

# ACCESS TO NUTRITION INDEX

## GLOBAL INDEX 2016



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INDEX™

## Acknowledgements

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ATNI was produced by the ATNI development team which consists of Inge Kauer, Marije Boomsma and Simona Kramer along with external consultant Rachel Crossley. The team also drafted this report on the Global Index.

As noted in the report, the ATNI development team drew on the expertise and advice of two multi-stakeholder advisory groups, the Independent Advisory Panel and the Expert Group. Their close engagement throughout the ATNI development process has been a source of invaluable guidance, and this report benefited greatly from their input and advice. The views expressed in this report, however, do not necessarily reflect the views of these two groups' members or of their institutions.

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### RESEARCH SUPPORT



Sustainalytics, a leading global ESG research and ratings provider, scored and ranked company performance for the Access to Nutrition Index. They also contributed to the development of the methodology, report and company scorecards for the Index, and engaged with food and beverage companies during the data collection and analysis process. The Sustainalytics team consisted of Andrea van Dijk, Corina Goruian, Laurence Loubieres, Simon MacMahon, Larysa Metanchuk, Marion Oliver, David Parsons and Joshua Zakkai.

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# **ACCESS TO NUTRITION INDEX**

## GLOBAL INDEX 2016

January 2016



# Preface

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I am pleased to introduce the second edition of the Access to Nutrition Index (ATNI). The ATNI is an independent benchmarking tool that measures companies' contributions to good nutrition against international norms and standards. The methodology for this second Global Index has been refined with support from governments, NGOs, academia, investors and companies.

One in three people in the world today is under-nourished or overweight. Obesity and diet-related chronic diseases including heart disease, stroke, diabetes and certain cancers are global pandemics, affecting countries of all income levels. At the same time, undernutrition continues to affect billions of people globally – increasingly in the form of hidden hunger when people may have enough food but lack access to sufficient micronutrients. Given their global reach, food and beverage companies have a powerful role to play alongside governments, international organizations and civil society in helping to tackle this crisis and its grave human and economic consequences. This is a social responsibility but it's also in the companies' interests as consumers worldwide are increasingly demanding healthier foods.

The increased engagement of companies in our research process is a positive trend highlighting that they are both paying increased attention to nutrition and considering the ATNI as a valuable tool to benchmark and improve their performance. Other stakeholders are also using the Index as a measure of companies' performance. For example, private sector data from the ATNI is used in the Global Nutrition Report that is published on an annual basis. Also, global investors have supported the Index publicly through signing our investor statement and have been using the first Index to engage with companies they invest in.

This report summarizes findings from the 2016 ATNI Global Index, which rates 22 of the world's largest food and beverage manufacturers on their nutrition-related commitments, performance and disclosure globally. More information on the 2016 ATNI is available at [www.accesstonutrition.org](http://www.accesstonutrition.org). Companies have been assessed on nutrition governance, formulation of products, accessibility, marketing, lifestyles, labeling and engagement. The Global Index also includes a separate pilot study and ranking of the world's leading companies that manufacture breast-milk substitutes (BMS). In developing countries, breastmilk is often a life-saver for vulnerable infants. Marketing of breast-milk substitutes is, therefore, a highly sensitive and controversial issue on the nutrition agenda. With our pilot study we intend to contribute to a transparent and multi-stakeholder dialogue on monitoring and improving companies' compliance with the International Code of Marketing of Breast-milk Substitutes.

I would like to thank the Bill & Melinda Gates Foundation, the Wellcome Trust and the Children's Investment Fund Foundation for supporting our work. I would also like to thank the members of the Access to Nutrition Foundation (ATNF) Board, the Independent Advisory Panel and Expert Group, our research partners Sustainalytics and Westat and the ATNF project team for their enormous efforts and support in producing this second Global Index.



The conversation on the role of the food and beverage industry in improving nutrition has progressed since our launch in 2013. This second Index shows that the world's top 22 food and beverage companies have taken some steps towards improving consumers' diets. Many of the companies are still lagging behind, however, and greater efforts are required by all companies. There is much more to do to tackle the mounting global nutrition crisis. It is my hope that the ATNI will continue to serve as a call to action for all involved.

*Inge Kauer*





A close-up, profile view of a young girl looking down. She is wearing a red, textured headscarf and a yellow dress with a small, colorful dot pattern. The background is a bright blue sky.

# Executive summary

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### Overview

The Access to Nutrition Index (ATNI) was launched in 2013, and gained a positive response from stakeholders, including food and beverage manufacturers, NGOs and investors. The ATNI has begun to influence nutrition policies and practices within companies.

Since the launch of the first Index, recognition of the human and economic consequences of poor nutrition has increased. Globally one in three people are now either undernourished, overweight or obese. Over the last 35 years obesity has more than doubled and has now reached epidemic proportions. Over the next 10 years, malnutrition is set to continue to increase.

Obesity and diet-related chronic diseases, including heart disease, stroke, diabetes and certain cancers are global pandemics and affect countries of all income levels. At the same time, undernutrition continues to affect billions of people globally – increasingly in the form of hidden hunger where people have sufficient food but lack access to adequate micronutrients. Due to the pervasive and increasing role of their products in many people's diets, global food and beverage manufacturers have the potential to make a substantial contribution to turning back the global scourge of malnutrition through their business practices and through non-commercial activities. This is a social responsibility but it's also in the companies' financial and business interests as consumers worldwide are increasingly demanding healthier foods and more ethical practices from companies.

ATNI is a global initiative that evaluates the largest food and beverage manufacturers' policies, practices and disclosure related to all types of poor nutrition. It provides companies with a tool to benchmark performance on nutrition against others in their sector, and provides stakeholders with impartial, objective, consistent, in-depth information on companies' contributions to improving nutrition. The aim of ATNI is to encourage companies to both increase access to healthy products and also to responsibly exercise their influence on consumers' choice and behaviour.



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## Methodology and approach

Based on global sales in 2013, 22 of the largest global food and beverage companies were assessed and ranked for the 2016 Global Index. This includes 19 of the 25 companies assessed in the 2013 Global Index, and three new companies.

Similar to the 2013 Global Index, the ATNI methodology assessed companies against international guidelines, norms and accepted good practices, except when such guidance was not available. In those instances, assessment was based on guidance from a panel of nutrition experts. Suggestions from extensive stakeholder consultations held during 2014 substantially strengthened the methodology.

Company assessments were conducted by the global responsible investment research firm Sustainalytics, and used publicly available documents, supplemented by additional information provided by each company via an online data platform developed by IT provider 73BIT.

Each company is rated on a scale of 0-10 based on their nutrition-related commitments, practices and disclosure against the same seven Categories and assigned weightings used in the 2013 Index.

The Categories and assigned weights are:

- **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.

The methodology, however, has been significantly expanded and strengthened since 2013 to better reflect stakeholders' expectations. A quarter of all scored questions were new questions and many indicators also required more detailed, specific information or quantitative data. This means that exact one-to-one comparisons of results between 2013 and 2016 are not possible, although general orders of magnitude may still be compared.

To reflect the critical life-long health implications and urgency of addressing undernutrition, it was assigned a fixed weight of 25% in the Category scores. In 2013, this element was not fixed but accounted for approximately 20% of the total weight.

Due to the importance of breastfeeding for the health of infants and young children, and in later life, one new criteria in Category E (Lifestyles) was introduced to measure companies' support for breastfeeding mothers at work.

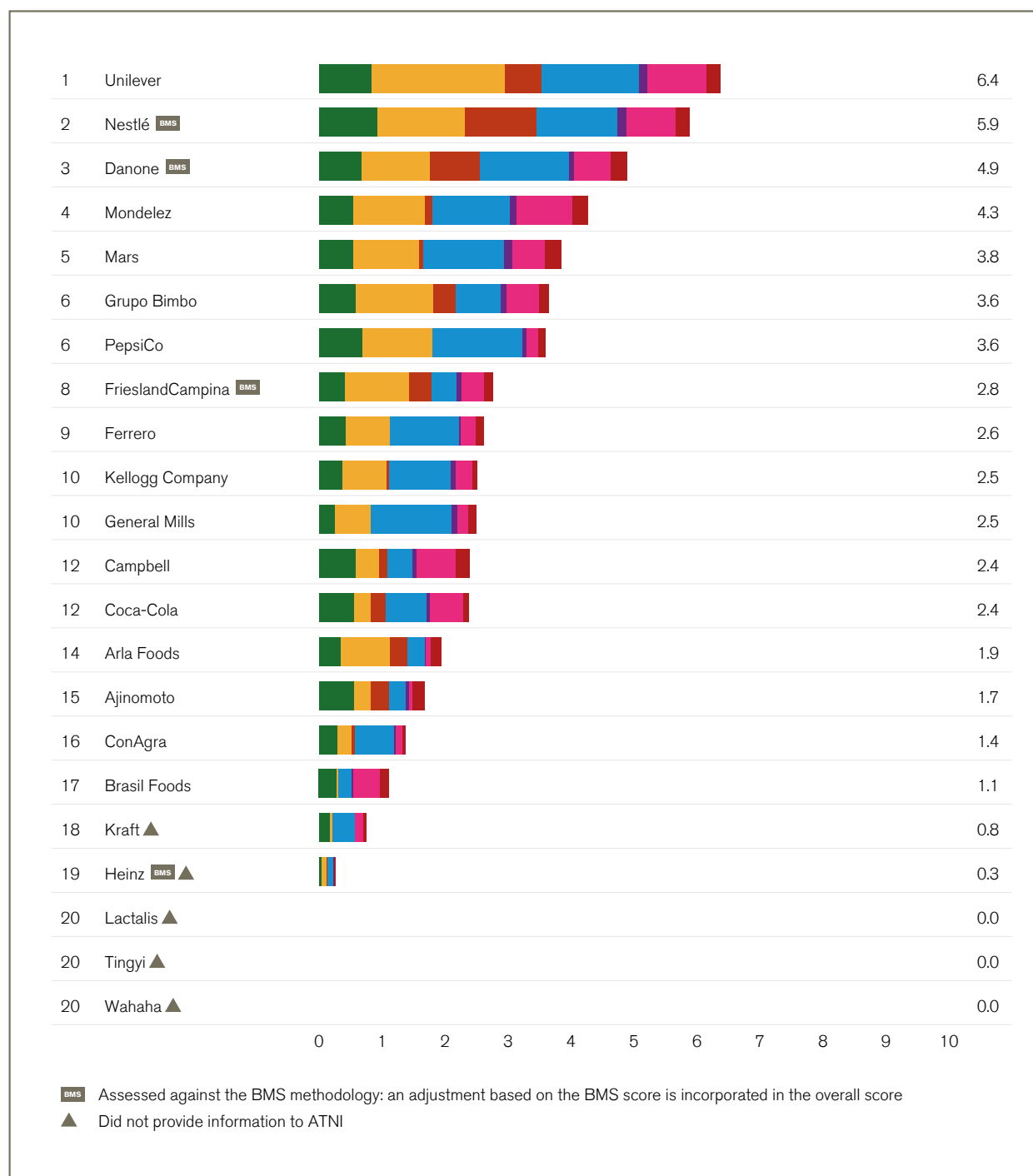
A score of zero indicates that no evidence was found for any nutrition-related commitments, practices or disclosure; a score of 10 signifies that the company is achieving best practice against the current state of knowledge and consensus reflected by the ATNI assessment methodology.

The rankings of companies that did not submit documentation, information or data to Sustainalytics during the research process were based solely on published information.

### Breast-milk substitute sub-ranking

Six manufacturers of breast-milk substitutes (BMS) were also assessed using a separate additional BMS methodology. The criterion applied to select these manufacturers was that they needed to be manufacturers of BMS and baby food sales needed to account for more than 5% of their total sales in 2013. Four food and beverage (F&B) sector companies were included on this basis, along with the two largest pharmaceutical sector manufacturers of infant formula and baby foods. Alignment of company policies with the 1981 International Code of Marketing of Breast-milk Substitutes (The Code) was assessed, as was the quality of management systems being used to implement those policies and their disclosure of policies and practices. In addition, companies' marketing practices in the capital cities of Indonesia and Vietnam were assessed by Westat, an independent research organization, using the Interagency Group on Breastfeeding Monitoring (IGBM) Protocol. The results are set out in a sub-ranking and separate chapter of this Global Index report. The Global Index scores of the four F&B sector companies reflect an adjustment based on their score in the BMS assessment. In all cases, their overall scores and rankings fell. Companies assessed using the BMS methodology are indicated using the following symbol: **BMS**.

## Overall Ranking



## Key findings

### Food and beverage companies have a powerful role to play in helping tackle the mounting global nutrition crisis

One in three people in the world today are undernourished or overweight. Obesity and diet-related chronic diseases, are global pandemics, affecting countries of all income levels. At the same time, undernutrition continues to affect millions of people globally. Given their global reach, food and beverage companies have a powerful role to play alongside governments, international organizations and civil society in helping to tackle this crisis and its grave human and economic consequences. As well as being a social responsibility, this is directly in the companies' commercial and financial interests as consumers worldwide are increasingly demanding healthier foods from companies.

### The ATNI has gained widespread recognition as an effective public accountability tool

ATNI has gained widespread recognition as an independent benchmarking tool that works with industry, nutrition experts and civil society to measure companies' contributions to improved nutrition against best practices standards and internationally agreed norms. Since the first Index, companies have increased their engagement with the research process. This shows a positive trend highlighting how the Index can enable the food and beverage industry to improve their policies and practices to help consumers around the globe eat better food. Other stakeholders use the Index as a tool to call on companies for action. Private sector data from the ATNI is used, for instance, in the Global Nutrition Report that is published on an annual basis, while investors in F&B companies are increasingly taking into consideration the ATNI rankings and company scorecards.

### There have been some improvements but the industry as a whole is still moving too slowly

On balance, the outcomes of the second Access to Nutrition Index show some progress, but companies have a long way to go if they are to play their full part in tackling the global nutrition crisis. When considered together, the world's 22 largest food and beverage manufacturers have improved their contribution to improving consumers' diets. Some companies have given health and nutrition issues increased weight in their corporate strategies; some have made commitments to improve the nutritional quality of some of their products; some have introduced more healthy options and some have adopted and established reasonably comprehensive back-of-pack labels.

Other areas show fewer signs of progress. Overall commitments to market responsibly to children showed no measurable improvement and although most companies have subscribed to global or regional self-regulatory pledges, these remain weak in several areas. Overall, no company scored more than 6.4 out of 10.

### Three companies continue to lead the rankings

**The top three companies in the 2016 Index are Unilever, Nestlé and Danone. These three also led the Index in 2013.**

Although all companies still have a long way to go, Unilever, Nestlé and Danone have clearly embedded a commitment to addressing global nutrition challenges into their core business models; commitments are translated into practice and reported on publicly. This is commendable. It should be regarded as an example of best practice and as a guide to improvement for other companies. Unilever leads with regards to providing healthier products to consumers worldwide. The company has a strong Nutrient Profiling System (NPS) against which the global product portfolio is checked for levels of key nutrients. Nestlé stands out with a clear corporate nutrition strategy that is approved at the highest levels of the company and includes a comprehensive set of objectives that cover the reformulation of products to make them healthier, access to healthy foods and responsible marketing. Danone remains relatively strong in including nutrition in its business strategies as well as its processes. It leads for including affordability considerations in its product Research & Development (R&D) programs, and for stakeholder engagement. However, Danone dropped in the overall rankings mostly because the company's nutrition targets for the next few years had not yet been published at the time of the research for this report.

**Eight companies have improved their ranking**, six have fallen, while five have remained the same and three were new additions to the 2016 Global Index.

**Mars and FrieslandCampina have risen the most on the 2016 Global Index (Mars rose from 16th to 5th and FrieslandCampina rose from 19th to 8th).**

Both significantly improved disclosure regarding nutrition policies. Mars has invested in assessing the nutritional quality of its product portfolio and adopted several new nutrition related policies, while FrieslandCampina has adopted new responsible marketing policies and also reports on the healthiness of its product portfolio (using a strong NPS). Mondelez is a new entrant to this Global Index following its split with Kraft, and has performed relatively well.

## Companies have shown improvement in several areas

Areas where companies have shown improvement since the 2013 Global Index are:

### Nutrition

- Improved strategic focus on nutrition.
- Improved nutritional quality of some products.
- Introduction of more healthy products.
- Back-of-pack labeling.
- Provision of nutrition-focused elements in staff health and wellness programs.

### Undernutrition

- Assigning top-level managerial responsibility and oversight to undernutrition.
- Explicitly committing to tackling micronutrient deficiencies in developing countries through targeted fortification of products (though not all companies focus on priority countries or populations).
- Reporting on engagement with governments in developing countries on undernutrition.

## Companies with universally applicable policies lead the way

**There is a clear difference in performance in the Index between companies that commit to apply their policies globally and across all products, and those companies whose commitments have a more limited scope.**

Many companies do not apply consistent standards across all markets of operation. This indicates that many view improvement as only being necessary where regulations are in place or pressure exerted from civil society. Many companies, particularly those headquartered in the U.S. (including General Mills, Kraft, Heinz, Kellogg Company and ConAgra), seem systematically to apply lower or no standards and less responsible practices in unregulated markets or those with low levels of regulation. This is a cause for concern. Companies should help to tackle global nutrition challenges not because they are forced to by regulators (or the threat of regulatory action) but because they can make a substantial contribution to public health. The top performing companies on the Index demonstrate that making standards universally applicable does not hinder commercial success.

## Much more work to do

**Most companies still do not systematically or structurally implement and report on their stated nutrition commitments. Across the industry significant improvements can be made in:**

- The development of formal nutrition strategies with clear objectives and the integration of these strategies in both business practices and reporting on results (Category A).

- The improvement of the nutritional quality of their products (Category B).
- Making healthy products accessible and affordable in developing countries (Category C).
- The adoption of global responsible marketing policies for all consumers and strengthening policies on marketing to children across all marketing channels (Category D).
- Making more robust programs for employees to pursue active lifestyles and eat healthy diets, and increase the independence of investments in projects focused on consumers (Category E).
- Making lobbying and stakeholder engagement on nutrition more transparent (Category G).

## Across the board, far too little is being done to tackle undernutrition in the developing world

**Undernutrition remains largely neglected by companies, few companies have made specific commitments with little translation into practice.** Mars and Ajinomoto show leading practice in some areas, however despite the business challenges in reaching out to undernourished consumers, more needs to be done to ensure companies assume some responsibility for the massive challenges that many undernourished people face in accessing affordable healthy products. Although many companies have business expansion goals in emerging economies (19 out of the 22 companies generate more than 5% of their revenues from non-OECD countries), none have integrated undernutrition at a strategic level. Only four companies have initiatives to reformulate products for undernourished populations. This is particularly important for higher-risk developing markets among priority populations such as women of childbearing age and children under-two.

## Marketing practices of major BMS manufacturers fall short of international standards

None of the policies of the four F&B companies and their two pharmaceutical sector competitors fully align with the International Code of Marketing of Breast-milk Substitutes (The Code) or the many subsequent World Health Assembly (WHA) resolutions adopted that reinforce the central calls made in The Code, despite it having been in place for over 30 years. Nestlé ranked first in the BMS sub-ranking and Mead Johnson ranked last. The pilot research studies carried out by Westat in Indonesia and Vietnam revealed widespread failings of marketing practices in these two major growing BMS markets.

## Key recommendations

Based on their performance on the Index and identified areas of weakness, the following key recommendations are made to companies:

- **Companies general:**

- **Embed a commitment to nutrition within the core business strategy:** Only Unilever, Nestlé and Danone have clearly embedded a commitment to addressing global nutrition challenges into their core business models. The seven companies that do not appear to have developed any form of nutrition strategy should initiate the process. The 12 companies that are taking some action, but in an ad-hoc manner, should develop a more formal and comprehensive strategy with clear objectives directed by senior executives who are accountable for delivery.
- **Put nutrition commitments into practice:** Companies should accelerate the pace to implement commitments across the entire business.
- **Enhance disclosure on nutrition activities:** Companies' contributions to tackling global nutrition issues face increasing scrutiny. Companies' should enhance accountability through increased disclosure regarding efforts to improve consumers' access to healthy diets and encouraging active lifestyles worldwide.

- **Nutrition general:**

- **Set clear product reformulation targets:** One of the most important ways companies can contribute to the improvement of consumers' diets is by dedicating more of their R&D budgets to improving the nutritional quality of their products. Companies should also adopt and publish global reformulation targets for ALL products in line with the World Health Organization's (WHO) recommendations.

These should include targets to reduce ingredients such as salt, fat, trans fat and sugar and to increase levels of fruit, vegetables, wholegrain and fiber – as relevant to their portfolios.

- **Adopt comprehensive global policies on responsible marketing:** This applies to all consumers and to children in particular. Policies on responsible marketing to children need to apply to all media, to specify the age groups that will not be targeted, the kinds of marketing techniques that will not be used and the products that will not be marketed to children. The definition of which products can be marketed to children should be underpinned by a robust NPS, such as the one recommended by WHO or national governments. Adherence should be monitored annually by third parties, and the results published.
- **Devote greater resources to develop and implement programs to support employee health and commission regular, independent evaluations of program effectiveness:** Specifically to improve employee health through better nutrition and active lifestyles, and disclose more about this activity.
- **Except where prohibited by national legal regimes, better labeling for consumers everywhere:** This should include complete back-of-pack labeling as well as interpretative front-of-pack labeling. Health claims should be responsibly labeled across all markets, particularly unregulated markets or those with limited regulation.
- **Adopt and disclose clear policies for lobbying:** Companies should adopt clear policies to guide any lobbying activity related to nutrition and undernutrition issues and increase disclosure of the lobbying they do, and their funding of or membership in lobbying organizations.

- **Undernutrition:**

- **Put greater and more strategic focus on preventing and addressing undernutrition:** All companies should seek to establish corporate strategies backed with specific funding to effectively address undernutrition.
- **Target activities to tackle undernutrition on priority countries and populations:** More explicit emphasis should be placed on targeting priority countries, women of childbearing age and children under-two, the populations in greatest need of fortified foods and other support to overcome undernutrition.
- **Undertake more strategic and market research:** Other than the three leading companies that have done extensive research in several markets, most other companies have not taken steps to adequately assess the business opportunities available to them and how they might contribute to tackling undernutrition through their non-commercial activities, including investments in pre-competitive, public good research.





- **Cooperation with low-income country governments and other stakeholders in undernutrition should be improved:** All companies should significantly invest in engaging with governments and other stakeholders in low-income countries trying to address undernutrition and where possible offer greater support to that process. More public-private co-investment should be a priority to explore. Identify pathways to the dual benefit combination of a solid business case and a compelling public good case through technologies, innovations, strategic joint ventures, social policies and international agency support. This should be done in a coordinated and strategic manner through global initiatives such as the Scaling Up Nutrition (SUN) Business Network.
- **Marketing breast-milk substitutes:**
  - **All companies need to review their global BMS marketing policies to bring them fully into line with The Code and relevant WHA resolutions.** Policies should be applied consistently and globally – not just in higher-risk countries, which at present tends to be the case. Policies should apply to all types of BMS, defined by the WHO as any formula intended for infants up to 24 months (including infant formula, follow-on formulas and growing-up milks) and complementary foods up to six months.
  - **Except where prohibited in national laws, all companies need to overhaul their management systems** to ensure that marketing policies are applied consistently across all markets. They should also commit to upholding policies fully aligned with The Code particularly in markets where local regulations are weak.
  - **Failures in all companies' management systems were evident in both Vietnam and Indonesia** as shown by research carried out by Westat. This revealed several instances of non-compliance with all articles of The Code assessed and/or local regulations in those markets.
  - **Increased disclosure of policies, management systems and the results of independent audits for compliance.** Greater transparency of investigations about complaints regarding poor marketing practices and resulting corrective actions is also essential to demonstrate that companies take calls to be more accountable seriously.
  - **Guidance by the WHO on how The Code should be interpreted and applied with respect to marketing all complementary foods will allow companies to perform better.** The WHO could also make a valuable contribution by clarifying the definitions of several key terms used in The Code, which are not interpreted in the same way in different countries by companies and other stakeholders.
  - The Access to Nutrition Foundation (ATNF) recommends the WHO and others concerned with the responsible marketing of BMS around the world **develop a robust, credible, ongoing system for monitoring all BMS companies' compliance with The Code, including multi-national and national manufacturers.** ATNF could draw on this in the future to feed into its assessment of these companies.

## Outlook

After the launch of this Index, ATNF will consult with companies on their results on the Global Index to discuss their performance and what they can learn from leading practices. Additionally ATNF will share and debate the results with a broad group of stakeholders at meetings and by collaborating in nutrition-related international conferences, workshops and debates.

As with the first Index in 2013, ATNF will continue to raise and encourage further work on a range of topics by companies, investors, governments, policymakers, nutrition experts and researchers. These include, for example, achieving greater consensus on the need for, and proper design of, Nutrition Profiling Systems for product reformulation and guiding marketing to children; gaining agreement on and widespread use of effective front-of-pack labeling formats and building knowledge on how companies can improve the affordability and accessibility of healthy products. Also substantially improving companies' understanding of the countries and populations in greatest need of support to tackle undernutrition and how that can be done effectively through public-private partnerships.

With respect to promoting responsible BMS marketing in line with The Code, significant progress could be made if the WHO were to clarify further its definition of products covered by The Code and set out clearer definitions of some terms used in The Code that are not interpreted consistently by all stakeholders. In addition, ATNF encourages the International Association of Infant Food Manufacturers (IFM) to strengthen the Rules of Responsible Conduct to bring them more fully into line with The Code. Progress could also be made by UNICEF and other stakeholders to update the Interagency Group on Breastfeeding Monitoring (IGBM) Protocol in ways outlined in this report. Finally, ATNF will seek to continue to encourage greater discussion among all BMS stakeholders on how the BMS industry – companies large and small in all markets – might pursue marketing practices fully in line with The Code and subsequent WHA resolutions.

The Global ATNI Index will be published every other year. The next edition is scheduled for launch in March 2018. Prior to this, the Index methodology will be updated in line with the emerging nutrition guidelines, standards, policies and corporate practices and evolving expectations of stakeholders.

The second ATNI Global Index demonstrates the positive impact of taking steps to make healthy food more accessible and affordable to consumers on a company's performance in the ranking. Actively disclosing nutrition data is an important contribution to this as well. For the third Index in 2018, the ambition is that all companies engage with ATNI because by then they are convinced that investing in nutrition makes business sense and fulfills the social responsibility they have towards consumers worldwide.



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# Contents

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Executive summary	5
Methodology and approach	7
Results	8
Key findings	9
Key recommendations	11
Introduction	17
Global state of nutrition	18
ATNI objectives	20
The global food and beverage industry	21
Why food and beverage manufacturers should act	22
What food and beverage manufacturers can do	24
Scope and guiding principles of this Index	27
Methodology 2016	33
Consultation process	34
Methodology structure – and key changes since 2013	35
Approach to scoring and ranking	36
Company selection	38
Approach to assessing breast-milk substitute manufacturers	38
Limitations	40
Agenda for future development of ATNI	42
Rankings	45
<b>1</b> Overall ranking	47
<b>2</b> Nutrition General	48
<b>3</b> Undernutrition	49
<b>4</b> Marketing of breast-milk substitutes	50
Key findings	52
Key recommendations	55

---

Categories	59
<b>A</b> Governance	60
<b>B</b> Products	72
<b>C</b> Accessibility	84
<b>D</b> Marketing	96
<b>E</b> Lifestyles	114
<b>F</b> Labeling	126
<b>G</b> Engagement	138
Marketing of breast-milk substitutes (BMS)	147
Company Scorecards	185
Annexes	211
<b>1</b> Company selection approach	212
<b>2</b> Global Index company research approach	214
<b>3</b> Board, Independent Advisory Panel and ATNI Expert Group	215
<b>4</b> Selected bibliography	218
<b>5</b> Acronyms	224
Disclaimer	226
Copyright	227







# Introduction

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## Contents

---

Global state of nutrition	18
ATNI objectives	20
The global food and beverage industry	21
Why food and beverage manufacturers should act	22
What food and beverage manufacturers can do	24
Scope and guiding principles of this Index	27

## Global state of nutrition

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Obesity, diet-related chronic diseases<sup>1</sup> and undernutrition are reported to collectively affect about one in three people around the globe.<sup>2</sup> These forms of malnutrition have significant health and economic costs for both developing and developed countries<sup>3</sup>, and tackling malnutrition is a global public health priority. Malnutrition and obesity are linked to both the quantity and quality of food and given the fundamental and increasing role of food and beverage companies on food available globally, their impact on the nutritional status of consumers worldwide is growing.

