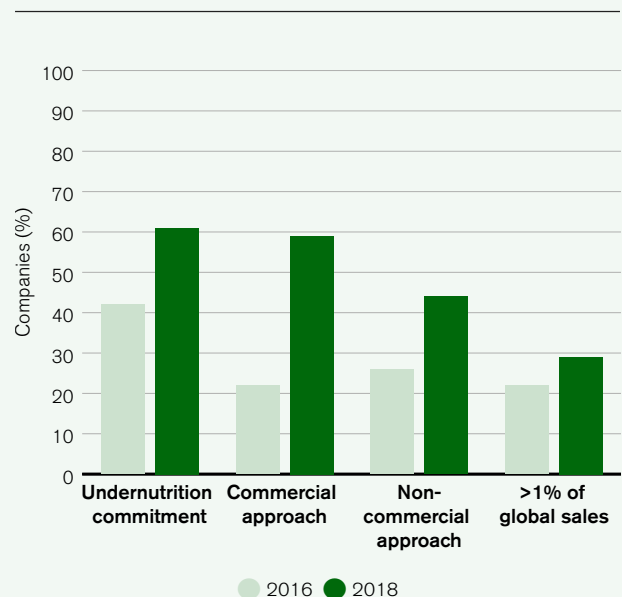
Ajinomoto has taken a different approach. It recently founded the Ajinomoto Foundation, through which it intends to address undernutrition, linked to SDG 2 (End hunger, achieve food security and improved nutrition, and promote sustainable agriculture). It focuses on four aspects: Nutrition support, improving maternal and child nutrition, setting up dietician systems and disaster relief. For example, the Ghana Nutrition Improvement Project, run in collaboration with local stakeholders and used as a best practice example in the 2016 Index, is now run through the Ajinomoto Foundation.

The findings suggest that companies now focus more on embedding their activities to address undernutrition in their commercial strategy. Currently, ten companies have formally set out how they intend to address undernutrition through their commercial strategy aimed at selling more healthy products that are fortified or otherwise suitable to address nutritional deficiencies in undernourished target groups, compared to only four in 2016 (see Figure 3).

The number of companies that have formally set out their approaches to addressing undernutrition through philanthropic giving, or in other ways not embedded in their core businesses, increased from five to eight. However, this increase is smaller than the increase in commercial approaches. In contrast to 2016, more companies now take a formal commercial approach than a non-commercial approach, which is a positive development. See Box 1 for more information on changes in companies' commercial and non-commercial approaches.

This increased focus on commercial approaches to tackling undernutrition does not yet translate into higher reported percentages of companies' total global sales values related to products specifically formulated for the undernourished. In 2016, four out of 20 companies provided such data, compared to five out of 18 in 2018: Danone, FrieslandCampina, Mondelez, Nestlé and Unilever. The reported percentages of sales were very similar to 2016, and although the same three companies reported that more than 10% of their total global sales value was accounted for by fortified products that address undernutrition, the relevant percentage based on the ATNI methodology, which looks only at non-OECD countries, is estimated by ATNF to be lower (and therefore classified as >1% of global sales in Figure 3).

FIGURE 3 Comparison of companies' undernutrition commitments, approaches and percentage of sales for under-nourished consumers in 2016 and 2018.



What are companies doing commercially to address undernutrition and is their approach well-structured?

Some developing countries are more heavily impacted by the burden of undernutrition than others. ATNF has compiled a list of high-priority countries² in which the world's largest food companies should prioritize seeking opportunities and starting new initiatives. Eleven companies include high-priority countries in their initiatives, most often in combination with low-priority countries. Three companies focus exclusively on one or more high-priority countries: Ajinomoto, Arla and Mars, while FrieslandCampina shows best practice by selecting high-priority countries to pilot new initiatives: Nigeria, Indonesia and Myanmar.³

Five companies, Coca-Cola, Danone, FrieslandCampina, Nestlé and Unilever, describe a strategic and well-structured commercial approach to address undernutrition in many developing countries, one more than in 2016. FrieslandCampina has started the new program 'Broadening access to nutrition', aimed specifically at people with lower incomes. Two companies have a well-structured approach in a single market or small selection of countries – Grupo Bimbo and Mars. All companies with a structured approach, except Coca-Cola, emphasize the importance of their undernutrition commercial strategy by assigning top-level oversight to their CEO or other senior executive (six companies in total), or to a committee that reports to the CEO (four companies in total).

New commercial initiatives, or new initiatives linked to existing commercial strategies, were reported by some companies. For example, Unilever integrates a program to stimulate healthy eating and address iron deficiency anaemia in a priority population in Nigeria with its existing commercial strategy to sell iron-fortified Knorr cubes (see Box 2). Other companies, including Coca-Cola, report new initiatives that enter the commercial phase, taking learning from non-commercial and pilot projects and exploring opportunities that are outside the current scope of the company's business.

Companies need to undertake market research and studies into the nutritional status and deficiencies of target populations as a basis for designing their strategy. They should seek expert input to advise on setting up and adapting their approach over time. There is a lot of room for improvement on both of these fronts, as only five companies show evidence of having a formal panel in place (Ajinomoto, Coca-Cola, Danone, Mars, Nestlé), but all have a narrow set of mostly nutrition and biomedical experts. Although ten companies in total have done market research, only four companies have done extensive research in five or more developing countries: Danone, FrieslandCampina, Nestlé and Unilever. FrieslandCampina's leading performance and approach to address undernutrition is based on large-scale

research activities in the past and new initiatives. See Box 3 for a description of the company's leading practice.

BOX 2 LEADING PRACTICE

A commercial approach to address undernutrition in women of reproductive age

Iron deficiency is a major health issue across the globe and in many developing countries, including countries in West and Central Africa. Unilever addresses this issue with its Knorr brand in Nigeria, selling iron-fortified bouillon cubes in high volumes.

Unilever adds an additional element to this approach through its Green Food Steps program, which is linked directly to the use and promotion of fortified Knorr cubes. The program addresses a lack of meat and leafy green vegetable intake, sources of dietary iron, and aims to change the cooking habits of women. This approach has the potential to extend the impact on healthy diets beyond companies' own products, but the effectiveness of such approaches should be verified independently.

BOX 3 LEADING PRACTICE

Research activities to identify micronutrient fortification needs

FrieslandCampina has done large-scale research on micronutrient needs in South-East Asia in the past, through the SEANUTS studies. Regional criteria for enrichment with vitamins B12, A and D have been defined based on these studies, using milk-based products as a basis that are fortified as needed.

The company is partnering with various stakeholders to do further research on nutritional needs in developing countries in Africa and Asia, focused on defining nutritional priorities for women and children. FrieslandCampina indicates on its corporate website that its new 'Broadening access to nutrition' program is still under development, and does not publicly disclose all relevant information on its approach yet.

Eleven companies commit to focus on children as a target group for their commercial undernutrition efforts. Only three non-baby food companies focus on women of child-bearing age and children under two: Ajinomoto, Arla and Unilever. Three companies that sell baby food products focus on these target groups too, but this aspect was not scored for these companies (not influencing the score positively or negatively).⁴ An overview of how companies have translated their commitments to address specific target groups into product development efforts is shown in Category B, Table 2.

How are companies contributing to undernutrition through their CSR or philanthropic activities?

Eight companies formally expressed how they intend to address undernutrition through philanthropic giving or other non-commercial approaches, three more than in 2016. FrieslandCampina, Kellogg, Kraft Heinz and PepsiCo focus mostly on donations, school programs and collaborations with NGOs to provide undernourished populations access to specifically fortified products or otherwise suitable products. In addition to such approaches, Ajinomoto, Danone and Unilever focus on developing new social business models; Ajinomoto through its foundation, Danone through 'Danone Communities' and Unilever as an integrated part of its category strategies. Although these initiatives have commercial dimensions – for example, participants in these

programs may sell locally produced products – they are considered to be non-commercial initiatives in the ATNI assessment, as they are not yet embedded in the core business. Mondelez takes a different approach, focusing on increasing access to fresh foods through programs that help diversify the diets of people in the community, in some cases combined with specific nutrient fortification.

Similar to the commercial approaches described, the companies that have a philanthropic strategy in place focus mainly on children, but only Ajinomoto, PepsiCo, Unilever and one company that sells baby food products include a focus on women of child-bearing age or children under the age of two.⁵

Six of the companies include high-priority countries in their philanthropic or non-commercial approaches, although none of the companies demonstrate an exclusive focus on these countries. Two companies, Kraft Heinz and Unilever, did not provide clear information about their geographic focus of relevant initiatives.

Although a number of companies publish the amount they spend on philanthropy, it is unclear in most cases what part of this budget is spent addressing undernutrition in developing countries, as companies' activities often include non-nutrition related activities or activities in developed countries.

TABLE 1 An overview of collaborations between companies and international organizations to address undernutrition

| | Ajinomoto | Arla | BRF | Ferrero | Danone | Lactalis | Grupo Bimbo | Kellogg | FrieslandCampina | Mars | Mondelez | Nestlé | PepsiCo | Suntory | Coca-Cola | Kraft Heinz | Tingyi | Unilever |
|--|-----------|------|-----|---------|--------|----------|-------------|---------|------------------|------|----------|--------|---------|---------|-----------|-------------|--------|----------|
| SUN Business Network | ● | ● | | | | | | | | ● | ● | | | | | | | ● |
| World Food Programme | ● | ● | | | | | ● | ● | | ● | | | ● | | | | | ● |
| UNICEF | ● | | | | | | ● | | | | | | | | | | | ● |
| Save the Children | ● | | | | | | | | | | ● | | ● | | | | | ● |
| Zero Hunger Challenge | | | | | | | | ● | | | | | | | | | | ● |
| Global Alliance for Improved Nutrition (GAIN) | ● | ● | | | ● | | | | | ● | | | | | ● | | | ● |
| Amsterdam Initiative against Malnutrition (AIM) | | | | | | | | | ● | | | | | | | | | ● |
| Other* | ● | | | | ● | | ● | ● | ● | ● | ● | ● | ● | | | ● | | ● |

* Note: Examples of organizations that companies reported to collaborate with, classified under 'Other', include among others: Red Cross / Red Crescent organizations, Stop Hunger Now, Rise Against Hunger, Helen Keller International, World Vision, Global Food Banking Network.

An effective way for companies to make a contribution to tackling undernutrition is to partner with leading international expert organizations, such as the SUN Business Network or World Food Programme. As Table 1 shows, 13 companies support one or more such initiatives, while five others do not. This represents an increase compared to 2016, when only 11 out of 19 relevant companies reported such activities.

Are the companies' reports on their efforts to tackle undernutrition now more comprehensive?

Reporting on how companies implement strategies to address undernutrition is less robust than in the case of nutrition reporting more generally, and has not changed much since 2016. Three companies provide extensive

commentary, similar to 2016, but the number of companies that provide limited commentary increased from seven to ten. The number of companies with clear reporting on their strategy, outlook and targets, progress against these targets and/or the challenges they faced increased. Despite a greater emphasis on commercial approaches to address undernutrition, the reporting is largely done through CSR reports or specific documents or sections of the corporate website, rather than being integrated into companies' commercial annual reporting.

BOX 4 A UNDERNUTRITION RECOMMENDATIONS FOR IMPROVEMENT

Adopt a formal approach to address undernutrition

Food and beverage companies with significant businesses in developing countries have an opportunity and responsibility to address undernutrition and to contribute to public health improvements for the most vulnerable. All 18 relevant companies should formalize their approach in doing so, focusing specifically on commercial opportunities that are expected to be more sustainable in the long run. ATNF will increase the emphasis on commercial approaches for future indexes and adapt the scoring to reflect that, to ensure that companies can attain the full score if they have implemented a well-designed and comprehensive commercial approach to address undernutrition (even if they do not have parallel non-commercial initiatives in place as well).

Improve the focus on priority populations and expert guidance

Companies have room for improvement with respect to both their commercial and non-commercial strategies to tackle undernutrition by including a focus on women of child-bearing age and children under two in priority countries. To optimize and adapt their strategy over time, companies should appoint formal panels of external experts with a wide range of relevant expertise, focusing not only on nutrition and health issues, but also on cultural, behavioral and other aspects that influence food consumption in developing countries. These panels should meet regularly to discuss, review and update the company's strategy.

Pre-competitive collaboration on research to identify nutritional gaps

Danone, FrieslandCampina, Nestlé and Unilever demonstrate best practice in their market research and wider research to map nutritional intake and deficiencies in order to inform their commercial approaches to address these. Although organizations such as the SUN Business Network and GAIN play a role already, there is an opportunity to improve pre-competitive collaboration on a global level between companies and with international organizations to streamline these initiatives and make them more efficient.

Better reporting on efforts to address undernutrition and the level of investments

As companies increase their focus on commercial approaches to addressing undernutrition, their reporting in this regard should be clear and integrated into their annual reporting. Besides reporting on objectives and progress, companies should reflect more clearly on the level of investment they make to address undernutrition through both commercial and philanthropic avenues, and whether their investment is increasing or decreasing. Currently, although a number of companies provide information on philanthropic spending, the variation in the way this information is reported makes it difficult to compare them. Overall, there is no clear evidence as to whether companies have significantly ramped up their efforts since 2016.

B Products to fight undernutrition

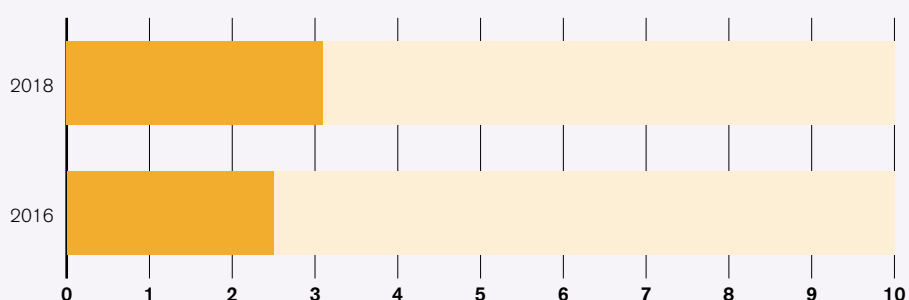
To perform well on undernutrition in Category B (25% of the total undernutrition score), companies should:

- Set targets to increase their Research and development (R&D) efforts to develop or introduce fortified products or products inherently high in micronutrients, and commit to increase the number or volume of fortified foods available to undernourished populations.
- Commit to align their approach to fortification with international guidance, to seek to use ingredients with high inherent levels of micronutrients and to fortify only products of high nutritional quality.
- Provide evidence of having introduced new products commercially and of funding non-commercial programs, aiming to deliver appropriately fortified products to priority populations in priority countries.
- Disclose commitments and an explanation of what they have done to increase the number or volume of fortified foods available to undernourished populations, through both commercial and non-commercial activities.

What are the main changes in Category B compared to 2016?

- Progress has been made compared to 2016 as more companies make commitments to develop fortified or other appropriate products to address undernutrition. However, the quality of these commitments falls well below the expectations they raise through their commitments to address undernutrition. The average score increased from 2.5 to 3.1 points (see Figure 4).
- Danone leads the ranking in Category B – Undernutrition as it makes a number of relevant commitments, demonstrates it is developing or already offers a range of products fighting undernutrition and discloses many of its commitments publicly. It is followed by Unilever, FrieslandCampina, PepsiCo, Mondelez and Nestlé.

FIGURE 4 The average scores for Category B Undernutrition in 2018 and 2016



What evidence is there that companies are developing more appropriately fortified and/or inherently healthy products to tackle undernutrition in priority developing countries, among the population groups most at risk?

Almost the same group of companies that commit to addressing undernutrition also commit to increase the volume and/or number of fortified products or products to address micronutrient deficiencies, showing a good level of consistency in their reporting. In 2016, Ajinomoto, Danone, Grupo Bimbo, Nestlé, PepsiCo and Unilever expressed this commitment; in 2018 Arla, Coca-Cola, FrieslandCampina, Kellogg and Mondelez now make this commitment as well. Grupo Bimbo has not restated its commitment in 2018.

To ensure that food fortification delivers clear public health benefits, and is safe and appropriate, clear international guidance is provided in Codex guideline CAC/GL 9-1987⁶ and WHO/FAO guidelines.⁷ The number of companies that commit to develop products according to these international guidelines remains very low. Only four of 18 companies, Danone, Mars, Mondelez, Unilever, commit clearly to follow these principles, and only Danone and Mars disclose this commitment publicly. Danone published its comprehensive fortification policy in 2017, containing this commitment (see Box 5).

It is very important that foods that are fortified are healthy and inherently of high quality in addressing undernutrition. Just one third of the companies commit to fortify only products of high underlying quality: Danone, FrieslandCampina, Kellogg, Mars, Mondelez and Nestlé. Mars and Mondelez produce a large proportion of energy-dense confectionery products and both express explicit commitments to not fortify such products with essential nutrients. Danone, Mars and Nestlé are the only companies that disclose their commitment.

It is not always necessary to fortify food products with added micronutrients. Micronutrient deficiencies may be addressed as well through ingredients that are naturally high in the micronutrient(s) of public health interest or through (bio) fortified staple foods. Nestlé was the only company in 2016 to commit to seeking to use such ingredients, including fortified staple foods, but in 2018 Danone, FrieslandCampina and Kellogg make this commitment as well.

BOX 5 LEADING PRACTICE

Danone's policy on micronutrient fortification

Danone published its fortification policy for the first time in September 2017, dealing with fortified foods designed to contribute to preventing micronutrient deficiencies. The company states its intention to increase its offering of fortified products while taking all relevant food safety aspects into consideration. It references both Codex and WHO/FAO guidelines and states five major and relevant principles:

- 1. The need for fortification must be justified.**
- 2. The product chosen for fortification must be of good underlying nutritional quality.**
- 3. The fortification levels must be carefully adjusted.**
- 4. The type and form of fortification must only be selected after due consideration of all aspects.**
- 5. The fortification must be clearly mentioned on the labeling of the product.**

In addition, Danone shows good practice by clearly providing a date, version number, target audience information, scope of the document and information on the approval procedure of the document. Other companies should emulate this in their policies and other formal documents.

Twelve companies provided evidence of investments in research or other areas of the business to develop solutions to undernutrition, twice the number that shared such evidence in 2016. See Box 6 for Nestlé's leading practice example related to biofortification approaches.

Unilever reports an example of governmental research cooperation, with the National Institute of Nutrition (NIN) and the Ministry of Health of Vietnam, on the 'National Strategies for Food Fortification', a GAIN-funded project with the aim to introduce fortified products to address vitamin A deficiency. In addition, Unilever has implemented an evaluation tool, the 'Eco Design Tool', to assess early on in innovation projects the potential impact on healthier products and addressing undernutrition. This is good practice and should include external expert evaluation, for example by soliciting feedback from the company's formal undernutrition expert panel.

BOX 6 LEADING PRACTICE

Research investments to develop new biofortification-based solutions to undernutrition

In Nestlé’s 2016 Creating Shared Value report, the company describes its commitment to developing a supply chain of biofortified crops and basing fortified products on them. It describes a collaboration with HarvestPlus, an organization that has been investing in research since 2003 in a number of developing countries. In addition, Nestlé participated in an academic study on the biofortification of wheat, rice and maize with iodine with trials in Turkey and India. Nestlé also explored the viability of zinc-biofortified wheat in India.

Eleven companies report targeting undernutrition in specific populations by developing products in the last two years, or through funding non-commercial programs, non-confidentially. An overview is shown in Table 2, which shows that many companies address children over the age of two, but initiatives targeting women of child-bearing age and/or children under two are less common than initiatives targeting older children.

TABLE 2 An overview of undernourished target populations addressed specifically through companies’ newly introduced products, or through funding of non-commercial programs.⁸ Only companies that report relevant activities non-confidentially are shown.

| | | Ajinomoto | Danone | Grupo Bimbo | Kellogg | FrieslandCampina | Mondelez | Nestlé | PepsiCo | Coca-Cola | Kraft Heinz | Unilever ⁹ |
|--|-------------------------------|-----------|--------|-------------|---------|------------------|----------|--------|---------|-----------|-------------|-----------------------|
| Women of child-bearing age | Commercial products developed | | * | | | * | | * | | | | ● |
| | Non-commercial program funded | ● | | | | | | | ● | | | ● |
| Children under 2 | Commercial products developed | | | | | * | | * | | | | |
| | Non-commercial program funded | ● | * | | | | | | ● | | | ● |
| Children between 2 and 5 | Commercial products developed | | ● | | | ● | | | ● | | | ● |
| | Non-commercial program funded | ● | ● | | | ● | | | ● | | | ● |
| Children over 6 | Commercial products developed | | ● | | | ● | ● | ● | | | | |
| | Non-commercial program funded | | ● | | ● | ● | ● | | ● | ● | | ● |
| Other populations | Commercial products developed | | | ● | | | ● | ● | ● | | | |
| | Non-commercial program funded | | | | | | | | | | ● | |
| Introduced or implemented in high- (▲) or low- (▼) priority developing countries ¹⁰ | Commercial products developed | | ▲ | ▼ | | ▲ | ▲ | ▲ | ▲ | | | ▲ |
| | Non-commercial program funded | ▲ | ▲ | | ▲ | ▲ | ▲ | | ▲ | ▲ | | ▲ |

* Indicate BMS companies addressing target groups that were not taken into account for scoring.

BOX 7 B UNDERNUTRITION RECOMMENDATIONS FOR IMPROVEMENT

Commitments to develop and introduce new products to fight undernutrition are necessary

To be credible and consistent, companies that commit to address undernutrition should also invest in developing and introducing new products, and to increase the volume of products sold or used.

Implementation of tools to evaluate new innovation projects that aim to address undernutrition

Like Unilever, companies are encouraged to implement a tool or approach to evaluate the effectiveness and appropriateness of new initiatives that aim to address undernutrition early on in the process, ideally soliciting input from external experts. This applies both for commercial and philanthropic initiatives.

Companies should express clearly that they will follow international guidelines for fortifying food and only fortify products of high underlying quality

All companies that address undernutrition through fortifying products should clearly and unequivocally state that they follow Codex and/or WHO/FAO fortification guidelines, and only fortify products of high underlying quality.

More product formulation activities that focus on women of child-bearing age and children under two are needed

Most companies focus their programs and initiatives on school-age children or children older than two. More well-designed products and initiatives are needed to address undernutrition in women of child-bearing age and children under two.

C Accessibility and affordability of products formulated to address undernutrition

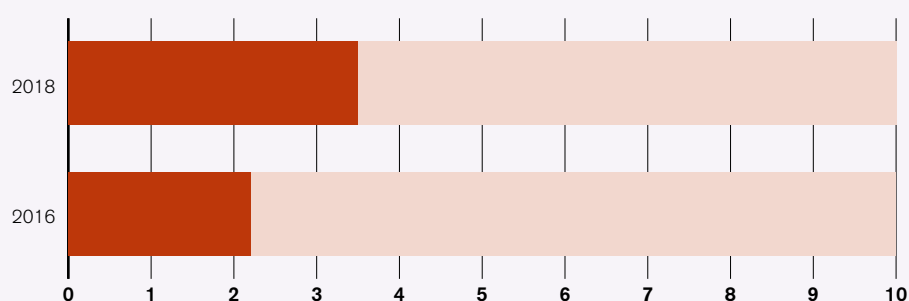
To perform well on undernutrition in Category C (20% of the total undernutrition score), companies should:

- Have a commercial commitment and objectives to improve the affordability of their healthy products that address micronutrient deficiencies in developing markets, and be able to provide examples of delivering against their commitment and disclose this information.
- Have a commercial commitment with respect to improving the distribution of their products specifically formulated or appropriate for specific undernourished groups, provide examples of doing so and disclose this information.
- Fund other organizations or otherwise support non-commercial programs that improve the distribution of products specifically formulated or appropriate for specific undernourished groups and disclose this funding and activity.

What are the main changes in Category C compared to 2016?

- More companies make commitments and provide examples of improving the affordability and accessibility of products formulated to address undernutrition in underserved populations, increasing the score from 2.2 to 3.5 points (see Figure 5).
- Unilever leads the ranking in Category C because it has the most complete set of commitments, provides good evidence of performance and public disclosure thereof. It is followed by FrieslandCampina, Grupo Bimbo and Nestlé.

FIGURE 5 The average scores for Category C Undernutrition in 2018 and 2016



Have more companies committed to improve the affordability of products to address undernutrition in developing markets? As a result, do they deliver more such products to the underserved?

More companies have committed to improving the affordability of their products that address micronutrient deficiencies, from four in 2016 to ten in 2018. However, only two of these companies make this commitment concrete by defining clear objectives and targets. Of these, Grupo Bimbo is the only company that discloses its objectives in full (see Box 8).

Four companies, Danone, Nestlé, PepsiCo and Unilever state very high-level commitments without clear definitions to provide a specific number of fortified servings or to positively impact the lives of a specific number of people. Since such commitments are broad and vague, and do not relate specifically to pricing or concrete measures of affordability, they are not ranked here.

FrieslandCampina, Mondelez, Nestlé, PepsiCo and Unilever show more than five examples of providing reduced product sizes or reduced pricing to enable low-income populations to more easily afford them, in high-priority developing countries. FrieslandCampina provides multiple examples of improving affordability, including aiming to address the 'bottom of the pyramid' population with fortified evaporated milk products at various price points in Nigeria. Nestlé aims to provide products in pack sizes and formats that undernourished consumers can afford everyday – bouillons, cubes and single serve packs, in various high-priority countries. PepsiCo's approach is described in Box 9 as a leading practice example. Five other companies show fewer than five examples or show examples in low-priority countries. This is a slight increase in companies providing relevant evidence compared to 2016.

Ajinomoto and PepsiCo provide examples without making a clear commitment. Coca-Cola makes the commitment in relation to a commercial product that is in development for introduction in multiple high-priority countries, but it is not yet on the market and therefore cannot provide examples of affordable pricing related to that project.

BOX 8 LEADING PRACTICE

Grupo Bimbo's affordability commitments and objectives

Grupo Bimbo published its updated strategy for health and wellness 'A Sustainable Way' in 2017, describing five platforms for its general commitments. The first platform is 'Products', and it describes five elements, including an approach to develop products to address undernutrition and a strategy to improve both the affordability and accessibility of its products for all consumers and for vulnerable populations with specific nutritional needs.

The company publishes six 2020 goals that relate to products and health impact, including two that specifically relate to developing, pricing and distributing products for undernourished populations. These are:

- To develop two fortified/enriched products aimed for the vulnerable population annually, starting in Mexico and Latin America as part of the fight against undernourishment.
- To distribute and market fortified/enriched products developed specifically for the vulnerable population, with a wide distribution range (more than a trading channel with over 50% of range) and a cost per piece at least 5% under the average per category.

BOX 9 LEADING PRACTICE

Improving affordability of healthy products to address undernutrition

PepsiCo addresses low-income, undernourished populations in Mexico with its whole grain oat-based 3 Minutos product. The product delivers around 10% of the daily value of calcium and vitamin A, both of which were shown to be shortfall nutrients by Mexico's National Institute of Public Health, at a price point that is within reach of the low-income target populations. Importantly, the company also addresses other aspects of healthiness, as the product is low in 'negative nutrients'. It does not contain added sugars and is low in sodium and saturated fat. PepsiCo is taking learnings from this approach to address undernutrition in Sub-Saharan Africa by selling similar oat-based products.

What evidence is available that more companies have committed to improve the accessibility of fortified products in developing markets, and have delivered against that commitment?

Similar to commitments on affordability, more companies commit to improve the accessibility of products specifically formulated or appropriate for the undernourished. Of ten companies making a commitment, Danone, Grupo Bimbo and Nestlé defined clear objectives and targets, with Nestlé and Grupo Bimbo disclosing this publicly. Many companies make commitments related to both affordability and accessibility within one strategy or framework.