### The growing obesity epidemic

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Obesity is a significant and growing public health issue that has been characterized by the World Health Organization (WHO) as a global pandemic.<sup>4</sup> In 2014, more than 1.9 billion adults were considered overweight, and of these over 600 million were obese.<sup>5</sup> Obesity has been a health-burden for high-income countries for a number of years; however it is becoming increasingly prevalent in a number of middle and lower income countries too. For example, in Morocco approximately 52% of the adult population is overweight and 16.2% are considered to be obese. Data on childhood obesity and overweight reflects this trend. Globally, 41 million children under-five are considered to be overweight, and the bulk (nearly 31 million) live in developing countries (2013).<sup>6</sup>

People become overweight or obese when they consume more calories than they expend.<sup>7</sup> One of the main reasons for the growing obesity epidemic is that people are eating more and more packaged and energy-dense foods, which tend to be high in fat and sugar.<sup>8</sup> At the same time advances in technology and transport mean that many people lead increasingly sedentary lifestyle and expend fewer calories, a trend which is particularly evident in urban environments.<sup>9</sup>

The cost of the global obesity epidemic is now approximately \$2 trillion annually, or nearly 3% of global GDP. This is similar to the global cost of smoking or of armed violence, war and terrorism.<sup>10</sup>

### Continuing undernutrition

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It is estimated that 805 million people around the world suffer from hunger every day and more than two billion people suffer from micronutrient deficiencies. Children in the developing world tend to be among the worst affected. One in five children under-five (or approximately 161 million globally) is stunted – most of whom live in developing countries.<sup>11</sup> Half (45%) of the deaths of young children (under five) are linked to undernutrition<sup>12</sup>. A substantial amount (12%) of which is attributed to sub-optimal breastfeeding.<sup>13, 14</sup>

Undernutrition takes the following forms:

- **Wasting:** UNICEF defines moderate and severe wasting as below minus two standard deviations from median weight for height of reference population. Wasting is usually the result of acute significant food shortage and/or disease.<sup>15</sup>
- **Chronic undernutrition – stunting:** UNICEF defines moderate and severe stunting as below minus two standard deviations from median height for age of reference population. Stunting is caused by long-term insufficient nutrient intake and frequent infections.<sup>16</sup>

- **Micronutrient deficiencies:** According to UNICEF, micronutrient deficiencies occur when people do not have access to foods rich in micronutrients like fruit, vegetables, animal products or fortified foods. This is usually because they are too expensive or unavailable locally. Micronutrient deficiencies increase the risk of infectious illness and of death from diarrhoea, measles, malaria and pneumonia and are associated with other deadly and highly debilitating diseases.<sup>17</sup>

Wasting and stunting are caused by a lack of energy (calories), particularly protein and micronutrients such as iodine, vitamin A and iron. However a significant number of people who eat sufficient calories do not obtain sufficient micronutrients and this leads to the third form of undernutrition: micronutrient deficiency, which is sometimes referred to as hidden hunger.

As with obesity the economic costs of undernutrition are high. It is estimated that many 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.<sup>18</sup>

## Global action on malnutrition

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In response to global nutrition challenges, a number of governments and international organizations around the world have adopted plans and developed policies and programs to improve diets and lifestyles of people around the world. The United Nations (UN) have recently launched the Sustainable Development Goals (SDGs). The SDGs replace the Millennium Development Goals and consist of 17 goals to help reduce poverty and create sustainable development by 2030.<sup>19</sup> Two of the goals are directly linked to nutrition. Goal 2 is to end hunger, achieve food security and improved nutrition and promote sustainable agriculture, and Goal 3 is to ensure healthy lives and promote wellbeing for all ages. Goal 17 is also important as it calls for stronger means of implementation and a revitalisation of the global partnership between governments, the private sector and civil society, for sustainable development. Another initiative is the Scaling Up Nutrition (SUN) network which now has over 50 countries pledged to end malnutrition.<sup>20</sup>

The 2015 Global Nutrition Report (GNR 2015) noted that the following elements are vital to tackling all forms of malnutrition (both undernutrition and obesity): (I) a supportive political environment; (II) policies and programs that address the underlying causes of malnutrition; and (III) targeted interventions focused on those most in need.<sup>21</sup> One of the key messages of the GNR 2015 is that while good progress has been made in reducing malnutrition, progress is too slow and uneven, especially given increasing numbers of people who are overweight and obese.

Evidence shows that as people's incomes increase, so too does their consumption of ready-to-eat foods. Instances of obesity and diet-related chronic diseases, and undernutrition, are fundamentally affected by the quantity and quality of manufactured food available, and how it is marketed, priced and distributed. Therefore there is a strong argument for increased involvement from the private sector in the fight against malnutrition. Food and beverage companies have strong and increasingly significant impact on people's diets.

## ATNI objectives

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The first Access to Nutrition Global Index was launched in 2013. It was inspired by other successful indexes that ranked companies in a certain industry or field, such as the Access to Medicine Index.

ATNI is founded on the premise that food and beverage<sup>22</sup> manufacturers can make a strong contribution to addressing poor nutrition and dietary patterns, obesity and diet-related chronic diseases. By regularly assessing and ranking the world's largest manufacturers on their overnutrition and undernutrition related commitments, practices and performance globally, ATNI aims to encourage companies to:

- Increase consumers' access to nutritious and affordable foods and beverages through appropriate product formulation, pricing and distribution.
- Responsibly exercise their influence on consumers' choice and behavior by improving marketing, labeling and the use of claims that promote healthy diets and active lifestyles.

The ambition of the 2013 Global Index was to build and launch a new and transparent platform that would regularly track and report on the food and beverage industry's performance in improving nutrition and to stimulate a call to action for all stakeholders involved in the sector. The 2013 Global Index was well received by food and beverage companies and other stakeholders. Many companies responded constructively to ATNI's findings and pledged to improve their policies, practices and disclosure related to nutrition. Some investors have reported that they use the Global Index to help inform investment decisions and engagements with food and beverage companies. Building upon the impact of the first Global Index, this edition seeks to stimulate dialogue among stakeholders and drive action from companies to improve their nutrition practices by:

- **Enabling companies to benchmark their own performance** on nutrition against international standards and best practice, and compare themselves to their peers.
- **Providing an objective source of information for all stakeholders** to evaluate companies' contribution to addressing global nutrition challenges.

The overarching goal of the ATNI is to help facilitate better diets and to help reduce instances of obesity and undernutrition around the world.

## The global food and beverage industry

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The size of the global food and beverage industry is enormous and still continues to grow. Euromonitor International's 2015 packaged food report indicated that global packaged food sales grew 3.6% in value over 2013 to be worth \$2.4 trillion by 2014. The top ten packaged food companies account for 15.7%<sup>23</sup> of packaged food sales globally. Three soft drink companies (including mineral water) – Coca-Cola, PepsiCo and Danone, account for 35.3% of global soft drink sales.<sup>24, 25</sup>

The industry includes many different segments, the largest of which are sweet and savoury snacks, and confectionery. The dairy segment is growing, particularly in China, the U.S., Brazil, Russia, France, Japan, Germany and the U.K. However, the fastest growing segment according to Euromonitor is baby food which has an annual growth rate of 7.8%. Another trend is the increased production of 'lighter and thinner' products. This is in response to consumers in some core markets being more concerned about their health and therefore eating less.<sup>26</sup>

Globally the food and beverage industry has a central role to play in addressing global nutrition challenges. The industry has enormous reach and influence and therefore considerable potential to address poor nutrition and dietary patterns by helping consumers' access foods that improve their diets. Whether food and beverage companies meet this potential is dependent on whether they recognize the magnitude of the nutrition challenge, acknowledge that they have a role to play and accept responsibility to be held accountable for the commitments they make.

The industry continues to grow, especially in emerging and developing markets where sales of packaged foods grew at ten times the rate in high-income countries between 2008-13.<sup>27</sup> The role of food and beverage manufacturers in these markets also seems to be increasingly important because as incomes rise, levels of packaged food production and consumption<sup>28</sup>, and numbers of supermarket retail outlets also tend to increase.<sup>29</sup> For example, in the 2014 Global Retail Development Index ATKearny noted an ongoing expansion of global and regional retail outlets in South America, southern Africa and South-East Asia due to strong economic growth.<sup>30</sup> In more mature markets, however, food and beverage companies have been losing market share. A Fortune article refers to a Moskow analysis that found that, 'The top 25 U.S. food and beverage companies have lost an equivalent of \$18 billion in market share since 2009'. Consumers in these markets are becoming more concerned about their health and turning away from processed food.<sup>31</sup>



## Why food and beverage manufacturers should act

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A number of investment firms have published reports in recent years highlighting the need for investors to account for the risks that companies face by not being more active in addressing poor nutrition and dietary patterns into their investment analysis. These reports also note the significant commercial opportunities available to companies that respond effectively to these risks. For instance, Bank of America Merrill Lynch has classified more than 50 global companies according to, "Estimates of their current exposure to fighting obesity- related themes and solutions and the role that these could play in driving long-term growth".<sup>32</sup> Investors can have significant influence on companies' strategies and directions. There is growing awareness among investors as to the seriousness of global nutrition challenges and they are increasingly including nutrition considerations in their investment analysis and responsible ownership activities.

Companies that do act to address risks and opportunities related to nutrition are well positioned for long-term success. Some companies have already taken steps to orient their businesses toward providing consumers with better access to nutritious foods and beverages.<sup>33</sup> As more food and beverage manufacturers follow their lead, the industry as a whole can contribute to improving public health globally.

Some of the business risks that food and beverage companies face are:

- **Regulatory risks:** Governments in both high- and lower-income countries have already introduced a range of policies, regulations, taxes and other measures aimed at reducing consumer exposure to, and consumption of, less healthy foods and beverages. These also encourage consumption of healthier products. Examples include the banning of certain foods (e.g. sugar-sweetened beverages in schools) or food ingredients (e.g. trans fats), restricting advertising of less healthy products to children, regulation of the use of health and nutrition claims and strengthening of food labeling requirements. An indirect regulatory risk comes from regulations or campaigns that make it clearer to consumers that certain products have higher amounts of unhealthy ingredients. Mexico and Korea for example, have implemented restrictions on advertising to children of foods high in fats, sugar and salt. Countries such as Brazil, Mexico, USA and Uruguay have adopted standards for food available at schools.<sup>34</sup>
- **Reputational risks:** There is increased public and media awareness of the need for good nutrition. Food and beverage manufacturers are a primary target of scrutiny by consumer advocacy groups and consumers.<sup>35</sup>
- **Legal risks:** Some companies have already been subject to lawsuits, for instance for making inappropriate claims on nutritional quality<sup>36</sup> and labeling.<sup>37</sup> This is expected to increase. Companies may face litigation to make them financially responsible for obesity and other food-related healthcare costs.<sup>38</sup> In the U.S., there are lawsuits in which food and beverage companies are being held liable for the increased medical expenditure of 16 states.<sup>39</sup>
- **Market risks:** Companies that do not adjust to changing dietary preferences may lose market share, revenues and profits.



Commercial opportunities for companies to address undernutrition and obesity and diet-related chronic disease include:

**\* Nutrition-driven commercial opportunities:** In mature markets, but also increasingly in emerging economies, companies are building new product offerings and improving health profiles of existing offerings. The trend toward increasing demand for healthier foods and a wider range of healthy options seems irreversible. Research by the Hudson Institute into the 2008-2012 sales data of 16 major U.S. food and beverage companies that are members of the Healthy Weight Commitment Foundation showed that 99% of the sales growth for leading U.S. food and beverage companies came from lower calorie products.<sup>40</sup> Euromonitor International's Health and Wellness division estimated that sales value of the healthy food sector would reach \$774 billion in 2014 and that healthy soft drinks would account for 50% of soft drink sales. Healthy packaged food products are expected to grow to about one third of total retail sales in the next five years.<sup>41</sup>

In emerging markets, economic growth coupled with population growth offers strategic expansion, revenue growth and brand building opportunities. A Bloomberg overview of the fastest growing economies found that China, the Philippines, Kenya, India and Indonesia – who together account for 16% of global GDP – are the fastest growing economies for 2015. Nigeria, Africa's largest economy, is expected to grow 4.9%.<sup>42</sup>

Lower-income countries and dietary patterns are likely to remain a primary source of future commercial growth as evidenced by the fact that in emerging and developing markets, sales of packaged foods have hence increased ten times faster over a period of 2008-2013 than in high-income countries<sup>43</sup>.

The World Economic Forum notes with respect to the food sector, “By being first to develop new offerings and innovative delivery channels, companies can gain valuable insights, secure greater market share and win the loyalty of the world’s poorest consumers and producers – a key success factor in this market.”<sup>44</sup>

**\* Healthy and productive workforce:** Maintaining and improving the health of the current and future workforce is critical. Investments in corporate health and wellness programs that help employees maintain a healthy diet and active lifestyle can enhance productivity and reduce absenteeism. Healthier employees can be two to three times more productive than their less healthy colleagues.<sup>45</sup> In addition, integration of a clear, proactive nutrition strategy into core business activities may also help to attract and retain a more committed workforce.

**\* Corporate reputation:** Broader societal commitment can also enhance corporate reputations and brand values. Making genuine efforts to improve the nutritional quality of products, widen consumer choice and increase access to healthier foods can contribute to building a company’s reputation as a responsible corporate citizen and in turn enhance the value of its corporate brand, which impacts overall financial valuation.

## What food and beverage manufacturers can do

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The food and beverage industry can and should play a more active role in addressing both obesity and diet-related chronic diseases and undernutrition. This was also the finding of the second Global Nutrition Report, which acknowledges the important role that businesses play in shaping consumer choices and how they can have both positive and negative effects on nutrition.<sup>47</sup> The amount and quality of calories consumed on a daily basis, the overall dietary context in which they are consumed, and consumers’ lifestyles are all important factors in determining the impact of different foods and beverages on health.

The actions that food and beverage companies can take to improve their impact, include:

- Improving the nutritional quality of products and developing new healthier options.
- Making healthier options more accessible to consumers by reducing cost and increasing their availability.
- Positively shaping the environment in which consumers make decisions (referred to throughout this report as their influence on consumer choice and behavior).

For instance, food and beverage companies can help consumers make healthier choices by directing more of their marketing efforts toward healthier products and by using appropriate product labels to provide consumers with nutritional information in an easy to understand format.

In 2011 the Special Assembly on Non-Communicable Diseases, convened by the United Nations, noted that in the case of **obesity and diet-related chronic diseases**, companies that take action in these areas can make a positive contribution. The Assembly passed a declaration which included several resolutions directed at the private sector. These describe actions food and beverage companies should take, including:

- Measures to implement the WHO recommendations to reduce the impact of the marketing of unhealthy foods and non-alcoholic beverages to children, while taking into account existing national legislation and policies.
- Producing and promoting more food that is consistent with a healthy diet, including reformulated products and healthier options that are affordable and accessible and follow relevant nutrition facts and labeling standards, including information on sugars, sodium, fat and trans fat content.
- Promote and create an enabling environment for healthy behaviors among workers, including, where appropriate, through good corporate practices, workplace wellness programs and health insurance plans.
- Work towards reducing the use of salt in the food industry in order to lower sodium consumption.<sup>48</sup>

In order to put the Declaration into practice, the EU adopted the WHO EU Action Plan 2012-2016 and included priority interventions such as promoting healthy consumption through fiscal and marketing policies, replacement of trans fats in food with poly-unsaturated fat, and promotion of salt reduction.<sup>49</sup>

In addition to these interventions to address nutrition broadly, the food and beverage manufacturers can and should also play a significant role in preventing and addressing **undernutrition**. Many food and beverage manufacturers generate significant revenues from developing countries, and their long-term growth plans depend heavily on expanding successfully in these markets where many consumers are at risk of undernutrition. These companies have both a direct financial interest and a responsibility to understand the dynamics of these markets and how they can support efforts to tackle undernutrition.

The Lancet Maternal and Child Nutrition Series, 2013 notes that in view of the needs, substantial resources, influence and convening power of the private sector, not engaging would be a missed opportunity. It suggests that opportunities exist for collaboration around advocacy, monitoring, value chains, technical and scientific collaboration and staple food fortification. However, it also cautions that too few independent and rigorous assessments of the effectiveness of involvement of the commercial sector in nutrition exist, and that regulatory and fiscal efforts are essential when the private sector is involved in marketing of products that are detrimental to optimum nutrition.

Food and beverage companies' product offerings have the potential to play a constructive role in helping to prevent and/or address undernutrition. Alongside optimal breastfeeding and complementary feeding practices, foods high in nutritional quality can help to address mild forms of acute (wasting) and/or chronic (stunting) undernutrition. Fortified foods can also help to address micronutrient deficiencies. In particular, several categories of packaged foods such as cereals, oils, dairy products, beverages and condiments have been found to be well suited for delivering needed micronutrients.<sup>50</sup>

It has been estimated that in order to achieve the SDGs \$3 trillion a year of funding is needed and to end hunger by 2030 will require \$267 billion annually.<sup>51</sup> Even though the richest nations have committed to contribute 0.7% of their annual Global National Income, only a few currently meet this target, and it is clear that as Angel Gurría Secretary-General of the OECD puts it, "Given the budgetary constraints of many countries, without the contribution of private sector the SDGs cannot be met."<sup>52</sup>

The contribution of business in terms of direct investment, developing new technologies and aligning business incentives and behavior with the social objectives of sustainable development is necessary for accomplishing all SDG targets.<sup>53, 54</sup>

Examples of the types of activities food and beverage manufacturers can undertake to address undernutrition in countries where this is a public health issue are:

1. Developing and selling fortified products, and adopting marketing, pricing or distribution practices that target undernourished consumers. These may generate revenues and profit at the same time as tackling undernutrition.
2. Supplying food and beverages (or micronutrient powders or specialist products) – perhaps specially formulated – to programs run by third parties, such as the World Food Program, which may or may not be designed to be profitable.
3. Dedicating some of their R&D budgets to undernutrition challenges, or developing new social businesses or innovative practices, which may or may not have a commercial benefit or link to the company's core business.
4. Supporting breastfeeding mothers at work.
5. Investing and working with other actors on imaginative and innovative approaches, products and partnerships, multi-stakeholder innovations to tackle undernutrition, that combine the business case with the social benefit case.

Some companies have already begun to play a role in helping to prevent and/or address undernutrition, including among the most vulnerable. For example, through the SUN business network whose main aim is motivate and mobilise businesses to acknowledge that they have a role to play in ensuring the right to food and nutrition.<sup>55</sup> Nevertheless, an enormous problem remains, indicating that there is additional scope for more companies to join those that have already taken action to address undernutrition and to expand those initiatives demonstrated to be effective.





## Scope and guiding principles of this Index

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ATNI focuses on the issues most relevant to the food and beverage industry's role in addressing obesity and diet-related chronic diseases and undernutrition.

### In scope

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#### Focus on food and beverage manufacturers

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The food value chain is complex and varied, ranging from farmers, life sciences and agriculture companies to manufacturers, retailers, restaurants and food service companies. Given their central role in making foods for consumption the second edition of ATNI (similar to the first edition) is focused on food and beverage manufacturers. Later editions of ATNI may consider separate rankings of companies at other points along the food value chain.

The 2016 ATNI assessment has been applied to the 20 largest food and beverage manufacturers by total global FY2013 revenues, plus two that were also assessed in the 2013 Index that ranked between the top 20 and the top 25 largest food and non-alcoholic beverage manufacturers. More details can be found in 'Annex I company selection'.

#### Largest manufacturers of baby food assessed on marketing of breast-milk substitutes (BMS)

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The new BMS methodology has been applied to those companies that retail baby food<sup>56</sup> and that generated more than 5% of their total retail revenues in FY2013 from baby food. This enables to focus on the largest players with the greatest impact in the market. In addition to these four companies, two pharmaceutical companies that are among the largest BMS producers globally were added. More details on how these companies were selected are in 'Annex 1'.

#### Full spectrum of nutrition-related issues, from obesity to undernutrition

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In addition to an overall ranking, companies are ranked separately on their contributions to addressing undernutrition. Three companies were not assessed on undernutrition<sup>57</sup> as they generate less than 5% of their sales from non-OECD countries. One company was only assessed on undernutrition indicators that are not related to product reformulation through fortification as it does not manufacture any products that are suitable for this. Companies that focus on high-risk countries and/or high-risk consumer groups in their nutrition programs receive higher points.

#### What companies do to deliver healthier products and to influence consumer choice and behavior

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In addition to delivering healthy products that are affordable, accessible and available to consumers, companies can have an impact on consumer access to nutrition by influencing consumer choice and behavior. They do so through a range of activities assessed in the Global Index, including marketing, consumer education, product labeling and lobbying.

## Out of scope

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

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The focus of ATNI is 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 food and beverage manufacturers. ATNI is not designed to look at approaches to addressing acute forms of undernutrition (e.g. wasting) that are generally related to famine. ATNI also does not account for companies' activities targeting people with special nutritional or dietary needs, such as athletes, the elderly or those with particular illnesses (such as HIV/AIDS).

Products that are a part of a formal weight management program

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Some companies evaluated by ATNI sell products that are intended to be a part of (or are marketed/branded in association with) a formal weight-management program. ATNI does not assess these business lines, as there is currently no international consensus on standards for the content of such products. Aspects of company businesses that relate generally to consumption of a balanced, healthy diet with appropriate caloric content would be in scope.

## Other issues

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Other issues that are central to the social and environmental impact of food and beverage companies are – similar to the 2013 Global Index – outside the scope of ATNI's assessment. Some of these issues are addressed by other assessment or rating systems. They include:

- Food safety.<sup>58</sup>
- 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).

## Guiding principles

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The following principles have guided the process of making improvements in the ATNI 2016 methodology used to assess food and beverage manufacturers.

Base assessment methodology on international norms and established best practices where possible

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The methodology is based on reference to international policies, norms and guidelines except when such guidance was not found. Resources utilized in developing the methodology are listed in Annex 4 'Selected bibliography'. For those aspects of the methodology that sit outside the sphere of policy- or norm-setting bodies, the assessment approach is based on leading corporate practices, recommendations drawn from stakeholder consultations, and input from a group of experts on nutrition and the role of the food and beverage industry who provided advice during the ATNI methodology development process<sup>59</sup>.

## Ensure relevance and applicability to a range of company types

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The ATNI assessment methodology designed to evaluate the extent to which:

- Beneficial nutrition outcomes are incorporated into the policies and practices of companies; and
- Responsible marketing, distribution and product labeling are embedded in the core business models of companies.

The assessment is applicable across all company ownership types (publicly listed, privately owned, cooperatives, and government owned) and to companies with different product portfolios (primarily food, primarily beverages or a combination).

## Identify, reward and spread good practice

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ATNI is not intended to be a 'name and shame' exercise. The aim is to highlight and encourage widespread adoption of good practices throughout the food and beverage industry.

## Encourage transparency as well as good practice

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ATNI scores companies on their policies, practices and performance, as well as for the level and quality of their disclosure. Greater levels of transparency allow other stakeholders to better understand the extent to which companies are addressing obesity and diet-related chronic diseases and undernutrition.

## Utilize an inclusive approach, incorporating multi-stakeholder input

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Input from relevant stakeholder groups including governments, consumers, civil society and industry was sought throughout the ATNI development process. Greater detail on engagement with various stakeholder groups is provided in the next section.

## Recognize current state of knowledge and continually evolve

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Because knowledge and practices in the nutrition field are continually evolving, the assessment methodology for the 2016 Global Index was revised. Changes and improvements resulted from stakeholder feedback from the 2013 index and from a rigorous review of lessons learned from 2013.

Priorities for future development of the methodology are described in more detail in the 'Agenda for future development of ATNI' sub-section of this report.

## NOTES

- <sup>1</sup> Diet-related chronic diseases include diabetes, heart disease, stroke, and some cancers.
- <sup>2</sup> International Food Policy Research Institute (2015). *Global Nutrition Report 2015: Actions and accountability to advance nutrition and sustainable development*. Washington, DC.
- <sup>3</sup> Throughout this report, 'developed countries' are those that are members and partners of the OECD. Members and partners are available at: <http://oecd.org/about/membersandpartners/>.
- <sup>4</sup> Who.int, (2015). WHO | Controlling the global obesity epidemic. [Online]. 2015. Available at: <http://www.who.int/nutrition/topics/obesity/en/>.
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- <sup>6</sup> Who.int, (2015). WHO | Childhood overweight and obesity. [Online]. 2015. Available at: <http://www.who.int/dietphysicalactivity/childhood/en/>.
- <sup>7</sup> Obesity Prevention Source, (2012). 'Genes are not destiny'. [online] Available at: <http://www.hsph.harvard.edu/obesity-prevention-source/obesity-causes/genes-and-obesity/>
- <sup>8</sup> Who.int, (2012). 'WHO | Obesity and overweight'. Available at: <http://www.who.int/mediacentre/factsheets/fs311/en/>
- <sup>9</sup> Obesity Prevention Source, (2012). 'Environmental barriers to activity'. Available at: <http://www.hsph.harvard.edu/obesity-prevention-source/obesity-causes/physical-activity-environment/#references>
- <sup>10</sup> Mckinsey.com, (2015). How the world could better fight obesity. [Online]. 2015. Available at: [http://www.mckinsey.com/insights/economic\\_studies/how\\_the\\_world\\_could\\_better\\_fight\\_obesity](http://www.mckinsey.com/insights/economic_studies/how_the_world_could_better_fight_obesity).
- <sup>11</sup> International Food Policy Research Institute (2015). *Global Nutrition Report 2015: Actions and accountability to advance nutrition and sustainable development*. Washington, DC.
- <sup>12</sup> WHO (2014). Fact sheet N. 178. Available at: <http://www.who.int/mediacentre/factsheets/fs178/en/>
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- <sup>14</sup> For more information please go to ATNF Briefing paper on Global nutrition challenges.
- <sup>15</sup> Unicef.org, (2015). UNICEF - Progress for children 2007 - Stunting, wasting and overweight. [Online]. 2015. Available at: [http://www.unicef.org/progressforchildren/2007n6/index\\_41505.htm](http://www.unicef.org/progressforchildren/2007n6/index_41505.htm).
- <sup>16</sup> Unicef.org, (2015). UNICEF - Progress for children 2007 - Stunting, wasting and overweight. [Online]. 2015. Available at: [http://www.unicef.org/progressforchildren/2007n6/index\\_41505.htm](http://www.unicef.org/progressforchildren/2007n6/index_41505.htm).
- <sup>17</sup> Unicef.org, (2015). UNICEF - Definitions. [Online]. 2015. Available at: [http://www.unicef.org/infobycountry/stats\\_popup2.html](http://www.unicef.org/infobycountry/stats_popup2.html).
- <sup>18</sup> International Food Policy Research Institute (2015). *Global Nutrition Report 2015: Actions and accountability to advance nutrition and sustainable development*. Washington, DC.
- <sup>19</sup> Available at: <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>
- <sup>20</sup> Scaling Up Nutrition, available at: <http://scalingupnutrition.org/>
- <sup>21</sup> International Food Policy Research Institute (2015). *Global Nutrition Report 2015: Actions and accountability to advance nutrition and sustainable development*. Washington, DC.
- <sup>22</sup> Throughout this report, 'beverage manufacturer' refers to non-alcoholic beverage manufacturers. Alcoholic beverage manufacturers are not included in ATNI (see Annex 1 for more information on how companies were selected for assessment).
- <sup>23</sup> Market research provider, Euromonitor International (2015). *2015 Packaged food research*, available at [www.euromonitor.com](http://www.euromonitor.com)
- <sup>24</sup> Market research provider, Euromonitor International (2015). *In it for the money? Declining profit margins in packaged food*, available at [www.euromonitor.com](http://www.euromonitor.com)
- <sup>25</sup> ATNI does not assess mineral water in its assessment – see also scope and guiding principles
- <sup>26</sup> Euromonitor International, press release, (16 September 2015) *International's 2015 Packaged Food Research, Packaged Food Industry to Reach US\$2.4 Trillion in Retail Sales in 2014*, published at <http://www.reuters.com/article/2014/09/16/idUSnMKWMDJWDa+1fe+MKW20140916>
- <sup>27</sup> Euromonitor International (2014). 14 Food trends to watch In 2014: Part Two, available at [www.euromonitor.com](http://www.euromonitor.com)
- <sup>28</sup> Wilkinson J and Rocha R (2008), *Agri-processing and developing countries*. Background paper for the World Development Report. Available at: [http://openknowledge.worldbank.org/bitstream/handle/10986/9040/WRD2008\\_0040.pdf](http://openknowledge.worldbank.org/bitstream/handle/10986/9040/WRD2008_0040.pdf)
- <sup>29</sup> Reardon T et al. (2003), *The Rise of Supermarkets in Africa, Asia, and Latin America*, American Journal of Agricultural Economics 85(5), 1140-1146
- <sup>30</sup> The 2014 Global Retail Development Index, <https://www.atkearney.com/documents/10192/4600212/Full+Steam+Ahead+for+Global+Retailers-+2014+Global+Retail+Development+In....pdf/6f55a59b-e855-4236-96cb-464c2ca01e91>
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- <sup>33</sup> Find examples for instance in The Economist, (2012). Food for thought. Available at: <http://www.economist.com/news/special-report/21568064-food-companies-play-ambivalent-part-fight-against-flab-food-thought>.
- <sup>34</sup> International Food Policy Research Institute (2015). *Global Nutrition Report 2015: Actions and accountability to advance nutrition and sustainable development*. Washington, DC.

- <sup>35</sup> Stuckler D and Nestlé M (2012) 'Big Food, Food systems and global health'. PLoS Med 9(6): e1001242.
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- <sup>55</sup> Scaling Up Nutrition Movement, Available at: <http://sunbusinessnetwork.org/about/>
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- <sup>57</sup> The three companies not assessed on undernutrition are ConAgra, Kraft, Campbell.
- <sup>58</sup> Companies' practices to ensure food safety during the manufacturing process are not in the scope of ATNI (as companies tend to adopt very similar systems in order to comply with regulation); however, evaluation of their labeling practices relating to recommended preparation of their products may be considered in a future editions of ATNI.
- <sup>59</sup> Please see Annex III for more information on the ATNI Expert Group.

All links accessed November 2015.







# Methodology 2016

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## Contents

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Consultation process	34
Methodology structure – and key changes since 2013	35
Approach to scoring and ranking	36
Company selection	38
Approach to assessing breast-milk substitute manufacturers	38
Limitations	40
Agenda for future development of ATNI	42

## Consultation process

Between January and September 2014 the Access to Nutrition Foundation (ATNF), in consultation with a wide range of stakeholders, reviewed the entire methodology of the 2013 Global Index. The consultation included:

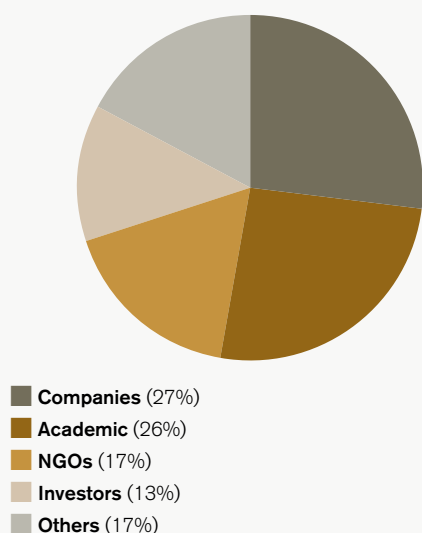
- Experts on obesity and undernutrition.
- Companies included in the Index.
- Infant formula companies and the International Association of Infant Food Manufacturers (IFM).
- Civil society organizations.
- International organizations.
- A wide range of experts on breast-milk substitutes.
- Investors.

In addition to in-person consultations and webinars, an online stakeholder consultation was conducted during the summer of 2014. This allowed stakeholders across the globe to share their views on the 2016 Global Index methodology. Almost all participants believe that ATNI can play a valuable role in monitoring the performance of the world's largest food and beverage manufacturers and can help catalyse and serve as a positive incentive to improvement in their policies, practices and disclosure. ATNI is objective (74%), independent (69%), credible (72%) and transparent (71%).

ATNI is grateful to the many people whose advice and recommendations have been indispensable to improving and strengthening the methodology in this year's Index. Their recommendations have been incorporated to the fullest extent possible.

Graph 1 shows participation in stakeholder consultations per sector.

**GRAPH 1** Participation per sector



## Methodology structure – and key changes since 2013

While many changes in methodological detail have been introduced into the 2016 Global Index, the basic structure has not been modified. Most of the indicators assess corporate practices related to promoting good nutrition for all, and preventing and tackling obesity and other diet-related chronic diseases. Other indicators assess additional actions companies take to prevent and address undernutrition. Similar to the 2013 Global Index, the methodology for this Index is organized into Sections, Categories, Criteria and Indicators:

- **Sections:** Three sections covering companies': I) nutrition governance and management, II) approach to formulating and delivering appropriate, affordable, accessible products, and III) influencing consumer choice and behavior.
- **Categories:** Seven broad categories (A-G) relevant to companies' nutrition-related practices.
- **Criteria:** More detailed criteria within each of the Categories (20 in total).
- **Indicators:** Indicators within each criteria on which companies are scored. There are three types of indicators: those related to companies' commitments, performance and disclosure.

Similar to 2013 the Corporate Profile methodology is based on existing international standards, guidelines and frameworks, such as those developed by the WHO, Codex Alimentarius (Codex) and other leading nutrition-focused organizations<sup>1</sup>.

**New indicators and questions:** The total number of scored indicators increased from 173 in 2013 to 198 in this Index. Many of these are revised versions of the 2013 indicators. A quarter of the scored indicators are completely new (49 questions overall: 33 on nutrition and 16 on undernutrition). In addition, some unscored indicators were included to gather valuable information to create a baseline from which to track future developments, or to provide more depth to the analysis. Categories C, E and F, have changed the most.

To reflect the importance of undernutrition issues, the **undernutrition indicators are collectively given a fixed weight** of 25% of the overall Index score<sup>2</sup>. In 2013 this was not fixed but accounted for approximately 20% of the total weight – as a result of the share of undernutrition indicators' in the total amount of indicators.

Due to the importance of breastfeeding for the health of infants and young children, one new criterion in Category E (Lifestyles) was introduced to measure corporate support for breastfeeding mothers at work.

Table 1 provides an overview of the Categories and Criteria of the ATNI 2016 methodology. Full details on the methodology are published on [www.accesstonutrition.org](http://www.accesstonutrition.org).



**TABLE 1** Overview of methodology

Category (weight in total score)	Description	Criteria
Section 1: Nutrition governance and management		
A (12.5%)	Corporate strategy, governance and management	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%)	Formulation of appropriate products	B1 Product formulation*
		B2 Nutrient Profiling System
C (20%)	Delivering affordable, available 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 Spending: Advertising focus: all consumers* <sup>i**</sup>
		D4 Responsible marketing policy: children
		D5 Auditing and compliance with policy: children
		D6 Spending: Advertising focus (children) and policy impact**
E (2.5%)	Support for 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%)	Informative labeling and appropriate 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*
		G2 Stakeholder engagement*

\* Criteria with specific undernutrition indicators

<sup>\*\*</sup> Criteria D3 and D6 were assessed but are not scored as very little information was able to be collated, indicating that the companies are not yet able to collect the necessary information across their global operations in terms of reporting on marketing expenditures.

## Approach to scoring and ranking

The same approach to scoring and ranking has been kept. To generate each company's overall score and ranking, the following process was used:

### Indicator scoring

- The methodology was adapted for each company, as necessary. Indicators that were not considered applicable to a company's product portfolio (such as those relating to adding vegetables to products where this would not be feasible and all those relating to fat and wholegrains for companies that only make beverages) were not included a company's overall score. Similarly market presence was taken into account – so companies with less than 5% of their food and beverage sales in non-OECD markets are not scored against the undernutrition indicators. This is to ensure that the methodology reflects the realities of all companies operations and is not a one size fits all approach.
- Each company is scored against all relevant indicators in the methodology. The top performance level on an indicator is ten points, with lower scores awarded on a sliding scale for lower levels of performance.

- For some indicators, a **healthy multiplier** and / or a **geographic multiplier** was applied, both ranging between 1 (no multiplier applied) and 2 (maximum multiplier applied). A healthy multiplier gives a higher weight to companies with a robust definition of healthy products and the geographic multiplier to reflect whether companies apply the same policies and practices across markets of operation or only in selected regions or their home markets.

## Criteria scoring

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- A company's score on all the indicators within a Criteria (e.g. Criteria B1) are then added together and weighted according to whether the indicators assess Commitment (25%), Performance (50%), or Disclosure (25%).<sup>3</sup> Similar to the 2013 Global Index, Performance is given double the weight of Commitment and Disclosure to reinforce the importance of turning commitments into practice. Together the three components generate the company's score for each Criteria.
- Each Criteria receives an equal weight within its Category. A company's score for a category is the average score of the Criteria within that Category.

## Overall score

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- The separate nutrition general and undernutrition scores are calculated by applying the 75% nutrition weight and 25% undernutrition weight. The score of companies with less than 5% sales from non-OECD countries were based on 100% nutrition weight.
- A company's overall score is generated by calculating a weighted average of its Category scores. The weights assigned to each Category are listed in Table 1.<sup>4</sup>
- For the four BMS manufacturers an additional adjustment is made to their score, based on their results in the BMS sub-ranking.

Overall ranking on the Global Index is based on companies' scores on the entire Corporate Profile methodology. Separate rankings on nutrition and on undernutrition are also presented in this report. The sub-ranking for nutrition reflects companies' efforts to deliver healthy food choices to ALL consumers, and to responsibly influence consumer behavior. The sub-ranking for undernutrition reflects additional actions that companies can take to address undernutrition, including the fortification of products with micronutrients otherwise deficient in the diet.

The nutrition general and undernutrition scores and rankings were calculated using the same approach as described above for companies' overall scores, but using only the indicators applicable to each ranking. As several levels of weights were applied to each of these rankings, it is not possible to take a simple average of the nutrition general and undernutrition scores to arrive at the overall score. The full Corporate Profile methodology is available at [www.accesstonutrition.org](http://www.accesstonutrition.org).

Overall, Category A which assesses a company's nutrition governance and management has a weight of 12.5%, the Categories that assess a company's practices related to producing and delivering products (Categories B and C) account for 45% of a company's score, while the portion of the methodology that reviews their practices related to influencing consumer choice and behavior (Categories D through G) account for 42.5% of a company's score.

## Company selection

The 2016 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 twenty largest food and beverage manufacturers by total global FY2013 revenues, plus two that were included in the 2013 Global Index and ranked between the top 20-25 largest food and beverage manufacturers in 2013 (Ajinomoto and Campbell). As both these companies were in the top 20 in 2013, the 2016 situation may be an anomaly. For this reason and to increase continuity between the 2013 and 2016 indexes and also to lend encouragement to continuing efforts by both countries, they were included in the 2016 Global Index.<sup>5</sup>

Of the 22 manufacturers assessed on this Global Index most sell a range of food and beverage products, four are primarily dairy and/or baby food producers (FrieslandCampina, Lactalis, Arla, Danone), three are large confectionary companies (Ferrero, Mars, Mondelez) and one produces mostly beverages (Coca-Cola).

Most of the assessed companies sell their products globally, only two companies sell very little outside their home markets (Kraft and ConAgra). Four are headquartered in emerging market countries (Grupo Bimbo, Brasil Foods, Wahaha and Tingyi). The companies also differ in ownership type, and include publicly traded companies, privately held companies (Ferrero, Lactalis, Mars, Tingyi and Wahaha) as well as cooperatives (Arla and FrieslandCampina). The combined food and beverage sales of these companies was estimated at \$502 billion for FY2013. This is half a billion dollars more than the estimated sales of the 25 companies in the 2013 Index report and shows the increased influence and size of the sector.

The company research approach is described in Annex 2.

## Approach to assessing breast-milk substitute manufacturers

The Global Index aims to reflect the contribution each company is making to improving consumers' health worldwide by helping them to choose healthier diets and improve their nutritional status, both in higher- and lower-income countries. Optimal breastfeeding is considered by the WHO and nutrition experts to be essential to the health and development of infants worldwide. Therefore a new criteria on supporting breastfeeding mothers in the workplace (E2) has been introduced in this Index. Moreover, it is also essential to assess baby food manufacturers' marketing of BMS products because inappropriate marketing can undermine breastfeeding.

The 2016 Global Index has significantly strengthened the approach taken to assessing BMS manufacturers' compliance with The International Code of Marketing of Breast-milk Substitutes (The Code) and subsequent relevant World Health Assembly (WHA) resolutions, compared to that used in 2013. ATNF recognised that the approach used previously, based solely on whether International Baby Food Action Network (IBFAN) had identified one or more violations, was not sufficiently robust for ATNI research purposes. This was also the view expressed by many stakeholders.



TABLE 2

	Baby Food	Bakery	Canned/Preserved Food	Chilled Processed Food	Confectionery	Dairy	Dried Processed Food	Frozen Processed Food	Ice Cream	Meal Replacement	Noodles	Oils and Fats	Pasta	Ready Meals	Sauces, Dressings, Condiments	Snack Bars	Soups	Spreads	Savoury Snacks	Carbonates	Concentrates	Juice	RTD Coffee	RTD Tea	Sports and Energy Drinks	Asian Specialty Drinks	Coffee	Tea	Other hot drinks	Other
<b>Ajinomoto</b> (Japan)																														
<b>Arla</b> (Denmark)																														
<b>Brasil Foods</b> (Brazil)																														
<b>Campbell</b> (USA)																														
<b>ConAgra</b> (USA)																														
<b>Danone</b> (France)																														
<b>Ferrero</b> (Italy)																														
<b>General Mills</b> (USA)																														
<b>Lactalis</b> (France)																														
<b>Grupo Bimbo</b> (Mexico)																														
<b>Heinz</b> (USA)																														
<b>Wahaha</b> (China)																														
<b>Kellogg Company</b> (USA)																														
<b>FrieslandCampina</b> (The Netherlands)																														
<b>Kraft</b> (USA)																														
<b>Mars</b> (USA)																														
<b>Mondelez</b> (USA)																														
<b>Nestlé</b> (Switzerland)																														
<b>PepsiCo</b> (USA)																														
<b>Coca-Cola</b> (USA)																														
<b>Tingyi</b> (China)																														
<b>Unilever</b> (UK and The Netherlands)																														

The new approach, evaluates companies' performance in two ways:

- 1 Corporate Profile assessment: The ATNI BMS Corporate Profile methodology is designed to evaluate whether selected companies that market BMS intended for infants and young children up to 24 months have policies that are in full compliance with The Code and subsequent WHA resolutions, and management systems to ensure proper implementation of those policies across their businesses. It also assesses whether companies have clear objectives, policies and management systems to guide their lobbying activities related to BMS and whether they publish their policies, information about their governance and management systems, auditors' reports, position statements and other relevant documentation.
- 2 In-country assessments: Using the Interagency Group on Breastfeeding Monitoring (IGBM) Protocol, two assessments were undertaken in Vietnam and Indonesia to assess the compliance of all BMS companies in each country with The Code and national regulations. This research was carried out by the specialist research organization Westat.

The adjustment made to the Global Index score depends on the level of compliance that each company demonstrates with the BMS methodology. The maximum adjustment (i.e. reduction) possible is 1.5 out of the 10 total points available on the Global Index. This proportion of the total score (15%) - higher than the maximum adjustment of 1.3 (13%) possible in the 2013 Index - was selected with the advice of the ATNI 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 Code, no adjustment is made to its Global Index score. If it achieves less than full compliance, the adjustment is then made on a sliding scale. This approach was taken because if BMS companies were to be given a extra score for their performance in this area, they would have been privileged compared to non-BMS companies.

A detailed description of how the methodology for each assessment was developed, how companies and countries were selected and how the research was undertaken can be found on the website [www.accesstonutrition.org](http://www.accesstonutrition.org)

## Limitations

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Assessing, scoring and ranking companies on their nutrition activities is a continually evolving process. Nutrition issues have been evolving quickly, key definitions are not uniform across industry and attention to Nutrient Profiling Systems is increasing. Also, undernutrition factors are quite recent additions to the agendas, of many companies and investors. Factors such as these – and others- pose methodological challenges and present methodological limitations, several of which are discussed below.

### Methodology limitations

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There is still no universally accepted system for determining the nutritional quality of products relative to one another. Therefore, there is no international standard for what can be considered a healthy product – although many of the Nutrient Profiling Systems adopted by leading organizations appear to converge around a standardised approach. However the lack of a universal system for determining nutritional quality creates inherent limitations for ATNI's assessment of corporate practices. Several indicators used in the ATNI methodology depend on a company's own definition of healthy products and these can vary significantly. A proxy approach (described in more detail in the section of this report entitled B2: Nutrient profiling) is used in this edition of the Index.

Also, although pilot nutrient profiling was undertaken with Oxford University in 2012 for India, Mexico and South Africa<sup>6</sup>, a similar exercise was not feasible for the Global Index with the funding available. Being able to do such nutritional profiling for the Global Index companies would add considerable value to the Index.

As with the 2013 Global Index, companies differ in terms of the scope of improvements they can make to the nutritional quality of their products depending both on the nature of their product portfolio and the magnitude of previous efforts. For example, a company with a product portfolio of relatively high nutritional quality has less scope for making improvements to its portfolio when compared to a company that has a portfolio of lower nutritional quality. This difference limits the ability to compare the scope or magnitude of companies' commitments to improve product formulation. Therefore, companies are assessed on whether they have commitments and targets to improve the nutritional quality of their product portfolios and on how well they are meeting these targets, rather than the absolute levels they have attained.

The 2016 Corporate Profile methodology has however substantially strengthened its evaluation of companies' efforts in respect of undernutrition, with many indicators added. In addition, an explicit weighting of 25% for the undernutrition component of the methodology has been applied. Despite these improvements, global guidelines or frameworks to set out clearly what the private sector can do to tackle undernutrition are still lacking in some areas.

A limitation of this edition is the difficulty of comparing scoring outcomes with the 2013 Index. ATNF had committed prior to publication of that Index to undertake stakeholder consultations after its publication to identify how the methodology should be improved. Extensive consultation with ATNF's expert group and other stakeholders around the world identified many areas in which the methodology could be strengthened to reflect evolving knowledge and standards. As a result, approximately 25% of the indicators in the 2016 Index are new and many existing indicators were changed to improve their specification. While this brought the methodology more closely into line with stakeholder expectations and general orders of magnitude may still be compared, it made it hard to compare scoring between the first Index and the second Index. This was compounded by the fact that three new companies were assessed and others were dropped from the cohort.

## Research considerations

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A new research company, Sustainalytics, was engaged to undertake the research for this Index. The research was assisted by improved engagement from the companies assessed (17 out of 22 companies) and complemented by improved IT systems for the collection, processing and reviewing of data.

Limitations include:

- **Confidential disclosures:** Some of the data provided by the companies was of a commercial proprietary nature and because of that has been treated confidentially and on a non-disclosure basis.
- **Limited or no disclosure:** Some companies disclose very limited or no information at all. Scores for those companies therefore are much lower and may not be representative of what they actually do.
- **Different financial years and time periods assessed:** Because companies often have different financial years and publishing timetables 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 complete research based in English.

## Timing

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Company assessments are conducted using data available at the conclusion of the company research process.<sup>7</sup> Between research, assessment and publication of the 2016 Global Index it is possible that some companies may have adopted new policies or implemented new approaches to addressing obesity and diet-related chronic diseases and undernutrition. In addition, two companies merged in 2015, Heinz and Kraft to become one company. Because the merger took place at the end of the research phase and data used was based on FY2014, the two companies are ranked separately in this Index. For the next edition of the Index they will be assessed as one company.

## Agenda for future development of ATNI

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The ATNI Global Index will be published every two years. The third Global Index is planned for publication in March 2018. The methodology will need to be continuously updated for future indexes to ensure it remains in line with emerging consensus on good corporate practices, new formal assessments, guidelines and policies issued by authoritative international bodies like the WHO and Codex, and changes in the expectations of all ATNI's stakeholders. A reasonable comparability between 2018 and 2016, however, is expected as future changes should be more of an incremental nature.

During the consultations, a number of topics arose for which no consensus guidelines on good practices currently exist and where developing greater agreement among companies and other stakeholders around the world would be valuable and facilitate benchmarking and monitoring of progress.

Key examples of areas where widely agreed guidelines are needed are as follows:

**Nutrient Profiling.** Other than the 2013 WHO (Europe) Nutrient Profiling System for restricting marketing to children, there is no widely-agreed system to underpin companies' formulation of products to improve nutritional quality or healthfulness. Comparisons between companies are difficult when they apply different methods to measure the nutritional content of their products. Many different product profiling systems have been suggested or are in use by individual companies, trade associations or industry self-regulatory bodies or by government agencies.

**Food and beverage marketing (advertising and promotion).** Consensus guidelines applicable to all consumers would be helpful. In particular, a stronger, uniform set of global principles for marketing to children is needed. The existing pledges that companies sign up for (EU Pledge, Children's Food and Beverage Advertising Initiative (CFBAI) and International Food and Beverage Alliance (IFBA), as well as other national pledges) are inconsistent.

**Front of Pack (FOP) labeling.** Several different systems are developing around the world and recommendations have been made for characteristics that would be most helpful to consumers, e.g. a protocol that uses an interpretative format.

**Formal guidelines on appropriate roles for companies' in educating consumers on healthy nutrition.** Many companies develop and run their own programs to encourage healthier diets and active lifestyles. Other stakeholders believe that companies should not play an active or high profile role in such initiatives because of the difficulty of separating these efforts from marketing. An international dialogue and clear guidelines on this issue would aid progress.

**Companies' role in public-private partnerships.** Other than the AA Stakeholder Engagement Standard on public-private partnerships, there are no clear guidelines on the do's and don'ts when companies partner with governments or NGOs on nutrition research, education, or prevention and treatment programs.

**Combating Undernutrition.** In general there are no guidelines and no consensus on what the appropriate role for companies' is in fighting undernutrition, which is an area of generally poor performance in ATNI 2016. There are no clear guidelines, for example, regarding companies' role in:

- Making products more accessible and affordable for groups at risk in high priority countries.
- Fortifying products especially designed for malnourished groups.
- Participating in partnerships to fight undernutrition in countries and populations in greatest need in other ways

In the second edition of the Index, ATNI has conducted a much more comprehensive analysis of the BMS marketing practices of selected companies compared to the first Index. This is to respond to stakeholder criticisms of the limited approach taken in the 2013 Index. As a result, ATNF has identified areas where guidance could be strengthened in order to improve stakeholders' understanding of key issues and to facilitate scoring. With respect to promoting responsible BMS marketing in line with The Code and subsequent WHA resolutions, the WHO could make a valuable contribution were it to: 1) clarify further its definition of products covered by The Code, and 2) set out clearer definitions of some terms used in The Code that may be interpreted differently by stakeholders. In addition, ATNF encourages the International Association of Formula Manufacturers (IFM) to strengthen the Rules of Responsible Conduct to bring them more fully into line with The Code so that the practices of its members who adhere to these Rules are also better aligned. It would also be valuable to future ATNI assessments, and likely other organizations, were UNICEF and other stakeholders to update the IGBM Protocol in ways outlined in the report. Finally, ATNF will seek to continue to encourage greater discussion among all BMS stakeholders on how the BMS industry – companies large and small in all markets – might pursue marketing practices fully in line with The Code and subsequent WHA resolutions.

ATNF will raise all of the above issues in discussions with various stakeholders in the coming year (including governments, policymakers, investors, nutrition experts and researchers) to encourage further discussion of them and steps forward. ATNF will also take work forwards in some of these areas, and would like to partner with others who would also like to do so. The aim of this work would be to move the nutrition agenda forwards together and ultimately to incorporate new guidance and consensus into the ATNI methodology for future Global Indexes.

## NOTES

<sup>1</sup> Resources utilized in developing the methodology are listed in Annex 4 entitled "Selected bibliography".

<sup>2</sup> We do not apply the undernutrition indicators to companies that derive less than 5% of their F&B revenues from non-OECD markets.

<sup>3</sup> Weights by Indicator type are intended to reflect a higher priority placed on company actions as compared to their stated commitments or their level of disclosure.

<sup>4</sup> Weights for each Category were determined according to guidance from the ATNI Expert Group and input from a public consultation on the ATNI methodology.

<sup>5</sup> More details on how the companies were selected can be found in Annex 1, Company selection approach.

<sup>6</sup> See for more information on the nutrient profiling pilots that were done in collaboration with Oxford University on our website: [www.accesstonutrition.org](http://www.accesstonutrition.org)

<sup>7</sup> The company research process was completed in July 2015. All companies were provided the same amount of time to respond to research requests as part of this process.

All links accessed November 2015.







# Rankings

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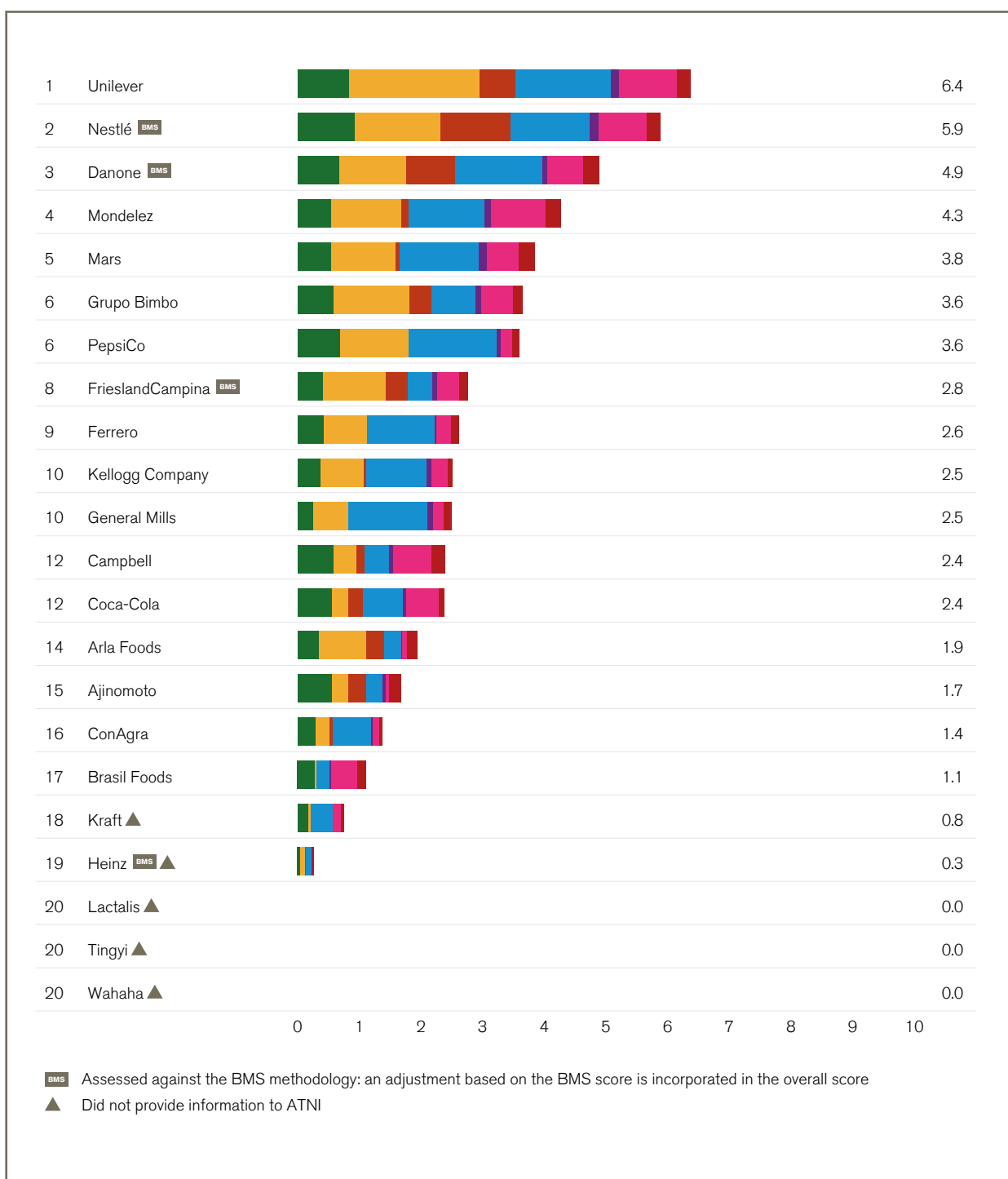


The ATNI Overall ranking shows companies' performance across all Categories of the methodology in the context of both obesity, diet-related chronic diseases and undernutrition. Companies with very low scores make little if any information about their nutrition practices publicly available and had minimal or no engagement in the research process.

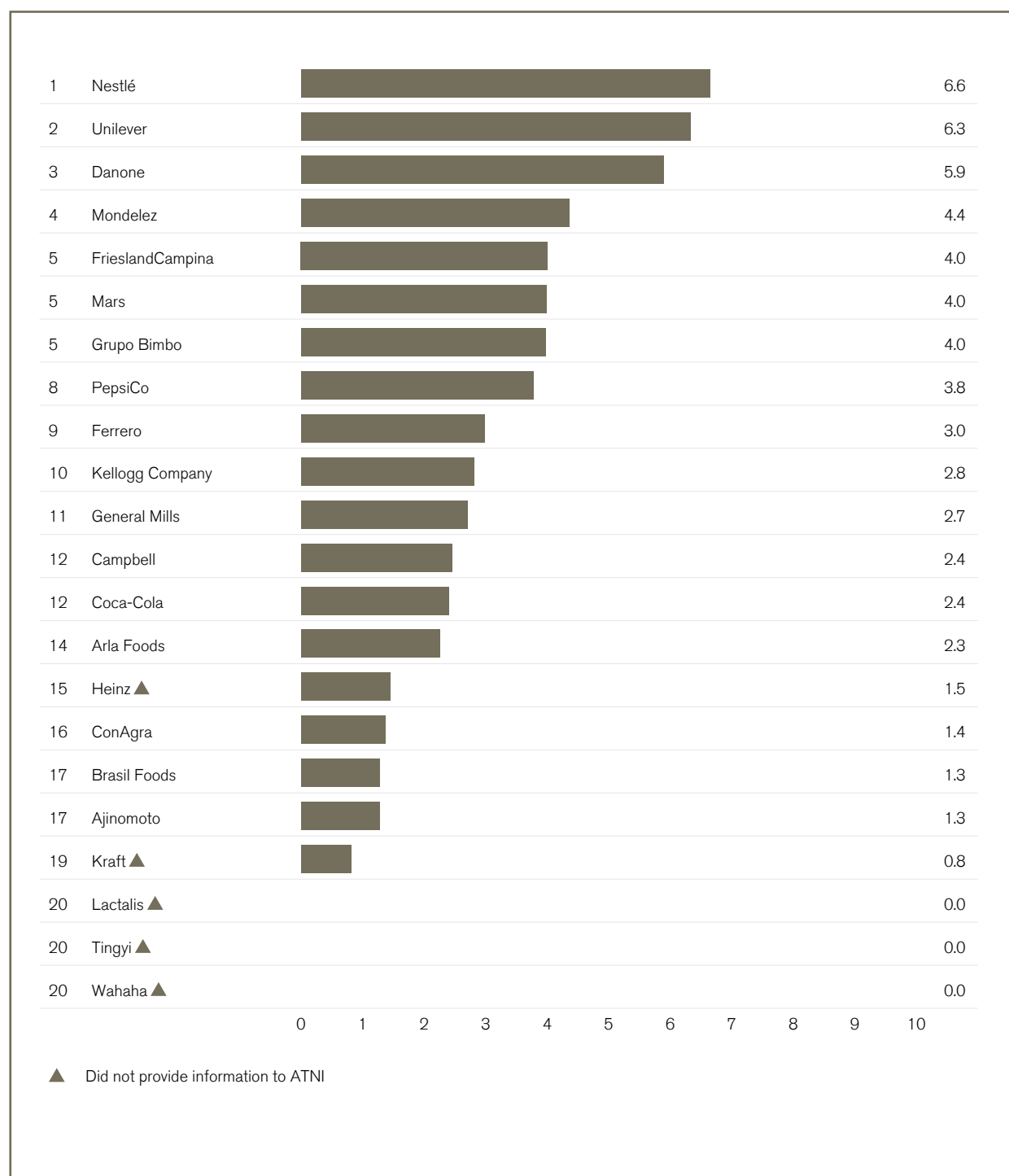
The sub-ranking Nutrition General reflects companies' efforts to deliver healthy food choices and responsibly influence consumer behavior. The sub-ranking Undernutrition reflects companies' efforts specifically aimed at undernutrition, including the fortification of products with micronutrients otherwise deficient in the diet. The sub-ranking Marketing of breast-milk substitutes assesses the extent to which companies market all their BMS products in line with the recommendations of The International Code of Marketing of Breast-milk substitutes. The overall score of the four BMS companies reflect an adjustment based on their score on the BMS sub-ranking.