Of the ten companies making a commitment to improve the accessibility of relevant products, seven companies show examples of having done so in high-priority developing countries. Grupo Bimbo shows examples in Mexico, which is not a high-priority developing country.¹¹ Unilever runs several relevant initiatives across high-priority countries, as described in Box 10.

BOX 10 LEADING PRACTICE

Improving accessibility of healthy products to address undernutrition

Unilever runs various programs to improve the accessibility of products to fight undernutrition, which are linked to its central business strategies and wider approach to sustainability.

As described in 2016, Unilever runs the Shakti project in India, using a wide network of micro-entrepreneurs to sell a variety of products, including fortified products to address undernutrition in populations that are hard to reach. Currently, Unilever supports two additional programs with a similar setup: Project Zeinab in Egypt and the 'Gbemiga' program in Nigeria. In both cases Unilever works with external organizations and combines a focus on undernutrition, e.g. making local women entrepreneurs and ambassadors for nutrition, with other important aspects such as hygiene and reading and writing skills.

Eleven companies provided evidence of funding non-commercial programs to improve the accessibility of healthy products that are formulated specifically for undernourished target groups, and almost all of these companies provide a commentary on the programs they support. These programs comprise a variety of initiatives. Besides funding programs run by NGOs or other organizations, such as UNICEF, the World Food Programme, Save the Children and others,

companies are directly involved in programs as well. School feeding programs are run by five companies, e.g. FrieslandCampina focuses on school milk programs and Kellogg runs breakfast programs with fortified products that are adapted to local needs and guidelines. Other initiatives include work through companies' foundations to fund social business programs with a focus on improving the accessibility of relevant products, such as those run by Ajinomoto and Danone.

BOX 11 C UNDERNUTRITION RECOMMENDATIONS FOR IMPROVEMENT

Companies need to define clear objectives and targets for making healthy food affordable and accessible to the undernourished

If SDG 2 is to be achieved by 2030, it is urgent that all companies define and disclose a comprehensive set of targets and objectives and actively contribute to eradicating undernutrition.

Accessibility and affordability considerations should be an integral part of a company's undernutrition strategy

Grupo Bimbo demonstrates best practice by integrating accessibility and affordability considerations and objectives into its nutrition strategy, which includes the companies' commercial approach to addressing undernutrition. Other companies should adopt a similar approach, rather than making very broad statements about providing a specific number of 'fortified servings' (or similar) by a target date.

Exploration of new business models and approaches

Companies can encounter tension between the objective of providing undernourished low-income, difficult-to-reach populations with affordable products and achieving a scale that makes such initiatives commercially viable. Several companies illustrate that they are exploring new approaches. For example, by funding social business projects or by exploring avenues well outside the current business. Companies are encouraged to increase these efforts and to seek pre-competitive collaboration through organizations such as GAIN or the SUN Business Network to join forces where possible. Such explorations should be an add-on to, not a substitute for, commercial investments in healthy foods for the undernourished.

D Marketing strategies to reach undernourished populations

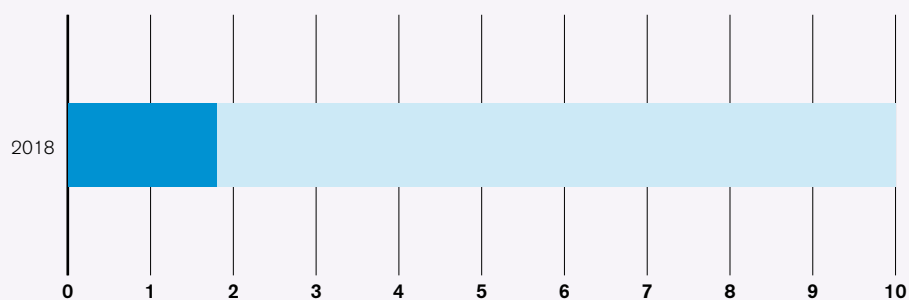
To perform well on undernutrition in Category D (20% of the total undernutrition score), companies should:

- Make an explicit commitment to developing and delivering marketing strategies appropriate to reaching undernourished populations in developing countries, and disclose this commitment publicly.
- Provide evidence of taking steps to understand and reach undernourished consumers in developing countries with appropriate products.

What are the main changes in Category D compared to 2016?

- More companies report a relevant commitment and provide more evidence than they did in 2016. Category D indicators related to undernutrition were not scored in 2016, therefore a comparison in score is not possible. Although the average score is low with 1.8 points (see Figure 6), FrieslandCampina leads the ranking in Category D Undernutrition with an almost full score, followed by Kellogg, Nestlé and Mars.

FIGURE 6 The average score for Category D Undernutrition in 2018



Do companies commit to developing and delivering marketing strategies appropriate to reaching undernourished populations in developing countries?

More companies express their awareness of the need to develop specific marketing strategies to address undernourished consumers in developing countries. Five companies make a commitment to do so, including Ajinomoto, FrieslandCampina, Kellogg and Nestlé, compared to none in 2016. FrieslandCampina and Kellogg are the only two companies to disclose these commitments publicly. Despite this increase, the large majority of companies (12) do not make a relevant commitment.

Danone, Coca-Cola, PepsiCo and Unilever provide examples of taking steps to understand and reach undernourished consumers in developing countries with appropriate products, without making a clear commitment to do so.

In 2016, only Danone, Nestlé and Unilever provided evidence of having gathered relevant data and insight to inform their marketing strategies. In 2018, more companies including FrieslandCampina, PepsiCo and Coca-Cola provided such data as well. The full overview of companies and the evidence they provided is shown in Table 3.

TABLE 3 An overview of the companies' steps taken to understand and reach undernourished consumers. Only companies that report relevant activities non-confidentially are shown.

| | Danone | FrieslandCampina | Nestlé | PepsiCo | Coca-Cola | Unilever |
|--|--------|------------------|--------|---------|-----------|----------|
| Consumer and marketing insight generated | ● | ● | ● | ● | ● | ● |
| Use of multiple communication channels to reach consumers | | ● | ● | | | |
| Has worked with creative agencies to design appropriate communication | | | ● | | | |
| Has worked with behavioral specialists to design appropriate communication | ● | ● | | | | |

BOX 12 D UNDERNUTRITION RECOMMENDATIONS FOR IMPROVEMENT

Companies need to demonstrate better that they are aware of the need to develop specific marketing strategies to reach undernourished consumers

More companies provided evidence of having gathered relevant data and insight to inform their marketing strategies, rather than making a commitment to do so. This shows an implicit awareness of the importance of this topic. All companies that commit to address undernutrition should commit to develop specific strategies to reach the relevant target populations.

Companies should continue and go beyond gathering consumer and market insights

The seven companies that have initiated activities to understand and reach undernourished consumers all provided evidence of gathering consumer and market insight, which is a good practice the remaining companies should emulate. However, a wider, more comprehensive approach to address difficult-to-reach populations should get more attention from all companies, for example by using multiple mass and social media communication channels, and by involving creative agencies and behavioral specialists.

Assessed for the first time – further develop methodology to assess performance as well

Companies' marketing commitments related to addressing undernutrition, and disclosure of those commitments, were not scored before. Currently, this category consists of just a few indicators, without assessing actual marketing performance indicators. In the future, ATNF plans to cover this aspect as well.¹²

E Consumer education on micronutrient deficiency in developing countries

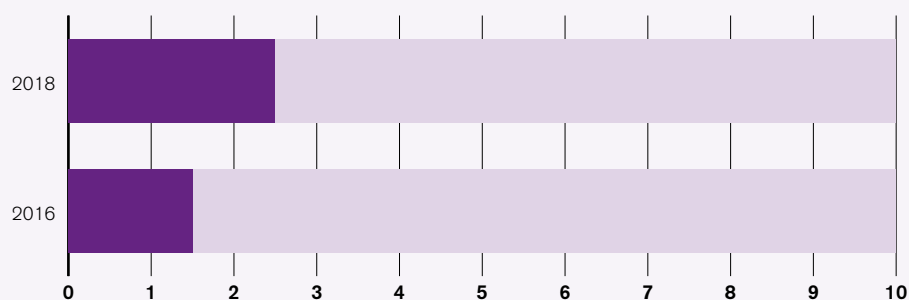
To perform well on undernutrition in Category E (2.5% of the total undernutrition score), companies should:

- Commit to support well-designed programs educating undernourished consumers about the importance of breastfeeding, micronutrient fortification and healthy diets.
- Publish their commitments as well as the content and results of the programs they support.

What are the main changes in Category E compared to 2016?

- Compared to 2016, more companies make a commitment to educate undernourished consumers in developing countries about healthy foods (that address micronutrient deficiencies) by supporting relevant programs, while the public disclosure of information regarding these programs has remained fairly stable. Overall, only eight companies report supporting relevant undernutrition education programs in developing countries, which is the lowest across the seven categories in the assessment related to undernutrition. The average score increased from 1.5 to 2.5 points (see Figure 7).
- Mondelez leads the ranking with a clearly defined and publicly disclosed approach to fund and support independently designed and evaluated programs, followed by Nestlé, Kellogg, PepsiCo and Ajinomoto.

FIGURE 7 The average scores for Category E Undernutrition in 2018 and 2016



Is there evidence that companies commit to and support good, independently-designed nutrition education programs aimed at undernourished consumers?

As in 2016, Mondelez stands out as the only company that has a written policy and guidelines regarding the kinds of undernutrition programs it will sponsor, and commits to exclusively support programs developed and implemented by independent organizations with relevant expertise. Mondelez discloses the principles that are applied by the Mondelez International Foundation (see Box 13). The company commits that programs sponsored through its foundation are designed and implemented by an independent third party in such a way that the company does not direct the content or structure of the program. Moreover, these programs are independently evaluated, and the company discloses a full description of all programs, including evaluation data.

BOX 13 LEADING PRACTICE

Mondelez' approach to fund educational programs aimed at undernourished target groups in developing countries

Mondelez International Foundation describes as one of its goals to: *“Improve underlying health issues associated with malnutrition, such as anaemia and parasitic infections, in developing markets.”* The foundation funds programs that have a three-pronged approach:

- Offering nutrition education.
- Promoting active play.
- Providing access to fresh foods.

The company works with reputable partners, including Yale School of Public Health, and has a focus on increasing access to fresh foods through programs that help to diversify the diets of people in the community. The approach includes home and school gardening projects, combining education with small-scale approaches to increase the availability and consumption of fresh, healthy foods. Based on expert advice, this is implemented as a strategy towards reducing malnutrition, micronutrient deficiencies and hunger.

In its Impact Report on Healthy Lifestyles Programs, published in April 2017 on its corporate website, it describes multiple relevant programs in developing countries that include independent evaluations of effectiveness. This includes evaluations of improved nutritional knowledge and basic parameters related to the nutritional status of participants and/or family members.

Besides Mondelez, Ajinomoto also has a written guideline on the kinds of programs relating to undernutrition it will sponsor/fund through its philanthropic programs, related to the company's foundation. Ajinomoto discloses the Ajinomoto International Cooperation Network for Nutrition and Health (AIN) program, with an emphasis on nutrition education in developing countries.

Five companies, Ajinomoto, Kellogg, Nestlé, PepsiCo and Unilever, commit to support programs developed and implemented by independent organizations in addition to its own programs. Furthermore, these companies provide a limited disclosure of the supported programs. Apart from Mondelez, Nestlé is the only company that follows best practice by embedding independent impact evaluations into the design of all programs.

On seven topics, related to maternal and child health, benefits of breastfeeding, benefits of micronutrient supplementation and diverse diets, only Nestlé and Ajinomoto demonstrated that they cover most of these topics through the programs they support, followed by Danone, Kellogg, Mondelez and Unilever, all of which cover more than half of the relevant topics identified. Eight companies provided evidence of relevant programs, leaving ten remaining companies that do not report on any relevant initiatives.

Of the eight companies that support relevant initiatives, six report support for programs in high-priority developing countries. Two companies, Danone and Grupo Bimbo, do not provide information on the geographic focus of their programs or report on low-priority countries only.

BOX 14 E UNDERNUTRITION RECOMMENDATIONS FOR IMPROVEMENT

More focus on nutritional education of undernourished consumers is needed

Companies can have a positive impact on the health of undernourished consumers by supporting nutrition education of undernourished consumers. Not enough companies in the Index do so currently.

A structured approach with independently designed programs and transparency about companies' roles

Mondelez shows best practice by having a policy in place to describe the type of consumer education programs it will support and fund, disclosing it publicly, working with independently designed and evaluated programs and providing a full description of programs and evaluations. All companies should adopt a similar approach, tailored to the company context.

F Proper food labeling in the context of undernutrition in developing countries

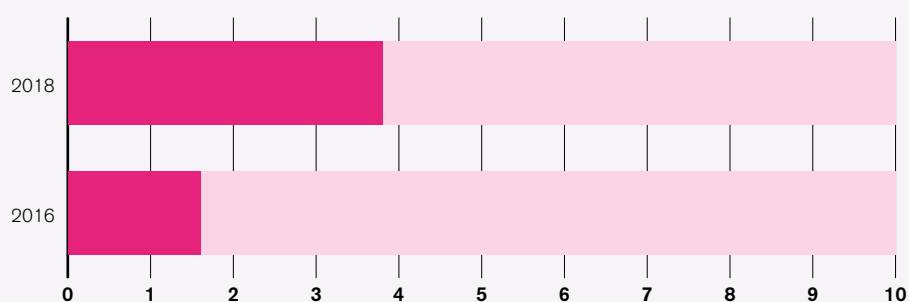
To perform well on undernutrition in Category F (15% of the total undernutrition score), companies should (in addition to observing national standards where they exist):

- Adopt and publish a global policy on labeling that includes commitments to label the micronutrient content of all products sold in developing countries fortified with or naturally high in micronutrients.
- Adopt and publish a global policy on the use of both health and nutrition claims that states, in countries where no national regulatory system exists, these claims will only be placed on products if they are in full compliance with the relevant Codex standard.¹³

What are the main changes in Category F compared to 2016?

- More companies make and disclose relevant commitments, increasing the average score from 1.6 to 3.8 points (see Figure 8).
- Grupo Bimbo, Mars and Nestlé achieved a full score. They were followed in the ranking by Danone, FrieslandCampina, Mondelez and Unilever.

FIGURE 8 The average scores for Category F Undernutrition in 2018 and 2016



To what extent do companies properly label fortified products?

Coca-Cola, Danone, FrieslandCampina, Grupo Bimbo, Mars, Mondelez and Nestlé, commit to labeling products that either have naturally high levels of micronutrients or that have been fortified with micronutrients, and disclose this commitment or their policy expressing it. Unilever makes the same commitment but does not publish this commitment publicly. This represents a substantial improvement from 2016, when four companies made the commitment and only two of these disclosed it publicly.

To what extent do companies place claims on fortified products in developing countries only when they comply with Codex standards?

Nutrition claims are particularly relevant for products that aim to address specific undernutrition issues, to clearly communicate to consumers what nutritional issue or deficiency the product addresses. Four companies, two more than in 2016, disclose their commitment to using health and nutrition claims on products that have been fortified only when these products are compliant with Codex fortification guidelines or the principles therein. These are Grupo Bimbo, Mars, Mondelez, Nestlé and Unilever. Arla, Danone and FrieslandCampina make the same commitment without public disclosure, three more than in 2016. For a number of companies, the commitment refers to upholding Codex guidelines in the absence of local regulation. This can be ambiguous, as it may mean that Codex guidelines are the minimum standard in the case of weaker regulation, or it may mean that Codex guidelines are only upheld in case no local regulation exists at all. Although it was explained in clarification to ATNF to mean that Codex principles were upheld as a minimum, this should be stated more clearly in corporate commitments.

BOX 15 F UNDERNUTRITION RECOMMENDATIONS FOR IMPROVEMENT

All companies should commit to label fortified products appropriately

Across Categories A and B, 12 companies commit to address undernutrition. All companies that develop products to fight undernutrition should clearly commit to label the relevant micronutrients in these products, but currently only eight companies do so.

Clear commitments to only place health and nutrition claims on products aiming to address undernutrition when these comply with Codex guidelines

Clear commitments should be made to only make such claims on products when these comply with Codex guidelines, and in general should only be applied for healthy products, to avoid misleading consumers.

G Engaging with stakeholders to address undernutrition

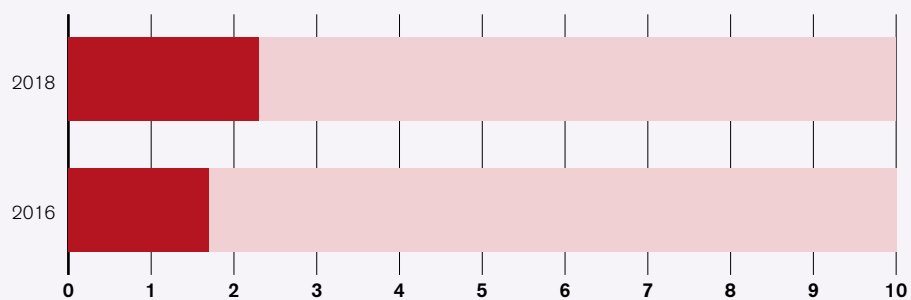
To perform well on undernutrition in Category A (5% of the total undernutrition score), companies should:

- Commit to playing an active part in supporting the efforts of developing country governments to address undernutrition, and publicly disclose a narrative about such activities.
- Provide evidence of engagement with relevant organizations on undernutrition and publicly disclose a narrative on their engagement with stakeholders on undernutrition.

What are the main changes in Category G compared to 2016?

- The average score in Category G, related to undernutrition, remained fairly stable increasing from 1.7 to 2.3 points (see Figure 9).
- Unilever leads the ranking for this category, followed by Ajinomoto, Kellogg, FrieslandCampina and Danone.

FIGURE 9 The average scores for Category G Undernutrition in 2018 and 2016



Is there evidence that companies play an active part in supporting developing country governments in addressing undernutrition?

Six companies commit to supporting governments in their efforts to address undernutrition: Ajinomoto, Danone, FrieslandCampina, Kellogg, Nestlé and PepsiCo. For several companies, this commitment is not limited to addressing undernutrition or to developing countries, but explicitly mentions supporting governments' efforts to address undernutrition. For example, Danone indicates that it does not separate undernutrition from (other) nutrition issues. In countries where undernutrition is a priority, the company commits to contact authorities to play a constructive role in combating the identified deficiencies. It provides evidence of doing so through its 'NutriPack' program in developing countries to support governments' efforts to address undernutrition.

Information about concrete examples of government support is limited. Ajinomoto, FrieslandCampina and Mondelez reported two relevant examples each of having engaged with governments in support of addressing undernutrition in developing countries. Danone, Kellogg and Unilever reported one relevant example each.

Ajinomoto provides several examples, including an initiative in Brazil. The International Council on Amino Acid Science (ICAAS), a non-for-profit association of which Ajinomoto is a member, has been involved in establishing a framework for the nutritional use of essential amino acids. In addition, Ajinomoto has been interacting with the Vietnamese government to set up a national dietician system, in response to a study that demonstrated the country lacked crucial nutritional expertise.

FrieslandCampina reports that its business entity in Nigeria co-funds and collaborates with the federal government's 'Home Grown School Feeding' program in public schools at the primary school level.

To what extent do companies engage systematically with all relevant stakeholders on undernutrition in developing countries? Is this changing over time?

Four companies provide evidence of one-on-one discussions with three or more key organizations working on undernutrition to solicit input on its commercial strategy/policy/approach to undernutrition: Including Danone, FrieslandCampina and Unilever. Of these, Unilever is the only company to provide a narrative related to its activities on its corporate website. Five companies interact with one or two relevant organizations, and three companies in total provide a narrative related to it. With the same number of companies disclosing such narratives in 2016, and frequently mentioned organizations being industry associations such as GAIN, limited improvement has occurred relating to stakeholder engagement on undernutrition in developing countries.

BOX 16 G UNDERNUTRITION RECOMMENDATIONS FOR IMPROVEMENT

Structured government engagement in developing countries where companies are present

Although a number of companies report relevant engagement with governments to support addressing undernutrition, the initiatives appear to be ad-hoc rather than structured. It is recommended that companies define a structured approach to interact with governments of developing countries, individually or through industry associations, or organizations such as the SUN Business Network, to explore how government goals or initiatives to address undernutrition could be supported.

More stakeholder engagement to solicit input on companies' commercial strategies

Companies should increase their efforts to engage with expert organizations to inform their undernutrition strategies and to improve them over time, and publicly disclose more information of their engagement with such stakeholders.

NOTES

- ¹ Eighteen companies were assessed in relation to Undernutrition in the 2018 Global Index, based on the criterion that 5% or more of their global sales value was derived from developing countries. Campbell's, ConAgra, General Mills and Meiji derive less than 5% of their sales from developing countries and were therefore not assessed on undernutrition. Furthermore, similar to 2016, Ferrero was only assessed for its philanthropic approach to address undernutrition, as the company portfolio does not consist of products that are suitable to fortify or to address undernutrition commercially.
- ² High-priority countries are defined as non-OECD member countries that are classified as low-income and lower-middle-income economies by the World Bank (Source: World Bank list of economies, December 2016) and have both 'More than 10 per 1000 under 5 mortality rate' (Source: World Development Indicators Database, accessed 29/3/2017) and 'More than 2% acute malnutrition (moderate and severe wasting) in under-5s' (Source: Joint Malnutrition dataset from UNICEF, World Bank and WHO, December 2016). Low-priority countries are defined as all other non-OECD member countries and Mexico.
- ³ It is difficult to determine in general whether it is better if a company focuses on a single high-priority country or on multiple countries which may include low-priority countries, in case companies have good opportunities to address undernutrition. It is clear however that companies should prioritize seeking opportunities and starting new initiatives in high-priority countries, where the nutritional needs are the highest and the potential health impact is therefore the largest.
- ⁴ Like in 2016, products that fall within the scope of the WHO International Code of Marketing of Breast-milk Substitutes (BMS) were excluded from the assessment for any aspect of the Corporate Profile assessment. To avoid any unclarity on the potential relevance of the WHO Code for programs and initiatives targeting women of child-bearing age and children under two, these have been excluded from the assessment for companies that sell BMS products. The scoring was adapted for these companies to ensure that scores were not impacted negatively or positively by this approach. ATNF plans to refine its methodology in this area for future Indexes to enable the assessment and scoring of such programs and initiatives for companies that sell BMS products, based on objective criteria that ensure the WHO Code and related resolutions are respected.
- ⁵ Although PepsiCo sells baby food in Russia, this is fully independent of and geographically separated from their philanthropic initiatives.
- ⁶ Codex Alimentarius Commission (2015). General Principles For The Addition Of Essential Nutrients To Foods CAC/GL 9-1987. Available at: <http://www.fao.org/fao-who-codexalimentarius/codex-texts/guidelines/en/> [Accessed 24 Apr. 2018].
- ⁷ World Health Organization (2006). Guidelines on food fortification with micronutrients / edited by Lindsay Allen ... [et al.]. Available at: <http://apps.who.int/iris/handle/10665/43412> [Accessed 24 Apr. 2018].
- ⁸ Companies assessed for marketing baby food products for this Index are Danone, FrieslandCampina, Nestlé and Kraft Heinz. Although PepsiCo sells baby food products on a more limited scale, the initiatives assessed for this table are fully independent and geographically separated. (See also note 3).
- ⁹ According to the ATNI methodology (See also note 2).
- ¹⁰ Companies that are active in both high- and low-priority developing countries are indicated as 'higher'.
- ¹¹ Mexico, by exception, is an OECD country that is considered relevant in corporate efforts to address undernutrition. The report published in 2017 by the World Food Programme and ECLAC 'The cost of the double burden of malnutrition: social and economic impact' showed that the burden of undernutrition is significant and still outweighs the rising impact of overnutrition and obesity.
- ¹² Due to the standard way of scoring indicators in ATNI methodology, the commitment to developing and delivering marketing strategies appropriate to reaching undernourished populations, combined with the disclosure thereof, currently determines 75% of the score of Category D. ATNF will address this in its next index to ensure an optimally balanced scoring system.
- ¹³ Codex Alimentarius Commission (2013). Guidelines For Use Of Nutrition And Health Claims CAC/GL 23-1997. Available at: <http://www.fao.org/fao-who-codexalimentarius/codex-texts/guidelines/en/> [Accessed 19 Apr. 2018].





Product Profile

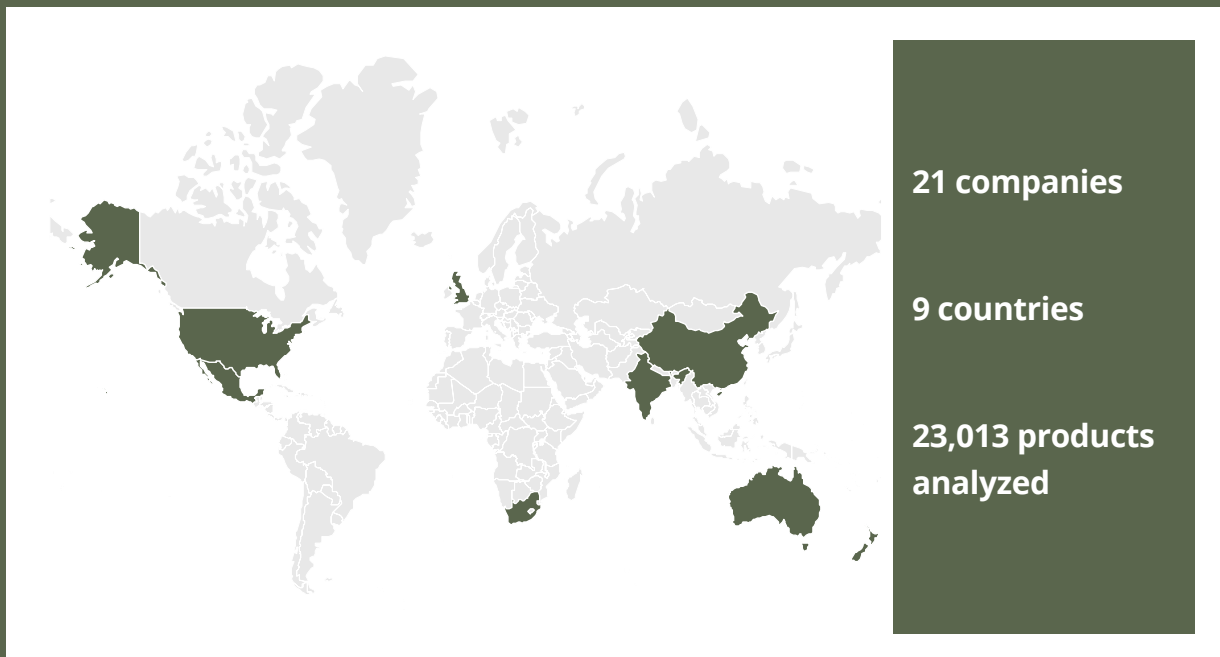
An assessment of the nutritional quality of packaged foods and beverages sold in nine major markets.

The purpose of this Product Profile is to begin to build a picture of the role that products of companies in the Global Index play in consumers' diets. It is designed to assess how healthy companies' products are. In other words, to establish the nutritional quality of the products they sell, which is determined by the levels of fat, salt, sugar, fruit, vegetables and other ingredients. The Product Profile also provides an overview of the 'healthiness' of companies' portfolios across the selected countries, as well as within categories and between countries.

This is the first time that a multi-country study of this nature has been published. As it is based on nine markets it does not provide a complete global picture of companies' portfolios, but it does show that this kind of quantitative analysis of the real health impact of companies' products is possible – and arguably, essential. It provides a baseline against which to measure any improvements companies make to the formulation of their products – which many have committed to make – and offers a range of valuable insights into which companies are best-positioned in terms of offering healthy products and which have the most work to do.