For more details on the methodology, see [www.accesstonutrition.org](http://www.accesstonutrition.org).

# 1 Overall ranking

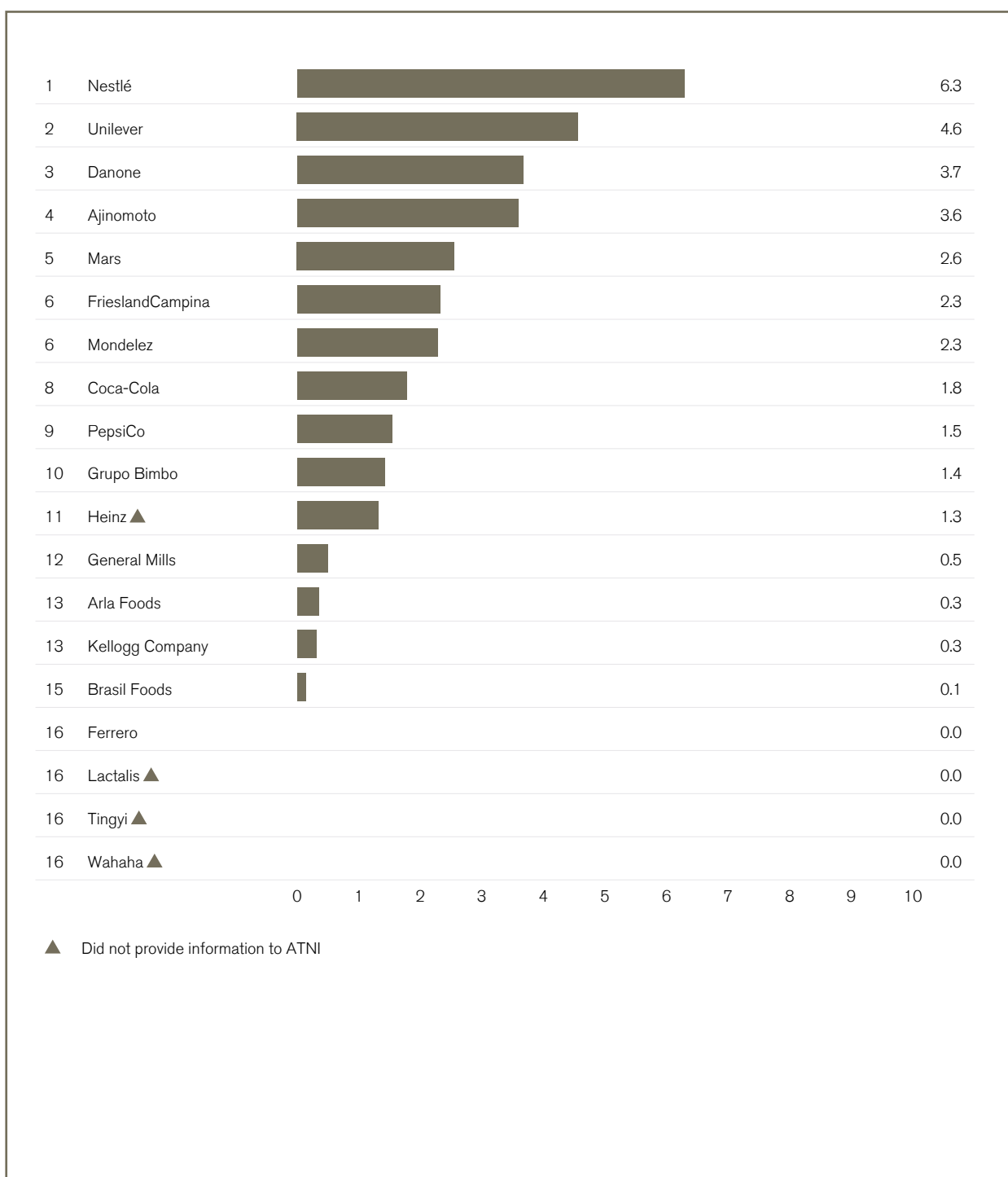


## 2 Nutrition General

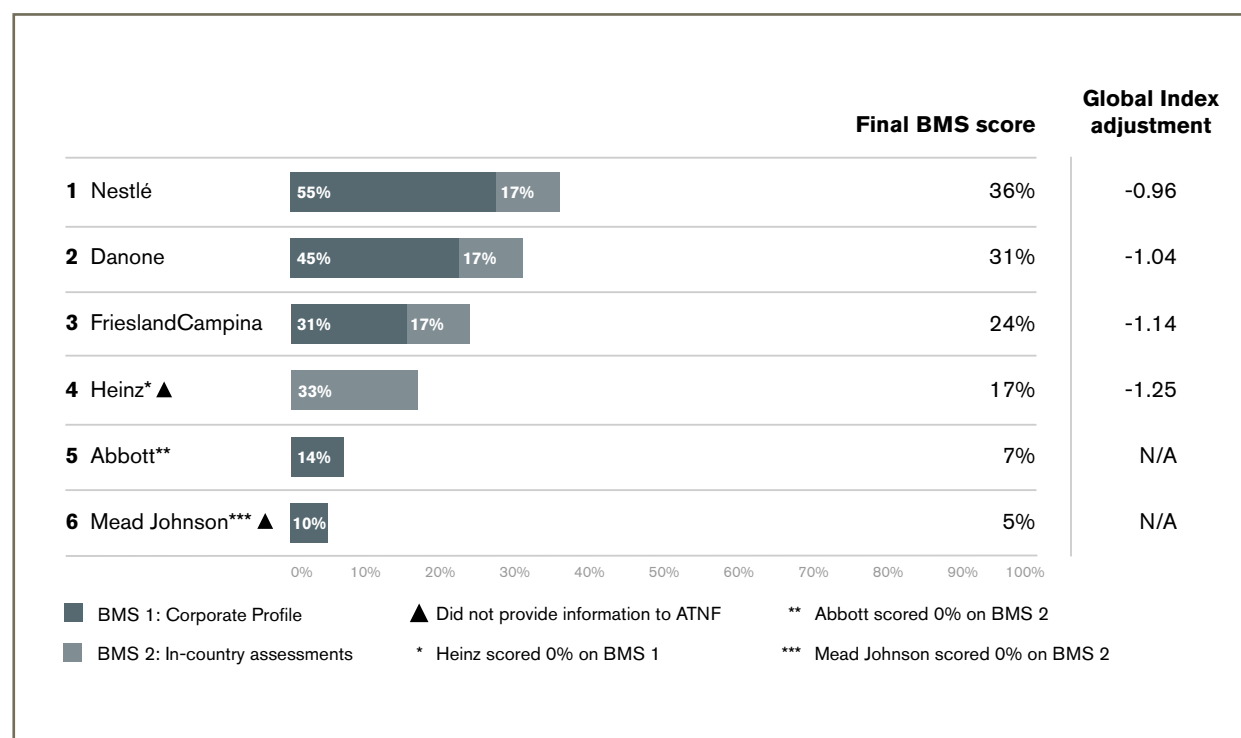




### 3 Undernutrition



## 4 Marketing of breast-milk substitutes





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## Key findings

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### **Food and beverage companies have a powerful role to play in helping tackle the mounting global nutrition crisis**

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One in three people in the world today are undernourished or overweight. Obesity and diet-related chronic diseases, are global pandemics, affecting countries of all income levels. At the same time, undernutrition continues to affect millions of people globally. Given their global reach, food and beverage companies have a powerful role to play alongside governments, international organizations and civil society in helping to tackle this crisis and its grave human and economic consequences. As well as being a social responsibility, this is directly in the companies' commercial and financial interests as consumers worldwide are increasingly demanding healthier foods from companies.

### **The ATNI has gained widespread recognition as an effective public accountability tool**

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ATNI has gained widespread recognition as an independent benchmarking tool that works with industry, nutrition experts and civil society to measure companies' contributions to improved nutrition against best practices standards and internationally agreed norms. Since the first Index, companies have increased their engagement with the research process. This shows a positive trend highlighting how the Index can enable the food and beverage industry to improve their policies and practices to help consumers around the globe eat better food. Other stakeholders use the Index as a tool to call on companies for action. Private sector data from the ATNI is used, for instance, in the Global Nutrition Report that is published on an annual basis, while investors in F&B companies are increasingly taking into consideration the ATNI rankings and company scorecards.

### **There have been some improvements but the industry as a whole is still moving too slowly**

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**On balance, the outcomes of the second Access to Nutrition Index show some progress, but companies have a long way to go if they are to play their full part in tackling the global nutrition crisis.** When considered together, the world's 22 largest food and beverage manufacturers have improved their contribution to improving consumers' diets. Some companies have given health and nutrition issues increased weight in their corporate strategies; some have made commitments to improve the nutritional quality of some of their products; some have introduced more healthy options and some have adopted and established reasonably comprehensive back-of-pack labels. Other areas show fewer signs of progress. Overall commitments to market responsibly to children showed no measurable improvement and although most companies have subscribed to global or regional self-regulatory pledges, these remain weak in several areas. Overall, no company scored more than 6.4 out of 10.

## Three companies continue to lead the rankings

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**The top three companies in the 2016 Index are Unilever, Nestlé and Danone. These three also led the Index in 2013.**

Although all companies still have a long way to go, Unilever, Nestlé and Danone have clearly embedded a commitment to addressing global nutrition challenges into their core business models; commitments are translated into practice and reported on publicly. This is commendable. It should be regarded as an example of best practice and as a guide to improvement for other companies. Unilever leads with regards to providing healthier products to consumers worldwide. The company has a strong NPS (Nutrient Profiling System) against which the global product portfolio is checked for levels of key nutrients. Nestlé stands out with a clear corporate nutrition strategy that is approved at the highest levels of the company and includes a comprehensive set of objectives that cover the reformulation of products to make them healthier, access to healthy foods and responsible marketing. Danone remains relatively strong in including nutrition in its business strategies as well as its processes. It leads for including affordability considerations in its product Research & Development (R&D) programs, and for stakeholder engagement. However, Danone dropped in the overall rankings mostly because the company's nutrition targets for the next few years had not yet been published at the time of the research for this report.

**Eight companies have improved their ranking**, six have fallen, while five have remained the same and three were new additions to the 2016 Global Index.

**Mars and FrieslandCampina have risen the most on the 2016 Global Index (Mars rose from 16th to 5th and FrieslandCampina rose from 19th to 8th).**

Both significantly improved disclosure regarding nutrition policies. Mars has invested in assessing the nutritional quality of its product portfolio and adopted several new nutrition related policies, while FrieslandCampina has adopted new responsible marketing policies and also reports on the healthiness of its product portfolio (using a strong NPS). Mondelez is a new entrant to this Global Index following its split with Kraft, and has performed relatively well.

## Companies have shown improvement in several areas

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Areas where companies have shown improvement since the 2013 Global Index are:

### Nutrition

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- Improved strategic focus on nutrition.
- Improved nutritional quality of some products.
- Introduction of more healthy products.
- Back-of-pack labeling.
- Provision of nutrition-focused elements in staff health and wellness programs.

### Undernutrition

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- Assigning top-level managerial responsibility and oversight to undernutrition.
- Explicitly committing to tackling micronutrient deficiencies in developing countries through targeted fortification of products (though not all companies focus on priority countries or populations).
- Reporting on engagement with governments in developing countries on undernutrition.



## Companies with universally applicable policies lead the way

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**There is a clear difference in performance in the Index between companies that commit to apply their policies globally and across all products, and those companies whose commitments have a more limited scope.**

Many companies do not apply consistent standards across all markets of operation. This indicates that many view improvement as only being necessary where regulations are in place or pressure exerted from civil society. Many companies, particularly those headquartered in the U.S. (including General Mills, Kraft, Heinz, Kellogg Company and ConAgra), seem systematically to apply lower or no standards and less responsible practices in unregulated markets or those with low levels of regulation. This is a cause for concern. Companies should help to tackle global nutrition challenges not because they are forced to by regulators (or the threat of regulatory action) but because they can make a substantial contribution to public health. The top performing companies on the Index demonstrate that making standards universally applicable does not hinder commercial success.

## Much more work to do

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**Most companies still do not systematically or structurally implement and report on their stated nutrition commitments. Across the industry significant improvements can be made in:**

- The development of formal nutrition strategies with clear objectives and the integration of these strategies in both business practices and reporting on results (Category A).
- The improvement of the nutritional quality of their products (Category B).
- Making products accessible and affordable in developing countries (Category C).
- The adoption of global marketing policies for all consumers and strengthening policies on marketing to children across all marketing channels (Category D).
- Making more robust programs for employees to pursue active lifestyles and eat healthy diets, and increase the independence of investments in projects focused on consumers (Category E).
- Making lobbying and stakeholder engagement on nutrition more transparent (Category G).

## Across the board, far too little is being done to tackle undernutrition in the developing world

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**Undernutrition remains largely neglected by companies, few companies have made specific commitments with little translation into practice.** Mars and Ajinomoto show leading practice in some areas, however despite the business challenges in reaching out to undernourished consumers, more needs to be done to ensure companies assume some responsibility for the massive challenges that many undernourished people face in accessing affordable healthy products. Although many companies have business expansion goals in emerging economies (19 out of the 22 companies generate more than 5% of their revenues from non-OECD countries), none have integrated undernutrition at a strategic level. Only four companies have initiatives to reformulate products for undernourished populations. This is particularly important for higher-risk developing markets among priority populations such as women of childbearing age and children under-two.

## Marketing practices of major BMS manufacturers fall short of international standards

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None of the policies of the four F&B companies and their two pharmaceutical sector competitors fully align with the International Code of Marketing of Breast-milk Substitutes (The Code) or the many subsequent World Health Assembly (WHA) resolutions adopted that reinforce the central calls made in The Code, despite it having been in place for over 30 years. Nestlé ranked first in the BMS sub-ranking and Mead Johnson ranked last. The pilot research studies carried out by Westat in Indonesia and Vietnam revealed widespread failings of marketing practices in these two major growing BMS markets.

## Key recommendations

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Based on their performance on the Index and identified areas of weakness, the following key recommendations are made to companies:

- **Companies general:**
  - **Embed a commitment to nutrition within the core business strategy:** Only Unilever, Nestlé and Danone have clearly embedded a commitment to addressing global nutrition challenges into their core business models. The seven companies that do not appear to have developed any form of nutrition strategy should initiate the process. The 12 companies that are taking some action, but in an ad-hoc manner, should develop a more formal and comprehensive strategy with clear objectives directed by senior executives who are accountable for delivery.
  - **Put nutrition commitments into practice:** Companies should accelerate the pace to implement commitments across the entire business.
  - **Enhance disclosure on nutrition activities:** Companies' contributions to tackling global nutrition issues face increasing scrutiny. Companies' should enhance accountability through increased disclosure regarding efforts to improve consumers' access to healthy diets and encouraging active lifestyles worldwide.
- **Nutrition general:**
  - **Set clear product reformulation targets:** One of the most important ways companies can contribute to the improvement of consumers' diets is by dedicating more of their R&D budgets to improving the nutritional quality of their products. Companies should also adopt and publish global reformulation targets for ALL products in line with the World Health Organization's (WHO) recommendations. These should include targets to reduce ingredients such as salt, fat, trans fat and sugar and to increase levels of fruit, vegetables, wholegrain and fiber – as relevant to their portfolios.
  - **Adopt comprehensive global policies on responsible marketing:** This applies to all consumers and to children in particular. Policies on responsible marketing to children need to apply to all media, to specify the age groups that will not be targeted, the kinds of marketing techniques that will not be used and the products that will not be marketed to children. The definition of which products can be marketed to children should be underpinned by a robust NPS, such as the one recommended by WHO or national governments. Adherence should be monitored annually by third parties, and the results published.
  - **Devote greater resources to develop and implement programs to support employee health and commission regular, independent evaluations of program effectiveness:** Specifically to improve employee health through better nutrition and active lifestyles, and disclose more about this activity.

- **Except where prohibited by national legal regimes, better labeling for consumers everywhere:** This should include complete back-of-pack labeling as well as interpretative front-of-pack labeling. Health claims should be responsibly labeled across all markets, particularly unregulated markets or those with limited regulation.
- **Adopt and disclose clear policies for lobbying:** Companies should adopt clear policies to guide any lobbying activity related to nutrition and undernutrition issues and increase disclosure of the lobbying they do, and their funding of or membership in lobbying organizations.
- **Undernutrition:**
  - **Put greater and more strategic focus on preventing and addressing undernutrition:** All companies should seek to establish corporate strategies backed with specific funding to effectively address undernutrition.
  - **Target activities to tackle undernutrition on priority countries and populations:** More explicit emphasis should be placed on targeting priority countries, women of childbearing age and children under-two, the populations in greatest need of fortified foods and other support to overcome undernutrition.
  - **Undertake more strategic and market research:** Other than the three leading companies that have done extensive research in several markets, most other companies have not taken steps to adequately assess the business opportunities available to them and how they might contribute to tackling undernutrition through their non-commercial activities, including investments in pre-competitive, public good research.
  - **Cooperation with low-income country governments and other stakeholders in undernutrition should be improved:** All companies should significantly invest in engaging with governments and other stakeholders in low-income countries trying to address undernutrition and where possible offer greater support to that process. More public-private co-investment should be a priority to explore. Identify pathways to the dual benefit combination of a solid business case and a compelling public good case through technologies, innovations, strategic joint ventures, social policies and international agency support. This should be done in a coordinated and strategic manner through global initiatives such as the Scaling Up Nutrition (SUN) Business Network.
- **Marketing breast-milk substitutes:**
  - **All companies need to review their global BMS marketing policies to bring them fully into line with The Code and relevant WHA resolutions.** Policies should be applied consistently and globally – not just in higher-risk countries, which at present tends to be the case. Policies should apply to all types of BMS, defined by the WHO as any formula intended for infants up to 24 months (including infant formula, follow-on formulas and growing-up milks) and complementary foods up to six months.
  - **Except where prohibited in national laws, all companies need to overhaul their management systems** to ensure that marketing policies are applied consistently across all markets. They should also commit to upholding policies fully aligned with The Code particularly in markets where local regulations are weak.
  - **Failures in all companies' management systems were evident in both Vietnam and Indonesia** as shown by research carried out by Westat. This revealed several instances of non-compliance with all articles of The Code assessed and/or local regulations in those markets.
  - **Increased disclosure of policies, management systems and the results of independent audits for compliance.** Greater transparency of investigations about complaints regarding poor marketing practices and resulting corrective actions is also essential to demonstrate that companies take calls to be more accountable seriously.

- **Guidance by the WHO on how The Code should be interpreted and applied with respect to marketing all complementary foods will allow companies to perform better.** The WHO could also make a valuable contribution by clarifying the definitions of several key terms used in The Code, which are not interpreted in the same way in different countries by companies and other stakeholders.
- The Access to Nutrition Foundation (ATNF) recommends the WHO and others concerned with the responsible marketing of BMS around the world **develop a robust, credible, ongoing system for monitoring all BMS companies' compliance with The Code, including multi-national and national manufacturers.** ATNF could draw on this in the future to feed into its assessment of these companies.

## Outlook

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After the launch of this Index, ATNF will consult with companies on their results on the Global Index to discuss their performance and what they can learn from leading practices. Additionally ATNF will share and debate the results with a broad group of stakeholders at meetings and by collaborating in nutrition-related international conferences, workshops and debates.

As with the first Index in 2013, ATNF will continue to raise and encourage further work on a range of topics by companies, investors, governments, policymakers, nutrition experts and researchers. These include, for example, achieving greater consensus on the need for, and proper design of, Nutrition Profiling Systems for product reformulation and guiding marketing to children; gaining agreement on and widespread use of effective front-of-pack labeling formats and building knowledge on how companies can improve the affordability and accessibility of healthy products. Also substantially improving companies' understanding of the countries and populations in greatest need of support to tackle undernutrition and how that can be done effectively through public-private partnerships.

With respect to promoting responsible BMS marketing in line with The Code, significant progress could be made if the WHO were to clarify further its definition of products covered by The Code and set out clearer definitions of some terms used in The Code that are not interpreted consistently by all stakeholders. In addition, ATNF encourages the International Association of Infant Food Manufacturers (IFM) to strengthen the Rules of Responsible Conduct to bring them more fully into line with The Code. Progress could also be made by UNICEF and other stakeholders to update the Interagency Group on

Breastfeeding Monitoring (IGBM) Protocol in ways outlined in this report. Finally, ATNF will seek to continue to encourage greater discussion among all BMS stakeholders on how the BMS industry – companies large and small in all markets – might pursue marketing practices fully in line with The Code and subsequent WHA resolutions.

The Global ATNI Index will be published every other year. The next edition is scheduled for launch in March 2018. Prior to this, the Index methodology will be updated in line with the emerging nutrition guidelines, standards, policies and corporate practices and evolving expectations of stakeholders.

The second ATNI Global Index demonstrates the positive impact of taking steps to make healthy food more accessible and affordable to consumers on a company's performance in the ranking. Actively disclosing nutrition data is an important contribution to this as well. For the third Index in 2018, the ambition is that all companies engage with ATNI because by then they are convinced that investing in nutrition makes business sense and fulfills the social responsibility they have towards consumers worldwide.







# Categories

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The following sections show how companies rank in each Category of the ATNI methodology. Each of these sections provides background on the issues addressed in the Category and describes the basis for ATNI's assessment. Key findings, recommendations and detailed results are also presented.

## Contents

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<b>A Governance</b>	Corporate strategy, governance and management	60
<b>B Products</b>	Formulation of appropriate products	72
<b>C Accessibility</b>	Delivery of affordable, available products	84
<b>D Marketing</b>	Responsible marketing policies, compliance and spending	96
<b>E Lifestyles</b>	Support for healthy diets and active lifestyles	114
<b>F Labeling</b>	Informative labeling and appropriate use of health and nutrition claims	126
<b>G Engagement</b>	Engagement with governments, policymakers and other stakeholders	138

# A Governance

Corporate strategy, governance and management  
(12.5% of overall score)

A company can better sustain and scale-up its nutrition activities if its 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.

This Category assesses the extent to which a company's corporate strategy includes a specific commitment to improving nutrition and whether its approach is embedded within its governance and management systems, as evaluated using three criteria:

**A1** Corporate nutrition strategy

**A2** Nutrition governance and management systems

**A3** Quality of reporting

To perform well in this Category, companies should:

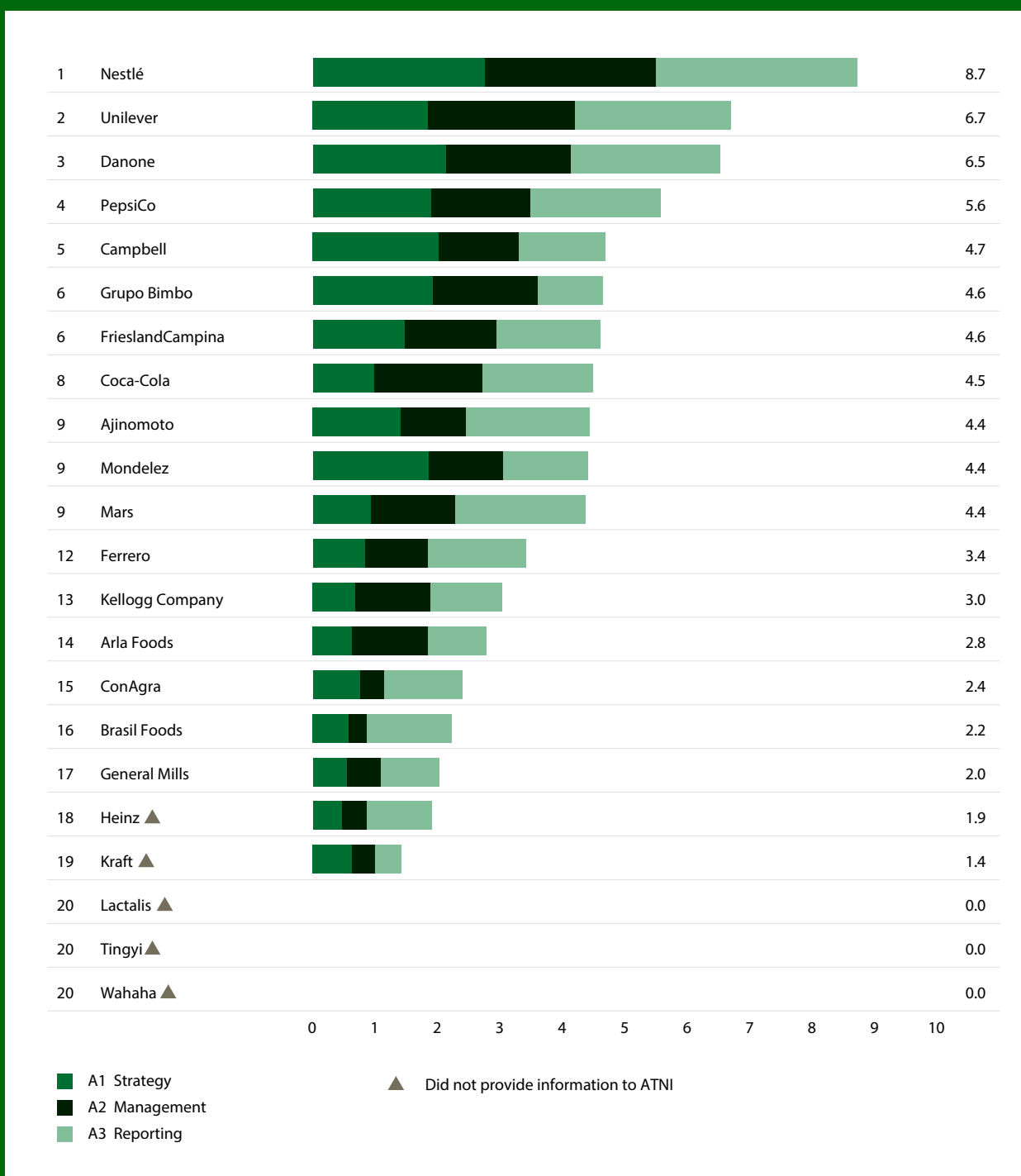
- Commit at Board level to address both obesity and diet-related chronic diseases and undernutrition.
- Set clear nutrition strategies, objectives and targets in all business areas underpinned by strategic market research.
- Establish and use incentive and accountability structures at senior management level to reward successful implementation of nutrition strategies.
- Seek advice from formal expert bodies with a wide range of expertise.
- Demonstrate high and increasing levels of sales of healthy and fortified products.
- Pledge to direct undernutrition-related activities to priority population groups in priority countries, i.e. those with the highest levels of undernutrition and related illnesses.
- Clearly and comprehensively report on activities to prevent and address obesity and undernutrition, on a global basis.

## Methodology changes between 2013 and 2016

Nine new indicators were added in this Category since the last Global Index was published. Many of these are in section A2 on undernutrition. Other indicators were

restructured or required more detailed and/or quantitative information. Some indicators were moved from Criteria A2 to A1.

## Results



## Key findings

- There is one clear leader in this Category, Nestlé, which scored 8.7. Mars, FrieslandCampina, Ajinomoto and Brasil Foods were the most improved companies in the ranking.
- Nestlé, Unilever, Danone and PepsiCo each demonstrate evidence of embedding a commitment to addressing global nutrition challenges within their business models. Most peer companies, however, still do not appear to appreciate the scale of these challenges nor the imperative of taking a leading role in addressing them.
- The majority of companies demonstrate some orientation towards nutrition through commitments that imply a process for greater integration of nutrition factors into core business considerations. In total, 18 companies have made at least one commitment that indicates improved integration of nutrition into overall corporate strategy, nutrition governance and management systems.
- Many companies have still not embedded nutrition issues into core business strategies and day-to-day practices across global operations. Efforts to transform high-level commitments into concrete practices such as linking executive compensation to nutrition objectives, or monitoring the sales of healthy products, remain poor across the board. With companies increasingly expanding into emerging markets, the continued lack of integration of issues of undernutrition at a top-line strategic level is a concern.
- Category A is the second highest scoring Category in the 2016 Global Index (after Category D), with an average score of 3.6. In the 2013 Index Category A was the highest scoring Category.
- The top four ranked companies in this category – Nestlé, Unilever, Danone and PepsiCo – all scored above 5 and exhibit an advanced approach to how nutrition issues can be considered and addressed. The companies ranked from fifth to ninth, demonstrate an awareness of the importance of nutrition issues in their business strategy and have started incorporating this awareness into their businesses. The next eight companies, ranked twelfth to nineteenth, show some recognition that nutrition issues should be considered, but have taken insufficient steps to integrate this recognition into operations.
- Three companies score zero. They did not disclose efforts to integrate nutrition issues into their business strategy. This could ultimately cause competitive disadvantage for these companies, as consumer eating trends indicate an increasing preference towards healthier options.
- With respect to undernutrition, the majority of companies assessed recognize that they have a key role to play in addressing this challenge. However corporate strategies to address issues of undernutrition are far less developed than for nutrition issues. There is a clear gap between recognition and action.
- Many companies express high-level commitments to address undernutrition. But only seven have allocated oversight and responsibility to senior executives. Similarly, only Ajinomoto, Danone, Nestlé and Unilever have formally set out plans. The vast majority fail to demonstrate any action or progress or monitor performance. The companies that are active, Grupo Bimbo, Kellogg Company, FrieslandCampina, Mars, Mondelez, and PepsiCo, appear to take a more ad-hoc approach, with initiatives in (a few) of the developing countries they operate in.
- In general, companies perform most strongly in section A3, Quality of Reporting. Scores for A1 on strategy and A2 on management are generally lower. This outcome reflects a tendency by some companies to build communication strategies around ad-hoc or marginal efforts to address nutrition and undernutrition. Instead they should seek to develop integrated nutrition strategies with supporting management and governance frameworks to drive growth through an enhanced focus on healthy and fortified products.