Setting the results of the Product Profile alongside the results of the Corporate Profile illustrates the extent to which they are delivering on such promises; particularly for Category B which assesses companies' commitments and targets to improve their products and invest in improving the healthiness of their portfolios. Future Product Profiles will track these improvements, again based on analysis carried out by independent experts.

Key elements of the Product Profile



ATNF first piloted the Product Profile in 2012 in Mexico, South Africa and India, working with a team led by Professor Mike Rayner at the University of Oxford (a member of the ATNF Expert Group).¹ Building on that experience, and feedback from stakeholders, ATNF then undertook a Product Profile in India in 2016 for the first India Access to Nutrition Index. This Product Profile replicates the approach used in India but – for the first time – provides an insight into the healthiness of companies' portfolios in a range of countries across the globe. It therefore also enables comparison of the overall nutritional quality of categories in different markets. ATNF again worked with the Food Policy Division of The George Institute (TGI) based at the University of Sydney, having worked successfully with the Institute on the India Product Profile. Professor Mike Rayner advised the research team. The full methodology used for this study is available in TGI's [report](#).

Geographic scope of assessment

The nine countries included in this study were selected based on the availability of pre-existing TGI nutrition content databases. TGI has built such datasets for eight countries – Australia, China, Hong Kong, India, New Zealand, South Africa, the U.K. and the U.S. – and was able to gain free access to one other compiled by Mexico's Institute for Public Health (INSP).²

Categories and products included in the study

For each of the 22 Global Index companies ATNF first identified all categories in which the companies sold products in each of the nine countries using Euromonitor International data.³ Products eligible for inclusion were defined as *'all packaged foods and non-alcoholic beverages manufactured by the included companies available for purchase in the nine countries.'*⁴ The companies' best-selling categories in each country were included, up to a maximum of five per country. (This means that for some companies more than five categories were assessed across the nine countries, e.g. 13 for Nestlé. However, fewer than 10 products were found for BRF in total in the nine selected countries; this company was therefore dropped from the study. The geographic representation by company is shown in Table 1.

How products' nutritional quality was determined

Two nutrient profiling systems were used that met the qualitative criteria developed by ATNF's Expert Group, from research done for the WHO.^{5,6,7}

1. Health Star Rating (HSR) nutrient profiling system used in Australia, but applicable in any market, to determine how healthy each product is. Products are rated between 0.5 stars (least healthy) to 5 stars (most healthy). Any product that scores 3.5 or above is considered healthy.
2. The WHO Regional Office for Europe Nutrient Profile Model (WHO EURO), relevant to any market, to identify which products are suitable to be marketed to children.

What is a Nutrient Profiling System (NPS) and how is it used?

Nutrient profiling is 'the science of classifying or ranking foods according to their nutritional composition for the purpose of preventing disease and promoting health'.⁸ Nutrient profile models have been developed by academics, government departments, health-related charities and the food industry for a variety of applications including: to underpin food labeling; to regulate advertising of products to children; and to regulate health and nutrition claims. Although nutrient profiling is a tool to quantify aspects of individual foods, not diets, nutrient profile models are commonly used to underpin policies designed to improve the overall nutritional quality of diets. There is no international consensus about the superiority of any particular nutrient profiling model, in part due to the different purposes and contexts in which each model has been developed, but they all work broadly the same way.

Each NPS has a different equation – or algorithm – at its heart which converts the levels of nutrients and other food components into classifications or scores. Some then combine those scores to generate a final score for each product that reflects its healthiness. Some systems place foods on a spectrum while others use a simple binary classification, where certain foods are deemed 'healthy' and so suitable to be considered to carry a health claim or be marketed to children, for example. It is important to note that in these systems products not designated as healthy are not 'unhealthy.' They simply do not meet the healthy standard for that system.

For further explanation, see 'Nutrient profiling for regulatory purposes', Proceedings of the Nutrition Society (2017), 76, 230-236, Rayner, M., 9 June 2016

TABLE 1 Country datasets used for each company's analysis

| | Australia | China | Hong Kong | India | Mexico | New Zealand | South Africa | U.K. | U.S. | Total |
|---|-----------|-----------|-----------|-----------|-----------|-------------|--------------|-----------|-----------|-------|
| Ajinomoto | ✗ | ✓ | ✓ | ✗ | ✗ | ✗ | ✓ | ✓ | ✗ | 4 |
| Arla | ✓ | ✗ | ✓ | ✗ | ✗ | ✗ | ✗ | ✓ | ✓ | 4 |
| Campbell's | ✓ | ✗ | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ | ✓ | 7 |
| Coca-Cola | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9 |
| ConAgra | ✗ | ✗ | ✗ | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ | 5 |
| Danone | ✓ | ✓ | ✓ | ✗ | ✓ | ✗ | ✓ | ✓ | ✓ | 7 |
| Ferrero | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9 |
| FrieslandCampina | ✗ | ✗ | ✓ | ✗ | ✗ | ✗ | ✗ | ✓ | ✗ | 2 |
| General Mills | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9 |
| Grupo Bimbo | ✗ | ✓ | ✗ | ✗ | ✓ | ✗ | ✗ | ✓ | ✓ | 4 |
| Kellogg | ✓ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8 |
| Kraft Heinz | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9 |
| Lactalis | ✓ | ✗ | ✓ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | 7 |
| Mars | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9 |
| Meiji | ✓ | ✓ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | 3 |
| Mondelez | ✓ | ✓ | ✗ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 8 |
| Nestlé | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9 |
| PepsiCo | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9 |
| Suntory | ✓ | ✓ | ✓ | ✗ | ✗ | ✓ | ✓ | ✓ | ✗ | 6 |
| Tingyi | ✗ | ✓ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | ✗ | 1 |
| Unilever | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 9 |
| Total no. of companies per country | 16 | 15 | 17 | 12 | 15 | 14 | 15 | 18 | 16 | |

✓ Company sells products within the included categories in the country

✗ Company does not sell products within the included categories in the country

Final number of products analyzed

In total, 23,013 products were analyzed. Of these, 20,865 had sufficient nutrition information to be assessed using the HSR model and 22,137 had sufficient information for the WHO EURO model to be applied.

Scope of sales represented

The percentage of global sales covered by this analysis is shown in Table 2.⁹ It is recognized that while these datasets provide good representation of some of the companies' total global sales, e.g. for Tingyi where the analysis encompasses 97% of its sales and for Campbell's, 93% of its sales, in contrast, for some companies it does not necessarily provide good representation. For example, for FrieslandCampina, this figure is 2% because the majority of its sales are in European countries, not included here, and for Ajinomoto the figure is 5%, with the majority of its sales in Japan, also not included here. There is no reason to expect, however, that FrieslandCampina's results would be significantly different had a greater proportion of its portfolio been included, because dairy is its sole category in all markets globally. Dairy products typically score well in the HSR model. How Ajinomoto's results would have been affected had Japan been included is harder to assess.

For the nine countries included in the study, the analysis encompasses very high proportions of most companies' sales in individual countries – above 80% for all but General Mills, for which the coverage is 77%. This is most likely because sales of other categories beyond the five largest included in the study make up the rest of the sales.

TABLE 2 Percentage of 2016 global sales and sales in the nine countries generated by the categories included in the study across all countries

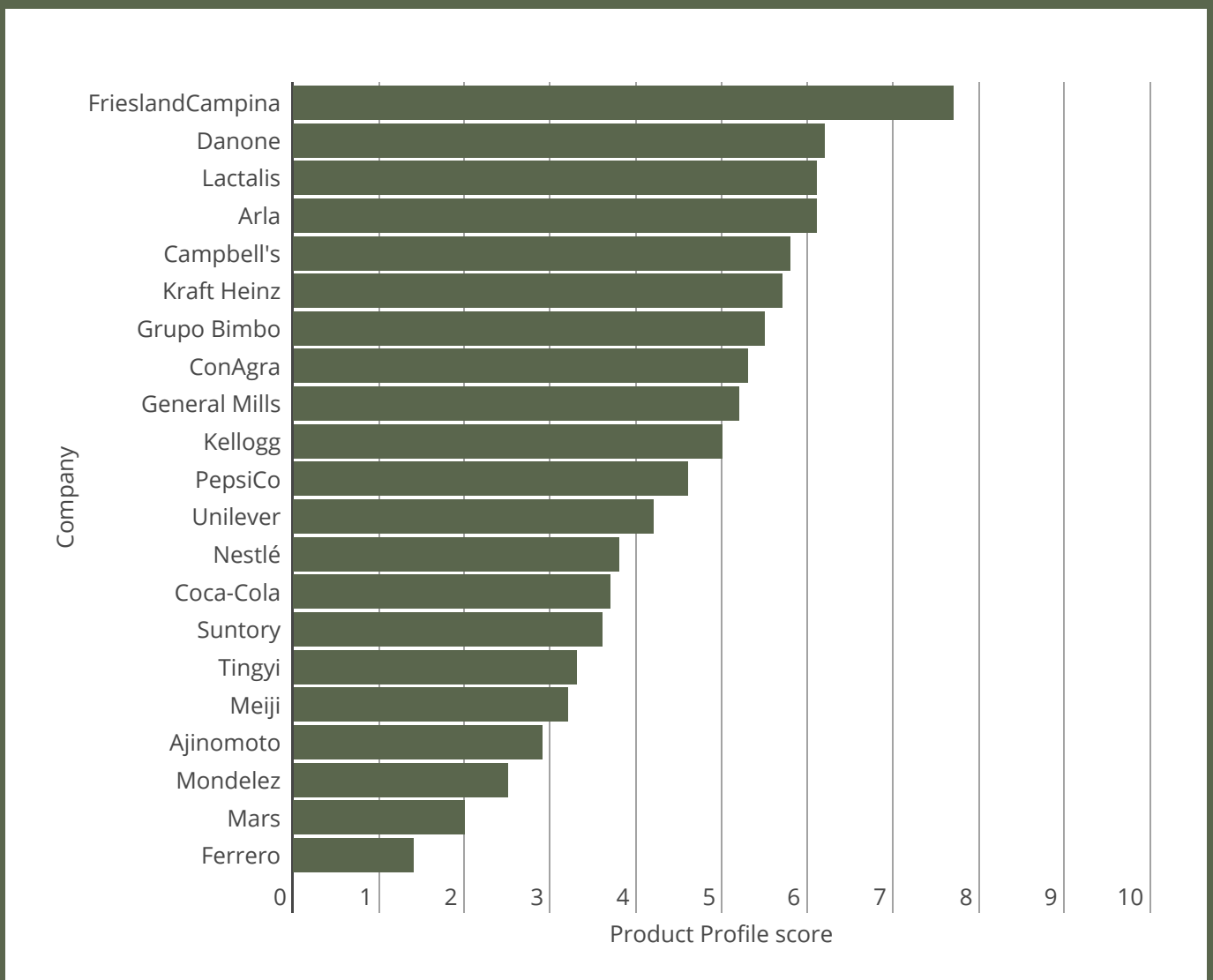
| Company | % global sales represented | % sales in the 9 countries | Categories included in the analysis |
|-------------------------|----------------------------|----------------------------|--|
| Ajinomoto | 5% | 100% | 1. Ready Meals; 2. Rice, Pasta and Noodles; 3. Sauces, dressings and condiments |
| Arla | 10% | 100% | 1. Dairy |
| Campbell's | 93% | 90% | 1. Baked Goods; 2. Juice; 3. Ready Meals; 4. Sauces, dressings and condiments; 5. Savory snacks; 6. Soups; 7. Sweet Biscuits, Snack Bars and Fruit Snacks |
| Coca-Cola | 49% | 100% | 1. Bottled Water; 2. Carbonates; 3. Concentrates; 4. Dairy; 5. Juice; 6. Processed Fruit and Vegetables; 7. RTD Tea; 8. Sports and Energy Drinks |
| ConAgra | 94% | 83% | 1. Breakfast Cereals; 2. Dairy; 3. Edible oils; 4. Processed Fruit and Vegetables; 5. Processed Meat and Seafood; 6. Ready Meals; 7. Sauces, Dressings and Condiments; 8. Savory Snacks; 9. Spreads |
| Danone | 28% | 100% | 1. Bottled Water; 2. Dairy, 3. Ice Cream and Frozen Desserts; 4. Juice |
| Ferrero | 24% | 100% | 1. Baked Goods; 2. Confectionery; 3. Spreads |
| FrieslandCampina | 2% | 100% | 1. Dairy |
| General Mills | 84% | 77% | 1. Baked Goods; 2. Breakfast Cereals; 3. Dairy; 4. Ice Cream and Frozen Desserts; 5. Processed Meat and Seafood; 6. Ready Meals; 7. Rice, Pasta and Noodle; 8. Sauces, Dressings and Condiments; 9. Sweet Biscuits, Snack Bars and Fruit Snacks |
| Grupo Bimbo | 72% | 100% | 1. Baked Goods; 2. Confectionery; 3. Savory Snacks; 4. Spreads; 5. Sweet Biscuits, Snack Bars and Fruit Snacks |
| Kellogg | 72% | 99% | 1. Baked Goods; 2. Breakfast Cereals; 3. Dairy; 4. Processed Meat and Seafood; 5. Savory Snacks; 6. Sweet Biscuits, Snack Bars and Fruit Snacks |
| Kraft Heinz | 87% | 85% | 1. Baked Goods; 2. Dairy; 3. Juice; 4. Processed Fruit and Vegetables; 5. Processed Meat and Seafood; 6. Ready Meals; 7. Sauces, Dressings and Condiments; 8. Savory Snacks; 9. Soup; 10. Spreads |
| Lactalis | 16% | 100% | 1. Dairy; 2. Juice; 3. RTD coffee |
| Mars | 61% | 99% | 1. Confectionery; 2. Ice Cream and Frozen Desserts; 3. Ready Meals; 4. Rice, Pasta and Noodles; 5. Sauces, Dressings and Condiments; 6. Savory Snacks; 7. Soup; 8. Spreads; 9. Sweet Biscuits, Snack Bars and Fruit Snacks |
| Meiji | 5% | 100% | 1. Confectionery; 2. Ice Cream and Frozen Desserts; 3. Sweet Biscuits, Snack Bars and Fruit Snacks |
| Mondelez | 43% | 97% | 1. Baked Goods; 2. Concentrates; 3. Confectionery; 4. Dairy; 5. Other Hot Drinks; 6. Savory Snacks; 7. Sweet Biscuits, Snack Bars and Fruit Snacks |
| Nestlé | 54% | 82% | 1. Bottled Water; 2. Breakfast Cereals; 3. Confectionery; 4. Dairy; 5. Ice Cream and Frozen Desserts; 6. Other Hot Drinks; 7. RTD Coffee; 8. RTD Tea; 9. Ready Meals; 10. Rice, Pasta and Noodles; 11. Sauces, Dressings and Condiments; 12. Soup; 13. Sweet Biscuits, Snack Bars and Fruit Snacks |
| PepsiCo | 65% | 94% | 1. Bottled Water; 2. Breakfast Cereals; 3. Carbonates; 4. Concentrates; 5. Juice; 6. Sauces, Dressings and Condiments; 7. Savory Snacks; 8. Sports and Energy Drinks; 9. Sweet Biscuits, Snack Bars and Fruit Snacks |
| Suntory | 15% | 96% | 1. Bottled Water; 2. Carbonates; 3. Concentrates; 4. Dairy; 5. Ice Cream and Frozen Desserts; 6. Juice; 7. RTD Coffee; 8. RTD Tea; 9. Sauces, Dressings and Condiments; 10. Sports and Energy Drinks |
| Tingyi | 97% | 98% | 1. Bottled Water; 2. Dairy; 3. Juice; 4. RTD Tea; 5. Rice, Pasta and Noodles |
| Unilever | 42% | 85% | 1. Concentrates; 2. Dairy; 3. Ice Cream and Frozen Desserts; 4. Processed Meat and Seafood; 5. RTD Tea; 6. Ready Meals; 7. Rice, Pasta and Noodles; 8. Sauces, Dressings and Condiments; 9. Soup; 10. Spreads |

Overall results

The Product Profile scores companies out of ten to provide comparability with the Corporate Profile. The sales-weighted scores from the results from the TGI study (shown in Figure 3) are out of a total maximum of five (the maximum possible score on the HSR). These scores are therefore simply doubled to generate the Product Profile score. A score of ten out of ten on the Product Profile would indicate that a company's whole portfolio comprise products and/or sales of products with the maximum HSR of 5. The companies are then ranked based on these scores.

Individual company Product Profile scorecards are available [here](#).

FIGURE 1 Product Profile scores: maximum possible = 10



How healthy are the companies' portfolios overall?

FrieslandCampina has the healthiest portfolio and so tops the Product Profile with a score of 7.7 out of 10. It generates 100% of its sales in the nine countries assessed from dairy products which tend to score well on the HSR (see Figure 1).

It is followed by three other companies whose sales are also generated exclusively or predominately from dairy products in the nine countries assessed: Danone ranks second, (53% sales from dairy, 46% from bottled water), Lactalis (94% sales from dairy) and Arla (100% sales from dairy) share the third rank. Many dairy foods are of relatively high nutritional quality (especially low-fat products including milks, plain yoghurts and some cheeses, which typically have high levels of positive nutrients such as protein and calcium, and do not typically have high levels of salt, saturated fats or added sugar) which results in high HSRs.

Conversely, the three companies whose sales in the nine countries assessed are made up predominantly of confectionery rank lowest: Mondelez ranks at 19; it generates 49% of its sales in the nine countries from that category. Mars ranks at 20 and Ferrero at 21, with 89% and 85% of sales respectively generated from confectionery in the nine countries.

All of the other companies have mixed portfolios made up of various categories. Their scores range from Campbell's at 5.8 out of 10, ranked fifth, which sells baked goods, juice, ready meals, sauces, dressing and condiments, savory snacks, soups and sweet biscuits, snack bars and fruit snacks, to Ajinomoto, which makes predominantly sauces, dressing and condiments, at 2.9 out of 10, ranked 18th.

Coca-Cola is essentially a beverages company – all but 1.5% of the 2016 revenues from products included in this study were derived from beverages. It scored 3.7 out of 10 and ranked 14th. Ten other companies count beverages among their highest-selling categories in these nine countries. Analysis of beverages, separate to foods, is provided in subsequent sections.

What percentage of the 21 companies' products analyzed are healthy?

The Product Profile found that only 32% of the products met the healthy threshold (HSR score of 3.5 or higher).

As shown in Table 3, the percentage of healthy products in individual company's portfolios ranges from 75% for FrieslandCampina and 64% for ConAgra, to 0% for Ferrero.

Only two companies are estimated to generate more than 50% of their sales from healthy products in the categories assessed, for all nine markets: FrieslandCampina (89%) and Lactalis (56%). Five companies are estimated to generate less than 10% of their sales from healthy products.

To what extent are the companies' products suitable to be marketed to children?

Only 14% of the products analyzed met the nutritional standards to be marketed to children according to the WHO EURO criteria.

Food and beverage companies do not market all of their products to children nor necessarily make products specifically aimed at children. In fact, most products are more typically intended to be consumed by the population as a whole. Few companies make, for example, ready meals or spreads branded and marketed to appeal particularly to children. Nevertheless, to maintain a healthy weight it is important that children's diets should limit some types of foods and beverages that are relatively high in saturated fats, free sugars, salt and calories.

As shown in Figure 2, two companies had no products eligible for marketing to children at all – Ferrero and Meiji, while General Mills, Kellogg, Mars, Mondelez, PepsiCo, Suntory and Tingyi have less than 10% of eligible products (by number). ConAgra's comparatively high proportion of products that meet this standard (37%) is made up predominantly of 'ready meals' and 'processed fruit and vegetable' products – those that the company would be unlikely to market to children and more likely to market to their parents.

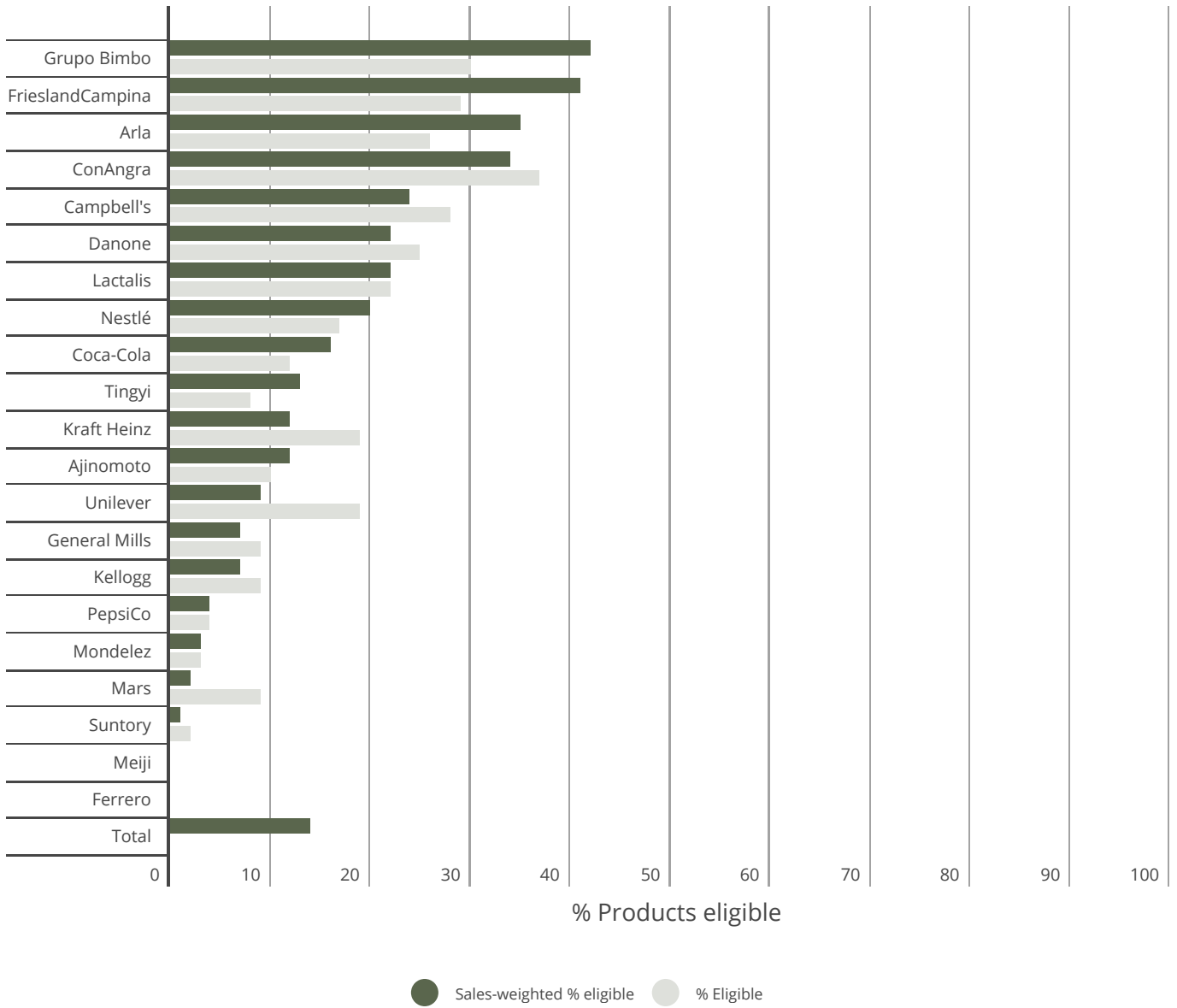
The WHO EURO Nutrient Profiling Model deems certain categories as *prima facie* not suitable to market to children, including, for example, confectionery, many spreads and sweet biscuits, and most savory snacks. This affects those companies that make a large number of these products such as Ferrero, Meiji and Mondelez.¹⁰ The model applies to products within 20 standard selected F&B categories (i.e. not limited to products typically targeted at children). For these categories within its scope, the model identifies those products that exceed set thresholds, linked to agreed daily intake values for children and recommends that any that exceed those limits should not be marketed to children. Other types of products eligible for marketing – should the companies choose to market them – include some healthier dairy products made by FrieslandCampina, Danone and Lactalis and Grupo Bimbo's plain bread products.

PRODUCT PROFILE

TABLE 3 Number of products with each Health Star Rating overall and by company and percentage sales of healthy products of categories assessed

| HSR: 3.5 stars or more = healthy product | | | | | | | | | | | | | |
|--|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|---------------|------------|------------|
| | 0.5 | 1.0 | 1.5 | 2.0 | 2.5 | 3.0 | 3.5 | 4.0 | 4.5 | 5.0 | All | % HSR >3.5 | |
| | | | | | | | | | | | | By no. | By sales |
| Ajinomoto | 51 | 6 | 3 | 6 | 7 | 6 | 7 | 6 | 0 | 0 | 92 | 14% | 17% |
| Arla | 16 | 19 | 10 | 7 | 11 | 6 | 5 | 4 | 1 | 29 | 108 | 36% | 47% |
| Campbell's | 76 | 63 | 104 | 156 | 144 | 227 | 407 | 143 | 45 | 97 | 1,462 | 47% | 40% |
| Coca-Cola | 26 | 310 | 183 | 303 | 4 | 19 | 59 | 15 | 68 | 202 | 1,189 | 29% | 13% |
| ConAgra | 67 | 20 | 44 | 47 | 62 | 135 | 379 | 159 | 90 | 33 | 1,036 | 64% | 44% |
| Danone | 21 | 20 | 11 | 103 | 93 | 110 | 139 | 36 | 49 | 177 | 759 | 53% | 41% |
| Ferrero | 156 | 95 | 17 | 3 | 0 | 1 | 0 | 0 | 0 | 0 | 272 | 0% | 0% |
| FrieslandCampina | 0 | 2 | 0 | 2 | 0 | 2 | 5 | 9 | 3 | 1 | 24 | 75% | 89% |
| General Mills | 55 | 188 | 244 | 267 | 217 | 218 | 185 | 81 | 50 | 36 | 1,541 | 23% | 20% |
| Grupo Bimbo | 44 | 67 | 93 | 31 | 18 | 74 | 74 | 54 | 15 | 7 | 477 | 31% | 41% |
| Kellogg | 41 | 90 | 227 | 266 | 234 | 125 | 76 | 144 | 74 | 33 | 1,310 | 25% | 24% |
| Kraft Heinz | 169 | 86 | 192 | 248 | 172 | 165 | 423 | 314 | 115 | 192 | 2,076 | 50% | 41% |
| Lactalis | 44 | 32 | 13 | 25 | 43 | 105 | 89 | 67 | 68 | 76 | 562 | 53% | 56% |
| Mars | 455 | 185 | 138 | 64 | 83 | 155 | 275 | 164 | 2 | 4 | 1,525 | 29% | 8% |
| Meiji | 28 | 7 | 8 | 20 | 8 | 3 | 0 | 0 | 0 | 1 | 75 | 1% | 1% |
| Mondelez | 869 | 446 | 314 | 136 | 94 | 74 | 45 | 39 | 6 | 18 | 2,041 | 5% | 7% |
| Nestlé | 397 | 185 | 224 | 247 | 138 | 297 | 325 | 147 | 43 | 26 | 2,029 | 27% | 19% |
| PepsiCo | 102 | 237 | 267 | 279 | 189 | 175 | 140 | 154 | 102 | 168 | 1,813 | 31% | 19% |
| Suntory | 50 | 69 | 54 | 86 | 37 | 61 | 13 | 11 | 10 | 113 | 504 | 29% | 9% |
| Tingyi | 35 | 8 | 30 | 11 | 10 | 0 | 27 | 12 | 1 | 3 | 137 | 31% | 17% |
| Unilever | 104 | 158 | 273 | 258 | 226 | 357 | 185 | 65 | 17 | 10 | 1,653 | 17% | 10% |
| Total no. of products | 2,806 | 2,293 | 2,449 | 2,565 | 1,790 | 2,315 | 2,858 | 1,624 | 759 | 1,226 | 20,685 | | |
| No. of products | 14,218 | | | | | | 6,467 | | | | | | |
| % products | 68% | | | | | | 32% | | | | | | |

FIGURE 2 Proportions of products meeting WHO EURO criteria for marketing to children – by company



PRODUCT PROFILE

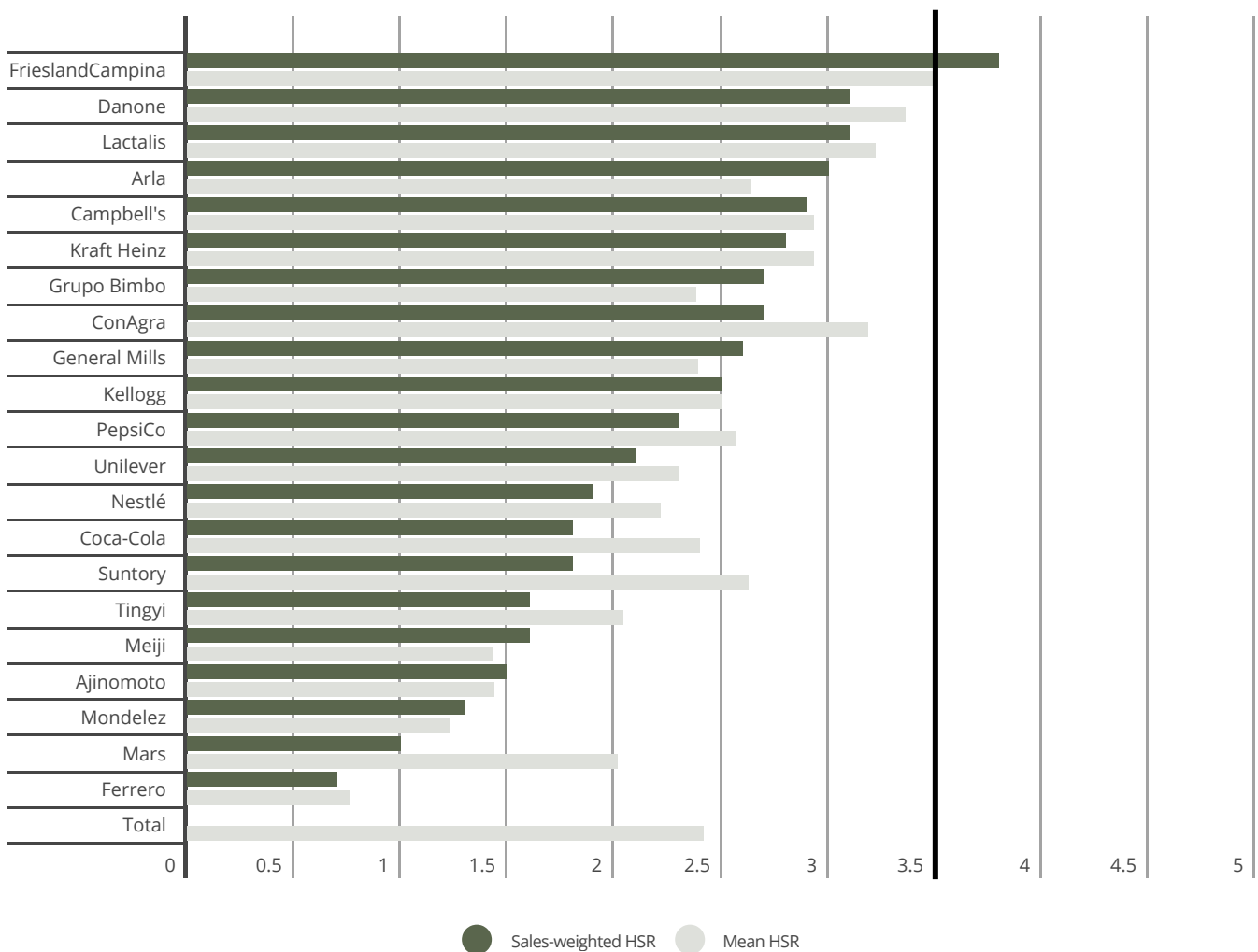
To what extent do companies generate their sales from healthy products?

Figure 3 shows that, overall, most companies' portfolios and their sales are made up of products that do not meet the healthy standard. As shown by the dark grey bar, only FrieslandCampina has an average of 3.5. The average for all companies assessed is 2.4.

To estimate the proportion of each company's sales made up of healthy products, its total sales per category, within each country, was multiplied by the proportion of products in that category with an HSR of 3.5. These figures were then aggregated.

This exercise showed the overall company rankings changed slightly, with seven companies increasing their mean HSR (Ajinomoto, Arla, FrieslandCampina, General Mills, Grupo Bimbo, Meiji, Mondelez) suggesting that healthy products account for a larger proportion of their sales than less healthy products. Apart from Kellogg, for which the results did not change, the scores of all other companies decreased, suggesting healthy products account for a smaller proportion of their sales than less healthy products. However, it must be remembered that these figures are not based on product-level sales data. Using that data would generate a more accurate estimate of the relative contribution to sales of healthy and less healthy products.

FIGURE 3 Overall nutritional quality of companies' products in nine markets (HSR scores, maximum possible: 5), with and without sales-weighting



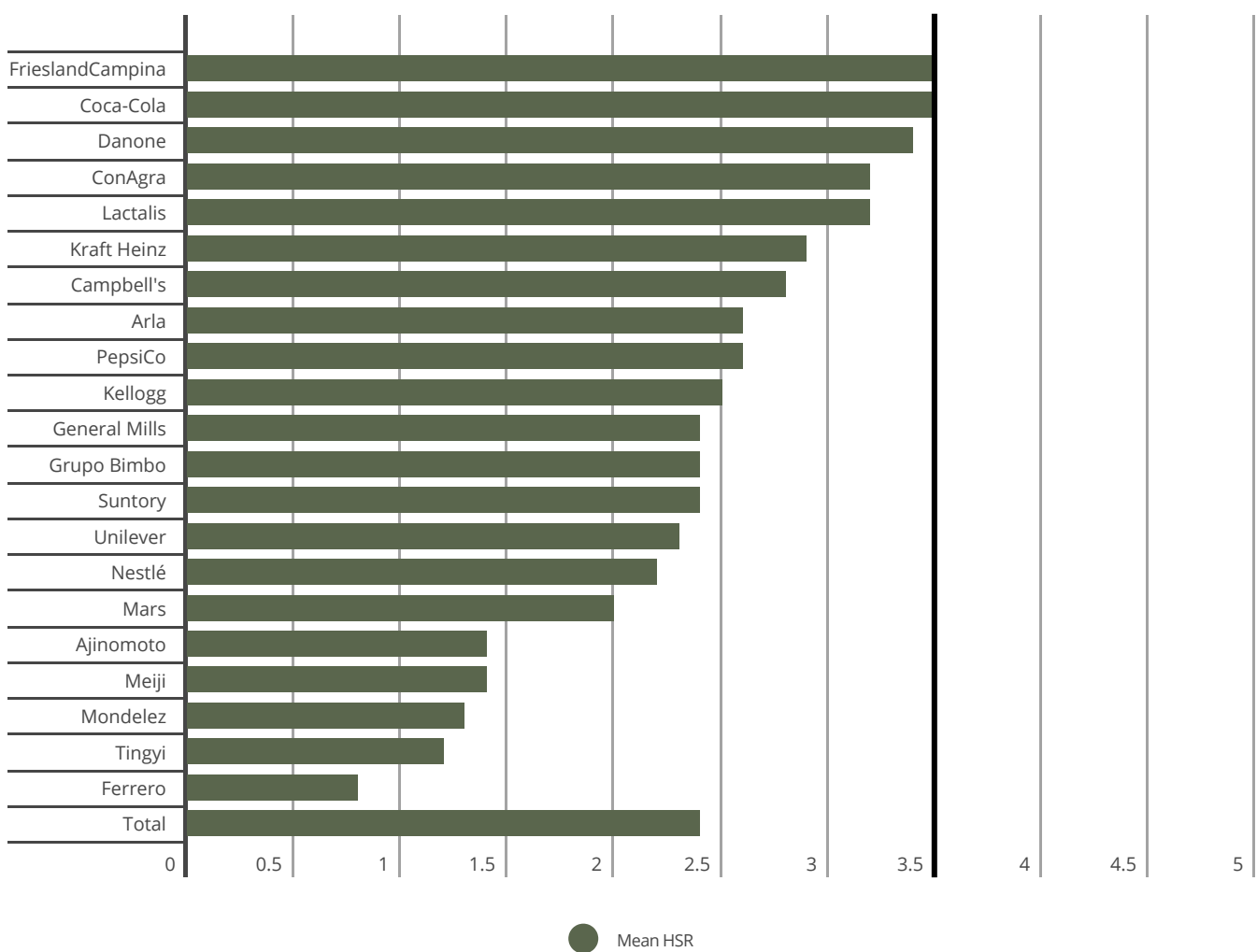
How healthy are the 19,269 foods assessed?

When analyzing food categories and beverage categories separately, the results do not vary greatly. For example the dairy companies generally remain at the top of the ranking (with the exception of Arla which slips down to eighth place) and the confectionery companies generally remain lower down the ranking.

FrieslandCampina retains its number one position with a mean HSR of 3.5, while Danone, ConAgra and Lactalis maintain high rankings as well, as shown in Figure 4.

As a company not well known for products other than beverages, Coca-Cola ranks second with a mean HSR of 3.5 for its two 'food' categories – 'dairy' and 'processed fruit and vegetables'. However, it should be noted that these products constitute just 1.5% of Coca-Cola's sales for total products assessed, and the data is not sales weighted. The products in these brands get relatively good HSR scores, which accounts for its high ranking in this analysis.

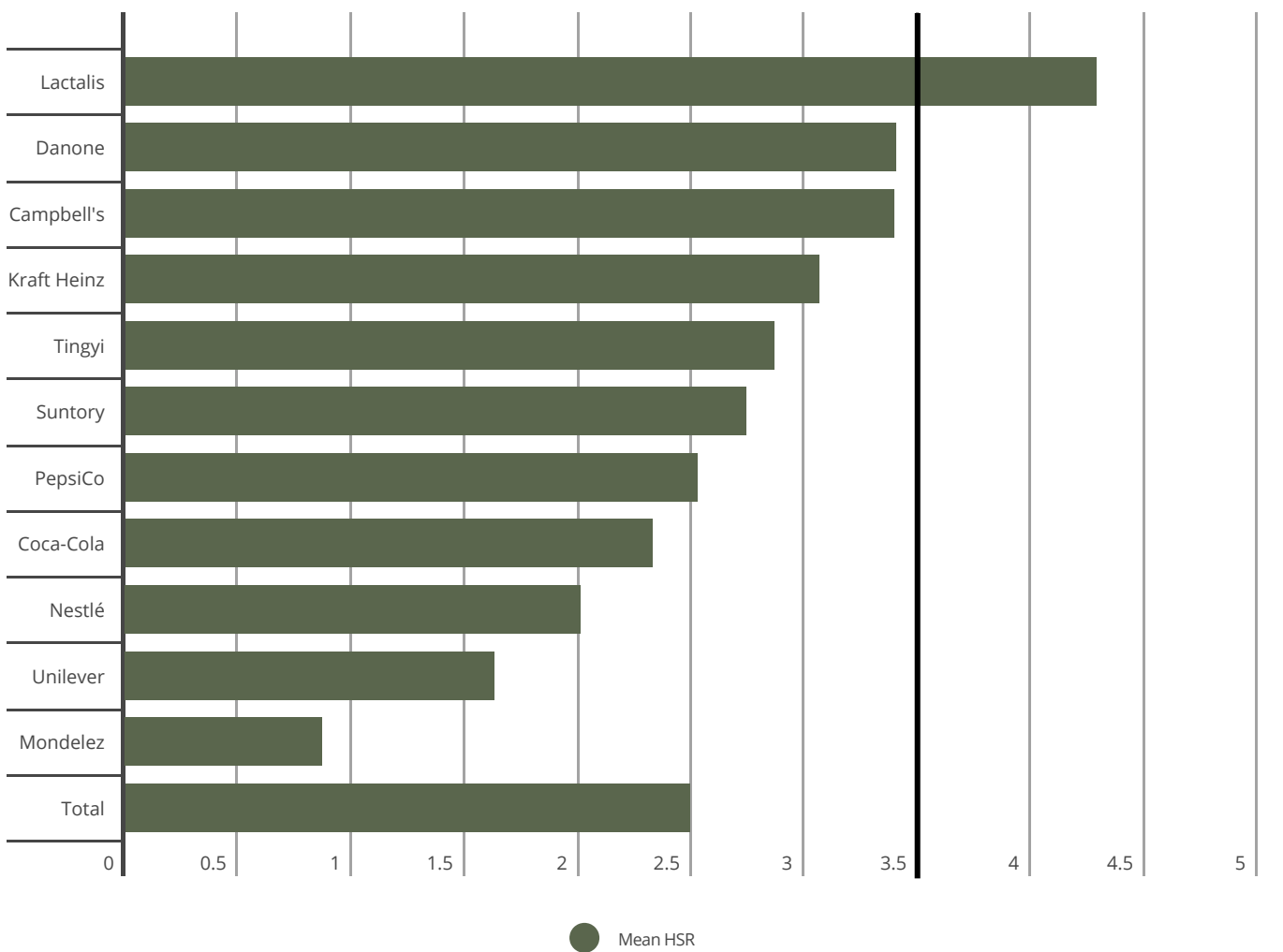
FIGURE 4 Mean HSR by Company – foods only, not sales-weighted



How healthy are the 3,114 beverages assessed?

Looking at beverages separately, on a product basis rather than a sales basis, Lactalis and Danone had the highest mean HSR of all companies. This is due to their range comprising 100% fruit juices, bottled waters or dairy-based beverages, as shown in Figure 5. Lactalis's mean HSR is particularly high, at 4.3. Mondelez had the lowest mean HSR for beverages because its beverages range consists of hot chocolate and beverage mixes (e.g. Tang). The companies broadly retain the same ranking, with the main exception of Tingyi which jumps up to fifth, illustrating that its beverages (bottled water, ready-to-drink tea and juices) are healthier overall than its food products (dairy and rice, pasta and noodles).

FIGURE 5 Mean HSR by Company – beverages only, not sales-weighted



How does the nutritional quality of products vary within categories?

A wide variation of nutritional quality of products within categories was identified. To illustrate this, categories where at least three companies offer products were selected; the companies in each category with the highest and lowest HSRs for that category are included in Table 4. This shows that there is scope for companies to reformulate their products within categories to improve their nutritional quality.

To what extent does the healthiness of companies' combined portfolios vary by country? Can any patterns be identified?

The Product Profile study also enables analysis by country. Table 5 shows the mean HSRs of different product categories for sale within each country. This illustrates that significant variations exist at this level: Breakfast cereals for sale in Australia and China achieve an HSR of 4 on average, whereas those available in Mexico have an HSR of 2.8. This may reflect different products for sale within each category in different countries, formulations to reflect different cultural preferences or different formulations of the same or very similar products.

TABLE 4 Mean and range of HSR for selected Euromonitor International categories

| Euromonitor International category | Product HSR range across companies (min max) | Mean across all companies/products | Company with lowest mean HSR | Lowest mean HSR | Highest mean HSR | Company with highest mean HSR |
|---|--|------------------------------------|------------------------------|-----------------|------------------|-------------------------------|
| Baked Goods | 0.5 - 5 | 2.2 | Mondelez | 1.0 | 3.2 | Campbell's |
| Breakfast Cereals | 1.0-5 | 3.3 | General Mills | 2.7 | 3.9 | PepsiCo |
| Carbonates | 0.5-5 | 1.6 | Coca-Cola | 1.5 | 3.6 | Suntory |
| Dairy | 0.5-5 | 2.9 | ConAgra | 2.1 | 3.5 | FrieslandCampina |
| Ice Cream and Frozen Desserts | 0.5-4.5 | 2.1 | Mars | 1.5 | 3.0 | Suntory |
| Juice | 0.5-5 | 3.5 | Danone | 1.9 | 4.4 | Lactalis |
| Ready Meals | 0.5-5 | 3 | Mars | 1.0 | 3.5 | Campbell's |
| Rice, Pasta and Noodles | 0.5-4.5 | 2.9 | Tingyi | 0.8 | 3.9 | Ajinomoto |
| Sauces, Dressings and Condiments | 0.5-5 | 2.5 | Ajinomoto | 1.0 | 3.6 | PepsiCo |
| Savory Snacks | 0.5-5 | 2.4 | Mars | 0.5 | 4.0 | Kraft Heinz |
| Spreads | 0.5-5 | 2.2 | Ferrero | 0.5 | 3.9 | ConAgra |
| Sweet Biscuits, Snack Bars and Fruit Snacks | 0.5-5 | 1.7 | Nestlé | 0.5 | 2.2 | General Mills |

PRODUCT PROFILE

Figure 6 shows that the U.S. and New Zealand had the highest mean HSR of the nine countries: 2.6 out of 5. The picture appears to be that developed countries such as the U.S. (2.6), New Zealand (2.6), Australia (2.4) and the U.K. (2.3) have higher overall HSRs compared to emerging markets such as India (2.1) and China (1.8) which rank last using this metric. This may partly be a reflection of differences in consumers' taste preferences between countries. Caution should be exercised with these results, as they do not include all products for sale in each country (although the percentages of the companies' portfolios included here are quite high overall). The range of products for sale, including the mix of product categories, in each country may differ significantly.

Another way of looking at the data is to consider the proportion of products that meet the healthy threshold in each country. Figure 7 shows these figures. They range from 37% of the products assessed in New Zealand having an HSR of 3.5 or more, 34% in both the U.S. and Australia, 31% in the U.K., less than a quarter in South Africa, Mexico, India and China.

This trend is also reflected in the proportion of products that meet the WHO EURO criteria for marketing to children as shown in Figure 8. This also varies by country, with 21% meeting the threshold in South Africa, but only 13% in Mexico, 11% in Australia, 6% in Hong Kong and 3% in China.

TABLE 5 Mean HSR by Euromonitor International categories for each country (not sales-weighted)

| | AU | CN | HK | IN | MX | NZ | ZA | UK | US |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Baked Goods | 2.0 | 2.1 | – | 2.0 | 2.5 | 1.9 | 2.2 | 1.6 | 2.4 |
| Bottled Water | 2.7 | 3.5 | 3.2 | 5.0 | 2.3 | 3.0 | 2.8 | 3.1 | 2.9 |
| Breakfast Cereals | 4.0 | 4.0 | 3.3 | 3.3 | 2.8 | 3.7 | 3.4 | 3.4 | 3.0 |
| Carbonates | 1.6 | 1.1 | 1.8 | 1.9 | 1.5 | 1.4 | 1.3 | 1.8 | 1.9 |
| Concentrates | 2.2 | 0.5 | 0.5 | 0.7 | 1.2 | 1.5 | – | 1.9 | – |
| Confectionery | 1.1 | 1.2 | 1.7 | 0.9 | 1.2 | 1.3 | 1.2 | 0.8 | 0.8 |
| Dairy | 3.1 | 2.2 | 2.8 | 3.5 | 2.6 | 2.8 | 2.7 | 3.1 | 3.0 |
| Edible Oils | – | – | – | 3.5 | 4.6 | – | – | – | – |
| Ice Cream and Frozen Desserts | 1.9 | 2.3 | 2.0 | 2.3 | 2.1 | 1.9 | 2.3 | 1.8 | 2.2 |
| Juice | 3.5 | 3.6 | 2.6 | 0.8 | 4.7 | 4.1 | 4.5 | 4.0 | 3.2 |
| Hot Drinks | 1.9 | – | – | 0.9 | – | 1.5 | 1.2 | 1.3 | – |
| Processed Fruit and Vegetables | 4.0 | – | 4.0 | 4.0 | – | 4.2 | – | 4.3 | 4.1 |
| Processed Meat and Seafood | – | – | 3.0 | – | 1.9 | – | 2.4 | – | 3.2 |
| Ready-to-drink Coffee | 4.2 | 1.0 | 1.1 | – | – | 4.0 | – | – | – |
| Ready-to-drink Tea | 1.9 | 1.6 | 1.4 | – | 1.7 | – | 1.4 | – | 1.7 |
| Ready Meals | 3.5 | – | 2.0 | 3.5 | 1.7 | 3.4 | 2.8 | 3.2 | 3.0 |
| Rice, Pasta and Noodles | 3.6 | 0.8 | – | 2.4 | – | 3.2 | 1.5 | 3.6 | 3.0 |
| Sauces, Dressings and Condiments | 2.7 | 1.0 | 1.4 | 2.5 | 2.3 | 2.6 | 2.5 | 2.7 | 2.6 |
| Savory Snacks | 2.8 | 2.8 | 2.8 | 2.5 | 2.0 | 2.1 | 1.7 | 2.2 | 2.5 |
| Soup | 3.3 | 0.5 | 3.3 | 3.7 | 3.1 | 3.4 | 2.9 | 3.5 | 3.2 |
| Sports and Energy Drinks | 1.4 | 1.6 | 1.2 | – | 1.5 | 1.3 | 1.3 | 1.5 | 1.6 |
| Spreads | 2.6 | – | 2.5 | 2.5 | 1.2 | 2.3 | 0.5 | 1.3 | 0.5 |
| Sweet Biscuits, Snack Bars and Fruit Snacks | 1.5 | 0.7 | 1.6 | 0.9 | 1.5 | 2.0 | 2.0 | 1.8 | 1.9 |

FIGURE 6 Mean HSR by country – overall product portfolio, not sales-weighted

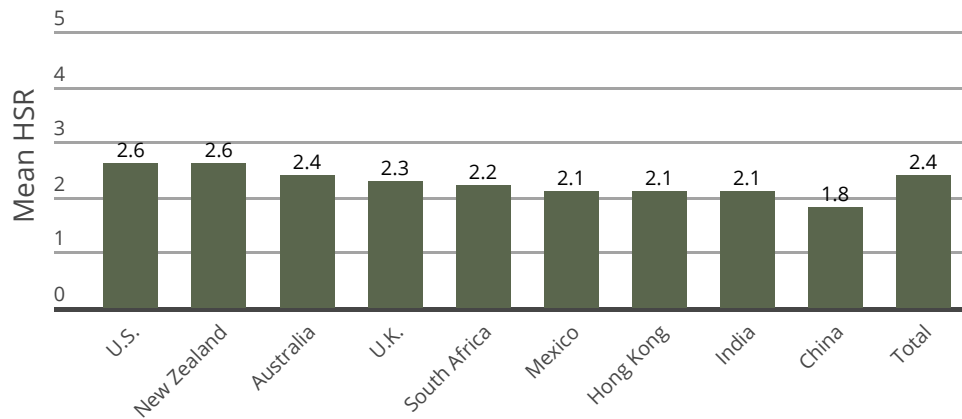


FIGURE 7 Proportion of 'healthy' products by country, not sales-weighted

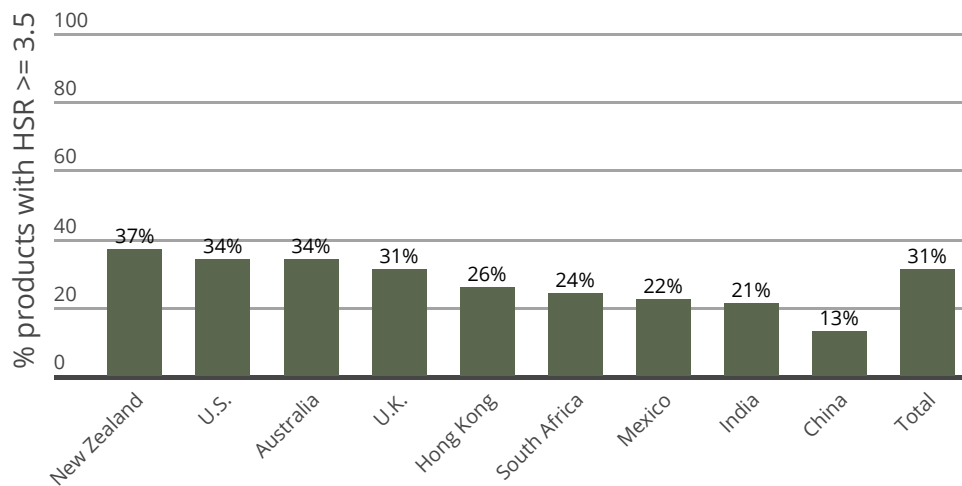
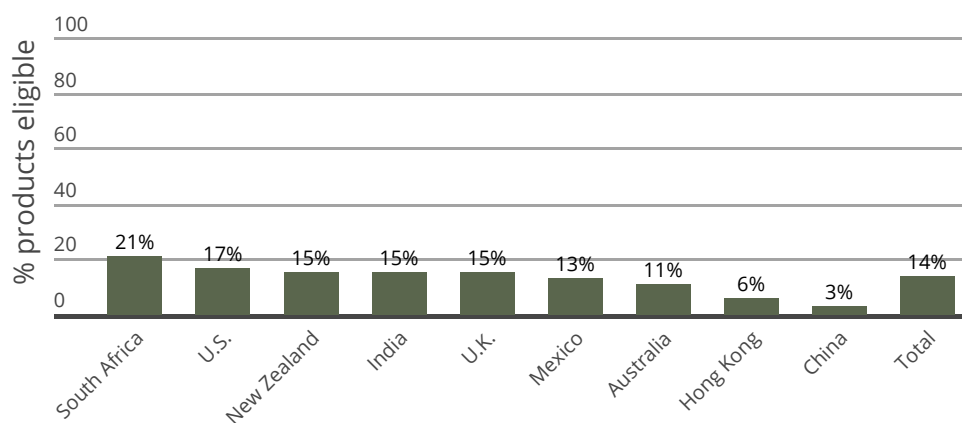


FIGURE 8 Proportions of products meeting the WHO EURO criteria for marketing to children by country, not sales-weighted



PRODUCT PROFILE

TABLE 6 Variation of companies' average HSRs by category, across countries, not sales-weighted

| HSR score > | AU | CN | HK | IN | MX | NZ | SA | UK | US | Average |
|--------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---------|
| Baked goods | | | | | | | | | | |
| General Mills | 2 | | | 2 | 1.2 | 1.9 | | 1.8 | 1.4 | 1.7 |
| Grupo Bimbo | | 2.1 | | | 3.2 | | | 3.5 | 2.9 | 2.9 |
| Kraft Heinz | | | | | 3 | | 2.2 | | | 2.6 |
| Breakfast cereals | | | | | | | | | | |
| Kellogg | 3.7 | | 2.8 | 3 | 2.6 | 3.7 | 3.4 | 3.2 | 3.3 | 3.2 |
| Nestlé | 4.2 | | | | 3 | | | 3.4 | | 3.5 |
| PepsiCo | | 4 | 3.7 | 4.4 | | | | 4 | | 4.0 |
| Dairy | | | | | | | | | | |
| Arla | 1.2 | | 1.1 | | | | | 3.2 | 1.9 | 1.9 |
| Coca-Cola | | 3 | 3.5 | | 3.5 | | | 1.9 | | 3.0 |
| Danone | 2 | 2.4 | | | 2.8 | | 3.1 | 3.1 | 3.8 | 2.9 |
| FrieslandCampina | | | 3.2 | | | | | 4.1 | | 3.7 |
| General Mills | | | | | 2.4 | | | 3.6 | 3.4 | 3.1 |
| Kraft Heinz | 2.6 | | 1.8 | | 2.4 | | | | 2.4 | 2.3 |
| Lactalis | 3.4 | | 2.8 | | 3.6 | | 2.8 | 3 | 3 | 3.1 |
| Mondelez | | | | | 1.2 | | 1 | 3.1 | 0.5 | 1.5 |
| Nestlé | 2.1 | 0.6 | 3.6 | 3.5 | 1.4 | | 1.4 | 2.8 | 1.2 | 2.1 |
| Unilever | 2.9 | | 3 | | 3.4 | 2.8 | 2.4 | 2.9 | 2.8 | 2.9 |
| Ready Meals | | | | | | | | | | |
| General Mills | 3.5 | | | | | 2 | 3.1 | 2.5 | 2.4 | 2.7 |
| Kraft-Heinz | | | | | 1.7 | 3.4 | 3 | 3.5 | 2.1 | 2.7 |
| Nestlé | | | | 3.5 | | | | | 3.1 | 3.3 |
| Unilever | | | 1 | | | | | | 2.1 | 1.55 |
| Savory snacks | | | | | | | | | | |
| Campbell's | 2.7 | | | | | 2.6 | | | 2.1 | 2.5 |
| Congara | | | | 3.5 | 2.9 | 2.3 | 2.4 | | 2.1 | 2.6 |
| Grupo Bimbo | | | | | 2.2 | | | | 1.9 | 2.1 |
| Kellogg | 1.3 | | 2.4 | | | 1.3 | 2.1 | 2 | 2 | 1.9 |
| Mondelez | | 1.9 | | | 1.3 | 0.9 | 1 | | 2.5 | 1.5 |
| PepsiCo | 3 | 2.9 | 3 | 2.1 | 1.7 | 1.9 | 1.6 | 2.4 | 2.7 | 2.4 |
| Carbonates | | | | | | | | | | |
| Coca-Cola | 1.5 | 1.1 | 1.6 | 1.9 | 1.5 | 1.5 | 1.3 | 1.8 | 1.4 | 1.5 |
| PepsiCo | 1.6 | 1 | 1.3 | 1.9 | 1.6 | 1.2 | 1.2 | 1.6 | 2.2 | 1.5 |
| Suntory | | | 4.6 | | | | | 2.5 | | 3.6 |

Are companies' formulations of products within categories broadly consistent across countries?