## Key recommendations

- **Adopt or enhance a formal global nutrition strategy:** The six companies that do not appear to have developed any type of nutrition strategy should initiate the process. The twelve companies that are taking ad-hoc action, should develop more formal and comprehensive strategies, which incorporate objectives to address areas such as product reformulation, accessibility, responsible marketing, supporting healthy lifestyles, labeling, the use of health and nutrition claims, and engagement with governments and stakeholders. Food companies have a critical role to play in global efforts to address issues of undernutrition and the nutrition-related aspects of chronic disease. However without strong global nutrition strategies they will continue to lack focus, coordination and accountability, therefore slowing efforts to address undernutrition or nutrition-related aspects of chronic disease.
- **Implement clearer management arrangements, incentives and reward structures:** The ten companies that have not assigned accountability for the implementation of a nutrition strategy and/or programs should do so. Ideally responsibility should be allocated directly to the CEO or another executive who reports directly to the Board of Directors. The 16 companies that have not assigned responsibility for their day-to-day nutrition activities should do so. Only five companies demonstrate that the incentives of either senior managers or the CEO are linked to the achievement of set nutrition objectives. Clear management arrangements and strengthened incentive structures can lead to management-level action to ensure delivery of nutrition objectives. They are tools that all companies that are serious about improving societal nutritional outcomes should utilize.
- **Enhanced disclosure:** A significant amount of the information on companies' nutrition strategy, governance and management was derived through confidential corporate disclosure. This includes proprietary commercial materials which is fully appreciated by ATNI. Nevertheless, companies are encouraged to improve public reporting on how nutrition is integrated into core business processes.
- **Put greater and more strategic focus on preventing and addressing undernutrition:** Almost half of companies scored on undernutrition are doing too little to address the issue. Especially when compared to efforts to tackle obesity and related diseases. They should emulate the leading companies by establishing formal strategies to address undernutrition delivered through a double value proposition – the business proposition and the public good proposition.
- **Undertake much more strategic and market research related to undernutrition:** Good strategies for any area of business are based on extensive research and consideration. Fewer than half of the companies assessed appear to have done research in this area. Such research is critical to the identification of any commercial opportunities or other ways in which issues of undernutrition can be addressed. The absence of market research appears to underlie the current ad-hoc and sometimes ill-informed approaches pursued by many companies.
- **Target activities to tackle undernutrition on priority countries and populations:** All companies should increase the focus of their undernutrition activities to ensure the greatest impact possible is generated. Explicit emphasis should be placed on priority countries and particularly on women of childbearing age, children under-two, the populations in greatest need of fortified foods and the provision of other support to address undernutrition. Furthermore, companies should focus on delivering more tailored solutions to micronutrient deficiencies among these groups.



# A1 Corporate nutrition strategy

When nutrition is integrated into corporate strategy, it is more likely to be embedded into a company's core business functions. Companies that include nutrition as part of their core business activities have a greater and more sustainable impact on improving consumers' access to nutrition and a population's health, than those companies that see nutrition solely as part of corporate social responsibility (CSR) and philanthropic programs.

## Basis for company assessment

The company assessment approach in this Category is similar to that used by other indexes for the evaluation of the quality of a company's governance and management systems on a range of societal issues. It is also informed by input from the ATNI Expert Group.

Companies are assessed on their commitments, performance and disclosure, specifically on whether they:

- State a clear commitment to nutrition, health and wellness and incorporate it into either their mission statement or growth strategy.
- Conduct nutrition-related business risk assessments.
- Take nutrition issues into account in their decision-making process relating to acquisitions, disposals and joint ventures.
- Demonstrate an increase in their offering and/or sales of healthy products.

## Detailed results

### Is there evidence that companies have embedded a strategic commitment to delivering better nutrition across their businesses?

#### Nutrition

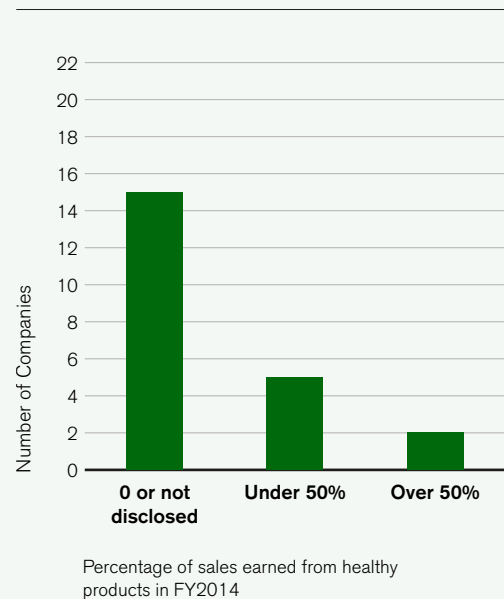
- There is clear evidence that 18 companies have embedded a strategic commitment to delivering better nutrition across their businesses. Nestlé, Danone, and Campbell demonstrate leadership in this area.
- The majority of companies have explicitly recognized that they have a role to play in tackling the global challenges of obesity and diet-related chronic diseases. A slight majority acknowledge the priorities set out in the WHO's Global Action Plan for the Prevention and Control of non-communicable diseases (NCDs), and have aligned their activities accordingly.
- It is evident that the tilt towards emphasizing nutrition is partly driven by a combination of perceived and manifest risks arising from regulatory, consumer and competitive pressures. In this regard, 16 of the companies include nutrition factors in their standard corporate risk assessments. Further, 10 of the 18 companies that have made an acquisition, spinoff or entered a joint venture in recent years indicated nutrition was a factor in the decision-making process.

- A telling measure of whether companies have genuinely embedded a commitment to delivering healthier products into their business strategy is the level of sales generated from healthy products. Nestlé and Danone stand out in this regard as both derived more than 75% of revenue from healthy products in FY2014<sup>1</sup>. However, not all companies demonstrate strong performance, and many were either unable or unwilling to disclose this information.
- Encouragingly, Campbell and Mondelez showed revenues derived from healthy products during the period 2012-14 increased by over 10%.
- The quality of companies' disclosure on how nutrition is integrated into their core business activities is mixed. Eight companies disclose that nutrition was a factor in business decisions and provide specific examples. PepsiCo, for example, has a transparent approach with a clear statement that its growth strategy is based on an increasing focus on nutrition, a nutrition risk assessment, acquisitions, disposals, joint-ventures or partnerships commentary related to nutrition, and quantitative information for the company's sales related to healthy products.

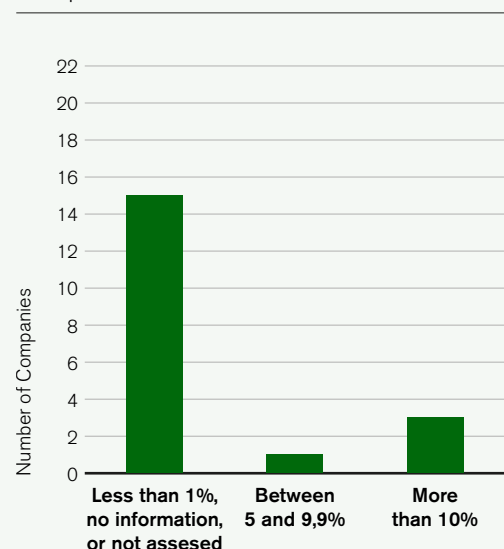
#### Undernutrition

- A crucial part of addressing undernutrition through core business activities is a commitment that focuses on low-income countries. Overall the largest food companies in the world have not demonstrated that addressing undernutrition is a business priority. Only eight companies state a relevant commitment and have undertaken a strategic review of the potential related commercial opportunities.
- It is notable that 15 companies are unable or unwilling to disclose quantitative information on sales of products specifically formulated to address undernutrition. Companies are encouraged to improve both the measurement and reporting of this data in the future.

**GRAPH 2** Percentage of global sales earned from healthy products



**GRAPH 3** Percentage of global sales derived from products formulated for the undernourished



## **A2** Nutrition governance and management systems

This section assesses the extent to which companies have integrated approaches to delivering their nutrition commitments into their governance and management systems. It includes indicators for both obesity and diet-related chronic diseases, and undernutrition.

### **Basis for company assessment**

The company assessment approach in this Category is similar to that used by other indexes for the evaluation of the quality of companies' governance and management systems on a range of societal issues. It is also informed by input from the ATNI Expert Group.

Companies are assessed on a range of issues, including whether they:

- Have a commitment and related objectives to delivering more healthy foods.
- Assign formal oversight of their nutrition approach to the Board of Directors or CEO, and have senior management assigned day-to-day responsibility for delivering against the approach.
- Link the remuneration of their CEO to performance on nutrition objectives.
- Subject their nutrition strategy to standard internal audits and regular management reviews.
- Seek the advice of external experts on nutrition.
- Disclose information on nutrition-related commitments, objectives and targets, as well as performance against them.

In addition to the indicators above (which assess activities relevant to all consumers, including those at risk of, or suffering from, undernutrition), companies are evaluated on additional actions targeted at addressing undernutrition, including the fortification of products in lower-income countries. Because there is significantly less corporate activity focused on addressing undernutrition, and the business case to do so is not as well developed as the business case for addressing obesity and diet-related chronic diseases, a wider range of company activities are evaluated. These include philanthropic approaches, public-private partnerships and social businesses initiatives. Companies are assessed across a number of areas, including whether they:

- Have a commitment to addressing undernutrition and set out objectives and targets as part of their core commercial business as well as philanthropic programs.
- Take a well-structured approach to addressing undernutrition across a number of countries with exclusive focus on higher priority countries and on critical population groups.
- Pledge to work within regional and national frameworks to address specific fortification needs and undernutrition issues more broadly.
- Assign oversight for their commercial undernutrition programs to their Board or other senior executives.
- Carry out significant market research to identify needs with regards to micronutrient deficiencies.
- Provide evidence of the level of support provided to philanthropic programs to address undernutrition.
- Publish information on their commitments, objectives and targets and performance against them.

## Detailed results

### Do companies have effective management systems to deliver their commitments on nutrition?

#### Nutrition

- Two thirds of the companies assessed have implemented some elements of an effective management system to deliver their commitments on nutrition. Nestlé, Unilever, and Danone have comprehensive systems in place.
- The level at which companies assign ultimate accountability for implementing their nutrition strategies is indicative of the priority they assign to achieving results. Twelve of the companies assessed have assigned this accountability to a senior executive who reports directly to the Board of Directors, or, in some cases to someone who reports directly to the CEO. Only six companies assign day-to-day responsibility for the implementation of the strategy to a named executive in the company's leadership team.
- Incentive structures to advance the delivery of commitments on nutrition are an important way to align practice with commitments and motivate strong performance, particularly at CEO level. No company explicitly links CEO compensation to performance on nutrition objectives and/or targets. However, a few companies do link compensation to performance on CSR initiatives, which implicitly include certain nutrition-related goals. Unilever, for example, determines compensation for its directors, including the CEO, in part on the quality of results of CSR programs and progress towards achieving the goals of Unilever's Sustainable Living Plan.
- Overall, public disclosure on management systems is relatively limited. Companies are encouraged to disclose managerial arrangements, terms of reference for their advisory panels and whether CEO compensation is linked to performance on nutrition targets.

#### Undernutrition

- As with nutrition more broadly, the level of the individual who is accountable for implementing a company's undernutrition strategy is also indicative of the priority the company assigns that issue. Eleven companies have demonstrated relevant managerial arrangements, but only six companies assigned accountability to a senior executive.

#### BOX 1 ROOM FOR IMPROVEMENT

### Linking executive compensation to performance on nutrition objectives

Only two companies link CEO compensation with performance on broad CSR initiatives, which include nutrition objectives. An explicit link between compensation and achieving nutrition objectives at the CEO level is not apparent at any of the companies assessed. Three other companies make an explicit link between compensation and performance on nutrition objectives for some senior managers. However, it is clear that most companies need to introduce this, as it is an important link between commitment and action, and can help motivate managers to achieve nutrition goals.

#### BOX 2 LEADING PRACTICE EXAMPLE

### Robust nutrition management system

Nestlé's management system is the most robust according to the elements assessed by the ATNI methodology. The company has established a nutrition strategy approved at the highest levels of the company, including a comprehensive set of objectives that cover a range of issues, including product reformulation, access to healthy foods, responsible marketing, stakeholder engagements and other criteria. Of note, Nestlé is one of the only companies assessed to seek specialist external advice from a formal panel of experts whose knowledge extends beyond medical and nutritional aspects of food. Nestlé's Creating Shared Value advisory board brings additional expertise to the company beyond the Nestlé Nutritional Council in how to effectively manage its approach.

## Is there evidence that companies have embedded a strategic commitment to delivering better nutrition across their businesses?

### Undernutrition

- There is limited evidence to suggest that companies have embedded a strategic commitment to delivering an approach to undernutrition across their business. Five companies have formally set out a plan for addressing undernutrition through their commercial operations, though many have ad-hoc initiatives in place.

#### BOX 3 LEADING PRACTICE EXAMPLE

### Supporting undernutrition goals set out in national frameworks

Ajinomoto demonstrates a comprehensive approach to supporting efforts to address malnutrition in Ghana. In cooperation with the Government of Ghana, the University of Ghana and International Nutrition Foundations, amongst others, Ajinomoto has introduced its Ghana Nutrition Improvement Project. The project is an initiative to manufacture and sell a supplement with improved protein, amino acid and micronutrients added to a traditional porridge that is used as a complementary food for infants in the country. Ajinomoto has formally set out the approach and emphasizes R&D, local production and education to highlight the importance of fortified foods and locally appropriate distribution models.

- Efforts to address undernutrition have the most impact when they are designed to support regional and national frameworks established to address specific fortification needs and undernutrition more broadly. Only Mars makes an explicit pledge to work within those frameworks. However a number of initiatives that operate within such frameworks were identified during the research process. Ajinomoto's approach to supporting efforts to address undernutrition in Ghana stands out as a leading practice.

## What are companies doing *commercially* to address undernutrition?

### Undernutrition

- Nine companies have identified target groups for their commercial approaches to addressing undernutrition. Similar to the non-commercial approaches, many companies target an audience that is broader than the most vulnerable groups identified by the nutrition community (women of childbearing age and children under-two), to focus efforts. However, Danone and Ajinomoto have explicitly aimed their commercial initiatives at these important demographics, demonstrating an awareness of their particular needs. Ajinomoto's Ghana Nutrition Improvement Project (see leading practice example box 3) is a good example of an initiative focused on mothers and women of childbearing age. Ghana is also a high priority country (as identified by the ATNF based on data on undernutrition prevalence from UNICEF). Many other companies target a mix of higher and lower priority countries.
- A commercial approach to addressing undernutrition should be underpinned by extensive market research that identifies micronutrient deficiencies and assesses the potential for addressing such deficiencies through fortification. Seven companies have conducted such market research and this provides them with the foundation to launching an evidenced-based program. However, only three of the companies in question have conducted studies in more than five developing countries.

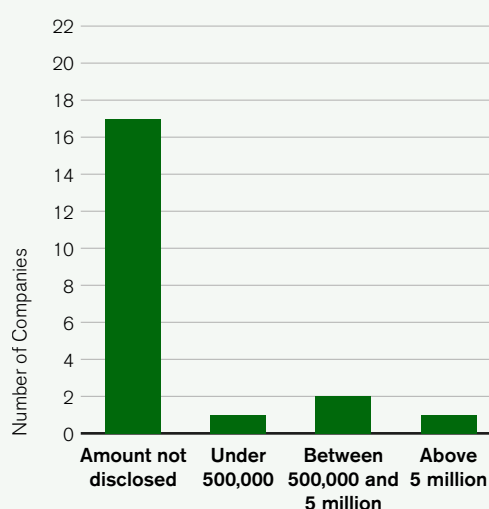


## What are companies doing through their CSR or philanthropic activities to address undernutrition?

### Undernutrition

- Overall, only PepsiCo and Unilever were determined to have a strategic and well-structured approach that supports non-commercial initiatives in many developing countries.
- Some developing countries are more heavily impacted by the burden of undernutrition than others. ATNF has compiled a list of higher priority and lower priority countries on which the world's largest food companies should focus non-commercial approaches to addressing the challenge of undernutrition. Those companies that are directing their efforts to specific target countries have focused on both higher and lower priority developing countries simultaneously rather than just higher priority countries.
- Fewer than half of the companies assessed seem to have a framework for non-commercial approaches to addressing undernutrition. Six companies have formally set out how they will address it through philanthropic avenues or CSR programs, indicating however that most companies do not take a structured approach.
- Children under-two and women of childbearing age are critical populations to whom interventions should be focused. While many companies include these groups in their target audiences, none have exclusively focus on them.
- As illustrated by Graph 4, only four companies disclosed how much they spend on undernutrition through philanthropic budgets. Only Mondelez spends more than \$5 million per year, Danone and Kellogg Company spend between \$500,000 and one million a year and Ajinomoto, the only other company to disclose this figure spends less than \$500,000. All companies are encouraged to disclose their spending and to increase it. Greater funding is required to help meet the WHO global targets on reducing wasting in children (40% reduction), and reducing anaemia in women of childbearing age (50% reduction) over the next ten years<sup>2</sup>.
- One of the most effective ways 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 Program. As Table 3 shows, 11 companies support one or more such initiatives, while the other 11 do not<sup>3</sup>.

**GRAPH 4** Amount (\$) spent on philanthropic programs that tackle undernutrition in FY2014



**TABLE 3** Companies' participation in nutrition partnerships

	Ajinomoto	Arla Food	Brasil Foods	Campbell	Coca-Cola	ConAgra	Danone	Ferrero	FrieslandCampina	General Mills	Lactalis	Grupo Bimbo	Heinz	Kellogg Company	Kraft	Mars	Mondelez	Nestlé	PepsiCo	Tingyi	Unilever	Wahaha
Amsterdam Initiative against Malnutrition									●												●	
Global Alliance for Improved Nutrition (GAIN)	●	●			●		●									●					●	
Save the Children					●												●		●		●	
SUN Business Network	●															●	●				●	
UNICEF					●				●												●	
World Food Program	●				●				●							●			●		●	
Zero Hunger Challenge																					●	
Other	●						●	●					●					●				

## A3 Quality of reporting

This section assesses the extent to which companies provide a clear and comprehensive narrative in their corporate reporting on their progress in implementing their nutrition-related strategies and commitments. While there are many indicators throughout the methodology that evaluate companies' disclosure on specific issues, this section looks at the regularity, scope and quality of companies' overall reporting on nutrition.

### Basis for company assessment

The company assessment approach in this Category is similar to that used by other indexes for the evaluation of the quality of companies' governance and management systems on a range of societal issues. It is also informed by input from the ATNI Expert Group.

All indicators are related to companies' performance. Specifically, companies are assessed on whether they:

- Publish formal, regular reports on their approach to addressing nutrition issues, and whether these reports cover their global operations.
- Report the progress they have made and the challenges they have faced in implementing their nutrition strategies.
- Publish separate reports for different markets.
- Report in a structured way on progress against nutrition-related objectives and targets.
- Include coverage of undernutrition and nutrition more broadly in their reporting, as well as a narrative that highlights how nutrition activities are adding value to their business.
- Subject their reporting to verification or external review.

## Detailed results

### How comprehensive and clear is the companies' reporting on its efforts to tackle the double burden of malnutrition?

#### Nutrition

- All but four companies assessed publish regular formal reports on their overall approach to tackling nutrition issues. This widespread practice emphasizes the point that companies are aware of the need to address nutrition issues through core business activities in a transparent and accountable manner. However, the quality of reporting varies significantly from company to company.
- Mars, Nestlé and PepsiCo set a high bar, issuing separate reporting for many national markets in addition to their global reporting.
- Nestlé's report – Nestlé in Society, Creating Shared Value and Meeting our Commitments 2014 and Unilever's report – Sustainable Living Plan: Scaling for Impact 2014 offer comprehensive nutrition reporting. Three other companies assessed also produced strong reports. However, the majority of corporate reporting is not sufficiently transparent to fully ascertain the extent to which companies are integrating their approach to addressing nutrition issues in their business models.
- Only six of the companies reporting on nutrition issues are externally verified. External verification is best practice and enhances accountability.

#### Undernutrition

- Reporting on how companies implement strategies to address undernutrition is less robust than in the case of nutrition reporting more generally. Three companies provide extensive commentary and seven companies provide limited commentary. The majority of companies do not issue regular reports that clearly communicate their progress in implementing their undernutrition-related strategies and commitments.

#### BOX 4 LEADING PRACTICE EXAMPLE

### Reporting on nutrition issues.

Nestlé has the clearest and most comprehensive approach to nutrition reporting. Its global report outlines all of the high-level nutrition and undernutrition commitments that form the core of its nutrition strategy. Progress reports for each commitment are provided. The company's nutrition reporting is independently verified and separate reports are also issued for several national markets. This level of transparency is important, as it improves stakeholders' ability to hold the company accountable.

#### NOTES

<sup>1</sup> The definition of healthy is established by each company using a Nutrient Profiling System; both of these companies have strong systems. See commentary on B2.

<sup>2</sup> WHO, global nutrition targets, available at: [http://www.who.int/nutrition/topics/nutrition\\_globaltargets2025/en/](http://www.who.int/nutrition/topics/nutrition_globaltargets2025/en/)

<sup>3</sup> Not all initiatives are accessible for all companies.

All links accessed November 2015.

# B Products

## Formulation of appropriate products (25% of overall score)

Companies can help consumers make healthier choices by improving the nutritional quality of foods available to them. This Category addresses corporate efforts to achieve this through research and development (R&D), new product formulation and reformulation of existing products. It tests whether companies can demonstrate the nutritional quality of products suitable for children, whether healthy options are available across their portfolios and whether snacks and indulgent products are offered in appropriate portion sizes and packaging. It also assesses the quality of the Nutrient Profiling Systems (NPSs) that companies use to guide their product formulation efforts, if they employ one.

This Category consists of two criteria:

### **B1** Product formulation

### **B2** Nutrient profiling

To perform well in this Category, companies should:

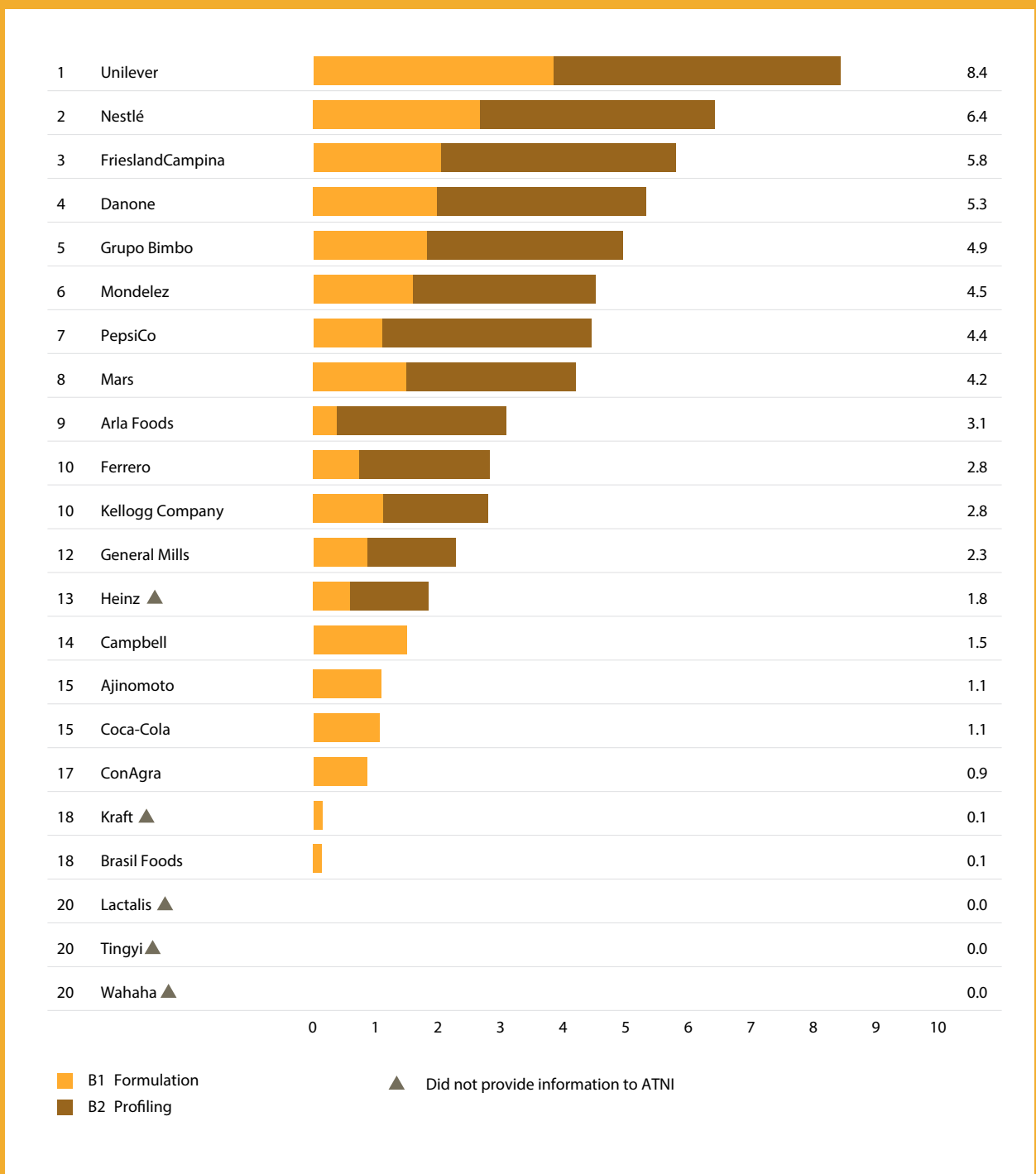
- Make commitments and set targets for R&D spending aimed at improving the nutritional quality of their portfolio.
- Set targets for negative and positive nutrients<sup>1</sup> to improve the formulation of products across their entire global portfolio, setting a baseline and target year for achieving them.
- Demonstrate progress by tracking and publishing the percentage of products that meet the targets, the percentage of products that meet the overall healthy standard and the amount by which that level has increased between 2012 and 2014.
- Capture and publish the percentage of products that meet the standard they have set for products to be advertised to children in the U.S., EU and rest of the world.
- Demonstrate that healthy options are widely available across their brands for adults and children, and that portion and package sizes for snacks and indulgent products have been limited.
- Commit to offering healthy and appropriately fortified foods that help to address undernutrition.
- Show that they focus their efforts to tackle undernutrition, funded both commercially and philanthropically, on priority countries and populations.
- Disclose their commitments, targets and performance in a consistent way that is easy to understand.
- Adopt and disclose details of a robust NPS applied to all products in all markets.

## Changes to the methodology compared to the 2013 Global Index

Nine new indicators were added to section B1 – 19% of total scored indicators. These included requesting quantitative data on the percentage of the portfolio that meet the healthy standard that can be advertised to children and assessing whether companies are setting

baselines and target dates for key ingredients such as fat or fruit. Other indicators were tightened and split to capture more detail (e.g. setting targets separately for all key nutrients and reporting performance on those targets).

## Results





## Key findings

- Unilever achieves the highest score of 8.4. This is particularly commendable as changes in the methodology and stricter analysis made it much harder for companies to score well.
- While Unilever remains the leader, the gap with the next two companies has widened compared to 2013. Nestlé is also commended for continuing to show commitment and leadership in this area, scoring 6.4.
- Three of the 22 companies analyzed did not disclose any relevant information and scored zero, compared to four out of 25 companies in 2013.
- The third ranked company, FrieslandCampina, has climbed the ranks significantly due to more engagement and disclosure, having only ranked eighteenth in the 2013 Global Index. Other companies that have significantly improved their rankings are Mars (up to eighth) and Ferrero (up to tenth). Some companies' positions have slipped since 2013 (Kellogg Company and ConAgra) indicating reduced disclosure.
- This Category is among the three Categories in which companies score the highest, suggesting that companies overall pay more attention to product composition when addressing global diet-related diseases than they did in 2013. Nonetheless, the average score is still very low, at only 2.8 points.
- While most companies have made some commitments to improving the nutritional quality of all or some of their products and are introducing new healthier products, in general, their efforts remain inadequate to properly address global nutrition challenges. Nineteen of the 22 companies are making some changes to product formulation, but the scale and scope of these varies substantially, with scores on 'B1: Product formulation' ranging from 0.0 to 7.7.
- Thirteen of 22 companies (59%) report having an NPS and so score on 'B2: Nutrient profiling', compared to 48% of companies that scored in this area in 2013. These companies generally perform better in section B1 than those who do not show evidence of an NPS, as well as across the Index, as the score on B2 determines the level of healthy multiplier scoring applied throughout.
- Only Danone and Unilever were able to provide data on the percentage of their products in different regions that meet the standard that enables them to be advertised to children (i.e. that they are healthy).
- Ajinomoto, Danone, FrieslandCampina, Mondelez, Nestlé, Coca-Cola and Unilever have explicitly committed to tackle undernutrition and micronutrient deficiencies in developing countries through targeted fortification of their products.
- Four companies differentiate themselves in terms of product reformulation for undernourished populations: Ajinomoto, Nestlé, Unilever and Danone. They have all committed to tackle undernutrition through initiatives that aim to increase the number/volume of fortified foods available to undernourished populations, targeting priority countries and disclosing information about their initiatives in this area.