Many companies make global commitments to improving the nutritional quality of their products by cutting salt, fats and added sugars, for example, or adding ingredients such as fruit, vegetables and wholegrains. Overall, the same product in any country should be of broadly similar nutritional quality – ideally as high as possible – though recipes often vary to some degree to reflect local tastes. Table 6 sets out variations in several categories – those that typically account for significant proportions of people's diets – with all companies present in at least two countries in each category included.

However, the data suggests that there is a degree of inconsistency between countries in the same category. For the six categories shown (selected purely to illustrate this point), there is a considerable variation between companies' average HSR score for these categories in

different countries. This could be because the study does not capture all products within each category or could be due to a different set of products being sold within the category in different countries. However, it could also be due to products within the selected categories having different formulations. Further research on this point certainly seems merited.

These results appear to indicate that companies need to look closely at whether consumers everywhere are offered the healthiest formulation of individual products within categories and where they find this is not the case, to invest in improving the category in countries where nutritional quality is lowest. Further, if the results are due to a different range of products being offered in each country, companies could look at introducing healthier variants for sale in other countries and/or withdrawing the least healthy products.

CASE STUDY ARE MANUFACTURERS MAKING SUFFICIENT PROGRESS ON SALT REDUCTION?

This case study presents the results of two additional pieces of research commissioned by ATNF to answer the question: Are individual companies and the wider F&B industry, making sufficient progress in lowering levels of nutrients of key public health concern, such as salt?

The Product Profile assesses products' overall nutritional quality and aggregates those figures to provide an understanding of how healthy companies' overall portfolios are. This Product Profile is the first published by ATNF: it is intended to serve as a baseline against which changes to companies' product portfolios over time will be measured. Moreover, future Product Profiles will also include analysis of changes in levels of key individual ingredients related to particular public health concerns.

As such analysis was not within the scope of the Product Profile for this Index, ATNF commissioned additional research to provide some initial insights into whether companies assessed on the Index have made headway in reducing the levels of sodium (salt) in their products given that the risks of high salt consumption to health have long been known. Regularly eating too much salt puts consumers at increased risk of developing high blood pressure. High blood pressure is the main cause of strokes and a major cause of heart attacks and heart failure, one of the most common causes of death and illness in the world.¹¹

The WHO has stated that salt reduction is of equal importance to stopping smoking in addressing deaths and illness worldwide; an estimated 2.5 million deaths could be prevented each year if global salt consumption were reduced to the recommended level. In 2012, the WHO re-issued guidance on salt intake and lowered the recommended maximum daily consumption for adults to less than 2,000mg sodium or 5gm of salt.¹² However, according to the WHO, most people around the world consume on average 9-12 grams per day, or around twice the recommended maximum level of intake. It is therefore essential that salt levels in processed foods are universally reduced everywhere.

As outlined in the chapter on Category B, many companies have set salt reduction targets and state to have made significant progress in reaching those targets. Salt reduction is, for example, one of the key commitments made by the International Food & Beverage Alliance (IFBA) members. A 2018 IFBA briefing states that "members have achieved large reductions in salt over time by implementing slow and gradual reductions to help consumers adjust their taste preference and prevent them from adding salt back in at the table. Salt reductions have been achieved through recipe reformulations, the introduction of salt replacers, such as lower-sodium sea salt and salt enhancements such as aromas, herbs and spice."

The briefing also provides a summary of each company's achievements. However their achievements are articulated in completely different ways, using different metrics and baselines and are not easily comparable.¹³

ATNF commissioned two pieces of research: one conducted by TGI, focused solely on the Australian market, and another was undertaken for four markets by Innova Market Insights.¹⁴ The results of both studies are summarised below.

Objective of the TGI study: To determine whether sodium levels in foods and beverages produced by all Index companies operating in Australia changed between 2013 and 2017.¹⁵

Objective of the Innova study: To analyse and compare average sodium content and identify any sodium reduction in new product launches of IFBA-member companies in four markets, between 2006 and 2017. Because no analysis was done of the statistical significance of the results for the Innova study, the results should be considered to be indicative rather definitive.

Approach and high-level results of the TGI study in Australia

- Sodium levels of products made by 16 manufacturers for sale in Australia in both 2013 and 2017, in selected food categories, were analysed using data within TGI's FoodSwitch database. That data was taken directly from the mandatory Nutrition Information Panel on the packs. The results are set out in Table 7.
- Among the 16 companies (ten IFBA-member companies

and six non-members, all included in the 2018 Global Index) whose products were available in both 2013 and 2017, there was no significant difference in the aggregate median sodium content in 2013 and 2017 of the 4,595 products analysed.

- For the IFBA-member companies, taken as a group, there was no significant difference in the median sodium content of the products in 2013 and 2017, i.e. the overall level did not fall. There was also no evidence that non IFBA-member companies performed better overall compared to the IFBA-member companies assessed in the study.
- However, two companies – Danone and Kraft Heinz – significantly decreased the median sodium content of their products over the time frame studied.
- For some IFBA-member companies, some significant decreases in median sodium content were found between 2013 and 2017 for certain categories: for example, in the savory snacks of PepsiCo (from 584 mg/100gm in 2013 to 506 mg/100gm in 2017) and in Unilever's soups (from 300 mg/100gm in 2013 to 280 mg/100gm in 2017).
- For the non-IFBA member companies over the same period, significant reductions in the median sodium content were found for Campbell's savory snacks (818mg/100gm in 2013 to 662mg/100gm in 2017) and soups (292mg/100gm in 2013 to 275mg/100gm in 2017). Kraft Heinz also reduced the median sodium content of a few categories, processed meat and seafood being one example. (390 mg/100gm in 2013 to 300 mg/100gm in 2017).

TABLE 7 Changes to median sodium level by company and overall, with level of statistical significance

| | Coca-Cola | Danone | Ferrero | General Mills | Kellogg | Mars | Mondelez | Nestlé | PepsiCo | Unilever | Arla | Campbell's | Kraft Heinz | Suntory | Lactalis | Meiji | Overall |
|--|-----------|--------|---------|---------------|---------|------|----------|--------|---------|----------|------|------------|-------------|---------|----------|-------|---------|
| 2013 median sodium level (mg per 100g/ml) | 6 | 77 | 38 | 355 | 275 | 380 | 81 | 94 | 494 | 340 | 600 | 295 | 290 | 524 | 61 | 328 | 258 |
| 2017 median sodium level (mg per 100g/ml) | 6 | 66 | 51 | 336 | 260 | 350 | 77 | 97 | 475 | 290 | 600 | 292 | 210 | 510 | 58 | 290 | 244 |
| Statistical analysis (portfolio level) | - | ↓ | - | - | - | - | - | - | - | - | - | - | ↓ | - | - | - | - |

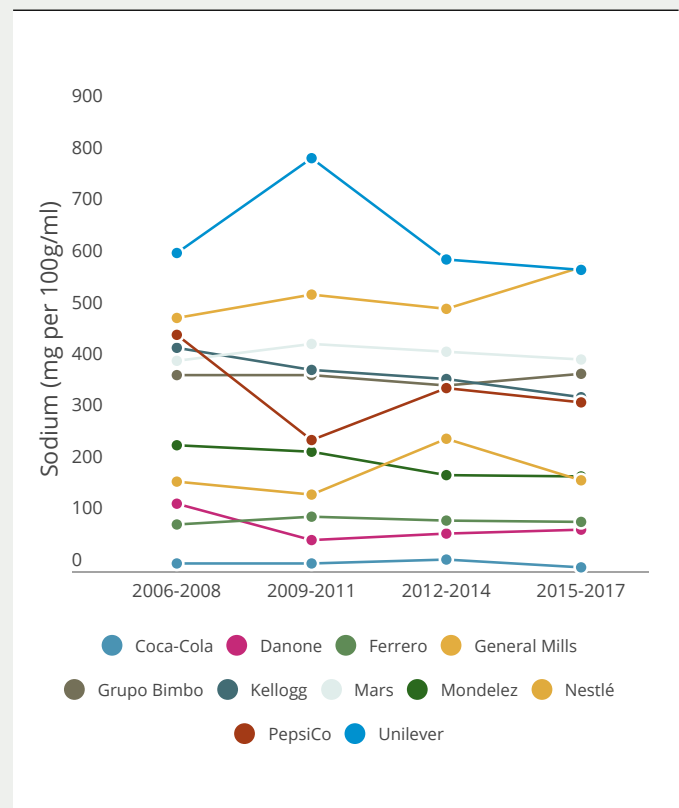
- Not significant

↓ Significant decrease

Approach and high-level results of the Innova study

- The sodium level within 11,048 new products launched by 11 companies (all 2018 Index constituents and all IFBA members) within Innova's databases in four markets was analysed. The assessed markets were the U.S., the U.K., Australia and India. Sodium levels were assessed for four three-year periods spanning 2006-2017. The analysis was done on a product basis by company but no overall combined analysis was undertaken.
- As Figure 10 shows, similar to the findings of the TGI study, there was no evidence of consistent salt reduction in the products assessed over the time frames considered by the study in the four markets taken together.
- Some companies do appear to have reduced the sodium in some product (re)launches. Those of Danone, Kellogg, Mondelez and Unilever had lower overall sodium levels in 2015-2017 compared to 2006-2008, as well as in the majority of product sub-categories that were assessed for each company.
- Some reductions were made in some categories, e.g. in cereals (including breakfast cereals) and ready meals, lower levels were found in new product launches of more than two-thirds of companies and similar but less consistent results were found for sauces and seasonings, and snacks. However, for other product categories, including dairy, bakery and soup, this was not the case.
- While analysis by country was not the focus of this study, more instances of product categories with reduced sodium levels were found in Australia and the U.K. than in the U.S. (72% and 51% versus 39%, respectively). There was insufficient data available from India to make a similar assessment. This suggests that the focus on sodium reduction is not the same across all countries – though it may be affected by local regulations.

FIGURE 10 Changes in overall sodium level by company over four three-year time periods



Conclusions

Both studies show large variations in sodium content within and between product categories and between companies. However there is no clear reduction of sodium levels across the markets assessed. Though some companies appear to have done more than others, the results suggest that most companies have made only limited efforts to systematically reduce sodium across their full range of products globally. There is clearly further scope to reformulate existing products to lower sodium levels and to introduce new products with lower sodium levels.

The analyses provide no evidence that commitments made by the companies have had a significant impact on sodium levels in processed foods on aggregate. Individual examples show at the company and category level that some progress has been made. ATNF hopes that similar exercises undertaken as part of future Product Profiles will show substantially more progress.

Recommendations

The Product Profile results highlight five key ways in which companies could improve their impact on public health.

Reformulate products

First and foremost, companies should work to improve the nutritional composition of their existing products, particularly established, high-sales volume products. They have a particular opportunity to improve the nutrient composition of products that are marketed to children or which form a significant part of children's diets. Companies should set and publish targets for achieving certain levels of nutritional quality by category and/or by country, or both – and particularly focus on countries with high levels of overall population and child overweight and obesity.

The TGI and Innova studies further illustrate that companies need to set and publish their own clear SMART¹⁶ targets for each key nutrient, such as salt (or sodium) – irrespective of whether they have made pledges through organisations such as the IFBA – and invest further in delivering progress year-on-year, in both existing products and new product launches, in all markets.

These improvements in nutritional quality must be underpinned by a robust nutrient profile model. Those companies that have one should review it to ensure it is in line with current knowledge. Those that do not have one should introduce one, based on a system that is already well-validated.

Companies should increase their focus on improving the healthiness of categories in countries where those categories appear on average to be of lower nutritional quality than in others, to ensure that consumers everywhere are offered the healthiest products possible.

Improve the product mix

Companies should look to increase the proportion of healthier products within the portfolio, particularly those they market to children or which play a large part in children's diets. This can be done either by investing in making products healthier or by acquiring companies with healthier product portfolios.

Stop marketing unhealthy products to children

Companies should stop marketing products to children that do not meet the health threshold in the appropriate regional WHO nutrient profiling model or equivalent.

Shift marketing investment

Companies should also look at redirecting marketing budgets towards the healthier products to drive sales of those products and increase their relative contribution to revenues.

Adopt comprehensive labeling for all markets

As noted in relation to labeling in Category F, companies should adopt a global policy to include all Codex-recommended nutrients on product labels. The importance of this has been highlighted by the difficulties of conducting this analysis for countries like India and China where regulations do not currently require important product components to be included on labels, such as saturated fat, total sugar, free sugar, fiber, and non-caloric sweeteners. Consumers are increasingly seeking full and clear nutrition information on products as they become more aware of the need to eat healthy diets.

NOTES

- ¹ The methods for these studies can be found [here](#).
- ² Data for Mexico were provided by Centro de Investigación en Nutrición y Salud, Instituto Nacional de Salud Pública, Mexico (INSP).
- ³ Euromonitor International is a privately-owned market research firm providing data and analysis on total market sizes, market shares and trends in a range of industries, including food.
- ⁴ Several types of product/categories were excluded from the analysis, explained in the TGI report.
- ⁵ The criteria used are available in the TGI report and explained on pages 15 and 16.
- ⁶ Research conducted by Professor Mike Rayner of the University of Oxford.
- ⁷ The same two systems were also used for the India Product Profile.
- ⁸ WHO (2018). Nutrient Profiling. Available at: <http://www.who.int/nutrition/topics/profiling/en/>.
- ⁹ All references to sales, sales percentages and sales-weighting in the Product Profile chapter are based on data from Euromonitor International: Packaged Food, 2017 Edition.
- ¹⁰ As the Product Profile excluded Japan, Meiji's major market, where it sells a lot of dairy products which typically have a much better nutritional profile than confectionery and the other products included in its Product Profile, the results do not provide a balanced view of Meiji's global portfolio. Although there are other companies that do not have coverage of their main market(s), Meiji is the only company that misses coverage of its global dominant product category completely.
- ¹¹ Action on Salt (2018). Salt and your health. Available at: <http://www.actiononsalt.org.uk/salthealth/>.
- ¹² WHO (2016). Salt reduction. Available at: <http://www.who.int/mediacentre/factsheets/fs393/en/>.
- ¹³ IFBA (2018). Our commitments: Product formulation and innovation – reducing sodium. Available at: https://ifballiance.org/uploads/commitment/commitmentPdfActions/59eda825758b2_Reducing%20sodium.pdf.
- ¹⁴ A database of product innovations and reformulated products was used maintained by Innova Market Insights, a commercial knowledge supplier for the Food and Beverage industry.
- ¹⁵ A full report on the TGI study is planned for publication in a peer-reviewed journal later in 2018.
- ¹⁶ Specific, Measurable, Attainable, Realistic, and Time



Breast-milk Substitutes (BMS) Marketing

The importance of optimal infant and young child nutrition

ATNF believes that it is essential for companies to contribute to optimal infant and young child nutrition (IYCN). From conception to two years old, nutrition within the first 1,000 days of a child's life is particularly important. Breastfeeding is a crucial element of IYCN. Increasing breastfeeding to near universal levels could prevent over 820,000 deaths of children under five each year and provides lifetime protection against a range of illnesses.¹ That is why the WHO recommends that babies everywhere are breastfed exclusively for the first six months, at which point safe, appropriate complementary foods should be introduced to meet their evolving nutritional requirements. The WHO also notes that complementary foods should not be used as BMS, and infants and young children should continue to be breastfed until they are two or older.²

Good infant and child nutrition is essential to achieving global nutrition goals, such as those set by the WHO for 2025 on reducing wasting and stunting, and other goals related to combatting growing levels of overweight and obesity and reducing deaths and illness from diet-related chronic diseases.³ It is also key to delivering SDG 2 (Ending hunger) and SDG 3 (Good health and well-being), which will in turn contribute to the achievement of many other SDGs.

Inappropriate marketing of BMS can undermine optimal IYCN. Other factors associated with lower levels of breastfeeding include rising rates of female participation in the labor force, urbanization, and increasing incomes and aspirations, which have encouraged the adoption of convenience-oriented lifestyles and made baby formula and prepared baby foods more desirable. In many countries, the caché of premium products is an important symbol of social status.

Since publication of the 2016 Global Index, there have been several notable developments relating to BMS marketing. For example, WHA resolution 69.9 was passed in May 2016. The resolution clarifies the scope of BMS covered by The International Code of Marketing of Breast-milk Substitutes (The Code) and extends guidance on conflicts of interest. It also introduces new recommendations for the marketing of complementary foods and to deter cross-marketing.

Changes in company ownership and policy

There have been some changes of ownership among the six major baby food companies assessed by the Global Indexes. Heinz and Kraft merged in July 2015 to form Kraft Heinz. Although this merger had happened by the time the last Global Index was published, much of ATNF's research had taken place prior to that date and as a result, the Heinz business was assessed separately. For this Index, the merged entity has been assessed. Mead Johnson Nutrition (MJN) was acquired in the

summer of 2017 by RB and is referred to now as RB/MJN. As the new owner of MJN, RB developed a new BMS Marketing Policy and Procedures, this was published after ATNF had completed its research which has therefore not been taken into account. Danone published a new BMS marketing policy in early 2016, in part spurred by the 2016 Global Index. Danone is now included in the FTSE4Good Indexes, having met the requirements for inclusion and is only the second baby food producer to do so, along with Nestlé. Nestlé also updated its BMS marketing policy in 2017 to provide more information about its management systems. In addition, it published 'The Nestlé Policy on Transparent Interactions with Public Authorities'. This new policy has stronger commitment regulators on BMS topics. FrieslandCampina also updated its Corporate Policy for the Marketing of Infant Foods in September 2017 and Abbott published its new policy in May 2017.

New research on BMS marketing

Various organizations have released reports since the last Index was published that consistently find that BMS marketing around the world is not compliant with The Code. For example, Save the Children, supported by five non-governmental organization (NGO) partners, published a report entitled 'Don't Push It' in February 2017, highlighting the rapid growth of the baby food industry worldwide and what it described as the widespread aggressive marketing practices of major baby food companies at odds with recommendations of The Code. It drew to a large extent on four of ATNF's in-country studies. It also summarized three studies undertaken in Mexico, Ecuador and Chile using the original NetCode protocol that ATNF used for its studies in Thailand and Nigeria. The report states that these three studies in Latin America 'highlight the degree to which Code violations are rife in these countries'. It also summarized a survey by Action contre La Faim in Bangladesh.⁴

Helen Keller International has published nine peer reviewed articles and several additional reports since March 2016 under its ARCH program (Assessment & Research on Child Feeding) on various aspects of marketing of complementary foods and BMS.⁵ International Baby Food Action Network (IBFAN) published another edition of its comprehensive global compendium of violations of The Code 'Breaking The Rules, Stretching The Rules' in 2017. Changing Markets Foundation, an NGO that has not previously been involved in this area, published two reports in 2017 on the claims, pricing, differentiation and marketing of BMS products. It focused on whether the wide array of products available is science-led as the manufacturers often claim.

How the ATNI assesses BMS Marketing

The approach used for the 2018 Global Index assessment of the world's six largest BMS manufacturers' marketing practices is very similar to that used for the 2016 Global Index. It again evaluates the performance of the same baby food companies in two ways:

BMS 1: Policy commitments, management systems and disclosure relating to BMS marketing.

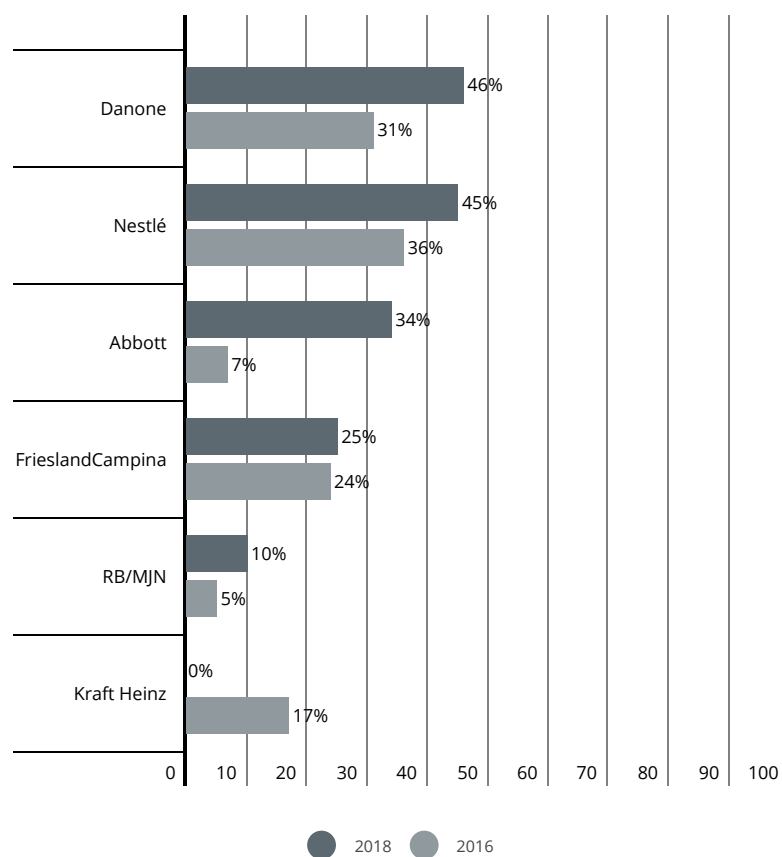
BMS 2: In-country studies of marketing practices in Thailand and Nigeria.

To perform well in these two areas, the companies need to:

- Adopt a comprehensive BMS Marketing Policy, fully aligned to The Code and subsequent relevant WHA resolutions (up to but not including WHA 69.9).⁶
- Apply that policy globally, to all subsidiaries and joint ventures, and to all formula products intended for infants up to two years of age and complementary foods for infants up to six months of age.
- Commit to upholding that policy in all markets and going beyond compliance with local regulations where the company's policy is more fully aligned to The Code and subsequent WHA resolutions than those regulations (while not contravening any local laws and standards).
- Put in place comprehensive best-practice governance and management systems to ensure full implementation of its commitments across the entire business i.e. consistently in all markets, high-risk and low-risk.
- Adopt clear policies and management systems on lobbying on BMS matters.
- Publish their policies, information about their governance and management systems, auditors' reports, position statements and other relevant documentation.
- Ensure that their policies and procedures are followed in all markets, such that there are no incidences of non-compliance with the recommendations of The Code, subsequent WHA resolutions or local regulations (where stricter than The Code) in the two countries where assessments of marketing were undertaken.

The full methodology used for this assessment is available [here](#).

Results



Danone leads the 2018 BMS Marketing sub-ranking with an overall score of 46%, a significant improvement on its score of 31% in 2016, when it ranked second. Nestlé's level of compliance is 45% overall, a 9% improvement on its score in 2016, though it has slipped to second place in this ranking. Abbott has jumped to the third place with an overall BMS Marketing score of 34%, compared to a score of only 7% in the last Index. FrieslandCampina ranks fourth, with a score of just 1% higher than 2016, of 25%. RB/MJN has doubled its overall score since the last Index to 10% and ranks fifth. Kraft Heinz scored zero and ranks last. Though several improvements were put in place, even the highest score of 46% is still far from complete compliance with recommendations of The Code.

| | | Global Index Adjustment | Total BMS Marketing score 2018 (out of 100%) | BMS 1: Corporate Profile score (out of 100%) | BMS 2: In-country assessment score (out of 100%) | Total BMS Marketing score 2016 (out of 100%) | Change % |
|----------|-------------------------|-------------------------|--|--|--|--|----------|
| | | Out of -1.5 | % | % | % | % | % |
| 1 | Danone | -0.8 | 46% | 60% | 33% | 31% | +15% |
| 2 | Nestlé | -0.8 | 45% | 56% | 33% | 36% | +9% |
| 3 | Abbott | n/a | 34% | 35% | 33% | 7% | +27% |
| 4 | FrieslandCampina | -1.1 | 25% | 51% | 0% | 24% | +1% |
| 5 | RB/MJN | n/a | 10% | 19% | 0% | 5% | +5% |
| 6 | Kraft Heinz | -1.5 | 0% | 0% | 0% | 17% | -17% |

How the BMS Marketing score is calculated and links to the overall Global Index score: The total BMS Marketing score is an average of the BMS Marketing Corporate Profile assessment score (BMS 1) and the 'in-country' assessments of marketing practices (BMS 2), carried out in Thailand and Nigeria by Westat, a specialist company contracted by ATNF – explained in full later. The total possible BMS Marketing score is 100%. The higher this score, the closer the company has come to achieving full compliance with the ATNI methodology, which reflects the recommendations of The Code, WHA

resolutions and local regulatory requirements. The total possible score for each of the two elements (BMS 1 and BMS 2) is also 100%. An adjustment to the four F&B companies' final Global Index score is then made, proportionate to the BMS Marketing score, up to a maximum adjustment of -1.5. Had Abbott and RB/MJN been included in the Global Index, they would also have had an adjustment made to those scores. A full explanation of the methodology, including the scoring system, is set out in the ATNI BMS Marketing methodology.

What are the main changes to the approach used for assessment compared to the 2016 Global Index?

One of ATNF's principal goals with respect to the 2018 Global Index BMS Marketing sub-ranking is to maintain consistency between the methodology of the 2016 and 2018 Indexes so that stakeholders can compare the results and clearly see any progress that has been made by companies. The BMS 1 scores for this Index are based on the same methodology used for the 2016 Global Index. The only small changes that have been made reflect feedback received and ATNF's experience in undertaking the analysis for the last Index. These are: an indicator on the coverage of audits has been removed, as companies do not influence the country selection for the audits by third-parties; the removal of a few answer options or indicators that were unnecessarily detailed or redundant; small changes to wording to improve the specificity of indicators. One significant or material difference however, between the way the research was conducted for the 2016 and 2018 Indexes, is that evidence requirements to demonstrate the global applicability of procedures and/or instructions to staff were tightened.

For the next Index, ATNF intends to expand the methodology to encompass the recommendations of WHA resolution 69.9 passed in May 2016. (See Box 4 later in the report). This chapter and the BMS Marketing scorecards also set out what companies' scores would have been on BMS 1 had this been applicable for this Index. This is to provide an indication of the extent to which companies have already begun to address WHA 69.9.