## Key recommendations

- **Adopt an NPS:** The pace at which companies are adopting a robust NPS is still slow, even though there has been a small increase in the proportion of companies providing evidence of using one. An NPS is an essential element of any serious nutrition strategy, as it provides the basis for identifying which products need their nutritional quality improved. It also provides a consistent centralized means of monitoring progress and the proportion of healthier products in portfolios. The companies exhibiting robust systems clearly differentiate themselves from others by demonstrating a strong commitment to improving their portfolios, thereby also potentially increasing their market shares in healthy products segments. The companies that have not yet adopted an NPS should do so in order to drive healthy product innovation and reformulation in line with WHO recommendations for healthy diets. A good NPS should be aligned with internationally recognized standards, reviewed and verified by expert stakeholders, cover all products, and assess both negative and positive nutrients. They should either use a scoring system that scores products on a sliding scale or a threshold system that sets maximum and minimum nutrient levels by sub-category.
- **Set clear nutrition R&D targets:** While many companies reported having R&D activities to enhance the nutritional quality of their products, very few could demonstrate concrete targets in terms of R&D budgets allocated to achieving this goal. Companies are encouraged to establish targets with respect to the amounts they plan to invest in product innovation, including developing fortified products to address the specific dietary needs of the undernourished.
- **Establish product reformulation targets:** While 16 companies have commitments for reducing/eliminating 'negative' nutrients and increasing/adding 'positive' nutrients, Ajinomoto, Lactalis, Heinz, Wahaha, Kraft, and Tingyi failed to disclose one single target. Companies are encouraged to transform their products in a more systematic manner by setting concrete targets and deadlines.
- **Conduct regular performance assessments on meeting product reformulation targets:** Companies should establish systems to capture their progress towards increasing their offering of healthier products, both for the general market and for children. This data should be gathered across global operations and should measure volume of products reformulated, as well as their sales values. Further, this data should be published in order to demonstrate that progress is, in fact, being made.
- **Focus on high-priority countries and target groups for delivering fortified products:** While companies show evidence of delivering fortified products to undernourished populations, these efforts often seem sporadic and unfocused. In order to make a meaningful contribution to addressing undernutrition, companies should systematically concentrate on countries and populations that experts have identified as being in greatest need. Companies scoring relatively poorly in this Category (i.e. below 5.0) need to put much more emphasis on addressing undernutrition by developing more extensive and formal commercial strategies, rather than relying on limited philanthropic efforts, which alone are unlikely to deliver solutions at scale.

## B1 Product formulation

### Nutrition

Companies can demonstrate their willingness to contribute to stemming ever-growing rates of overweight, obesity and diet-related chronic diseases by investing significant resources in developing new healthier products and in reformulating existing products to improve their nutritional quality. Product reformulation may take several forms, including reducing levels of ingredients known to be harmful to health if consumed in excess (such as of saturated fats, trans fatty acids, free sugars, salt and calories) and/or increasing levels of ingredients and nutrients known to contribute to health if consumed

in sufficient quantities (such as fruits, vegetables, wholegrains and fiber). Companies can also sell their products limited by serving size, or through improved packaging, with the aim of helping consumers better understand and limit their serving sizes.<sup>2</sup>

#### BOX 5

### Differences in the scope of product improvements companies can make

Companies differ in the scope of improvements they can make to the nutritional quality of their products, which depends on the nature of their product portfolio and the magnitude of previous efforts they have undertaken. A company with a product portfolio of relatively high nutritional quality has less scope for making improvements to its portfolio (especially if previous improvement efforts have already been undertaken) when compared to a company that has a portfolio of lower nutritional quality. This difference limits the ability to compare the scope or magnitude of companies' commitments to improve product formulation.

Given the extremely large number and heterogeneity of products sold by companies assessed, it was not within the current scope of ATNI to profile the nutritional composition of their products globally (or to identify a reasonably sized sample of products for profiling that would be sufficiently representative of their portfolios).

Therefore, companies are assessed on whether they have commitments and set targets to improve the nutritional quality of their product portfolios, as well as on how well they are progressing in meeting these targets. ATNI is currently in the process of developing methods to independently profile the nutritional composition of companies' products. First pilots have been conducted in three spotlight-countries (India, Mexico and South Africa).

The scope for improvements in product formulation varies widely among the companies assessed by ATNI. Some make a wide variety of products intended for regular and frequent consumption; others focus on foods designed for convenience or occasional indulgence; and others have a mixed portfolio.

Beverage manufacturers, for example, have limited scope to reformulate carbonated soft drinks. They therefore tend to focus on adding new low or no-calorie options to their established brands, as well as on the development of alternative sweeteners,<sup>3</sup> smaller portion sizes, and expanding their product ranges to include beverages such as juices and yogurt-based drinks. Similarly, companies selling confectionary products have a relatively smaller scope for product reformulation, but can instead focus on making sure that the portion sizes of its products are appropriate (for example, below a certain calorie threshold for a treat), and that its products are packaged so as not to encourage overconsumption and are appropriately labeled.

### Undernutrition

Companies can also play a significant role in helping to prevent and address undernutrition in developing countries by making products formulated with, or naturally high in, those micronutrients deficient in local diets and culturally appropriate. Given the geographic variation in the incidence of micronutrient deficiencies and ongoing fortification of some staple foods in various countries, formulation of companies' products should ideally be informed by the strategies and programs of national governments, robust research and/or through fortification alliances. In addition, the growing prevalence of obesity and diet-related chronic diseases in populations with existing burdens of undernutrition suggests that any products that are fortified should meet 'healthy' standards and not be associated with an increased risk of obesity and diet-related chronic diseases. Companies can not only contribute by developing commercial products, but also by working with and/or financially supporting international and local expert agencies' programs to develop products that effectively reduce or eradicate micronutrient deficiencies.

## Basis for company assessment

### Nutrition

The United Nations' Political Declaration on Non-Communicable Diseases (NCDs) includes a call for companies to, "consider producing... more food products consistent with a healthy diet, including by reformulating products to provide healthier options", and to, "work towards reducing the use of salt in the food industry."<sup>4</sup> In addition, the WHO Global Strategy on Diet, Physical Activity and Health (Global Strategy), adopted by the World Health Assembly in 2004, provides the following guidance based on previous guidance issued by both the WHO and the Food and Agricultural Organization of the United Nations (FAO):<sup>5</sup>

- Limit the levels of saturated fats, trans fatty acids, free sugars and salt in existing products.
- Continue to develop and provide affordable, healthy and nutritious choices to consumers.
- Consider introducing new products with better nutritional value.<sup>6</sup>

These were again repeated in the WHO's Global Action Plan for the Prevention and Control of NCDs 2013-2020<sup>7</sup> with a slightly stronger emphasis on reducing salt in products.

The guidance provided in the Global Strategy informs the scope of this Category, which assesses companies' efforts both to limit specific ingredients and to increase others in order to develop new healthy products through research and product reformulation.

Companies are assessed on whether they:

- State commitments and targets on R&D related to improving the nutritional quality of products.
- Have introduced new healthier products into the market over the past three years.
- Set targets to reduce levels of saturated fats, trans fatty acids, free sugars and salt, increase levels of fruit, vegetables, wholegrains and fiber, as appropriate to their products, to increase their nutritional quality, with clear baselines and target dates for delivering these improvements.
- Met these targets, and what proportion of their portfolios met the targets, by FY2013.
- Can provide evidence of the percentage of products that meet their overall healthy standard.
- Can provide evidence of the percentage of their products that meet the standard to be marketed to children in the EU, U.S. and the rest of their markets, as relevant.
- Have made healthier options available across all of their brands, for adults and children.
- Offer snack and indulgent products (if relevant) in sizes that help consumers limit their intake of saturated fats, trans fatty acids, free sugars and salt.
- Publish information about these commitments, targets and performance.

### Undernutrition

Companies are also assessed on what they are doing to address undernutrition, to fortify their foods appropriately and to support programs designed to address undernutrition in priority populations and countries. The indicators are based on the guidance provided in the following documents:

- Codex: General Principles for the Addition of Essential Nutrients to Foods. World Health Organization and Food and Agriculture Organization of the United Nations, 1991.<sup>8</sup>
- Guidelines on Food Fortification with Micronutrients. World Health Organization and Food and Agriculture Organization of the United Nations, 2006.<sup>9</sup>

Companies are assessed on whether they:

- State a clear commitment to addressing undernutrition through product fortification.
- Commit to align their approach to fortification with international guidance.
- Commit to seek to use ingredients with high inherent levels of micronutrients and fortify only products of high nutritional quality.
- Commit to increase the number or volume of fortified foods available to undernourished populations.
- Provide evidence of having introduced their own fortified products targeted at priority populations in priority countries in the last two years.
- Provide evidence of funding non-commercial programs 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.

## Detailed results

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### Have companies committed to invest in R&D to improve the nutritional profile of their products?

#### Nutrition

- Of the 22 companies rated for the 2016 Global Index, 15 have a formal commitment to increase spending on R&D with the goal of offering more healthy products. While this is good practice, nearly all companies fail to reinforce this commitment by providing concrete figures for funding or the amount of new healthy products they plan to introduce. Only Ajinomoto, FrieslandCampina and Mars set targets related to R&D spending on nutrition in the next few years.
- In healthy product innovation, best practice is to follow recognized guidelines such as the U.S. Dietary Guidelines and guidance published by Codex, WHO and FAO. However, only nine companies assessed for the 2016 Global Index explicitly commit to this best practice.

### What evidence is there that companies are improving the nutritional profile of their global product portfolio and broadening their healthy product offering across the portfolio?

#### Nutrition

- Most companies do not set targets to reduce levels of negative nutrients (levels of saturated fats, trans fatty acids, free sugars and salt). Two companies have just one target, and six companies have two or three targets. Grupo Bimbo, FrieslandCampina, Nestlé, PepsiCo and Unilever lead the industry by setting targets for all nutrients relevant to their portfolios. Coca-Cola also has a calorie reduction target for its product portfolio, the only relevant target for this company with respect to negative nutrients.
- In contrast, targets to increase levels of fruits, vegetables, wholegrains and fiber are very rare. Eighteen companies do not disclose any relevant targets. While three companies report having at least one target, only FrieslandCampina has established two targets. None of the companies assessed appear to have set all targets relevant to their portfolio.



- Only ten companies have a target to reduce trans fat levels to the recommended WHO level (less than 1% of energy in a product being provided by trans fat originating from partially hydrogenated vegetable oil in food products). Companies that fail to establish this target appear to be ignoring strong evidence of the health risks related to high levels of trans fats in diets and may face regulatory action, as more governments impose restrictions on trans fat levels in food products.
- Measurement of progress in enhancing product portfolios is one of the key components of a strong management system. In this regard, ten companies report on some progress of meeting negative nutrients targets, and only FrieslandCampina and Nestlé do so for all four targets. As for positive nutrients, ten companies track metrics related to their inclusion in relevant products, and only Ajinomoto tracks this data across all four positive nutrients.
- In terms of reporting progress on targets, companies use different formats. Some report the percentage of their brands that met their targets; others report volumes of products; and some report metric tons of nutrients eliminated. This variety of approaches makes it difficult for stakeholders to compare performance. Industry associations and collaborative initiatives could perhaps play a valuable role by developing and agreeing a unified approach.
- Only six companies (Campbell, ConAgra, Danone, Nestlé, PepsiCo and Unilever) report on the proportion of their portfolios that meet their composite or aggregate healthy standards.

### What proportion of companies' portfolios have met their standards for being suitable to advertise to children?

#### Nutrition

- Only four of the 20 companies assessed that market products in the U.S. and EU (General Mills, Danone, Kellogg Company and Unilever) provide some information on the proportion of their products meeting the standard to be advertised to children under-12 in those markets (according to their own NPS or to the Children's Food and Beverage Initiative (CFBAI) and/or EU Pledge nutrition criteria, if a member).
- Unilever and Danone not only extend the disclosure with respect to healthy offerings that can be advertised to children to the rest of the world, but also remain the only two companies that perform according to best standards, as more than 50% of their products can be advertised to children across the globe.

### What evidence is there that companies are developing appropriately fortified products to tackle undernutrition in priority developing countries, among the population groups most at risk?

#### Undernutrition

- Companies have yet to demonstrate a level of involvement that matches the scale of the challenge of undernutrition. While many companies expressed an intention to expand their business to emerging markets, commercial and philanthropic initiatives in the area of product fortification in priority countries and among priority populations remain, for the most part, anecdotal and unstructured.

#### BOX 6

### Formulation targets

Companies articulate the targets they set with respect to formulating products in a wide variety of ways, which makes it difficult for stakeholders to compare their commitments and progress.

- Some targets are synchronized with established pledges or guidelines. For example, Brasil Foods is committed to the Brazilian Ministry of Health pledge to gradually reduce sodium levels in meat products (hams, sausages, burgers, chicken nuggets and Mortadella).
- Some targets are established in a relative format. For instance, Grupo Bimbo's target is to reduce sodium by 30% in leading bread brands and by 15% in leading salted snack brands by 2020. However, the company does not indicate whether these target levels for sodium in products would significantly affect the health of consumers. These relative percentage reductions could still leave products with high levels of sodium in an absolute sense.

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- Another approach is to set thresholds whereby a target reflects the minimum or maximum daily intake of specific nutrients. For example, Unilever sets the target in this format – by 2020, 75% of its foods portfolio will meet salt levels to enable intakes that remain equal or below the recommended level of five grams per day.
- Some companies are combining various forms of goal setting. Kellogg Company set targets in both relative and absolute terms. For instance, the company aims to reduce sodium in ready-to-eat cereals on average by more than 30%, resulting in at least 85% of its cereals having 150 milligrams (or less) of sodium per 30-gram serving.
- Companies should report by setting out the level to which they intend to reduce or increase each nutrient, based on specific identified international guidance or standards, and state which products, in which categories or sub-categories, and in which markets, they intend to reformulate. They should state the baseline year and target year for starting and achieving these adjustments. Each year they should outline their progress, showing the percentage of the selected products or of the portfolio for which the target has been reached. If all companies were to report consistently in this way, stakeholders would find it easier to compare their commitments and progress.
- With respect to developing fortified products, there is a gap between commitments and concrete objectives regarding the number of fortified products to be introduced.
- A commitment is an important component of any strong program because it demonstrates that the issue is embraced by the leadership of the business. Ajinomoto, Danone, FrieslandCampina, Mondelez, Nestlé, Coca-Cola and Unilever demonstrate a formal commitment to fortify products to address undernutrition in developing countries. For example, Ajinomoto explicitly commits to improve the nutritional intake of children in Ghana by making and marketing fortified foods to support child development in the first 1,000 days of their lives.
- Only Grupo Bimbo followed up with specific objectives to deliver more fortified foods in the future. The company codified this promise in its Manifesto Grupo Bimbo in Health and Wellness as part of goals set for 2020. It said, “Development of one product per region per year focused on meeting a specific nutritional need in vulnerable groups, making it accessible at reduced prices.”
- Furthermore, only Mars, Mondelez and Unilever stated that they base their approach to fortification on international guidance on fortification (e.g. Codex) or similar best practices. Mars states in its publicly disclosed policy on Incorporated Fortification and Nutrient Claims (issued in June 2015), “We abide by all relevant national and regional food standards, or regulations. Where no national or regional food regulations exist, we refer to Codex for guidance.”
- In terms of performance rather than commitment, of the 22 companies assessed for ATNI, four (Grupo Bimbo, Heinz, Nestlé and Unilever) developed products for women of childbearing age; one company, Arla, developed products for children aged between two and five;<sup>10</sup> four companies (Campbell, Grupo Bimbo, FrieslandCampina and Nestlé) developed products for children over six; and five companies (Arla, Danone, Heinz, PepsiCo and Unilever) developed products for other populations. Of note, none of the companies addressed all priority target groups, and only six companies (Arla, Danone, Grupo Bimbo, Heinz, Nestlé and Unilever) did so for two separate target groups, leaving ample room for improvement.
- With regard to countries in which companies offered fortified products, 14 companies did not provide evidence that they offered such products in the priority countries identified by ATNF. The remaining eight companies were split in two equal groups: Grupo Bimbo, Heinz, FrieslandCampina and PepsiCo provided evidence of delivering specifically fortified products in developing countries such as Mexico and India; while Danone, Mondelez, Nestlé and Unilever proved that they developed and sold fortified products in highest-priority developing countries such as Mali and Niger.

## B2 Nutrient Profiling Systems

Nutrient profiling is “the science of classifying or ranking foods according to their nutritional composition for reasons related to preventing disease and promoting health.”<sup>11</sup> The first systems were developed over 20 years ago for voluntary food labeling schemes. At around the same time, governments and regulatory agencies began to use them to set standards for the use of nutrition and health claims, and they have been used – or proposed for use – by governments to regulate the advertising of foods to children.

More than 100 NPSs are known to be in use around the world.<sup>12</sup> Retailers,<sup>13</sup> media outlets<sup>14</sup> and others<sup>15</sup> have developed proprietary systems to help guide decision-making on product formulation, labeling, use of ‘healthy’ logos and marketing to children. The WHO is currently working to provide guidance on NPSs with the objective of harmonizing their development.<sup>16</sup> And the WHO Regional Office for Europe has published a nutrient profile model for use by member states and companies that want to regulate the marketing of foods to children.<sup>17</sup> In theory, this model could also be used for other applications such as in reformulation programs.

When used by a company, the relative rigor of the NPS used has ramifications for decisions across its business, in terms of investment in R&D, targets set to reformulate products, determining which products can be marketed to children and/or for which health and nutrition claims they can make.

While some food and beverage companies have created and/or adopted an NPS for their internal use, others do not acknowledge nutrient profiling of individual foods as valid and do not use them. They argue, instead, that all foods and drinks can play a part in a balanced diet.

### Basis for company assessment

The algorithms that most companies use to assess the nutritional quality of specific product categories or products are proprietary. ATNI cannot, therefore, assess them directly. Instead, the systems that companies use are evaluated against a set of qualitative criteria based on those used to catalogue existing NPSs in a manual for the WHO.<sup>18</sup>

Companies are assessed on whether they:

- Have a full NPS rather than other more limited ways of assessing elements of products’ nutritional quality (e.g. simply assessing whether levels of sodium are high, medium or low).
- Adopt and adapt a system developed independently through a multi-stakeholder process (as these systems are likely to be more robust when they reflect the input of various groups), or develop their own system (with or without expert input).
- Take both positive and negative ingredients into account in their system.
- Apply the system to all product categories and the company’s entire product portfolio in order to encourage a standard global approach.
- Publish details of the system they use in order to ensure transparency and facilitate scrutiny of their approach.

#### BOX 7

### Defining whether a product is ‘healthy’

There is currently no consensus ‘gold standard’ system for determining the nutritional quality of products relative to one another. As a result, there is no international standard for what can be considered a ‘healthy’ product. Many ATNI indicators (e.g. those relating to product formulation, marketing and labeling) rely on companies’ own definitions of ‘healthy’ products; however, these definitions can vary significantly. Because many companies do not publish their standards, it is not possible to directly assess each company’s definition of ‘healthy’. Therefore, as a proxy, the quality of the NPS that each company utilizes is used to weight the score for each indicator that depends on a definition of ‘healthy’ products. In other words, companies with a relatively strong NPS will achieve a higher score on indicators that rely on a definition of ‘healthy’ products.

BOX 8

## Elements of a best-practice Nutrient Profiling System

A Nutrient Profiling System (NPS) can guide companies' efforts to reformulate their products and can be used to set and measure whether products are of a sufficient nutritional quality to be marketed to children. A robust NPS:

- Is designed to assess all products (for example, not just those intended for, or often consumed by, children or certain product categories).
- Is adapted from an existing NPS developed through an independent multi-stakeholder consultation process.
- Is based on internationally recognized guidelines on diets and nutritional quality.
- Calculates the overall nutritional quality of a product.
- Considers a wide range of nutrients (negative and positive).

Unilever has developed one of the best NPSs assessed for the 2016 Global Index. The 2003 version, established to address the WHO's Call to Action to reduce levels of saturated and trans fats, salt and sugar, was a forerunner in the industry for many years. Unilever's NPS is now regularly reviewed to incorporate the latest dietary expert recommendations. The company demonstrates leading practice by publishing its NPS and its evolutions in peer reviewed journals. The NPS is also notably applied across the company's global operations and covers all product categories. The company keeps track of the proportion of its product portfolio that meets its Highest Nutritional Standards and aims for a 60% compliance by 2020. Further improvements could be made by using the same set of criteria for product development/reformulation and for determining which products can be marketed to children. Furthermore, the NPS would benefit from including standards for 'positive' nutrients (e.g. fiber) along those dealing with 'negative' nutrients (e.g. added sugars).

## Detailed results

### How robust are companies' Nutrient Profiling Systems, and how widely are they applied?

#### Nutrition

- The 13 companies that have an NPS generally assess both negative and positive nutrients, and apply the system across all product portfolios. These are features of a strong NPS.
- Of these companies, only FrieslandCampina, Mars and Unilever have adapted pre-existing systems to their businesses. Five companies note taking expert advice when developing their own systems. And the remaining five companies appear to have developed their own systems without the benefit of expert guidance.
- Of the companies that have an NPS, five state that their systems, while calculating levels of nutrients and rating them, do not calculate the overall nutritional quality of a product. In contrast, eight companies demonstrate best practice by having a system that calculates the overall nutritional quality of their products.
- A 'best-in-class' approach to nutrient profiling includes assessing both negative and positive nutrients. The majority of companies with NPSs follow this practice, while Unilever assesses only negative nutrients.
- It is common for companies to apply their NPS across their entire portfolio. However, Arla, Ferrero, General Mills, Kellogg Company, and Mars assess only selected products / product categories (for example, specific brands), an approach that falls well short of best practice.
- Nine companies report not having an NPS. This means that they cannot report on the percentage of their products which meet a healthy standard, potentially putting them at a disadvantage compared to their competitors, and risking reputational damage by being seen as companies that do not take their responsibility seriously in helping to address growing global levels of obesity, overweight and diet-related chronic diseases.

## NOTES

- <sup>1</sup> Note that throughout the report these short-hand terms are used in the following way: 'negative' nutrients are food components that the WHO recommends are limited in diets, including saturated fats, trans fatty acids, free sugars and salt; 'positive' nutrients are components that the WHO recommends should be consumed regularly and at higher levels than currently, including fruit, vegetables, fiber and wholegrains. We recognize that not all of these ingredients are 'nutrients' per se.
- <sup>2</sup> Some debate exists about whether smaller package sizes actually result in decreased caloric intake or, paradoxically, might actually increase consumption. For instance, see: Chandon, P (2012), 'How package design and packaged-based marketing claims lead to overeating'. *Applied economic perspective and policy* 34(3), doi:10.1093/aepp/pps028.
- <sup>3</sup> Beverage companies often use artificial sweeteners in order to provide low- or no-calorie options, but their potential for causing negative health consequences has not yet been determined definitively.
- <sup>4</sup> United Nations General Assembly: Sixty-Sixth Session (2011), Political declaration of the high-level meeting of the general assembly on the prevention and control of non-communicable diseases. A/66/L.1, p. 7-8.
- <sup>5</sup> World Health Organization and the Food and Agriculture Organization of the United Nations (2003), Diet, nutrition and the prevention of chronic diseases (WHO Technical Report Series). Available at: [http://whqlibdoc.who.int/trs/who\\_trs\\_916.pdf](http://whqlibdoc.who.int/trs/who_trs_916.pdf)
- <sup>6</sup> World Health Organization (2004), Global strategy on diet, physical activity and health. Available at: [http://www.who.int/dietphysicalactivity/strategy/eb11344/strategy\\_english\\_web.pdf](http://www.who.int/dietphysicalactivity/strategy/eb11344/strategy_english_web.pdf)
- <sup>7</sup> World Health Organization (2013), Global action plan for the prevention and control of NCDs 2013-2020. Available at: <http://www.who.int/nmh/publications/ncd-action-plan/en/>
- <sup>8</sup> World Health Organization and Food and Agriculture Organization of the United Nations (1991), Codex Alimentarius: General principles for the addition of essential nutrients to foods. Available at [http://www.Codexalimentarius.org/download/standards/299/CXG\\_009e.pdf](http://www.Codexalimentarius.org/download/standards/299/CXG_009e.pdf)
- <sup>9</sup> World Health Organization and Food and Agriculture Organization of the United Nations (2006), Guidelines on food fortification with micronutrients. Available at: [http://www.who.int/nutrition/publications/guide\\_food\\_fortification\\_micronutrients.pdf](http://www.who.int/nutrition/publications/guide_food_fortification_micronutrients.pdf)
- <sup>10</sup> Note that companies that make milk formulas and complementary foods – Danone, Nestlé, FrieslandCampina and Heinz – were not assessed on whether they make fortified products for infants under two, due to concerns about these companies' marketing of such products.
- <sup>11</sup> World Health Organization. Available at: <http://www.who.int/nutrition/topics/profiling/en/>
- <sup>12</sup> Ibid
- <sup>13</sup> For example, WalMart (n.d.), Great for you. Available at: <http://corporate.walmart.com/global-responsibility/hunger-nutrition/great-for-you>; and Hannaford (n.d.) Guiding Stars. Available at: <http://www.hannaford.com/content.jsp?pageName=GuidingStars&leftNavArea=HealthLeftNav>
- <sup>14</sup> For example, The Walt Disney Company (2012), Disney nutrition guideline criteria. Available at: [http://thewaltdisneycompany.com/sites/default/files/MOHL\\_Nutrition\\_Criteria\\_2012.pdf](http://thewaltdisneycompany.com/sites/default/files/MOHL_Nutrition_Criteria_2012.pdf)
- <sup>15</sup> For example, NuVal (n.d.). Available at: <http://www.nuval.com/>; and Choices International Foundation (n.d.) Choices Programme [online] Available at: <http://www.choicesprogramme.org/>
- <sup>16</sup> World Health Organization (n.d.), Nutrient profiling. Available at: <http://www.who.int/nutrition/topics/profiling/en/>
- <sup>17</sup> <http://www.euro.who.int/en/health-topics/disease-prevention/nutrition/publications/2015/who-regional-office-for-europe-nutrient-profile-model>
- <sup>18</sup> World Health Organization (In Press), Guiding principles and framework manual for the development or adaptation of nutrient profile models (first edition).

All links accessed November 2015.



# C Accessibility

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## Delivery of affordable, available products (20% of overall score)

Consumers not only require healthier food and beverages to be produced, they also need them to be accessible and affordable – especially undernourished consumers in high priority countries. Companies therefore need to offer healthier options at competitive prices. They also need to be widely distributed to offer consumers a 'level playing field' between healthy and less healthy options.

This Category assesses corporate efforts to make their healthy products more accessible through their approaches to pricing and distribution. It consists of two criteria:

### **C1** Product pricing

### **C2** Product distribution

To perform well in this Category, companies should:

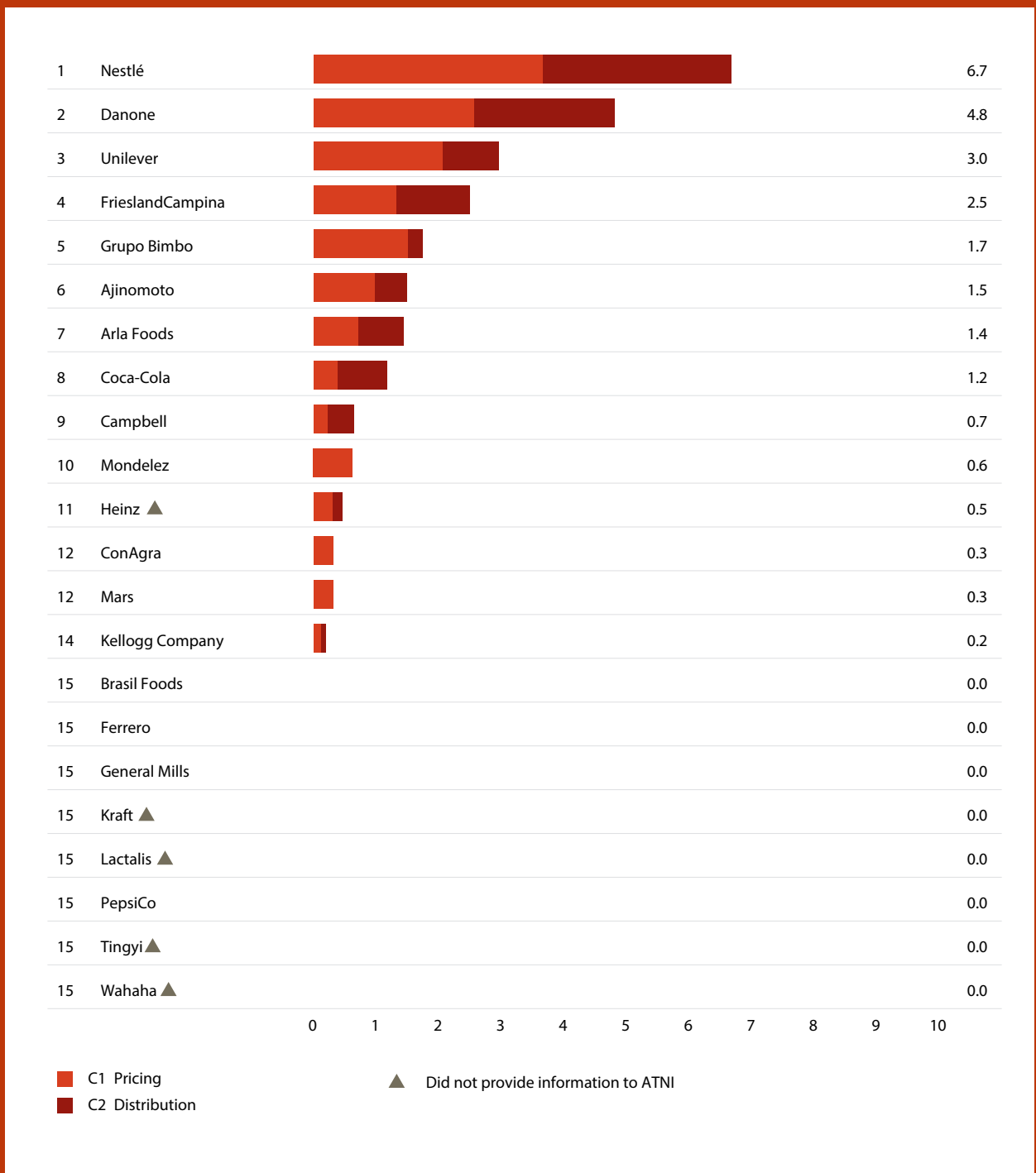
- State a clear commitment and have a formal policy and targets on both affordability and availability of healthy and fortified products.
- Demonstrate a clear focus on low-income populations and show evidence of conducting market research to inform their strategies.
- Apply their approach to affordability and availability across all the markets they operate in - both developed and developing.
- Provide evidence of how they are delivering on their commitments.
- Publicly disclose their commitments and policies and report evidence of implementing their commitments.

## Changes to the methodology compared to the 2013 Global Index

New indicators related to companies' commitments in this area were added to the ATNI methodology. These indicators assess whether companies have policies committing to making healthy products more

affordable and accessible, and whether they have set targets in this regard. ATNF also added improved performance indicators to better track companies' progress.

## Results



## Key findings

- One company stands out as a clear leader in this Category - Nestlé, scoring 6.7 out of 10.
- Unilever (4.8) and Danone (3.0) also score relatively well.
- Overall, only 36% (eight) of companies perform above the average score for this Category. Several companies perform relatively well but many perform very poorly or do not score at all (ten companies).
- As in 2013, performance in this area is among the lowest on the Index. The average score for the Category is 1.2 out of 10. This suggests that most companies place very little emphasis on making healthy and fortified products affordable and accessible to those who need them most.
- The accessibility and affordability of healthy and fortified foods is still an emerging issue for the industry. Apart from a few leading companies, affordability and accessibility issues do not appear to be integrated by companies as full components of an overall nutrition strategy.
- Average scores are slightly higher for assessing companies' efforts to make healthy products more affordable (C1) (1.4 out of 10), than for assessing companies' efforts to make healthy products more accessible (C2) (0.9 out of 10).
- Companies were generally able to demonstrate better affordability commitments than in 2013, which often took the form of more detailed company-wide mission statements or publicly available goals. However, apart from the leading companies, these commitments did not translate into improved disclosure or practices.
- Most company's efforts were weak and did not appear to be guided by a unifying strategy, i.e. they followed an individual project-based approach rather than taking an overall strategic approach. Currently companies do not hire external input for developing new approaches to making products more affordable.
- Four companies, Arla, FrieslandCampina, Nestlé and Danone, have developed commercial accessibility commitments and implemented programs that are relatively advanced. Eleven companies are still in the early stages of addressing access to healthy products, with eight of those companies considered to be in the very early stages. Early efforts have been project focused rather than strategic and generally confined to philanthropy via corporate foundations rather than delivered through core business operations. Integration of accessibility considerations into business practices was the most challenging component in this Category for companies. Nestlé has put in place formal commitments, policies, objectives and targets, and its performance in this area distinguishes it as a leader.
- Current non-commercial leading practice to make fortified products accessible in developing countries is to use local collaboration and micro-distribution channels, including hiring individuals as vendors for their local community. One company – Danone, is expanding its micro-distribution program to other developing countries, indicating that innovative distribution models to reach consumers in difficult contexts can work and be replicated in a meaningful manner. Another example is Unilever's Shakti micro-distribution programme in India and Africa. Unilever employs rural women to distribute and sell affordable products in their local communities, improving product accessibility in remote villages or other areas where conventional grocery stores are not available.
- Little is invested in product R&D to improve the long, slow and unrefrigerated supply chains common in low-income regions.
- Similarly to efforts for making products more affordable, companies do not tend to seek external input from academia, governments, NGOs or other stakeholders to assist in the development of programs to make products more accessible.

## Key recommendations

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- **Adopt formal policies and set targets:** Companies must bridge the gap between broad mission statements and actionable goals. They need to adopt formal policies and commitments for both key issues, affordability and accessibility and set targets to structure their efforts.
- **Put a stronger and more formal focus on core business-driven solutions to accessibility and affordability:** Overall, companies need to move from addressing these critical topics only through philanthropic foundations and CSR programs and integrate efforts into core business. The scale of the problem of obesity and undernutrition requires large-scale, sustainable, long-term solutions. These are best delivered through commercial solutions and structured partnerships with leading expert organizations. Although many companies operate nutrition-oriented philanthropic projects, these alone are not likely to have the economic sustainability to offer long-term solutions. To enable long-term program impact and sustainability, financial viability must be achieved within the constraints of product affordability in low-income countries.
- **Provide more funding to – or partner with – programs proven to address undernutrition effectively in order to seek innovative solutions for complex supply chain issues:** Organizations that specialize in addressing accessibility issues possess deep knowledge and experience that can add value to corporate efforts to address the accessibility of fortified foods. Companies should seek to better support these organizations, either through direct funding or through collaboration. In order to reach economic sustainability, companies should seek to establish public-private-partnerships that enable knowledge and infrastructure to be shared and solutions to be delivered. Through collaboration, expert agencies can provide the local knowledge needed to best leverage a company's large and sophisticated supply chain systems in service of improved nutrition accessibility.

## C1 Product pricing

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Price is one of the most important factors in consumer purchasing decisions. Fresh and healthier food and beverages are typically more expensive than processed foods and beverages<sup>1</sup>. A long-term study conducted by Cambridge University found healthy food to be more expensive than less healthy food and that prices of these products increased more sharply than less healthy products between 2002 and 2012<sup>2</sup>. Low-income consumers are particularly sensitive to differences in price, as food purchases account for a larger proportion of their budgets, therefore a company's pricing practices can have a significant impact on their access to nutritious packaged foods and beverages.

In addition, as companies continue to expand their footprint in lower-income countries, their consumer base will increasingly include those suffering from or at risk of undernutrition. Making products high in nutritional value available to these consumers requires pricing strategies that ensure they can afford to buy them.

Many factors affect the price of a product relative to its nutritional quality. One report found that healthier products were priced anywhere from the same as comparable less-healthy alternatives to up to a 400% premium above<sup>3</sup>. The report suggested a number of potential explanations for the wide variance, including the following:

- The cost of R&D.
- Marketing investments required for new products.
- Higher cost ingredients are sometimes used to improve nutritional quality.
- Category of food. For some categories of food in which a strong and unique health claim is made, a higher price may be tolerated by consumers, leading to premium prices.
- Package size. While many companies have introduced smaller package sizes (e.g. 100-calorie packs), these options are usually significantly more expensive per serving.

### Basis for company assessment

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The pricing of healthy products is not an area of corporate activity for which there are international norms. Therefore the indicators used to assess companies were established through consultation with the ATNI Expert Group and include assessment parameters common to similar indexes (e.g. whether a company makes a commitment and then both discloses and delivers on this commitment).

Specifically, with respect to obesity and diet-related chronic diseases, companies are assessed on whether they:

- Have formalized commitments, objectives and targets related to improving the affordability of their healthier products and which are applied to all markets of operation.
- Provide evidence of pricing analysis.
- Have reduced the price of their healthier products in order to make them more affordable, including for low-income populations.
- Provide support to organizations working to improve the affordability of products for the undernourished.
- Disclose details of their commitments, objectives, targets and performance on affordability.



## Detailed results

### What evidence is there that companies have committed to improve the affordability of healthy products, and delivered against that commitment?

#### Nutrition

- Compared to 2013, companies were generally able to demonstrate improved commitments to address affordability. Commitments often took the form of more detailed company-wide mission statements or publicly available goals. However this has not necessarily translated into improved practices, and disclosure remains poor.
- Only eight of the 22 companies published any form of commitment to make their products healthy and affordable. Often these were sweeping, high-level mission statements such as ConAgra's desire to, "Make safe, delicious, affordable, and nutritious foods." Such statements do not make reference to low-income populations or other key topics. Companies rarely disclosed evidence of acting on affordability commitments in a formal and systematic manner.
- Very few companies took the additional step of explicitly integrating these commitments into their business strategy and operations by setting objectives or allocating managerial responsibility. Only Nestlé sets explicit affordability-related targets for healthy products and no company disclosed goals to lower price points or narrow their price differential against less healthy products. Similarly, only Nestlé and Grupo Bimbo indicated that day-to-day responsibility for affordability had been formally assigned.
- While price analysis is a standard element of product development and marketing, few companies have conducted targeted analysis to consider appropriate pricing of healthy products for low-income populations in developed and/or developing countries. Four companies indicated that some kind of targeted analysis was undertaken and only Nestlé demonstrated best practice in this area.
- Danone and Nestlé are the strongest performing companies. They are the only companies with formal policies covering affordability, and with clear evidence that affordability considerations are embedded into their business processes. Nestlé formally classifies its most affordable and nutritious products within its 'Popularly Positioned Products' initiative and has set custom objectives and targets relating to them. Danone integrates affordability considerations into its product R&D program – 'Nutriplanet'. This program develops products targeted to specific consumer groups in terms of both budgetary and nutritional needs. It includes both nutrient-fortified and generally healthy products, and is highlighted as leading practice in the following section.

#### BOX 9 LEADING PRACTICE EXAMPLES

### Clear affordability commitments by Grupo Bimbo

Grupo Bimbo's formal 'Health and Wellness Manifesto' sets out the company's commitment to deliver products of high nutritional quality. Affordability is an explicit part of this commitment. The company states, "It is also important to come closer to customers with products developed to cover specific nutritional needs at all income levels, particularly among the poorest communities. That is why we have set ourselves the goal of establishing accessible prices in these developments and use popular, widely-accepted products as a vehicle to reach our customers." Responsibility for the implementation of the 'Health and Wellness Manifesto' is attributed to the Senior VP of Corporate Sales.

### Healthy, affordable products program by Nestlé

As a part of its 'Popularly Positioned Products' (PPP) strategy, Nestlé aims to make a subset of its portfolio affordable for lower socio-economic populations in both developed and developing economies. The company indicates in its PPP strategy statement that products are to be, "Affordably priced, nutritionally enhanced, appropriately formatted and easily accessible for emerging consumers." Within the program, healthy products are identified for the application of affordable pricing measures in both developed and developing economies. Some specific demographic targeting, such as the design of affordable healthy products for children are also included within the program.

**BOX 10 LEADING PRACTICE EXAMPLE**

## Integration of affordability considerations into R&D process

Danone has a leading-practice suite of undernutrition initiatives. Many of these involve fortified products developed to address specific nutrient deficiencies, and have deliberately low pricing in order to increase their appeal to targeted groups. Low-priced, nutrient-fortified Danone products are sold in Bangladesh, Morocco, India, Argentina and Indonesia.

- All companies appear to lack operational data in this area to inform their management and measure progress. Seventeen companies could not identify which of their product categories included healthy affordable options for low-income populations. Four companies responded explicitly stating that this information was not tracked by their organization.

### What evidence is there that companies have committed to improve the affordability of fortified products, and delivered against that commitment?

#### Undernutrition

- As in 2013, commitments to ensure fortified product affordability in areas with high undernutrition remain unusual. There are only 3 companies with formal programs that contain commitments, objectives, and targets. Several companies including Ajinomoto and Coca-Cola have undertaken projects to develop and offer affordable fortified products, however few companies have demonstrated that top-down business structures are in place to systematically tackle the issue.
- In general, a divergence between commitments and disclosure was evident. Some companies' disclosure included examples of standalone projects, however these are often not part of a formal system with policies and objectives. For example, Ajinomoto has piloted a significant project to offer affordable food supplement for traditional porridge for infants in Ghana, however, it did not detail any affordability-related business structures beyond a broad goal to, "Develop and market products that anyone can buy and serve every day." Similarly, Coca-Cola sells micronutrient-fortified powder beverages in India that are priced to target low-income undernourished demographics, but affordability-related commitments or policies beyond this example were not evident.
- Unilever, Danone, and Ajinomoto indicate some elements of a strong program including affordable fortified product offerings specifically targeted at low-income populations in higher-priority developing countries. However Nestlé's commitments are detailed and supported by a formal policy, which stipulates that fortified foods should be affordable as they are likely to be purchased by populations at risk. Nestlé has set internal sales targets specific to affordable fortified products and has publicised its FY2015 goal to reach 184 billion portions of fortified product sold. Nestlé also published a range of fortified products in developing countries (e.g. Guatemala, Philippines) in small product sizes to improve affordability. Despite occupying leading positions, these companies can still improve in this Category. Leader Nestlé, still only achieved 73% of possible points in 'C1' – the affordability Category – and Danone followed with 51% of possible points achieved.

## C2 Product distribution

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Given the challenges that consumers around the world face in accessing healthier food, companies should pursue distribution strategies that make their healthier products more easily available to consumers, particularly those who currently lack such options.

In lower-income countries, less information is publicly available about the purchasing and consumption patterns of low-income consumers, especially for branded food products. Therefore it is difficult to understand the contribution that such products make to diets in these countries. Nevertheless, as urban centers in these countries grow and the penetration of large food and beverage manufacturers increases, the relative availability of their healthier products compared to their less-healthy products will increasingly affect the nutritional status of consumers.<sup>4</sup>

Reaching consumers at risk of undernutrition with appropriate products high in nutritional value requires effective distribution strategies to improve product availability. Given their broad geographic scope, companies' distribution systems can also be utilized to extend the reach of government and/or multi-stakeholder efforts to bring appropriate products to relatively remote areas. Companies' philanthropic programs could also support these distribution efforts.

Concerns about access to healthy food also exist in high-income countries. Packaged foods and beverages make up an increasing proportion of consumers' purchases and diets.<sup>5</sup> In some areas, however, 'food deserts', have been identified – in the U.S. these are defined as low-income areas, "Where a substantial number or share of residents has low access to a supermarket or large grocery store<sup>6</sup>." In these areas there is a corresponding increase in consumption of less healthy foods. Whether this is due primarily to the proximity to food purchase locations or other factors is still being explored.

### Basis for company assessment

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The approach to assessing the distribution strategies of companies for their healthy products is similar to that used for assessing company pricing strategies in criteria C1. For undernutrition, the indicators focus specifically on the availability of fortified products relevant to undernourished populations. The indicators in this criteria were formulated in consultation with the ATNI Expert Group.

Specifically, companies are assessed on whether they:

- Have clear commitments, objectives and targets to improve the availability of their healthy products – applied across all the markets in which they operate.
- Provide evidence of working with retailers and distributors to expand the availability of their healthy products.
- Disclose details of their commitments, objectives, targets and performance on product availability.

Companies are assessed in a similar way with respect to the availability of fortified products relevant to undernourished populations, with results related to undernutrition presented separately below.

## **Detailed results**

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### **What evidence is there that companies have committed to improve the accessibility of healthy products, and delivered against that commitment?**

#### **Nutrition**

- Companies' efforts to improve the accessibility of healthy products are generally weaker than their efforts to improve affordability. Programs to address distribution do not appear to be as well developed, only Nestlé had targets in place in 2016 and these were partial. This indicates limited improvement compared to the 2013 Global Index where no company had set targets for the accessibility of their healthy products.
- Arla, Danone, Grupo Bimbo, Nestlé and Coca-Cola are the only companies that have made some commitments to improve product accessibility, while eight companies made affordability commitments. Only Nestlé has made a strong commitment to accessibility with reference to low-income populations that could be considered a leading practice.
- Corporate familiarity with accessibility issues does not appear to be well developed, and significant improvements could be made across the industry. At this stage, there still appears to be some conflation of financial affordability with physical accessibility. When asked for examples of their accessibility-focused efforts, at least six companies provided examples of initiatives that were not in fact related to accessibility. These examples related instead to healthy product pricing, or overall market entry into developing countries without discussion of how such market penetration would target underserved areas within those countries.
- Although the company still lacks a targeted commitment and accompanying formal objectives, Danone is the only company able to provide examples of improving the accessibility of healthy products for low-income populations. As a part of its expansion into West Africa, it has partnered with local dairy distributors, and utilizes a network of 31,000 independent vendors to reach areas not generally served by mainstream supermarkets. In addition, Danone has worked to develop dairy products that do not require refrigeration, which allows for improved distribution in low-income areas where it is difficult to maintain refrigerated supply chains.
- Although all companies fell short of best practice in this area, Nestlé and Danone were the best performing companies for this Category.

### **What evidence is there that companies have committed to improve the accessibility of fortified products, and delivered against that commitment?**

#### **Undernutrition**

- Both Nestlé and Unilever have published formal commitments in this area and Nestlé is the only company to have a formal program with objectives and targets. In order to establish appropriate distribution channels for its affordable and fortified products, Nestlé has committed to using street markets, mobile street vendors and door-to-door distributors.

- Some companies have undertaken accessibility projects but have not published any overarching commitments or do not appear to have an overarching comprehensive strategy. Ajinomoto, Danone, and Coca-Cola all provided examples of current initiatives, but did not provide evidence of any supporting policies or formal commitments regarding accessibility.
- Despite minimal disclosure of formal undernutrition commitments, companies' efforts to improve accessibility of fortified foods were generally stronger than those for health products more broadly. More frequently, accessibility efforts are paired with undernutrition efforts, as these are often targeted at developing regions where nutrition and distribution infrastructure are both poor.
- Some companies provided strong examples of initiatives that were more holistic and included considerations of affordability, accessibility, and undernutrition. Noteworthy examples include Danone's partnership with Grameen Bank to distribute inexpensive and fortified dairy products in rural Bangladesh, by hiring local Bangladeshi women as distributors and vendors within their own villages. Unilever's Shakti program and similar initiatives employ local women to distribute fortified foods by foot in areas within India, Bangladesh and Nigeria.
- When looking beyond a company's own programs, nine of the assessed companies provided evidence of funding accessibility programs specific to fortified foods. These primarily included funding for school feeding programs, or in-kind donations of fortified products.
- In both the 2013 and 2016 Global Indexes accessibility performance scores overall are poor. Although more companies were able to demonstrate at least some efforts to improve accessibility in 2016. Twelve companies scored above zero on this criterion in this Index, whereas in 2013 only six did. The difference may be due to the expansion of the 2016 methodology, which allows for the evaluation of a more diverse range of items, such as school feeding programs and in-kind product donations.
- Most companies did not demonstrate an understanding of the logistical issues inherent to product accessibility or the need for supply chain innovation. Populations in rural areas or urban 'food deserts' are underserved because conventional logistics have proven inadequate. Current best practice includes local collaboration and micro-distribution, where individuals are hired as vendors for their local community. Danone, Nestlé, and Unilever have such on-going programs. Additional consideration should also be given to product R&D, to improve the shelf life of perishable foods such that they would tolerate a longer, slower, and unrefrigerated supply chain into low-income regions. Danone indicated that it has begun some R&D in this area, and such options should be fully explored across the industry.

## BOX 11 LEADING PRACTICE EXAMPLE

## Unilever's 'Shakti' micro-distribution program

Unilever employs rural women to distribute and sell affordable products in their local communities, improving product accessibility in remote villages or other areas where conventional grocery stores are not available. The program began in India, with 70,000 local women employed as distributors. As of 2015, Unilever plans to expand this program model into Egypt, Bangladesh, Sri Lanka, and Pakistan. This demonstrates that innovative distribution models can improve the access of undernourished populations to fortified products and that these models can be adapted and scaled up in several different contexts.



## NOTES

- <sup>1</sup> Yale Rudd Center for Food Policy and Obesity – Economics (n.d.) Available at: <http://uconnruddcenter.org/economics>
- <sup>2</sup> Jones NRV, Conklin AI, Suhrcke M, Monsivais P (2014), The growing price gap between more and less healthy foods: Analysis of a novel longitudinal UK dataset. PLoS ONE 9(10): e109343. doi:10.1371/journal.pone.0109343
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- <sup>4</sup> USDA Economic Research Service (2008), Convergence in global food demand and delivery. Available at: [http://ers.usda.gov/media/216744/err56\\_reportsummary\\_1\\_.pdf](http://ers.usda.gov/media/216744/err56_reportsummary_1_.pdf)
- <sup>5</sup> USDA Economic Research Service (n.d.), Global food markets: International consumer and retail trends [online] Available at: <http://www.ers.usda.gov/topics/international-markets-trade/global-food-markets/international-consumer-retail-trends.aspx#consumer>
- <sup>6</sup> USDA Economic Research Service (n.d.), Food desert locator [online] Available at: <http://www.ers.usda.gov/data-products/food-desert-locator/about-the-locator.aspx#Defined>

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# D Marketing

Responsible marketing policies, compliance and spending (20% of overall score)

This Category captures the extent to which companies help consumers to make healthy choices by adopting responsible marketing practices and prioritizing the marketing of healthier products.<sup>1</sup> The Category consists of two parallel groups of three criteria:

## All consumers

- D1** Responsible marketing policy
- D2** Auditing and compliance with policy
- D3** Spending on marketing healthy products<sup>2</sup>

## Children

- D4** Responsible marketing policy
- D5** Auditing and compliance with policy
- D6** Spending on marketing healthy products<sup>3</sup>

To perform well in this Category, companies should:

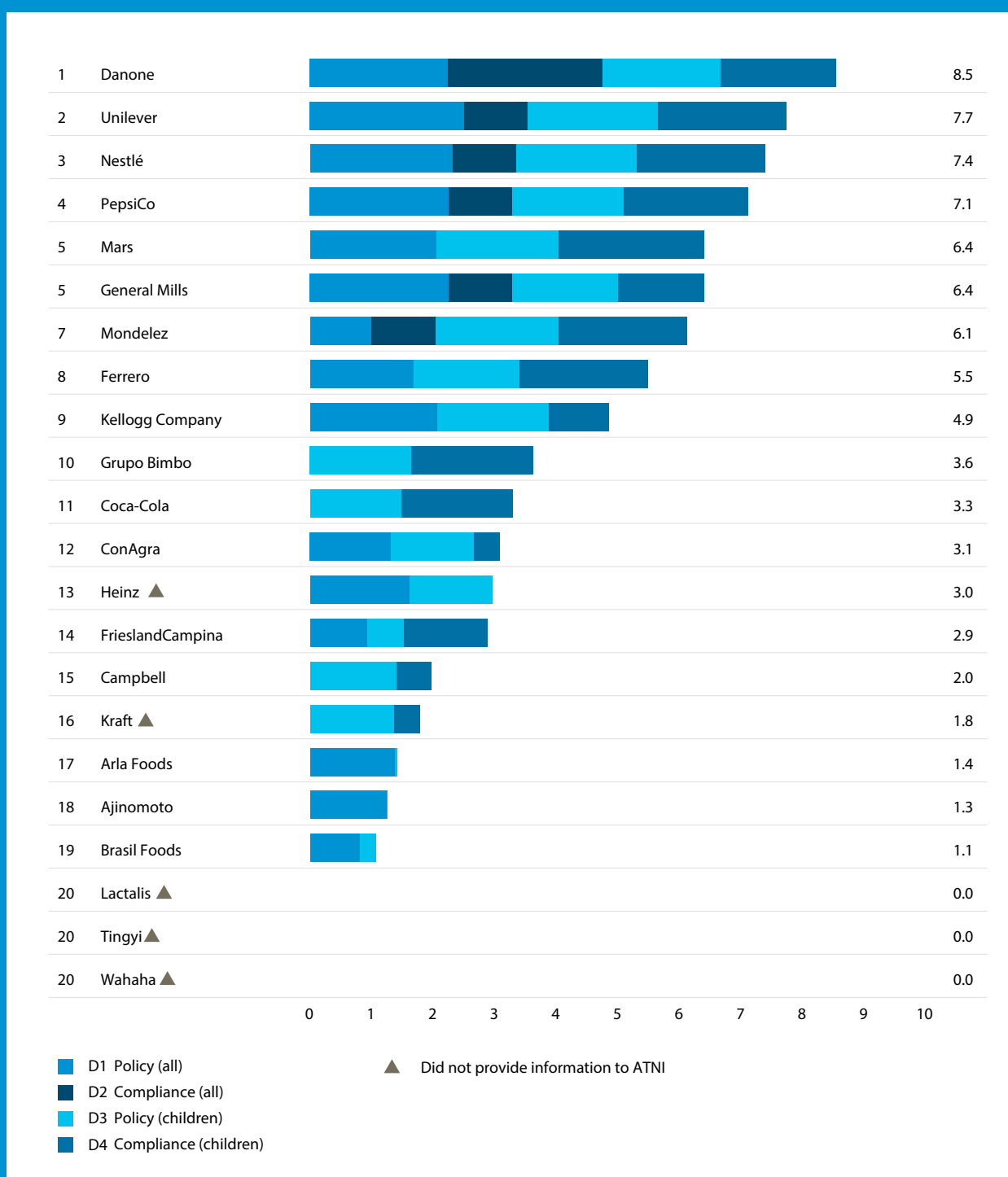
- Establish and implement a policy for marketing to all consumers that is comprehensive in its scope of guidance and applies equally to all media channels and all markets of operation. The policy should embrace and extend the requirements of the International Chambers of Commerce (ICC) general marketing code as well as the Framework for Responsible Food and Beverage Marketing Communications.
- Establish and implement a policy for responsible marketing to children that is comprehensive in its scope and applies equally to all media channels and all markets of operation.
- Ensure that the policy for marketing to children sets a low percentage threshold for defining a child audience, i.e. 25% or lower. The policy should also explicitly commit either not to market any products to children under twelve, or to only market healthy products which are defined using a robust Nutrient Profiling System (NPS). Commit to using only responsible marketing techniques, particularly with online media.
- Commission or take part in industry-level independent audits of compliance with these policies and disclose individual compliance levels for traditional and new media.
- Demonstrate concrete commitments and actions for delivering marketing strategies to reach undernourished populations in developing countries with appropriate products, and report on progress.

## Changes to the methodology compared to the 2013 Global Index

The indicators for D1 and D2 remain the same. One indicator in D5, relating to disclosure, was modified slightly. Indicators in D4 are largely the same as in 2013; although they were re-ordered and some had more answers provided as options to help better

understand companies' commitments for different media channels, particularly new media. As noted, indicators D3 and D6, assessing companies' marketing spending, were removed from the scoring of this Index.

## Results



## Key findings

- Danone is the leading company in this Category, with a score of 8.5 out of 10. Unilever, Nestlé and PepsiCo demonstrate reasonably good commitments, auditing and disclosure practices and score about 7.0. However, as ATNI does not measure a company's 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.
- Five other companies scored reasonably well overall (i.e. above 4) reflecting their relatively consistent application of industry association pledges, which harmonises performance to some degree.
- Three companies (Wahaha, Tingyi and Lactalis) do not disclose any commitments for responsible marketing either to all consumers or to children and score zero. The performance and commitments for the remaining ten companies were weak.
- FrieslandCampina, Grupo Bimbo, Nestlé and General Mills all improved their ranking by three positions relative to the 2013 Global Index, while Kraft dropped 12 positions and Coca-Cola dropped six positions.

### Commitments to responsible marketing

- Similar to 2013, most companies have either one overarching policy or two separate policies for responsible marketing to all consumers and marketing to children, and/or have committed to adhere to the pledges of industry associations. Many adhere to industry associations' responsible marketing pledges at the international, regional or national level, such as those of the International Chamber of Commerce (ICC), International Food and Beverage Alliance (IFBA), Children's Food and Beverage Advertising Initiative (CFBAI) or the EU Pledge, and/or mirror these standards in their own policies. Some companies make additional commitments, which is commendable.
- The pledges restricting marketing to children are not uniform in strength or scope, and none meet the best practice standards set out in the ATNI methodology. The key weaknesses include:
  - Not all pledges are applicable across all media and forms of promotion.
  - Some pledges lack a commitment to corrective action.
  - Not all pledges restrict or ban advertising in or near secondary schools or places where children gather.
- Companies' policies to restrict marketing to children tend to be stronger than those directed to all consumers, demonstrating an awareness of the need to address alarming levels of overweight and obese children and increasing levels

of diet-related chronic diseases among children.