With respect to BMS 2, the two in-country assessments undertaken by Westat during 2017 were based on the first edition of the NetCode Protocol developed by the WHO with a group of experts, specifically the 'Research Protocol for Periodic Surveys to Assess the Level of Compliance with The Code and relevant national measures'. This Protocol supersedes the Interagency Group on Breastfeeding Monitoring (IGBM) Protocol, which ATNF used in previous assessments. The full summary of the NetCode Protocol is available [here](#). The types of research required by NetCode are the same as those required by the IGBM Protocol. The goal is to assess companies' compliance with five Articles of The Code (Articles 4, 5, 6, 7 and 9), subsequent WHA resolutions and any local regulations that have provisions additional to these documents. It does not extend to assessing the conduct of people employed by manufacturers and distributors (Article 8) nor the quality of products (Article 10). ATNF augmented the NetCode Protocol with insights gained from its previous studies, particularly with respect to monitoring advertising and promotions on various online media.

The studies involve: conducting interviews with mothers and healthcare professionals in 33 health facilities about their experience of various forms of BMS marketing; identifying equipment and informational, educational and promotional materials in facilities; visiting retail stores to identify any BMS promotion; monitoring various forms of traditional and digital media for advertising and promotion; and, assessing the labels and inserts of BMS products.



BMS 1 Corporate Profile

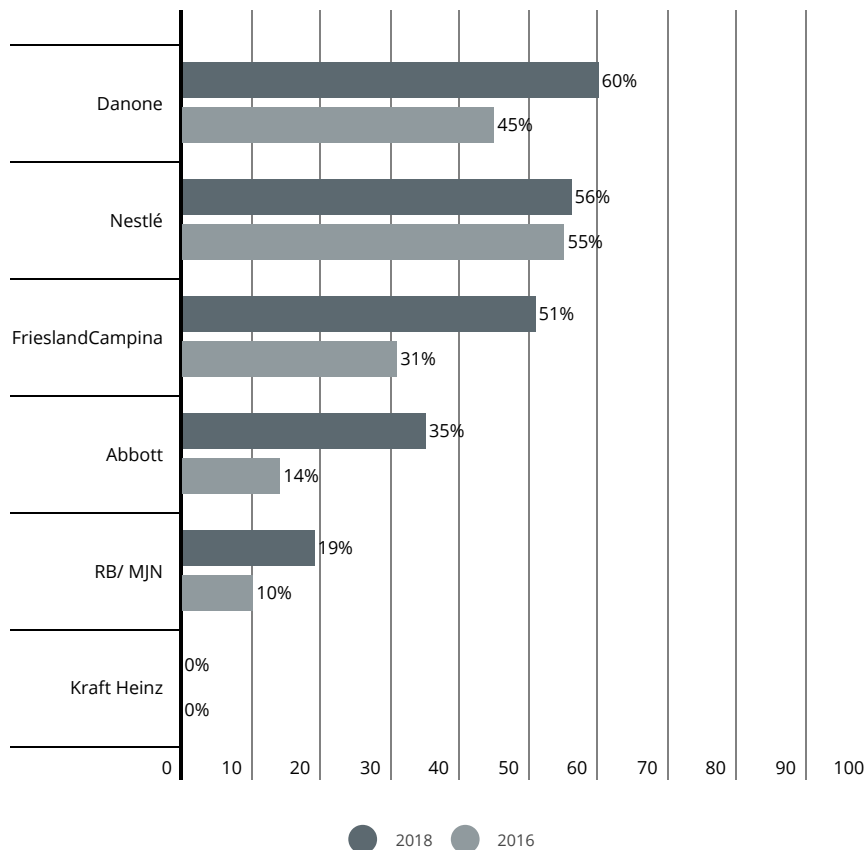
The BMS 1 Corporate Profile is designed to measure the extent to which companies' BMS marketing policies align to The Code and subsequent WHA resolutions (hereafter together referred to as The Code). It looks at whether they have comprehensive, effective procedures and management systems to implement their policies, and their level of transparency.

How do the companies perform overall on the BMS 1 Corporate Profile?

- Danone ranks first on BMS 1 in the 2018 Index, displacing Nestlé. This is principally because Danone introduced a new BMS marketing policy in June 2016. The new policy is much more closely aligned to The Code than the previous one. Further to this, Danone also applies its policy for infant formula (0-6 months) in all markets (whereas Nestlé applies its policy for these products only in high-risk markets and in low-risk countries it follows local regulations). Danone is commended for making these improvements.

- With the exception of Kraft Heinz, all companies improved their scores compared to the 2016 Index. Abbott improved the most, as shown by its BMS 1 score increased by 21%, from 14% in 2016 to 35% in 2018. Abbott was more actively engaged in the research phase for this Index, and submitted extensive evidence, which ATNF welcomes.
- In addition, Danone, FrieslandCampina, Nestlé and RB/MJN have all improved their BMS 1 Corporate Profile scores compared to the 2016 Global Index. These companies actively participated in the research process. RB/MJN engaged in the preparation of this Index, which it had not done prior to the RB acquisition. This positive change is welcomed by ATNF. Kraft Heinz again scored 0% in the Index. This is due to the company's failure to engage with ATNF during the research process, and a lack of publicly available relevant documents when research was taking place.
- Overall, as in 2016, the large variation in the companies' Corporate Profile scores indicates substantial differences in the content and scope of their policies, where they are applied, the stance companies take in relation to complying with local regulations in countries where they are weaker than their policies, as well as the strength and geographic application of various elements of their management systems. Their disclosure also varies considerably.

FIGURE 1 Final weighted BMS 1 Corporate Profile score



- In terms of the types of products covered by companies' policies, none of the companies has extended the scope of products covered since the 2016 assessment; growing-up milks (for young children from 12 months onwards) are still not covered by any companies' policies.
- Four of the six companies – Abbott, Danone, FrieslandCampina and Nestlé – have updated their policies. They are now more closely aligned to the recommendations of The Code and subsequent WHA resolutions. The wording of Nestlé's policy aligns most precisely to The Code, though those of Danone and FrieslandCampina now also align very well.
- Danone, FrieslandCampina and Nestlé have made pledges to adhere to their own policies in countries with no regulations. These are new commitments from Danone and FrieslandCampina which are strongly welcomed, but one which Nestlé has upheld for some time. Danone and Nestlé also commit to follow their own policies (in terms of product scope and marketing activities) where local regulations are weaker than their policies, a stance that ATNF believes is very important. However, Abbott and RB/MJN do not do so; they commit only to follow local regulations in terms of product scope and marketing activities. FrieslandCampina's approach is more complex but still has room for improvement. This finding gives rise to particular concern in view of the number of countries in which local regulations fall significantly short of The Code.
- Abbott, Danone, FrieslandCampina, RB/MJN and Nestlé appeared to have robust, globally applied management systems to implement their BMS marketing policies. Their management tools, such as formal procedures, detailed instructions to staff, guidelines and training vary but in general reflect the strength of companies' policies and their alignment with the Articles of The Code (i.e. companies only have guidelines or instructions for commitments they make).
- Companies' disclosure also varied significantly. While Nestlé and Danone publish a lot of information and score well in this area, the transparency of the other companies is weaker, with Abbott and RB/MJN publishing very little of their management systems documentation and Kraft Heinz does not disclose anything.

TABLE 1 How the BMS Marketing sub-ranking scoring system works

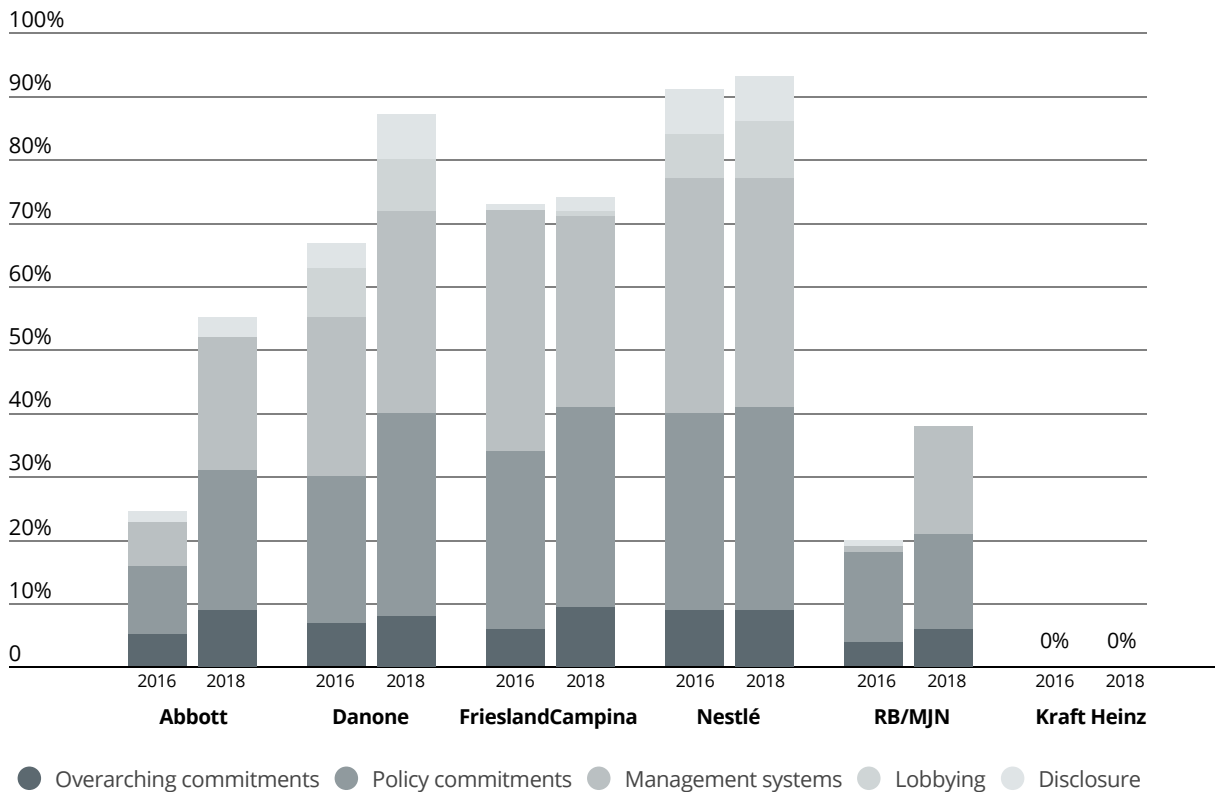
| Step 1 | Step 2 | Step 3 | Step 4 |
|--|---|---|-----------------------------------|
| Initial BMS 1 score → | Weighted score → | Product contribution → | Final score |
| This score is based on an initial analysis of the company's policy, management systems and disclosure. | <p>1. Geographic penalty</p> <ul style="list-style-type: none"> ▪ Policy applicable in all countries: Initial score retained ▪ Policy applicable only in high-risk countries: initial score x -25% ▪ Geography not specified: initial score x -50% <p>2. Regulations penalty</p> <ul style="list-style-type: none"> ▪ Commitment to uphold to company's stronger global policy where local regulations are weaker: initial score retained ▪ Commitment only to comply with local regulations: -15% x initial score | <ul style="list-style-type: none"> ▪ Infant formula 0-6: 35% ▪ Complementary foods 0-6: 25% ▪ Follow-on formula 6-12: 20% ▪ Growing-up milks 12-24: 20% <p><i>If a company derives less than 5% of its global revenues from complementary foods, the 25% weighting for this segment is re-allocated to infant formula (0-6) months.</i></p> | This is the final weighted score. |

How is BMS 1 Corporate Profile score calculated: The Corporate Profile score is calculated using a series of weightings according to which BMS products the company's policy applies, to which types of countries it applies and whether it commits only to comply with local regulations or to go beyond legal compliance. Ideally, companies should commit to applying their policies globally (i.e. in both high- and low-risk countries) and upholding them where local regulations are weaker than their policies or are absent.

More details about how the BMS 1 score is calculated are available in the [ATNI BMS methodology](#).

Detailed results

FIGURE 2 Companies' initial BMS 1 score, 2016 and 2018



BOX 1 EXPLANATION OF WEIGHTING OF INDIVIDUAL BMS 1 METHODOLOGY ELEMENTS

| Methodology section | Section 1 | Sections 2-9 Articles 4-11 | Section 10 | Section 11 |
|-------------------------------------|--------------------------------|----------------------------|----------------------------|--------------------------------------|
| Max contribution to the total score | Overarching commitments (9.1%) | Policy commitments (33.7%) | Management Systems (39.1%) | Lobbying (9.1%) Disclosure (9.1%) |

The BMS module of the Corporate Profile methodology has 11 sections that include indicators relating to up to three elements of governance: Policy commitments, management systems, and disclosure (although not all sections assess each of those elements). All sections are equally weighted because The Code does not suggest differential importance or application of any recommendations. For the ten sections that have more than one type of indicator

(e.g. policy commitment and management systems indicators), each type carries 50% of the weight within that section. For Section 9, which assesses companies' implementation of The Code (governance and global management systems), there are only a few policy commitment indicators but many management system indicators. In this section, the policy commitment indicators carry 20% of the weight and the management system indicators carry 80%.

To which BMS products and in which countries do corporate commitments apply?

It is critical to look at the types of products that companies apply their policies to, and in which types of countries – high-risk only, or all countries. Although The Code was designed to be universal in application all companies assessed except FrieslandCampina distinguish between high-risk and low-risk countries, and typically only apply their policies in the former – with some exceptions and caveats. All companies commit at a minimum to meet local regulations in all countries.

Changes compared to 2016:

- In terms of the products covered by the companies' policies, none of the companies has extended the scope of products covered since the 2016 assessment; i.e. growing-up milks for infants from 12 months old are not covered by any companies' policies. As a result, still none are aligned fully with The Code's definition of BMS products (per the WHO's clarification of the definition of BMS products covered by the scope of The Code published in July 2013) and therefore also do not align to the extended definition set out by WHA 69.9 in May 2016 (which makes clear that The Code should be applied to BMS marketed as suitable for young children up to the age of 36 months).⁷ Box 2 outlines which BMS products are covered by The Code and when and in which documents they are defined.

- In high-risk countries, for all other BMS products (complementary foods 0-6 months, infant formula 0-6 months and follow-on formula 6+ months), Danone and FrieslandCampina have changed their stance. They both pledge to apply their own policies in countries with no regulation or which omit certain provisions of The Code, (a new commitment by FrieslandCampina since 2016) and if local regulations are weaker than their own policy (a new commitment in the case of Danone).
- In low-risk countries, Danone is the only company to commit to following its own policy in respect of marketing infant formula. This is a leading practice. However, Danone does not extend this commitment to any other product types. None of the other companies' policies (beyond the commitment to abide by the law) apply in low-risk countries. FrieslandCampina takes the same approach as described above in all markets, including low-risk markets.

TABLE 2 Application and scope of companies' policies

| | Complementary Foods (CF) 0-6 | | Infant Formulas (IF) 0-6 | | Follow-on Formulas (FOF) 6+ | | Growing-up Milks (GUM) 12+ | |
|--------------------------------------|------------------------------|--------------|---|---|---|---|----------------------------|--------------|
| | High-risk | Low-risk | High-risk | Low-risk | High-risk | Low-risk | High-risk | Low-risk |
| Abbott | NA | NA | Local regulations | Local regulations | Local regulations | Out of scope | Out of scope | Out of scope |
| Danone | Own policy | Out of scope | Own policy | Own policy | Own policy | Out of scope | Out of scope | Out of scope |
| Friesland-Campina⁸ | NA | NA | Own policy (only if no local regulations) | Own policy (only if no local regulations) | Own policy (only if no local regulations) | Own policy (only if no local regulations) | Out of scope | Out of scope |
| Kraft Heinz | – | – | – | – | – | – | – | – |
| Nestlé | Own policy | Out of scope | Own policy | Out of scope | Own policy | Out of scope | Out of scope | Out of scope |
| RB/MJN | NA | NA | Local regulations | Out of scope | Local regulations | Out of scope | Out of scope | Out of scope |

NA indicates that the company does not make these products or derives a very small proportion of their revenues from them, hence their policy does not cover them.

BOX 2 DEFINITIONS OF BMS USED BY ATNF, BASED ON WHO AND CODEX DEFINITIONS

The Code stipulates in its definitions that a breast-milk substitute is any food being marketed or otherwise presented as a partial or total replacement for breastmilk whether or not suitable for that purpose. If complementary foods are marketed as suitable from six months of age, they are not considered to be breast-milk substitutes.

This is because they serve as weaning foods and complementary to breastmilk, formula or other forms of milk or suitable drinks for infants, such as water. Such foods, as long as they are safe, properly prepared, appropriately formulated and nutritious, are essential to children's growth and development.

| Types of breast-milk substitute | | | | |
|---|---------------------------------|-------------------------|-------------------------------------|---|
| Formulas for special medical purposes intended for infants | Infant formulas | Complementary foods | Follow-on formulas | Growing-up milks |
| Marketed or otherwise presented as suitable | | | | |
| From birth | From birth to six months of age | Up to six months of age | From 6-12 months of age (or beyond) | From 12-36 months of age (or beyond) |
| Document defined by | | | | |
| The Code & Codex Stan 72-1981, subsequently amended and revised up to 2016. | The Code, 1981 | The Code, 1981 | WHO statement, July 2013 | WHO statement, July 2013 ⁹ WHA 69.9, May 2016 |

How comprehensive are companies' overarching commitments?

The first section of the methodology for the BMS Index assesses whether the company explicitly states in its policies support for the core principles of The Code and WHO recommendations regarding breastfeeding and infant

feeding. Since the 2016 Index, Abbott, Danone and FrieslandCampina have significantly strengthened their overarching commitments, achieving, together with Nestlé, the highest score possible in this section of 100%. All four companies published the above-mentioned commitments in their policies. Kraft Heinz does not disclose any commitments publicly.¹⁰

TABLE 3 Commitments made by each company to key principles of The Code and related scores

| Company explicitly states support for: | Abbott | Danone | Friesland-Campina | Kraft Heinz | RB/MJN | Nestlé |
|--|--------|--------|-------------------|-------------|--------|--------|
| Exclusive breastfeeding for first six months | ● | ● | ● | No | ● | ● |
| Continued breastfeeding up to two years or more | ○ | ○ | ○ | No | No | ● |
| Introduction of appropriate complementary foods from the age of six months | ● | ● | ● | No | ● | ● |
| The Code | ● | ● | ● | No | ● | ● |
| All relevant WHA resolutions | ○ | ● | ○ | No | No | ● |
| Score for overarching commitments 2018 | 100% | 100% | 100% | 0% | 47% | 100% |
| Score for overarching commitments 2016 | 47% | 83% | 47% | 0% | 47% | 100% |

● Commitment the same as in 2016

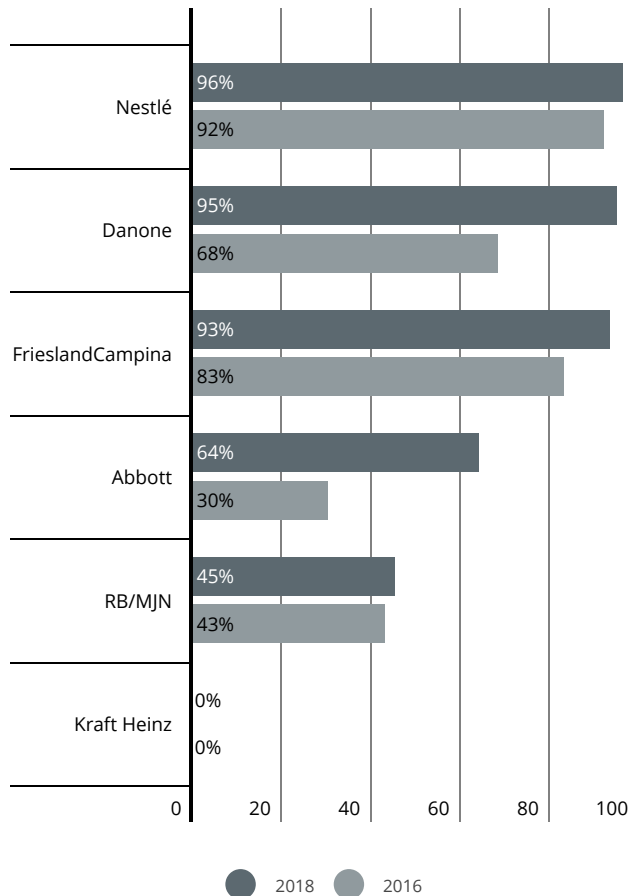
○ New commitment in 2018/ improvement since 2016

To what extent do company policies align with the Articles of The Code and WHA resolutions, and are their management systems robust enough to fully implement their policies?

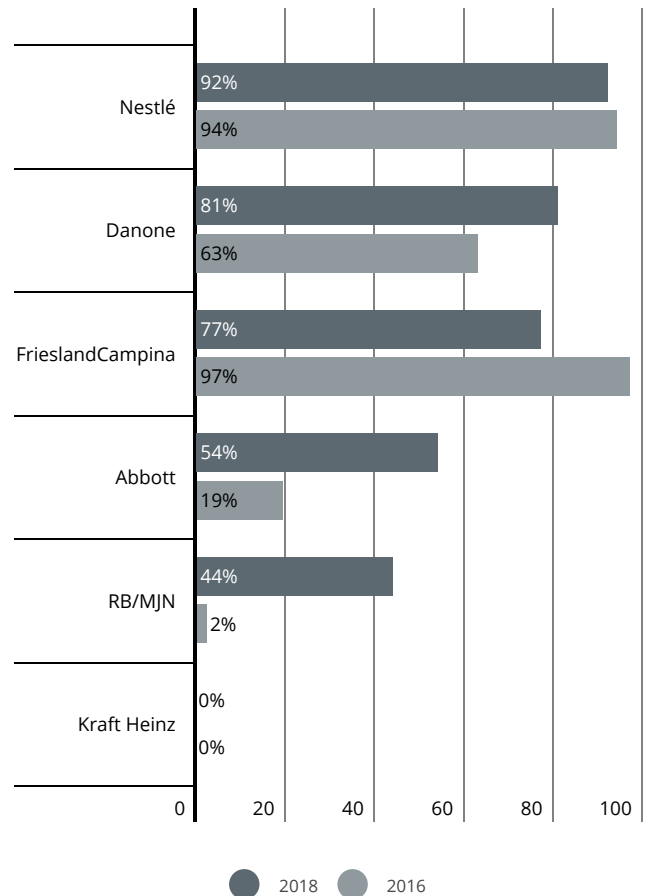
This section provides an overall summary of companies' performance on those elements of the ATNI methodology that assess alignment of the policy with The Code, and management systems to ensure implementation and compliance with those policies throughout the company.

FIGURE 3 Policy commitments and management systems scores of the BMS 1 Corporate Profile

Policy Commitments



Management Systems



Abbott

Policy commitments

In May 2017, Abbott adopted and published a new policy. It is global in scope and the company regards it as a 'minimum standard'. For each market in which it operates, the company has also developed individual policies adapted to local regulations. While the new policy is better aligned with The Code, it still lacks many commitments related to WHA resolutions, wording required in informational and educational materials, commitments encompassed by Articles 6.3 and 6.4, and a pledge to collaborate with governments in their efforts to monitor the application of The Code. The wording of the policy is fully aligned only with Article 8 (persons employed by manufacturers and distributors) and Article 10 (Quality).

Management systems

Abbott's management systems appear to be strong, comprehensive and consistently applied to all applicable markets. Compared with the 2016 assessment, the company shared more evidence regarding its management systems which contributed positively to its score. However, because Abbott's policy does not include all the commitments related to all Articles of The Code, the related procedures are lacking. In addition, it did not score as well in relation to instructions to staff compared to some companies.

Danone

Policy commitments

In 2016, Danone significantly revised its policy to align it more fully with the wording of the Articles of The Code. However, like those of industry peers, the policy omits a commitment linked to WHA resolution 58.32 to provide information and labeling regarding the potential presence of pathogenic micro-organisms in its products. Additionally, the policy wording relating to donations of educational and informational materials (Article 4) are not completely aligned with The Code.

Management systems

The company's governance, managerial arrangements and approval procedures at the global level are strong and appear to be consistently applied. As the company is still in the process of updating its instructions to staff to align to the new policy, it has not achieved a comparable score with the 2016 Index in this area.

FrieslandCampina

Policy commitments

In September 2017, FrieslandCampina published its new policy which, compared with 2016, is even more closely aligned to the wording of The Code. The policy commitments related to Articles 5, 7, 8 and 10 are fully in line with The Code. Similar to the other companies assessed, it omits full commitments linked to WHA resolution 58.32 to provide information and labeling regarding the potential presence of pathogenic micro-organisms in its products. The company policy also has gaps in the approval of donations.

Management systems

The company's management systems are generally strong and quite consistent. Alongside the policy update, the company updated its instructions to staff, which are now comprehensive and strongly mirror the company's policy commitments. Since the company is currently updating its procedures and because it did not provide any evidence of having procedures in place, it did not score well in this regard.

Kraft Heinz

Policy commitments

Kraft Heinz does not publish any policy commitments.

Management systems

Kraft Heinz does not publish and did not provide evidence of any management systems to implement any commitments it may have.

Nestlé

Policy commitments

Of the six companies assessed, Nestlé's policy wording is most closely aligned with the language of the Articles of The Code, as indicated by its policy score of 96%. As in 2016, the company policy only lacked full commitments on one topic – that relating to WHA resolution 58.32 requiring information and labeling regarding the potential presence of pathogenic micro-organisms in its products.

Management systems

Nestlé's management systems are also strong in most areas – its governance, managerial arrangements and approval procedures at the global level are consistently applied globally. With the updated policy 'The Nestlé Policy and Procedures for the Implementation of the WHO International Code of Marketing of Breast-milk Substitutes' effective as of September 2017, the company discloses more about its compliance, governance and management systems. While its commitments and practices remain unchanged since the 2016 Index, and the company provided many but not all necessary examples of its instructions to staff, some of these could not be assessed.

RB/MJN

Policy commitments

At the time the research was conducted, the company's policy was based on the Infant Food Manufacturers (IFM) Rules of Responsible Conduct (RRC). This policy omitted many provisions of The Code. The only policy commitments included in the RRC that were fully aligned with The Code were those related to Article 10 on 'Quality'.

Management systems

RB/MJN's management systems appeared to be consistently applied globally. Given that its policy lacked many commitments, consequently, approval procedures for these were absent. The company seemed to have a system for communicating its policy to all relevant employees and training programs in place. However, instructions to staff seemed to be developed inconsistently.

For full details on all companies, see their respective scorecards, available [here](#).

BOX 3 THE IMPORTANCE OF ON-PACK WARNINGS THAT INFANT FORMULAS MIGHT CONTAIN PATHOGENIC MICRO-ORGANISMS AND THE NEED FOR THEIR SAFE PREPARATION.

In late 2017, baby food products sold under the Picot, Milumel and Taranis brands made by Lactalis were recalled after 26 cases of infection with the 'salmonella agona' bacteria occurred. (Lactalis is not assessed in this sub-ranking because it derived less than 5% of its global revenues from baby foods in 2016). The recall covered all infant formula and other baby food products made at its factory in France, for export to countries including China, Taiwan, Pakistan, Afghanistan, Iraq, Morocco, Lebanon, Sudan, Romania, Serbia, Georgia, Greece, Haiti, Colombia and Peru.^{11, 12, 13, 14}

In 2005, aware of the risk that powdered infant formula can be associated with serious illness and death in infants due to infections with *Enterobacter sakazakii* or salmonella (where contamination typically occurs either during the manufacturing or preparation stage), the WHA adopted resolution 58.32 which stated, inter alia, that those using infant formula must be informed that powdered infant formula may contain pathogenic micro-organisms and that it must be prepared and used appropriately, and, where applicable, that this information is conveyed through an explicit warning on packaging.¹⁵

None of the six companies assessed make an explicit commitment to follow the recommendations of WHA resolution 58.32. The arguments they use for not doing so remain the same as in 2016 – that many consumers would not understand the term 'pathogenic micro-organisms' and that using such expressions might deter them from using the product and/or unduly confuse consumers about product composition. They prefer to provide other wording about the appropriate preparation and handling of products and to stress their importance, but omit any warning about contamination per se.

Given this recent case of serious contamination and its consequences, companies should think again about their stance on this issue. They should also commit to putting a warning on products that may contain pathogenic micro-organisms and place preparation and storage instructions on the package that align to the detailed Codex/FAO guidance.¹⁶

Do companies make clear their policy, objectives and management systems relating to lobbying on BMS?

This element of the assessment aligns closely to that used by FTSE4Good although it is not an aspect of company activity that The Code addresses. ATNI's methodology requires that companies should have clear, openly stated objectives and policies that guide their engagement with governments, and effective management systems to ensure that employees abide by them. Above all, they should commit not to undermine the development of any national or international policies and regulations designed to give effect to The Code. (Note that it is not possible to monitor or assess companies' lobbying activities per se and so ATNF can only assess their transparency in this area.)

- Since 2016, Nestlé has strengthened its approach relating to lobbying on BMS and is the only company to achieve a full score on this element of the methodology. The publicly available document 'The Nestlé Policy on Transparent Interactions with Public Authorities' and updated BMS marketing policy clearly set out the circumstances under which and how it will lobby governments and policymakers on BMS issues.
- The commitments of the other companies assessed remained unchanged. As in 2016, Abbott, Kraft Heinz and RB/MJN do not publish any BMS-specific information relating to lobbying.

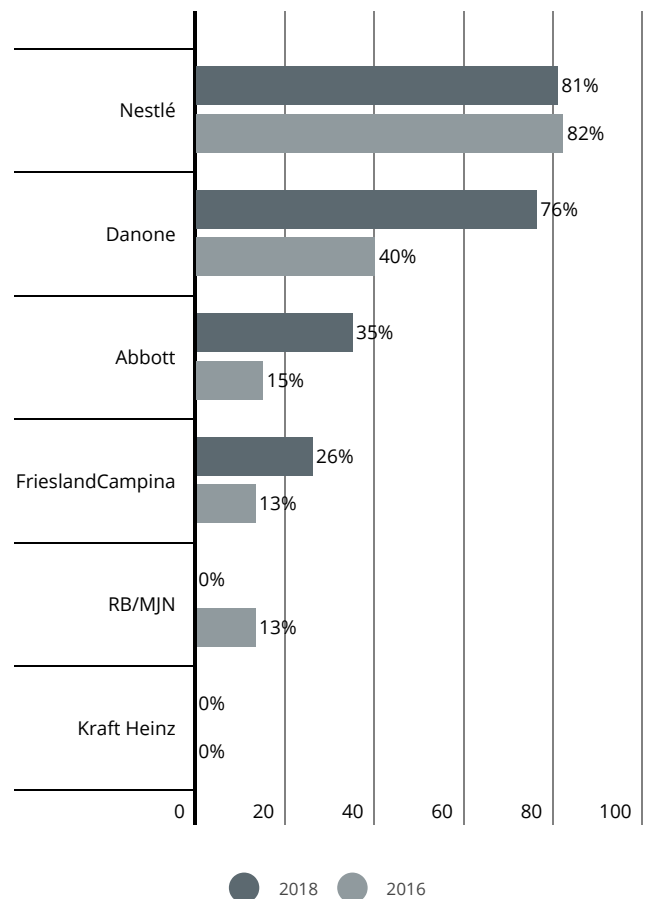
How extensive is the six companies' disclosure of BMS marketing policies, management systems and related activities?

It is important for companies to be transparent about their policies, management practices, audit results and lobbying activities to enable stakeholders to scrutinize them and hold them to account. This section of the methodology evaluates companies' public disclosure of documentation, not whether they submitted documentation to ATNF.

- Abbott, Danone and FrieslandCampina have improved their disclosure and transparency since the 2016 Index. Abbott published its policy for the first time. Danone significantly expanded its reporting, by, for example, publishing position papers on BMS issues and provided a certified list of its membership of all relevant BMS trade associations by country. This detailed reporting on membership of trade associations is industry best practice.

- As in the 2016 Index, Nestlé scored highest, disclosing more information than most of the other companies.
- ATNF was not able to find in the public domain RB/MJN's policy during the research phase. When the 2016 assessment was undertaken, the company was part of the International Association of IFM and abided by its Rules of Responsible Conduct.¹⁷ As these were available publicly, the company was credited for this disclosure.
- At the time of the research phase, Kraft Heinz did not publish any information relating to BMS. However, in December 2017, the company published its first CSR report. In the report it recognized the importance and the superiority of breastmilk in feeding infants and young children. The company referred in this report to a Charter for Marketing Breast-Milk Substitutes but has not disclosed it. As the report was published after the research process was concluded, it was not possible to award any credit relating to this document.

FIGURE 4 Companies' disclosure scores in 2016 and 2018



BOX 4 HOW WOULD A COMPANY SCORE ON THE BMS 1 CORPORATE PROFILE METHODOLOGY IF IT INCORPORATED WHA RESOLUTION 69.9 ON ENDING INAPPROPRIATE PROMOTION OF FOODS FOR INFANTS AND YOUNG CHILDREN?

In May 2016, the WHA adopted resolution WHA 69.9 which calls on countries to implement the WHO's guidance on *'Ending the Inappropriate Promotion of Foods for Infants and Young Children'*. The resolution calls on manufacturers and distributors of foods for infants and young children to end all forms of inappropriate promotion. This new guidance is intended to complement the existing tools developed by the WHO including: The International Code of Marketing of Breast-milk Substitutes, subsequent relevant WHA resolutions and the Global Strategy on Infant and Young Child Feeding.¹⁸

The resolution clarifies that the scope of The Code extends to milks intended for infants and young children up to 36 months of age and specifically includes follow-on-formulas and growing-up milks marketed for this age range. In addition, it sets out guidance about how CF intended for infants and young children between six and 36 months of age should be marketed. It includes recommendations on messages allowed concerning covered products i.e. to include a statement on the importance of continued breastfeeding for up to two years or beyond and should specify the appropriate age of introduction of the food (not before six months). Further, messages should not suggest use for infants under the age of six months, make a comparison to breastmilk, recommend or promote bottle feeding or convey an endorsement.

It also states that there should be no cross-promotion to encourage BMS indirectly via the promotion of food for infants and young children: The packaging design, labeling and materials used for the promotion of complementary foods must be different from those used for BMS. For companies that market foods for infants and young children specifically, a new set of rules on donations, gifts, free or reduced-priced products, education to parents in health facilities and sponsorship of meetings of health professionals and scientific meetings have been developed.

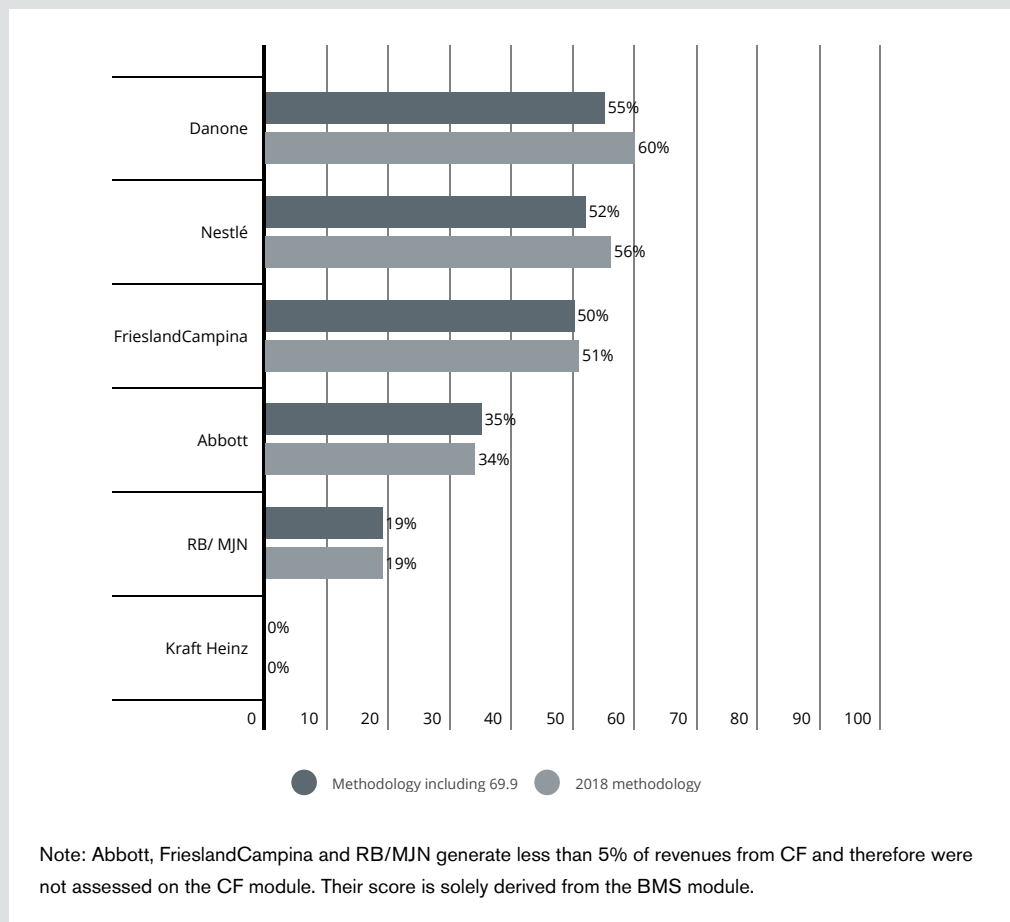
In order to provide a direct comparison with the results of the 2016 Index, this assessment does not include analysis of companies' compliance with the provisions of WHA 69.9. However, the next Global Index will. As part of an approach of continual development and improvement in the next Global index, the BMS 1 Corporate Profile will consist of two parts: The first part – the BMS module will retain the same structure as the current methodology but indicators that relate to new recommendations will be adjusted to reflect them. A second module will then be added – the CF module – to assess companies' marketing of CF for infants and young children between 6 and 36 months of age. This module will only be applied to companies that derive more than 5% of their total baby food sales from complementary foods for children 6-36 months.

The new module will assess whether companies' policies, management systems and disclosure encompass the six recommendations outlined above that relate to complementary foods for infants and young children between 6 and 36 months of age. All sections will carry equal weight (16.67% each). The final BMS 1 score will combine the scores for each module: The BMS module will carry 95% of the weight and the CF 6-36 module will carry 5%. This reflects the fact that whereas The Code is designed to protect breastfeeding and deter inappropriate marketing of BMS products that might discourage breastfeeding, WHA 69.9 is not designed to deter marketing of CF 6-36 in general but rather to ensure that inappropriate complementary foods are not promoted and products are not marketed in such a way as to discourage breastfeeding or raise brand awareness for BMS products made by the same company via cross-marketing.

The new indicators and module are included in the ATNI BMS Marketing methodology, available [here](#).

As indicated in Figure 5, in all cases the companies score on BMS 1 would decrease if assessed on the methodology that includes the provisions of WHA 69.9. On the CF module, all companies score 0%, as none have implemented any of the recommendations relating to these products.

FIGURE 5 Final weighted BMS 1 Corporate Profile score had compliance with WHA 69.9 also been assessed



BMS 2 In-country assessments of marketing practices

ATNF undertook two in-country assessments for the 2018 Global Index. To be considered for selection, countries needed to meet two criteria:

- 1 Score as a high-risk country on a risk rating system used by FTSE4Good, based on data from UNICEF and other organizations.¹⁹
- 2 As many as possible of the six BMS companies included in the BMS Marketing sub-ranking sell products in the country.

With guidance from the Expert Group, ATNF selected Thailand and Nigeria. Westat, a global health and social sciences research firm worked with local partners in each country to conduct the two assessments in the largest city in each country (Bangkok, Lagos) using the ATNI methodology. This methodology is based on the first edition of the NetCode Protocol for Periodic Monitoring (NetCode). Westat's reports can be found [here](#).

Overall results

Each rating corresponds to a percentage score indicating the level of compliance with the methodology:

- **Complete compliance** 100%
- **High level of compliance** 66%
- **Medium level of compliance** 33%
- **Low level of compliance** 0%

A summary of scores from the two country assessments can be found in Table 4.

The companies' overall percentage score on in-country marketing practices is calculated as follows, drawn from the figures presented throughout this section:

- Aggregating the total number of observed incidences of non-compliance with the methodology in each country. However, as no legitimate RB/MJN products were found in Nigeria, its score is based only on the findings in Thailand. FrieslandCampina and Kraft Heinz do not sell BMS in Thailand (although the latter sells CF 6-36 months). Their scores are therefore only based on the Nigeria study.

TABLE 4 Summary of scores from the two country assessments

| | | Level of compliance | | |
|---|------------------|-------------------------------------|-------------|-------------|
| | | Score based on both country ratings | Thailand | Nigeria |
| | | % | Rating | Rating |
| 1 | Danone | 33% | Low | High |
| 2 | Abbott | 33% | Low | High |
| 3 | Nestlé | 33% | Low | High |
| 4 | FrieslandCampina | 0% | Not present | Low |
| 5 | Kraft Heinz | 0% | Not present | Low |
| 6 | RB/MJN | 0% | Low | Not present |

* Note that not present signifies that none of the company's BMS products were found in that market or the company confirmed that the products found were parallel (illegal) imports and not products made for sale in that country. Alternatively, the only products found were CF 6-36 months.

- Data based on mothers' and healthcare workers' recall is excluded from these in these calculations for several reasons, outlined further in the Westat reports. In short, this is because recall is subjective and can be biased in several ways. However, the recalled data were used to provide context and corroboration of the objective information collected.
- Calculating the number of incidences of non-compliance, normalized by the total number of each company's products assessed in each country, to provide a relative measure of the scale of non-compliance.
 - The number of products assessed was the number bought by the research teams across a wide range of retailers, both traditional 'physical' retailers as well as from online sites.
 - A large and small pack of each product was purchased if available, as labels and inserts can differ depending on pack size. The labels and any inserts were then assessed for compliance with the methodology.
 - However, this was not necessarily the total number of products for sale in each city; more could have been available in stores that the researchers did not visit.
- Assigning a rating in each country to reflect the level of compliance:
 - Complete (0 incidences of non-compliance).
 - High (less than 1 incidence of non-compliance, normalized).
 - Medium (between 1.1 and 2 incidences).
 - Low (more than 2.1 incidences).
- The same ranges for high, medium and low were used for both countries, as in all previous studies.

Detailed results

It is important to note that in Bangkok, Westat was denied permission by those facilities to enter 29 out of 32 private healthcare facilities, included in the original sample. Further efforts to include other private facilities in the sample were also unsuccessful. Thus, the study in Bangkok was carried out predominantly in public facilities. Local experts told ATNF that, in their experience, non-compliance with The Code was extensive in private facilities. It is therefore likely that the results gathered within predominantly public facilities in Bangkok understate the true extent of non-compliance.

TABLE 5 Summary of scope of research

| | Thailand (Bangkok) | Nigeria (Lagos) |
|---|--------------------|-----------------|
| No. of women interviewed | 330 | 330 |
| No. of health care workers interviewed | 99 | 98 |
| No. of health facilities visited | 33 | 33 |
| No. of physical retail outlets visited | 43 | 43 |
| No. of online retailers monitored | 6 | 5 |
| No. of BMS products assessed in total* | 119 | 34 |
| No. of traditional media monitored | 96 | 294 |
| No. of online media monitored | 36 | 30 |
| BMS company/brand owned media | 21 | 18 |
| Other online media (websites etc) | 15 | 12 |
| No. of BMS manufacturers assessed | 7 | 11 |
| Ranked by the ATNI | 4 | 5 |
| Other companies | 3 | 6 |

* Included large and small packs of the same product in some cases. Excludes CF 6-36 months and any formula labeled as suitable for young children from 24 months of age and older.

Thailand: Regulatory context²⁰

As well as assessing compliance with The Code and subsequent WHA resolutions, as they pertain to BMS, the study assessed companies' compliance with all prevailing relevant national regulations. This includes various notifications from the Ministry of Public Health relating to the labeling of 'Food for Infant Food of Uniform Formula for Infant and Small Children, Supplementary Food for Infant and Young Children and the Food Act (1979)' [sic] which restricts the advertisement of infant formula and food for young children to technical information provided in medical journals or to healthcare workers.²¹

Westat's analysis revealed that these regulations were for the most part equivalent to The Code.

In April 2017, the National Legislative Assembly passed the Marketing Control on Food for Infants and Young Children Act (Milk Code) to restrict the marketing of food for infants and young children. It prohibits advertising of products for infants up to 12 months of age (i.e. infant formulas, follow-on-formulas and complementary foods) and prohibits the marketing of products for children aged one to three years in such a way as to encourage the use of infant formula products for infants up to 12 months of age (i.e. cross-promotion). Furthermore, the Milk Code restricts any other form of promotion for both product types. It also introduced new labeling requirements for both formulas and CF. As most of the provisions of this Act came into effect on 8 September 2017, after Westat had finished data collection, the study provides a baseline against which the impact of the new Act can be assessed.²²

It is important to note that the companies were not given notice of this research being undertaken. They were only informed of the locations when the data collection was complete, at which point they were asked to confirm certain factual elements of the research.

TABLE 6 Summary of findings in Thailand

| | Rank | Level of compliance | Relative no. of non-compliances ²³ | No. of products evaluated | Total non-compliances identified | No. of products referenced on information and educational materials | Observations of equipment at HCFs | No. of products referenced in adverts + promotions on assessed media | No. of point-of-sale promotions: all retailers | No. of products referenced on promotional materials at HCFs | No. of product labels with at least one non-compliance |
|--|------|---------------------|---|---------------------------|----------------------------------|---|-----------------------------------|--|--|---|--|
| | | | | | | Art. 4 | Art. 4.3 | Art. 5.1 | Art. 5.3 | Art. 6.3, 6.8 | Art. 9 |
| Companies included in the BMS sub-ranking of the Global ATNI 2018 | | | | | | | | | | | |
| Danone (FR) | 1 | LOW | 15.7 | 39 | 612 | 1 | 24 | 40 | 501 | 7 | 39 |
| Abbott (U.S.) | 2 | LOW | 19.1 | 15 | 286 | 0 | 1 | 22 | 247 | 1 | 15 |
| Nestlé (CH) | 3 | LOW | 23.1 | 39 | 902 | 3 | 2 | 27 | 829 | 2 | 39 |
| RB/MJN (U.K.) | 4 | LOW | 55.9 | 18 | 1,007 | 9 | 9 | 29 | 935 | 7 | 18 |
| Sub-total | | | | 111 | 2,807 | 13 | 36 | 118 | 2,512 | 17 | 111 |
| Companies not included in the BMS sub-ranking of the Global ATNO 2018 | | | | | | | | | | | |
| DG Smart Mom (VN) | | | | 6 | 339 | 0 | 0 | 12 | 321 | 0 | 6 |
| Dutch Mill (TH) | | | | 1 | 38 | 0 | 0 | 11 | 26 | 0 | 1 |
| Hain Celestial (U.S.) | | | | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Sub-total | | | | 8 | 378 | 0 | 0 | 23 | 347 | 0 | 8 |
| Total | | | | 119 | 3,185 | 13 | 36 | 141 | 2,859 | 17 | 119 |

Nigeria: Regulatory context²⁴

As well as assessing compliance with The Code, the study assessed compliance with prevailing relevant national regulations relating to BMS, including:

- A range of marketing restrictions in 'Marketing (Breast-Milk Substitutes) Act 1990', including a prohibition on advertising formulas for infants up to 12 months of age,²⁵ and;
- A range of marketing restrictions in the 'National Agency for Food and Drug Administration and Control Act 1993 (as amended) – Marketing of Infant and Young Children Food and Other Designated Products (Registration, Sales, Etc.) Regulations 2005'.^{26,27}

Westat's analysis of the national measures determined that for the most part they align with The Code, though there are a few additional labeling requirements. These are that products must carry a NAFDAC registration number, include the name and country of manufacture and that the directions for use are in English and the three main Nigerian languages. The labeling regulations set out definitions of some terms used in the analysis of product labels. New legislation is pending the approval of the Nigerian Ministry of Health. This study provides a baseline against which to measure the effectiveness of the new regulation in curtailing BMS marketing once passed.

TABLE 7 Summary of findings in Nigeria

| | Level of compliance | Relative no. of non-compliance | No. of products found | Total non-compliances identified | No. of products referenced on information and educational materials | Observations of equipment at HCFs | No. of products referenced in adverts + promotions on assessed media | No. of product point-of-sale promotions: all retailers | No. of products referenced on promotional materials at HCFs | No. of product labels/inserts with at least one non-compliance |
|--|---------------------|--------------------------------|-----------------------|----------------------------------|---|-----------------------------------|--|--|---|--|
| | | | | | Art. 4 | Art. 4.3 | Art. 5.1 | Art. 5.3 | Art. 6.3, 6.8 | Art. 9 |
| Companies included in the BMS sub-ranking of the Global ATNI 2018 | | | | | | | | | | |
| Abbott (U.S.) | HIGH | 1.0 | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Danone (FR) | HIGH | 1.0 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Nestlé (CH) | HIGH | 1.0 | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| FrieslandCampina (NL) | LOW | 6.3 | 4 | 25 | 2 | 1 | 0 | 18 | 0 | 4 |
| Kraft Heinz (U.S.) | LOW | 10.4 | 9 | 94 | 0 | 0 | 0 | 85 | 0 | 9 |
| Sub-total | | | 24 | 130 | 2 | 1 | 0 | 103 | 0 | 24 |
| Companies not included in the BMS sub-ranking of the Global ATNI 2018 | | | | | | | | | | |
| Perrigo (IRE) | | | 0 | 6 | 0 | 0 | 0 | 6 | 0 | 0 |
| Aspen Holdings (ZA) | | | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Alter Farmacia (ES) | | | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Promisador (ZA) | | | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Chidera Inc (U.S.) | | | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Vietnam Dairy (VT) | | | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Sub-total | | | 10 | 16 | 0 | 0 | 0 | 6 | 0 | 10 |
| Total | | | 34 | 146 | 2 | 1 | 0 | 109 | 0 | 34 |

What level of compliance was found overall in the two countries?

Among the six companies assessed in this sub-ranking, more than twenty times more incidences of non-compliance were identified in Thailand (2,807) compared to Nigeria (130). Looking at the normalized results (i.e. the ratio of the number of incidences of non-compliance to products available on the market) shows that the level of compliance with the ATNI methodology in Thailand overall was much lower than in Nigeria; all companies were found to have a low level of compliance in Thailand. Three companies (Abbott, Danone and Nestlé) had a high level of compliance in Nigeria. FrieslandCampina and Kraft Heinz both had a low level of compliance.

Two types of non-compliance were particularly prevalent in both countries, though to a much larger extent in Thailand than Nigeria: Point-of-sale promotions on online retail sites and labels.

Overall, taking both sets of country results together, as shown in Table 8, 66% of the incidences of non-compliance related to growing-up milks, whereas around 15% related to infant formula and 5% related to follow-on formulas. Fewer than 3% related complementary foods marketed as suitable for infants between 0-6 months of age.

The much higher level of non-compliance in Thailand compared to Nigeria and the high level of non-compliance relating to growing-up milks is explained principally by two factors: i) Nigerian regulations in place at the time of the study were more restrictive than those in Thailand; some aspects of marketing of growing-up milks were prohibited in Nigeria, and; 2) The ATNI methodology assesses companies' marketing practices for products intended for infants up to 24 months of age but none of the companies' policies extend to growing-up milks.

TABLE 8 Number of observations of non-compliance of all adverts, by product type, in Thailand and Nigeria

| | Total no. of non-compliances | Total no. of products | Not prod specific | CF 0-6 | | IF 0-6 | | FOF 6+ | | GUM 12+ | |
|--------------------------------|------------------------------|-----------------------|-------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| | | | | No. of products | No. of non-comps | No. of products | No. of non-comps | No. of products | No. of non-comps | No. of products | No. of non-comps |
| Abbott | 290 | 19 | 2 | 0 | 0 | 10 | 64 | 5 | 27 | 4 | 197 |
| Danone | 615 | 42 | 31 | 0 | 0 | 15 | 38 | 11 | 18 | 16 | 528 |
| FrieslandCampina | 25 | 4 | 1 | 0 | 0 | 3 | 11 | 0 | 0 | 1 | 13 |
| KraftHeinz | 94 | 9 | 0 | 9 | 94 | 0 | 0 | | 0 | | 0 |
| Nestlé | 906 | 43 | 4 | 0 | 0 | 13 | 26 | 11 | 84 | 19 | 792 |
| RB/MJN | 1007 | 18 | 16 | 0 | 0 | 8 | 290 | 4 | 306 | 6 | 395 |
| Total | 2937 | 135 | 54 | 9 | 94 | 49 | 429 | 31 | 435 | 46 | 1925 |
| % total non-compliances | 100% | | 2% | | 3% | | 15% | | 15% | | 66% |

Please note that percentages do not add up to 100% due to rounding.

What level of compliance was found for each company?

Danone achieved the joint highest score of the six companies with a BMS 2 score of 33%. This reflects a high level of compliance in Nigeria, but a low level of compliance in Thailand. The company's level of compliance with the Articles assessed by the methodology (through observation rather than recall) was significantly better in Nigeria than Thailand. Three incidences of non-compliance were identified in Nigeria in relation to three products, but 612 were found in Thailand in relation to 39 products (615 incidences of non-compliance in total, relating to 42 products).

The vast majority of these – 528 or 86% – were for growing-up milks, which are not covered by Danone's BMS marketing policy. None were related to Danone's complementary foods. Thirty-eight incidences of non-compliance were related to the 15 infant formulas found, and 18 in relation to 11 follow-on formulas. A further 31 were found that did not relate to a specific product type.

Danone was fully compliant with all Articles in Nigeria other than Article 9 on labeling: All three of its products had between three and four non-compliant elements. One product carried a health claim and none included a warning that the product might contain pathogenic micro-organisms and none had the directions for use in English and the three main Nigerian languages.

All other incidences of non-compliance were found in Thailand. In relation to Article 4, one informational or educational item was found that referenced a growing-up milk. Furthermore, 24 items of various types of equipment were noted in the 33 healthcare facilities visited. All 39 product labels were non-compliant with the ATNI methodology, because they either carried a health or nutrition claim or omitted the warning that they might contain pathogenic micro-organisms. Seven promotional materials were found in healthcare facilities (in contravention of Article 6 of The Code) but by far the largest number of incidences of non-compliance in Thailand related to Article 5 – advertising to the general public and mothers. In total, 501 point-of-sales promotions were found, mostly on online retailers' sites (which Danone confirmed it had commercial relationships with), nearly all of which were price promotions. In addition, 40 adverts and promotions for growing-up milks were found in the traditional and online media monitored.

Abbott also achieved a score of 33% for BMS 2, reflecting a high level of compliance in Nigeria but a low level of compliance in Thailand. The company's level of compliance with the Articles assessed by the methodology (through observation rather than recall) was significantly better in Nigeria than Thailand. Four incidences

of non-compliance were identified in Nigeria in relation to four products, but 286 were found in Thailand in relation to 15 products (290 incidences of non-compliance in total, relating to 19 products).

The vast majority of these – 197 or 68% – were for growing-up milks, which are not covered by Abbott's BMS marketing policy. Of the remainder, 64 related to infant formulas (62 in Thailand) and 27 related to follow-on formulas (25 in Thailand).

Abbott was nearly fully compliant with Article 4 of The Code, as no informational or educational materials were found in either country and only one piece of equipment was identified in a clinic in Thailand. Abbott was fully compliant with Articles 5 and 6 in Nigeria, with the only incidences of non-compliance relating to Article 9 (labeling requirements) for its four products intended for sale. All of its products had between four and eight non-compliant elements; none carried a warning that they might contain pathogenic micro-organisms or had directions for use in English and the three main Nigerian languages, and all carried a health or nutrition claim. Various other types of proscribed wording were also present or absent.

Thus, most non-compliances were found in Thailand. These included 22 adverts or promotions on the traditional media, social media or websites monitored and 247 point-of-sale promotions on online retailers' sites, which the company confirmed it had commercial relationships with. Of these, 171 related to growing-up milks, 22 related to follow-on formulas and 54 to infant formulas.

Nestlé also scored 33% for BMS 2, reflecting a high level of compliance in Nigeria but a low level of compliance in Thailand. As with other companies, its level of compliance with the Articles assessed by the methodology (through observation rather than recall) was significantly better in Nigeria than Thailand. Four incidences of non-compliance were identified in Nigeria in relation to four products. However, 902 were found in Thailand in relation to 39 products (906 incidences of non-compliance in total, relating to 43 products).

As with other companies, the vast majority of these – 792 or 87% – were for growing-up milks, which are not covered by Nestlé's BMS marketing policy. Of the remainder, 26 related to infant formulas (24 in Thailand) and 84 related to follow-on formulas (83 in Thailand).

In Nigeria, Nestlé was fully compliant with Articles 4, 5 and 6 of The Code, as no advertising or promotions were found or any promotional materials. One piece of equipment was identified with Pfizer Nutrition branding in Nigeria, a company that Nestlé bought in 2012. However, as Pfizer-branded products have not been sold there since 2015, this piece of

equipment was not included in Nestlé's score. As with other companies, all of its products were found to have non-compliant labels and/or inserts in both Thailand and Nigeria. In neither country did they carry a warning that they might contain pathogenic micro-organisms and most carried a health or nutrition claim. In Nigeria products did not carry directions for use in English and the three main Nigerian languages. Various other types of proscribed wording were also present or absent.

By far the most common type of marketing found was point-of-sale promotions in Thailand, prohibited by Article 5 of The Code, and mostly on the sites of online retailers, which the company confirmed it had a commercial relationship with. A total of 829 point-of-sale promotions were found in Thailand, with 745 of them for growing-up milks (90%). In addition, 27 adverts and promotions were found for growing-up milks in Thailand in the traditional and/or new media monitored.

FrieslandCampina was one of three companies to score zero on BMS 2 but its score is based only on the Nigeria assessment, as the company does not sell products in Thailand. Furthermore, only four of its products were found in Nigeria – three infant formulas and one GUM.

Of the 25 incidences of non-compliance found in total in Nigeria, 13 related to growing-up milks (52%) which are not covered by FrieslandCampina's BMS marketing commitments. Further, 11 related to its infant formulas. Two growing-up milks were referenced on two items of informational and educational material found in healthcare facilities, in contravention of Article 4. One item of equipment with Friso branding was found – a growth chart. In respect to Article 5, 18 point-of-sale promotions, were found on one online retail site with which the company has a commercial relationship.²⁸ None of the labels of the four products found were compliant with Article 9 and/or local labeling requirements. All had between two and seven non-compliant elements. None carried a warning that they might contain pathogenic micro-organisms and three omitted directions for use in English and the three main Nigerian languages, while three also carried a health claim. Various other types of proscribed wording were also present or absent.

RB/MJN was one of three companies to score zero on BMS 2 but its score is based only on the Thailand assessment as it does not sell products in Nigeria. Eighteen of its products are sold in Thailand – eight infant formulas, four follow-on formulas and six growing-up milks.

More incidences of non-compliance were found in relation to RB/MJN in Thailand than for any other company – 1,007. Of these, 395 (39%) related to growing-up milks, 306 (30%) related to follow-on formulas and 29% to infant formulas. The company does not sell complementary foods.

RB/MJN commits only to complying with local regulations in respect of all of these products and does not make any additional commitments in its own BMS marketing policy.

Informational and educational materials were found in both healthcare facilities and retailers, referencing nine products, in contravention of Article 4 of The Code, as were nine items of equipment. RB/MJN was not compliant with Article 5, given that 29 examples of advertising and promotion were found in the traditional and social media monitored, and on monitored websites. Meanwhile, 935 point-of-sale promotions were found on the sites of online retailers, which the company confirmed it had commercial relationships with. A total of seven items of promotional material were found in healthcare facilities, in contravention of Article 6, and the labels of all 18 of the company's products were non-compliant with Article 9 of The Code and/or related local regulatory requirements. Many carried a health claim and omitted the statement that they should be used only on the recommendation of a clinician. None carried a warning that they might contain pathogenic micro-organisms. Others omitted expiry information in the form required in Thailand.

Kraft Heinz was one of three companies to score 0% on BMS 2 but its score is based only on the Nigeria assessment as the company does not sell any BMS in Thailand. In fact, although several complementary foods were found in Thailand with original labels stating their suitability for infants under six months of age, stickers had been placed over the top of the original labels stating that they should only be fed to infants from six months of age and older.

The BMS that Kraft Heinz sells in Nigeria are complementary foods labeled as suitable for infants under six months of age: Nine such products were found in total. None of these products' labels complied with the labeling recommendations of Article 9 of The Code and/or local labeling regulations. The only other Article of The Code which Kraft Heinz was not compliant with was Article 5, where 85 incidences of non-compliance were found on online retailers' websites for its BMS products. However, as Kraft Heinz did not respond to ATNF's request to verify whether it had commercial relationships with any of these companies, all such promotions were counted in its score. It is possible that – as with other companies – some of these promotions were initiated by retailers which Kraft Heinz did not have a contract with.

Full details of the companies' performance can be found in their individual BMS Marketing scorecards at www.accesstonutrition.org. For analysis of relative levels of compliance with different Articles of The Code, see the Westat reports, available [here](#).

BOX 5 NOTABLE ISSUES IDENTIFIED BY THE RESEARCH

Point-of-sale promotions on online retailers' websites: The highest number of incidences of non-compliance in both countries were point-of-sale promotions. Once data collection had been completed, ATNF asked each of the six companies to indicate which online retailers they had commercial relationships with, in order to exclude from the results any marketing on sites with which they did not have a trading relationship. This is because, in these cases, the retailers would have initiated those promotions rather than the manufacturers. Many more point-of-sale promotions of this kind were found. The Code makes clear that companies "have a duty to ensure that distributors of their products are aware of their responsibilities under The Code." They should ensure that such awareness raising extends to retailers too. As online retailing becomes more prevalent in all markets, governments and others responsible for, or involved in, monitoring Code compliance need to extend their vigilance to this form of promotion. The Government of Thailand has included the online retail environment within the scope of the new 'Milk Act' which came into force in September 2017. Other governments should follow suit when considering introducing or strengthening regulations to control BMS marketing to ensure that they encompass online retailers.

Parallel imports widely available in Lagos: These imports are not within the manufacturers' control as they are imported by distributors or retailers without the consent of the brand owners. Responsibility to clamp down on them lies with the government. While the government's enforcement of BMS marketing regulations in Nigeria appears to be quite effective, given the relatively low level of non-compliance found overall, greater focus seems to be needed on parallel (illegal) imports. This is important because these products are not made for the Nigerian market and so they are not labeled appropriately. However, this would be less of an issue were all companies to label their products according to the recommendations of The Code.

Training of healthcare workers to limit their recommendation of BMS: The proportion of mothers reporting that healthcare workers had recommended they use BMS was 14% in Nigeria and 8% in Thailand. Given the likely weight that mothers give to such advice, it is important that the relevant bodies in each country provide healthcare workers with the skills needed to support breastfeeding and regularly remind them to promote and encourage breastfeeding and not to recommend BMS products – apart from those cases where a doctor does so for a justified medical reason.

Non-compliant labeling: Three types of labeling non-compliance were commonly found in both countries (as well as others specific to each country). Labels often carried nutrition and/or health claims and they often omitted a statement that the product should be used with the advice of a health professional. No products carried the warning, as advised by WHA 58.32 passed in 2005, that they might contain pathogenic micro-organisms. Companies should revise their BMS marketing policies to ensure that they do not continue to mislabel their products in these ways.

Levels of non-compliance among smaller BMS manufacturers: In both Thailand and Nigeria, many small and large manufacturers were present in the markets. In Thailand, there were three such companies but only DG Smart Mom, from Vietnam, was found to have a relatively high level of non-compliance, with 339 incidences found in total in relation to six of its products. Again, most of these were point-of-sale promotions on online retailers' websites. In Nigeria, a total of 16 incidences of non-compliance were found, mostly non-compliant labels relating to ten BMS products made by six other companies.

Recommendations

Policies

BMS manufacturers must extend their BMS marketing policies to apply globally and to growing-up milks. It is critical that they align their policies fully with the International Code of Marketing of Breast-milk Substitutes and all subsequent WHA resolutions. It is particularly important that they commit to upholding their own policy in countries where regulation falls short of the standards set out in The Code or is absent.

Management systems

All companies need to do more to ensure their management systems deliver consistent compliance with their stated commitments – which first need to be brought into full alignment with The Code. This means having a full suite of procedures and instructions to staff in relation to each Article, and highly effective company-wide governance, auditing and management arrangements to ensure that the policy and systems work effectively.

Disclosure

While Nestlé discloses nearly all materials expected by ATNF, and Danone has significantly improved its disclosure since the 2016 Index. The remaining four companies could significantly improve their disclosure practices and transparency. In particular, Kraft Heinz, which has limited publicly available information.

Implementation of management systems in individual markets

The results from the two Westat in-country studies demonstrate that the most important factor in curtailing inappropriate marketing of BMS is strong local regulations that are effectively enforced. This was the case in Nigeria but not in Thailand at the time of the study. Governments everywhere are encouraged to accelerate their efforts to adopt regulations that embody all recommendations of The Code and WHA resolutions, that apply to all BMS.

While a range of incidences of non-compliance were found in each country, three clear common issues arose that all companies should place priority on addressing, these are:

- Their policies do not include all types of products, particularly growing-up milks. This results in widespread marketing of these products that did not comply with The Code.
- Their oversight of contracts with online retailers appears to be weak. Resulting in extensive point-of-sale promotions. Steps should be taken to ensure that all distributors and retailers which they have any form of commercial relationship with comply with The Code.
- Nearly all product labels were found to not include a statement that the product might contain pathogenic micro-organisms; many carried health or nutrition claims.

A wide range of other non-compliant elements were also identified. Companies need to strengthen both their policies and their procedures to ensure that product labels and inserts are compliant with The Code.

NOTES

- ¹ Lancet Breastfeeding Series 2016.
- ² WHO (2018). The World Health Organization's infant feeding recommendation. Available at: http://www.who.int/nutrition/topics/infantfeeding_recommendation/en/.
- ³ WHO (2018). Global Targets 2025: To improve maternal, infant and young child nutrition. Available at: <http://www.who.int/nutrition/global-target-2025/en/>.
- ⁴ Save the Children (2018). 'Don't Push It: Why the formula milk industry must clean up its act'. Available at: <https://resourcecentre.savethechildren.net/library/dont-push-it-why-formula-milk-industry-must-clean-its-act>.
- ⁵ ARCH (2018). Resources. Available at: <http://archnutrition.org/resources/>.
- ⁶ A WHA resolution was passed in May 2016, known as WHA 69.9, which: 1) extended the scope of application of The Code to formulas marketed as suitable for children up to 36 months of age, and; 2) clarified how various Articles should be applied and set out new recommendations for marketing complementary foods for children between six and 36 months. It was felt that companies would not, by the time of the study, have made changes to reflect the recommendations included in WHA 69.9 which is why the assessment included The Code and subsequent relevant WHO resolutions up to, but not including WHA 69.9. However, future editions of the BMS Marketing sub-ranking of the Global Index will include these figures.
- ⁷ It also introduces new recommendations relating to the marketing of CF for infants and young children between 6 and 36 months of age, but which are not addressed here.
- ⁸ FrieslandCampina takes the same approach in all markets i.e. it does not distinguish between low-risk and high-risk markets.
- ⁹ WHO (2013). Information concerning the use and marketing of follow-up formula. Available at: http://www.who.int/nutrition/topics/WHO_brief_fufandcode_post_17July.pdf/.
- ¹⁰ However, in December 2017, after the research process had concluded, the company published its first CSR report in which it recognized the importance and the superiority of breastmilk in feeding infants and young children. The company referred to its Charter for Marketing BMS, however, details of scope and commitments have not been made public.
- ¹¹ BBC (2017). Lactalis baby milk in global recall over salmonella fears. Available at: <http://www.bbc.co.uk/news/business-42304757>.
- ¹² Reuters (2017). Lactalis extends baby product recall after finding contamination source. Available at: <https://uk.reuters.com/article/us-france-dairy-lactalis/lactalis-extends-baby-product-recall-after-finding-contamination-source-idUKKBN1EF0QA>.
- ¹³ Reuters (2017). France orders international recall of Lactalis baby formula. <https://uk.reuters.com/article/us-france-babymilk-recall/france-orders-international-recall-of-lactalis-baby-formula-idUKKBN1E40ND>.
- ¹⁴ The Guardian (2017). UK and China part of worldwide recall of Lactalis baby formula over salmonella fears. Available at: <https://www.theguardian.com/world/2017/dec/11/uk-china-worldwide-recall-lactalis-baby-formula-milk-salmonella-fears-children>.
- ¹⁵ WHO (2017). Safe preparation, storage and handling of powdered infant formula guidelines. Available at: http://www.who.int/foodsafety/publications/micro/pif_guidelines.pdf.
- ¹⁶ WHO (2017). Safe preparation, storage and handling of powdered infant formula guidelines. Available at: http://www.who.int/foodsafety/publications/micro/pif_guidelines.pdf.
- ¹⁷ IFM was dissolved in fiscal year 2017.
- ¹⁸ WHO (2016). World Health Assembly Resolution on the inappropriate promotion of foods for infants and young children. Available at: http://www.who.int/foodsafety/publications/micro/pif_guidelines.pdf.
- ¹⁹ UNICEF data on mortality, malnutrition, health outcomes, HIV/AIDS levels; TI Corruption Index ranking, Human Development Index ranking, Total and Urbanised Population Data; IBFAN data on number of allegations by company per country and state of The Code by country.
- ²⁰ Based on analysis by Westat, in-country advisors and ATNF.
- ²¹ FDA (2012). Criteria for Food Advertisement. Vol. 2.
- ²² The labeling provisions come into force one year later.
- ²³ Total number of non-compliances identified divided by the total number of products evaluated, e.g. for Abbott, 286/15 = 19.1.

²⁴ Based on analysis by Westat, in-country advisors and ATNF.

²⁵ WHO (1994). The Food (Control of Quality) (Marketing of Breast-milk Substitutes and Designed Products) Regulations. Available at: [file:///Users/esgcommunications/Downloads/GINA%20-%20The%20Food%20\(Control%20of%20Quality\)%20\(Marketing%20of%20Breast-milk%20Substitutes%20and%20Designed%20Products\)%20Regulations,%201994%20-%202014-01-27.pdf](file:///Users/esgcommunications/Downloads/GINA%20-%20The%20Food%20(Control%20of%20Quality)%20(Marketing%20of%20Breast-milk%20Substitutes%20and%20Designed%20Products)%20Regulations,%201994%20-%202014-01-27.pdf).

²⁶ WHO (2005). Marketing of Infant and Young Children Food and Other Designated Products (Registration, Sales, Etc.) Regulations. Available at: <https://extranet.who.int/nutrition/gina/sites/default/files/NGA%202005%20Marketing%20of%20Infant%20and%20Young%20Children%20Food%20and%20Other%20Designated%20Products%20Regulations%202005.pdf>.

²⁷ While the scope of this act covers formulas and CF for infants and young children up to 36 months of age, ATNF's results are based only on an assessment of companies' compliance relating to BMS intended for use by infants and young children up to 24 months of age.

²⁸ For all companies ranked by ATNF, the only promotions included in their scores were those found on major online retail sites with which they confirmed they have a commercial relationship. ATNF is aware that some point-of-sale promotions on these sites are initiated by small traders which do not procure their merchandise from the companies directly. Nevertheless, ATNF believes that companies have an opportunity and a responsibility to encourage major online retailers to ensure that all of their BMS products are marketed responsibly on those sites, in line with The Code, including those sold by small traders.



45.

Annexes

Annex 1 Board, Independent Advisory Panel and ATNI Expert Group

Two multi-stakeholder groups – the Expert Group and the Independent Advisory Panel – have provided advice on many aspects of ATNF's development since January 2011. Because part of the intended impact of ATNF includes active engagement by various stakeholder groups with food and beverage manufacturers, the Indexes needed to be a useful tool for a range of interested parties. This led to the selection of Expert Group and International Advisory Panel members with a wide range of nutrition related expertise. In order to ensure the independence of the Index development process, no current executives from food and beverage companies were members of either group.

Members of each of these groups have served in their personal capacities and in an advisory role. The views in this report do not necessarily reflect the views of these groups' members or of their institutions. The ATNI development team is responsible for the final scope and content of the Index.

Board

| Board | |
|---------------------------|---|
| Paulus Verschuren | <i>Acting Chair of the board of ATNF; Founder, WorldFed NL; Former Special Envoy Food and Nutrition Security, Ministry of Foreign Affairs, The Netherlands; Former Senior Director, Unilever Global Health Partnerships; Former Executive Director, International Life Sciences Institute – ILSI Europe</i> |
| Keith Bezanson | <i>Former President, International Development Research Centre; Former Director, Institute of Development Studies</i> |
| Lauren Compere | <i>Managing Director, Boston Common Asset Management</i> |
| Inge Kauer | <i>Executive Director, Access to Nutrition Foundation</i> |
| Paula Luff | <i>Director, Sustainability and Impact Inherent Group</i> |
| Kathy Spahn | <i>President and Chief Executive Officer, Helen Keller International; Board member, InterAction, and International Agency for the Prevention of Blindness (IAPB)</i> |
| Susanne Stormer | <i>Vice President, Chief Sustainability Officer, Novo Nordisk, Denmark; Adjunct professor, Corporate Sustainability, Copenhagen Business School; Member, International Integrated Reporting Council</i> |
| Marc van Ameringen | <i>Former Executive Director, Global Alliance for Improved Nutrition (GAIN)</i> |

Independent Advisory Panel

The mandate of the Independent Advisory Panel is to provide strategic advice on the development of ATNF. It has focused on how to make ATNF more useful and effective, what institutional arrangements should be made to sustain ATNF over time, and how to engage with a variety of stakeholder groups regarding the objectives and findings of the Access to Nutrition Indexes.

| Independent Advisory Panel | |
|---------------------------------------|--|
| Paulus Verschuren | <i>Acting Chair of the Independent Advisory Panel;</i> <i>Founder,</i> <i>WorldFed NL;</i> <i>Former Special Envoy Food and Nutrition Security,</i> <i>Ministry of Foreign Affairs, The Netherlands;</i> <i>Former Senior Director,</i> <i>Unilever Global Health Partnerships;</i> <i>Former Executive Director,</i> <i>International Life Sciences Institute – ILSI Europe</i> |
| Cindy van den Boom | <i>Senior Policy Officer,</i> <i>Ministry of Foreign Affairs of the Netherlands</i> |
| Shiriki Kumanyika | <i>Chair, ATNI Expert Group;</i> <i>Professor Emerita of Epidemiology, University of Pennsylvania;</i> <i>Research Professor in Community Health & Prevention,</i> <i>Drexel University Dornsife School of Public Health</i> |
| Juan Rivera | <i>Founding Director,</i> <i>Center for Research in Nutrition and Health,</i> <i>National Institute of Public Health, Mexico</i> |
| Marie Ruel | <i>Division Director,</i> <i>Poverty,</i> <i>Health and Nutrition,</i> <i>IFPRI</i> |
| Senoe Torgerson | <i>Senior Program Officer,</i> <i>Bill & Melinda Gates Foundation</i> |
| Victoria Quinn | <i>Senior Vice President of Programs,</i> <i>Helen Keller International</i> |
| Observer: Francesco Branca | <i>Director,</i> <i>Department of Nutrition for Health and Development,</i> <i>World Health Organization</i> |

ATNI Expert Group

The function of the Access To Nutrition Index Expert Group is to provide input into the development of the company assessment methodology and to review the analysis and Index report. This group consists of members with expertise in various aspects of nutrition (including both undernutrition and obesity and diet-related chronic diseases) and the role of the food and beverage industry when it comes to nutrition.

| ATNI Expert Group | |
|--------------------------|---|
| Shiriki Kumanyika | <i>Chair, ATNI Expert Group; Professor Emerita of Epidemiology, University of Pennsylvania; Research Professor in Community Health & Prevention, Drexel University Dornsife School of Public Health</i> |
| Boyd Swinburn | <i>Professor, Population Nutrition and Global Health at the University of Auckland and Alfred Deakin; Professor and Director of the World Health Organization (WHO) Collaborating Centre for Obesity Prevention at Deakin University in Melbourne</i> |
| CS Pandav | <i>Professor and Head, Centre for Community Medicine, All India Institute of Medical Sciences (AIIMS)</i> |
| Kapil Yadav | <i>Assistant Professor, All India Institute of Medical Sciences (AIIMS)</i> |
| Linda Meyers | <i>Senior Director (retired), Food and Nutrition Board, National Academies of Sciences, Engineering, and Medicine</i> |
| Lindsay H. Allen | <i>Director, USDA ARS Western Human Nutrition Research Center; Research Professor, Department of Nutrition, UC Davis</i> |
| Mike Rayner | <i>Director, British Heart Foundation Health Promotion Research Group, University of Oxford</i> |
| Terry T-K Huang | <i>Professor, School of Public Health, City University of New York</i> |

2 Acronyms

| | |
|-----------------|--|
| AIIMS | All India Institute of Medical Sciences |
| AIN | Ajinomoto International Cooperation Network for Nutrition and Health |
| ATNF | Access To Nutrition Foundation |
| ATNI | Access to Nutrition Index |
| BMI | Body mass index |
| BMS 1 | Corporate Profile assessment |
| BMS 2 | In-country assessment |
| BMS | Breast-milk Substitute(s) |
| BOP | Back-of-pack |
| CARU | Children's Advertising Review Unit |
| CEO | Chief Executive Officer |
| CF | Complementary Foods |
| CFBAI | Children's Food and Beverage Advertising Initiative |
| CH | China |
| CHF | Swiss Franc |
| CIFF | Children's Investment Fund Foundation |
| Codex | Codex Alimentarius |
| COPPA | Children's Online Privacy Protection Act |
| CSR | Corporate Social Responsibility |
| CSV | Creating Shared Value |
| DALYs | Disability-adjusted life years |
| EPODE | Ensemble Prevenons l'Obesite des Enfants |
| ES | Spain |
| EU | European Union |
| F&B | Food and beverage |
| FAO | Food and Agriculture Organization |
| FDA | The Food Safety and Drug Administration |
| FMSP | Formulas for special medical purposes intended for infants |
| FOF | Follow-on Formula |
| FOP | Front-of-pack |
| FR | France |
| FY | Financial Year |
| GAIN | Global Alliance for Improved Nutrition |
| GDA | Guideline Daily Amount |
| GDP | Gross Domestic Product |
| GUM | Growing-up Milk |
| H&W | Health and wellness |
| HSR | Health Star Rating |
| IAPB | International Agency for the Prevention of Blindness |
| IBFAN | International Baby Food Action Network |
| ICBA | International Council of Beverages Associations |
| ICC | International Chamber of Commerce |
| ICC Code | Consolidated International Chambers of Commerce |
| | Code of Advertising and Marketing Communication Practice |
| ICCID | International Council for Control of Iodine Deficiency Disorders |
| ICDS | Integrated Child Development Services |
| IF | Infant Formula |
| IFBA | International Food and Beverage Alliance |
| IFM | International Association of Infant Food Manufacturers |
| IFPRI | International Food Policy Research Institute |
| IGBM | Protocol Interagency Group on Breastfeeding Monitoring Protocol |
| ILO | International Labour Organization |
| INSP | Mexico's Institute for Public Health |

| | |
|-----------------|--|
| IOM | Institute of Medicine |
| IOTF | International Obesity Task Force |
| IRE | Ireland |
| IYCN | Optimal infant and young child nutrition |
| M&A | Merger and Acquisition |
| NCDs | Non-communicable diseases |
| NetCode | Network for Global Monitoring and Support for Implementation of the International Code of Marketing of Breast-milk Substitutes and Subsequent relevant World Health Assembly Resolutions |
| NGO | Non-governmental organization |
| NIN | National Institute of Nutrition |
| GNR | Global Nutrition Report |
| NPS | Nutrient Profiling System |
| OECD | The Organisation for Economic Co-operation and Development |
| PAHO | Pan American Health Organization |
| PDS | Public Distribution System |
| PFS | Partners in Food Solutions |
| PIF | Powdered Infant Formula |
| PPP | Popularly Positioned Products |
| PWC | PricewaterhouseCoopers |
| R&D | Research and development |
| RB/MJN | RB/Mead Johnson Nutrition |
| RRC | Rules of responsible conduct |
| SDG | Sustainable Development Goal |
| SUN | Scaling Up Nutrition |
| TFA | Trans-fatty Acids |
| TGI | The George Institute for Global Health |
| TH | Thailand |
| The Code | The International Code of Marketing of Breast-milk Substitutes |
| U.K. | United Kingdom of Great Britain and Northern Ireland |
| U.S. | United States |
| UN | United Nations |
| UNICEF | United Nations Children's Fund |
| USAID | United States Agency for International Development |
| USD | US Dollar |
| USLP | Unilever's 'Sustainable Living Plan' |
| VN | Vietnam |
| VP | Vice President |
| WFP | World Food Programme |
| WHA | World Health Assembly |
| WHO | World Health Organization |
| WHO EURO | WHO Regional Office for Europe Nutrient Profile Model |
| ZA | South Africa |

Disclaimer

General Disclaimer

As a multi-stakeholder and collaborative project, the findings, interpretations, and conclusions expressed in the report may not necessarily reflect the views of all companies, members of the stakeholder groups or the organizations they represent or of the funders of the project. This report is intended to be for informational purposes only and is not intended as promotional material in any respect. This report is not intended to provide accounting, legal or tax advice or investment recommendations. Whilst based on information believed to be reliable, no guarantee can be given that it is accurate or complete.

Note

Sustainalytics participated in the data collection and analysis process for the Global Index 2018, contributed to the company scorecards and supported writing the report.

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country-specific regulations related to marketing of these products in Bangkok, Thailand and Lagos, Nigeria. Westat is responsible for the analysis of the data related to compliance with the BMS Marketing standards and for the preparation of its final study report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report and the scoring of company performance for the same Index.

The George Institute for Global Health (TGI) is responsible for the data collection for the Product Profile assessment, using data from available databases that was supplemented with data provided by companies to ATNF. TGI is also responsible for the analysis of the data related to the Product Profile and the TGI Product Profile final report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report. Furthermore, TGI is responsible for the data collection and analysis related to the historic sodium reduction assessment in Australia, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

Innova Market Insights (Innova) is responsible for the data collection and analysis related to the historic sodium reduction assessment that was performed in four countries, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

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73BIT Development

Development 73BIT, a British IT developer, set up the online data platform used to collect and process company data. It also developed automatic scoring sheets and reports that fed into the scorecards.

ontwerpwerk

Design & development

Ontwerpwerk Design and development, a Dutch design agency in The Hague, designed and developed the report and website.



Language editor

ESG Communications Language and copy editing, report and scorecards