- Sixteen companies commit either to not advertise any products to children under-12 (where they make up 35% or more of the audience), or to restrict their marketing to children under-12 to healthy products only. However, no companies commit to responsible marketing practices for children over-12. This is a concern, as children over 12 are exposed to a great deal of marketing for less healthy products and can be significantly influenced by it.<sup>4</sup>

### Performance

- As noted in the findings for Category B, only two companies were able to provide data on the percentage of their products that are healthy enough to be marketed to children in different regions. Only five companies use an NPS to determine whether products meet a healthy threshold that allows them to be marketed to children. This indicates that few companies are able to demonstrate how their responsible marketing policies are applied in practice and makes it difficult to determine which companies have made the greatest strides in improving the healthiness of products that children eat.
- Companies perform most poorly on indicator 'D2' regarding auditing compliance with their policies geared towards all consumers, and disclosure of compliance. This indicates that companies' approach to auditing compliance of marketing commitments to children are significantly more robust than audits for compliance with marketing commitments for all consumers. In the case of general marketing policies, the vast majority of audits are conducted in-house. Audits for compliance with policies on marketing to children tend to be third party assessments by an independent auditor appointed by the pledge organization.

### Disclosure

- Progress has been made in disclosure particularly, with more companies now publishing their policies. However, scores decreased in other key areas, such as the type of media covered by marketing commitments for all consumers and commitments to corrective action when incidents of non-compliance for marketing to children are found.
- ATNI intended to evaluate companies' spending on marketing healthy products to adults and children, however too few companies were able to provide this information to complete this analysis.



## Key recommendations

### Marketing to all consumers

- **Adopt a comprehensive global policy:** Those companies that have not yet adopted a comprehensive global policy on responsible marketing should do so, and publish it. At a minimum, the policy should follow the key pledges contained in the ICC General Code and Framework for Responsible Food and Beverage Marketing Communications.
- **Engage independent auditors to assess compliance with marketing commitments for all consumers:** Companies generally take part in or audit the compliance for their commitments on responsible marketing to children with greater rigor than they do for the more general marketing commitments that cover all consumers. Companies should also commission independent audits of their compliance with these policies and make compliance rates public.
- **Take part in regular annual independent audits:** All companies should take part in robust annual audits of compliance, either through an industry body-commissioned independent audit or one commissioned separately. Such audits should cover a wide range of markets, both developed and developing.
- **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 to traditional and new media publically available.
- **Report on taking corrective action:** Companies should commit to, and report on, how they have taken corrective actions when non-compliance is identified.

### Marketing to children

- **Adopt a comprehensive global policy:** Those companies that have not yet adopted a global policy on responsible marketing to children should do so, and publish it. At a minimum, the policy should be applicable to children under-12, apply when children make up more than 25% of a general audience, should be global in scope, set out how various marketing techniques will be used, and prohibit marketing in or near primary or secondary schools or other places where children gather.
- **Strengthen existing policies:** Companies with a policy that does not meet best practice should seek to strengthen the policy. For example, they should ensure that the policy is globally applicable and includes all forms of marketing – especially for channels for which exceptions are often made, such as point-of-sale, on packaging and new media.
- **Underpin marketing practice with an appropriate NPS:** Companies should use a robust NPS which meets the criteria set out in criteria 'B2' to define which products can be marketed to children across all markets. Currently only five companies use such a system.
- **Adopt emerging best practice relating to online marketing:** Companies should clearly set out the tools they use to ensure that online marketing is appropriately targeted and designed to deter children under-12 (or the age threshold of their policy) from viewing marketing designed for older children or adults.

## D1+ D2 Marketing to all consumers

### BOX 12

### Definition of marketing

A broad definition of marketing is provided by the American Marketing Association:

**"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."<sup>5</sup> The activities assessed under this Category fall within this broad definition.**

Corporate marketing practices affect consumers' purchasing decisions. Companies can therefore play a constructive role in improving diets by emphasizing healthier products in their marketing practices over more energy-dense, nutrient-poor food and beverages.

In some countries marketing practices are regulated in order to protect consumers from false and misleading claims. Companies can demonstrate an enhanced commitment to responsible marketing by adopting their own policies or adhering to codes developed by industry associations, especially in countries where government regulation is limited.

Section 'D1' assesses whether companies have a responsible marketing policy aimed at all consumers and the nature and scope of that policy. Section 'D2' assesses whether companies audit compliance with their marketing policies as they relate to general consumer audiences.

### D1 Basis for company assessment

Among the longest-standing and most widely supported general marketing codes is the Consolidated International Chambers of Commerce Code of Advertising and Marketing Communication Practice (ICC Code), which was first published in 1937. The ICC Code provides guidance to a wide range of stakeholders and is the foundation of most national self-regulatory marketing codes.<sup>6</sup> 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.

In 2004, the ICC developed the Framework for Responsible Food and Beverage Marketing Communications (ICC Framework) to provide more specific guidance on how these principles should be applied in the food and beverage sector. The framework was updated in 2012 to align with the 2011 (and most recent) revision of the overarching ICC Code.<sup>7</sup>

ATNI's criterion assesses companies based on relevant guidelines drawn from the ICC Framework as well as elements of leading company policies that go beyond the ICC Framework, and input from the ATNI Expert Group. Most indicators have not changed since the 2013 assessment except for the range of media and forms of marketing the policy applies to.

Companies are assessed on various aspects of their marketing policies, including whether they:

- Have a marketing policy that applies to all consumers, across a wide range of media and forms of marketing, and in all markets in which they operate.<sup>8</sup>
- Adhere to the following guidelines from the ICC Framework:
  - To accurately represent the material characteristics of the product featured (such as its taste or any nutrition or health benefits).
  - To base the use of any health or nutrition claims on sound scientific evidence.
  - To present products in the context of a balanced diet.
  - To present products in the appropriate portion size and context (and not condone or encourage excessive consumption).
  - For food products not intended to be substitutes for meals, not to represent them as such.

- To not undermine the concept of healthy lifestyles.
- To not cite consumer taste or preference tests in a way that might imply statistical validity if there is none. Testimonials are based on well-accepted and recognized opinion from experts.
- Not to use models with a body mass index (BMI) of under 18.5.
- Publish their policies or follow a publicly available industry code.

## D2 Basis for company assessment

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The indicators within this Criteria were developed in consultation with the ATNI Expert Group due to a lack of consensus guidelines or statements from norm-setting bodies for the auditing of marketing policies that are applicable. They have not changed since the 2013 Global Index. Auditing is encouraged by similar indexes as an effective means for determining whether policies are appropriately implemented and as a way for companies to demonstrate accountability to stakeholders.

Companies are assessed as to whether they:

- Conduct internal audits, commission external audits, or are subject to an aggregate audit as part of an industry pledge.
- Disclose details of the results of these audits, particularly individual compliance levels achieved.

## Detailed results

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### Have companies committed to market their products responsibly to all consumers by adopting comprehensive best practice policies across their whole business?

#### Nutrition

- Twelve companies have codified commitments with regards to responsible marketing directed towards all consumers (rather than just children). Of these, seven have disclosed their adherence to the principles laid out in the ICC Framework. Adherence to the ICC Code is good practice.
- Only Unilever's policy goes further and demonstrates industry best practice – which its peers are encouraged to emulate – by banning the use of models with a BMI under 18.5<sup>9</sup> and making an explicit commitment to present products in the context of a balanced diet.
- Seven companies do not appear to have a policy on responsible marketing for all consumers, nor do they adhere to the ICC code. The absence of such policies calls into question any commitments to tackle obesity and diet-related chronic diseases these companies have made.
- A further two companies have policies but do not publish them, indicating poor transparency and a lack of commitment to being held accountable for their marketing practices.

- The 2016 Global Index assesses whether companies' policies apply to the following types of marketing:
  - TV & radio.
  - Company-owned websites.
  - Third-party websites.
  - DVDs/CDs/games.
  - Social media (such as Facebook or Twitter feeds of the company or brands).
  - All print media (newspapers, magazines, books and printed advertising in public places).
  - Cinema.
  - Outdoor marketing.
  - In store marketing/point-of-sales marketing.
  - Sponsorship.

Companies' commitments have been found to vary. Of the 15 companies that make commitments, seven apply to all types of marketing, while others allow marketing on some of the media and formats: Heinz, Kellogg Company, Mars and FrieslandCampina. These companies should close these loopholes.

**TABLE 4** Areas of application of companies' responsible marketing policies

	Ajinomoto	Alfa Food	Brasil Foods	Campbell	Coca-Cola	ConAgra	Danone	Ferrero	FrieslandCampina	General Mills	Lactalis	Grupo Bimbo	Heinz	Kellogg Company	Kraft	Mars	Mondelez	Nestlé	PepsiCo	Tingyi	Unilever	Wahaha
TV & radio			●				●	●	●	●			●	●		●	●	●	●		●	
Own websites			●				●	●	●	●				●		●	●	●	●		●	
Third party websites			●				●	●	●	●				●			●	●	●		●	
DVDs/CDs/Games			●				●	●	●	●				●			●	●	●		●	
Social media (Facebook or Twitter feeds of the company or brands)			●				●	●	●	●				●		●	●	●	●		●	
All print media (newspapers, magazines, books, and printed advertising in public places)			●				●	●	●	●			●	●		●	●	●	●		●	
Cinema			●				●	●	●	●			●			●	●	●	●		●	
Outdoor marketing			●				●	●	●	●						●	●	●	●		●	
In store marketing/point of sales marketing			●				●	●		●			●			●	●	●	●		●	
Sponsorship			●				●	●	●	●				●		●	●	●	●		●	

● Applies the guidelines set out by the ICC | Not filled in means no and/or not specified

### Do companies audit compliance against their responsible marketing policies and disclose the results?

#### Nutrition

- Of the companies that have commitments for responsible marketing to all consumers, six disclosed that they audit compliance with their commitments. However, five are undertaken internally as part of a company self-assessment. Only Danone commissions a third party to conduct independent external audits.
- That some companies demonstrate awareness of the need to ensure their business units adhere to their marketing principles is positive. However those companies auditing compliance are in the minority of those assessed in this Index. There is therefore a significant gap in practice both in terms of the number of companies that do not have commitments for responsible marketing to all consumers, and those with a commitment but which do not audit compliance.

#### BOX 13 LEADING PRACTICE EXAMPLE

### Independent audit of commitments on marketing to all consumers

Danone is the only company that commissions an independent audit of compliance with its marketing policy to assess whether it follows through on its strong marketing commitments. Danone is also the only company that publicly discloses audit information providing a greater degree of transparency than others.

### To what extent have companies adopted and implemented policies to deliver marketing strategies to ensure that their fortified products reach appropriate populations?

#### Undernutrition

As part of the non-scored indicator 'D3', companies were asked to what extent they had marketing strategies for fortified products. None of the companies assessed have made a commitment to develop and deliver marketing strategies to reach undernourished populations. This suggests that marketing activities to low-income consumers suffering from micronutrient deficiencies is not sufficiently prioritized. However, three companies have confidentially disclosed to ATNF that they have initiatives in place to achieve this, even if it was not in an established formal goal.

## D4+ D5 Marketing to children

Since publication of the 2013 Global Index, concerns about the relationship between the marketing of foods and beverages and children's preferences and consumption patterns have not abated, and levels of obesity, overweight and diet-related chronic disease in children have continued to rise. According to the WHO, the number of overweight or obese infants and young children (aged zero to five years) increased from 32 million globally in 1990 to 42 million in 2013. Data from the WHO indicates that the number of overweight or obese children more than doubled from four to nine million over the same period. The majority of overweight or obese children live in developing countries, where the rate of increase has been more than 30% higher than that of developed countries.<sup>10</sup>

It is widely agreed that children need special consideration with respect to marketing because they are unable to fully understand the persuasive intent of advertisements. The WHO states that, "Evidence from systematic reviews on the extent, nature and effects of food marketing to children conclude that advertising is extensive and other forms of food marketing to children are widespread across the world. Most of this marketing is for foods with a high content of saturated fats, trans fats, added sugars or salt. Evidence also shows that television advertising influences children's food preferences, purchase requests and consumption patterns."<sup>11, 12</sup>



In recognition of the power of marketing, the WHO's Strategy on Diet, Physical Activity and Health discourages messages that promote less healthy dietary practices and encourages positive, healthy messages in food and beverage advertisements aimed at children.<sup>13</sup> WHO's NCD Action Plan for 2013 - 2020 reiterates the call to member states to implement its framework of recommendations for marketing to children, as well as a step-by-step guide for implementation.<sup>14, 15, 16</sup>

A range of countries have introduced restrictions for the advertising of foods and beverages on television. These range from complete bans on any advertising during children's television programs to limiting advertising only to healthy products. Other approaches restrict the times of day and night when certain products can be advertised on television or stipulate how products must be presented in television advertisements (e.g. in the context of a balanced diet or with health promotion messages). Some governments have also introduced restrictions related to marketing in schools.<sup>17</sup>

While government regulation of marketing to children has generally been limited only to television advertising and marketing in and around schools, numerous forms of industry self-regulation have arisen that apply to other forms of media and marketing channels and which provide varying levels of guidance on responsible marketing practices.<sup>18</sup> These include codes or pledges developed by food and beverage industry associations and/or advertising or media associations such as the IFBA's Global Policy on Advertising and Marketing Communications to Children,<sup>19</sup> the EU Pledge<sup>20</sup> and the CFBAI.<sup>21</sup> Both the IFBA and EU Pledge have been strengthened since 2012 to broaden their scope to include more forms of marketing and to address marketing elements such as communications that appeal to children. The new policies come into force in 2016 and companies that adhere to these standards are expected to adjust their practices to ensure compliance by the end of 2016. The fourth edition of the CFBAI released in 2014 has made compliance with its nutrition criteria mandatory but does not change the underlying commitments.

When a company signs up to industry self-regulatory codes or pledges, it commits at a minimum to comply with all aspects of that code or pledge. These pledges vary in scope and in the restrictions that they place on companies' practices. Some companies also develop policies with more stringent standards than the pledges.

Self-regulatory codes generally restrict marketing activities to children to only healthy products. The definition used by each initiative of what constitutes a healthy product is therefore critically important to the impact of each code.<sup>22</sup> While the IFBA pledge allows companies to establish their own definitions of a healthy product (which can vary significantly), the EU Pledge and CFBAI set nutrition criteria to which their supporting companies must adhere – this is a new development since the publication of the 2013 Global Index.

Many civil society organizations that work on obesity and nutrition issues are critical of industry-led codes, claiming that they are not robust enough and are intended merely to pre-empt government regulation. Two have proposed their own standards for responsible marketing to children and these are:

- The Centre for Science in the Public Interest, which published a set of guidelines in 2005 that, "Provide criteria for marketing food to children in a manner that does not undermine children's diets or harm their health."<sup>23</sup>
- Consumers International (CI) and the International Obesity Task Force (IOTF)<sup>24</sup>, which published proposals in 2008 for how the WHO Recommendations should be put into practice.

Criteria 'D4' assesses the extent to which companies have adopted policies and/or signed up to pledges that restrict the marketing of less healthy foods and beverages to children and evaluates companies on the scope and content of these policies. Criteria 'D5' assesses whether companies follow through in implementing their policies by auditing compliance with their commitments and publishing the results.



## **D4 Basis for company assessment**

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The indicators used to assess corporate policies on marketing to children are drawn from the wide range of voluntary marketing codes, policies and pledges that currently exist. They also reflect the views of expert stakeholders about how existing codes could be improved. Given the variation in the scope and standards of these codes, the assessment also focuses on how comprehensive the content and geographic coverage of a company's policy is.

Among other issues, companies are assessed on whether they adopt comprehensive policies that restrict the marketing of less-healthy foods and beverages to children, apply these policies to all markets in which they operate, and whether those policies:

- Apply to multiple forms of media (including but not limited to TV, print media, all forms of new media, sponsorship, DVDs, CDs and games, cinema advertising, in store marketing/point of sales).
- Prohibit all advertising to children, or allow only the advertising of healthy products.
- Apply to children under-six and under-12, and strictly define what constitutes a child audience.
- Commit to support healthy diets and active lifestyles, responsible advertising techniques (including related to the use of celebrities, animated characters, toys and games), not to undermine the role of parents, and to fairly represent foods with the use of objective claims.
- Use effective tools to ensure that online marketing deters children younger than the age for which it is intended.
- Commit to responsible marketing in and near primary schools, secondary schools and other places where children gather.
- Publish their policies or follow industry codes that are publicly available.

## **D5 Basis for company assessment**

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Auditing responsible marketing commitments is encouraged by civil society organizations concerned with this issue and is also a requirement in several industry pledges and codes on marketing to children. The assessment approach in this criteria builds on these recommendations and requirements and was developed in consultation with the ATNI Expert Group. They have not changed since the 2013 Global Index, other than to ask more specifically for compliance information for traditional and new media separately.

Companies are assessed on whether they:

- Conduct internal audits, commission independent audits, or are subject to aggregate audits as part of an industry pledge.
- Have audits that are conducted annually and cover all types of media.
- Disclose details about the results of any audits for both traditional and new media.
- Commit to any needed corrective actions.

## **Detailed results**

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The strength of companies' policies is assessed by the ATNI methodology. A strong policy is one that, applies to all forms of marketing, restricts the use of certain marketing techniques to healthy products only, prohibits marketing of all products to children under-six, restricts marketing to children under-12 either to healthy products only or across all products, uses a threshold of 25% to define a child audience and applies to marketing in and near primary and secondary schools and places where children gather.

## Have companies committed to market their products responsibly to children by adopting comprehensive best-practice policies across their whole business?

### Nutrition

#### Policies

- Nineteen of the companies assessed have a commitment to responsible marketing to children. Lactalis, Wahaha and Tingyi do not. Arla and Ajinomoto's commitments are minimal, leading to near zero scores on criteria 'D4'.
- The widespread presence of in-house policies or subscriptions to one or more self-regulatory pledges demonstrates companies' acknowledgement of the importance of using responsible marketing practices when targeting children in the context of increased incidences of overweight and obese children and diet-related chronic diseases in developed and developing countries.
- Almost all of the companies that have developed a formal position on marketing to children have also committed to a set of standards established by an industry association. Companies are given credit for adhering to the following initiatives: the IFBA policy on marketing to children (global), the EU Pledge for responsible marketing of food and beverages to children (European Union) and the CFBAI (U.S.).<sup>25</sup> If their policies exceed these pledges, they are given credit for these additional commitments.
- All of these initiatives require signatories to direct marketing communications to children only when the products being advertised meet established nutritional criteria for 'healthy' products. The EU Pledge and CFBAI pledges have their own nutrition criteria, while the IFBA allows companies to set their own standards for what constitutes a 'healthy' product.

#### Scope of application of policies to media and forms of marketing

The 2016 Global Index assesses whether companies' policies on marketing to children apply to all of the following types of marketing:

- TV & radio.
- Company-owned websites.
- Third-party websites.
- DVDs/CDs/games.
- Social media (including Facebook or Twitter feeds of the company or brands).
- All print media (newspapers, magazines, books, and printed advertising in public places).
- Cinema.
- Outdoor marketing.
- In store marketing/point of sales marketing.
- Sponsorship.

Of the 17 companies that have policies or support self-regulatory pledges, only five specifically commit to apply them to all types of marketing. Other companies' policies make exceptions for various forms of marketing, as illustrated by Table 6. These companies should bring their policies into line with industry leaders by extending them to all forms of marketing.

**TABLE 5** Pledges supported

	Ajinomoto	Arla Food	Brasil Foods	Campbell	Coca-Cola	ConAgra	Danone	Ferrero	FrieslandCampina	General Mills	Lactalis	Grupo Bimbo	Heinz	Kellogg Company	Kraft	Mars	Mondelez	Nestlé	PepsiCo	Tingyi	Unilever	Wahaha
<b>IFBA</b>					•			•		•		•		•		•	•	•	•		•	
<b>CFBAI</b>				•	•	•	•	•		•				•	•	•	•	•	•		•	
<b>EU Pledge</b>					•		•	•	•	•				•		•	•	•	•		•	
<b>Own policy (in addition or instead of pledges)</b>			•	•	•		•	•	•	•			•	•		•	•	•	•		•	

**TABLE 6** Areas of application of policies of responsible marketing to children

	Ajinomoto	Arla Food	Brasil Foods	Campbell	Coca-Cola	ConAgra	Danone	Ferrero	FrieslandCampina	General Mills	Lactalis	Grupo Bimbo	Heinz	Kellogg Company	Kraft	Mars	Mondelez	Nestlé	PepsiCo	Tingyi	Unilever	Wahaha
<b>TV &amp; radio</b>			•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•		•	
<b>Company-owned websites</b>			•	•	•	•	•	•	•	•		•		•	•	•	•	•	•		•	
<b>Third party websites</b>			•	•	•	•	•	•	•	•		•		•	•	•	•	•	•		•	
<b>DVDs/CDs/Games</b>			•	•	•	•			•					•	•	•	•	•	•		•	
<b>Social media (Facebook or Twitter feeds of the company or brands)</b>			•	•	•	•		•	•	•				•	•	•	•	•	•		•	
<b>All print media (newspapers, magazines, books, and printed advertising in public places)</b>			•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•		•	
<b>Outdoor marketing</b>			•	•					•					•		•	•	•	•		•	
<b>In store marketing/point of sales marketing</b>			•										•	•		•	•				•	
<b>Sponsorship</b>			•	•	•	•			•					•		•	•	•			•	

Not filled in means no and/or not specified

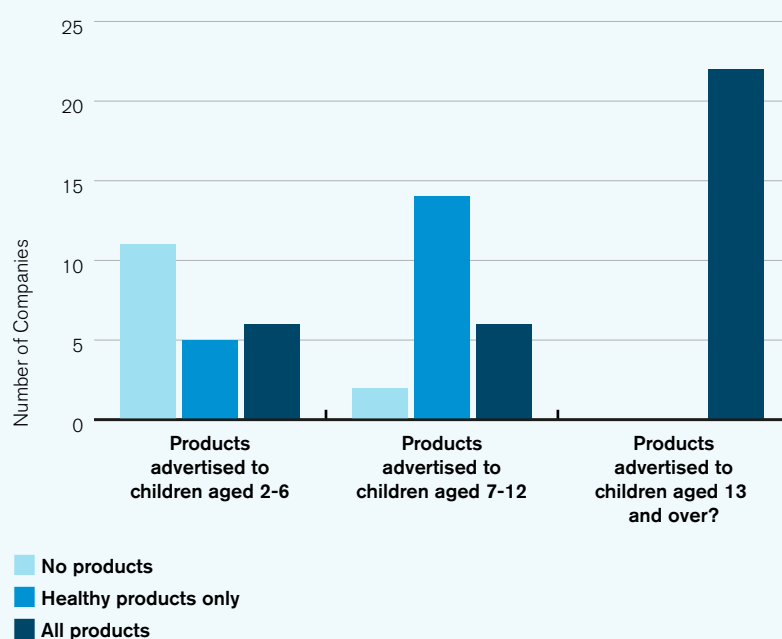


**Age restrictions and audience thresholds**

- Brasil Foods, Campbell, ConAgra, Kellogg Company, Kraft, Mars, Mondelez, Nestlé, PepsiCo, Coca-Cola, and Unilever have policies that contain commitments not to market at all to children under-six. This is a best practice that all companies should adopt. Mars, Coca-Cola and Ferrero go further and have policies not to market any products to children under-12 (where children under that age make up more than the company's audience threshold – see below).
- The majority of companies pledge only to market healthy products to children under-12. None set a higher age threshold, which is a concern for many health and nutrition experts (see Box 14).
- Companies determine whether they can market on certain media by assessing how many children make up the audience. Most frequently, companies consider a program or website to have a 'child audience' if children comprise 35% or more of the total audience. This approach is consistent with the main self-regulatory standards, including the CFBAI, EU Pledge and IFBA, to which most companies subscribe.
- Notably, however, FrieslandCampina and Mars have set higher thresholds than their peers, restricting their marketing to children to when the audience is determined to be at least 30% or 25% respectively. These two companies set an encouraging example in applying a stricter approach to ensure that children are not exposed to marketing of 'unhealthy' products; other companies should adopt the 25% threshold, considered to be best practice.

**BOX 14****Marketing to children over 13 years of age**

No company assessed has guidelines to restrict marketing to children over-12. This remains a point of concern to nutrition experts given the levels of obesity and diet-related diseases in many countries among this age group. Teenagers, while better able to critically evaluate marketing, are still susceptible to persuasive marketing. They too need to be encouraged to eat healthy diets and live active lifestyles. Moreover, media targeted at children 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 those over-13. Several organizations have called for industry pledges and company policies to be extended to older children.<sup>26</sup>

**GRAPH 5** Number of companies that advertise to children by type of product

### Use of marketing techniques

- The 2016 Global Index assesses whether companies commit to the following restrictions on the use of marketing techniques:
  - To clearly display the company name or brand name on virtual media.
  - To clearly differentiate advertising and content on virtual media.
  - Only to brand merchandise relating to healthy products.
  - Not to sponsor materials, people or activities popular with children except in conjunction with healthy products.
  - Not to use celebrities or other people with strong appeal to children other than for the marketing of healthy products.
  - Not to imply that celebrities, or others, have achieved enhanced performance or status through use of a product.
  - Not to use third-party fantasy and animated characters with strong appeal to children except in relation to healthy products, in all forms of marketing.
  - Not to use their own proprietary fantasy and animated characters with strong appeal to children except in relation to healthy products, for all forms of marketing.
  - Not to use promotional toys, games, vouchers and competitions except in relation to healthy foods.
- Mars, Coca-Cola and Ferrero commit not to market any products to children under-12 and adherence to their commitments will ensure that these marketing techniques are not used.
- The remaining companies (except the five noted above that do not have policies or only very weak statements) make different commitments, based either on the pledge(s) they support and/or their own policy.

#### BOX 15 LEADING PRACTICE EXAMPLE

### Unilever makes no exceptions of point-of-sale

Unilever is the only company with an explicit pledge to include point-of-sale advertising within the scope of its marketing to children commitments. In this regard, the company avoids the exception that is often made for the use of fantasy and animated characters which may appeal to children in the retail environment on grounds that adults are the ones who make the purchasing decision. This is an important practice, as children may still be influenced by the marketing, and, in turn, have the ability to influence adults.

- Beyond the reasonably good baseline performance of most companies, some demonstrate a more responsible approach. Unilever and Nestlé have adopted the most comprehensive standards and apply them across their whole business. For example, Unilever does not make an exception for point-of-sale or packaging materials when determining which products it can use fantasy and animated characters on.

### Use of tools to ensure that new media marketing is age-appropriate

- In general, corporate marketing commitments neglect several key areas. Only a handful of companies have a commitment to use tools to ensure that online marketing deters certain age groups. Mars takes a comprehensive approach, using age neutral screening on its own websites and social media, directing content on its own and third party websites exclusively to those 13 years of age and older, selecting third party websites for advertising that are directed to those older than 12 years of age and hiring an external agency to compile and report on demographic data of media channels, including the proportion of children in the audience.
- It should be noted that the IFBA and EU Pledge have introduced enhanced commitments on marketing to children, requiring members to implement these improvements in 2016. Only companies that demonstrated alignment with the enhanced commitments were scored against them. Among these new requirements is the responsibility of companies to take creative execution into account when designing or selecting marketing media, meaning that the design of the content used to market 'unhealthy' products to consumers in general must not appeal to children. At the time of research, only four companies adequately demonstrated that their approach aligned with elements of the commitment to creative execution.

**Marketing in and near schools**

- The issue of marketing to children in learning environments is especially sensitive; and most companies demonstrate awareness of this issue. Fifteen do not market in primary schools, but some have additional commitments. For example, IFBA members have all made a global pledge to only provide educational materials to students in primary schools when in agreement with the schools' administration. However, only two companies extend their bans to areas near schools.
- Only three companies, Kraft, Mondelez and Danone have extended a ban on marketing in schools to secondary schools, demonstrating the need for the industry as a whole to move towards best practice in restricting marketing to adolescents.

**Marketing in other places where children gather**

- Although the WHO guidelines on marketing to children recommend that commitments similar to those discussed above be extended to places where children gather, such as community centres, medical facilities and nurseries; only Danone makes such a commitment. This is a significant gap in all companies' policies, which should be remedied. The IFBA, CFBAI and EU Pledge should also extend their pledges to these locations.



## D5 Auditing and compliance with policy: Children

### Detailed results

#### BOX 16

### Companies' expenditure on marketing of healthy food

ATNI included indicators within the 2013 Index in criteria D3 and D6 that aimed to assess evidence of their prioritisation of marketing of healthy products. However, no company had objectives or targets.

During consultations, stakeholders reiterated their view that this is a particularly important topic, and encouraged ATNI to continue to measure companies' marketing expenditure on healthy foods in the 2016 Index, and, in fact, to strengthen the indicators to ask for more information. The rationale is that not only should companies make commitments to curtail marketing of less healthy products, as many have, but that they should also dedicate more spending to marketing healthy products. Greater transparency about marketing expenditure is essential to enable stakeholders to scrutinise companies' practices.

Indicators were therefore added to assess the percentage of companies' overall marketing budget allocated to healthy products, the budget allocated to marketing healthy products on different media channels, and the percentage and absolute amount by which marketing spending on these channels had increased since 2013.

However, again, very few companies were able to provide any information, explaining that they do not collate figures in this way. Because the indicators do not fit companies' general practice they were then removed from the methodology. For the next Index we will reconsider what to do with this specific topic, ATNF believes this is a very important area and that companies should begin to collate spending information by channel, and commit to reporting on it more fully in future.

### Do companies audit compliance against their policies for responsible marketing to children and disclose the results?

#### Nutrition

- The IFBA and EU Pledges commission regular independent audits by a third party to assess members' compliance with their commitments. Therefore, the 12 companies that support the IFBA and/or EU Pledge initiatives undergo these audits, demonstrating a willingness to be held to account, which is laudable. The three companies that pledge only to support the CFBAI conduct internal reviews and submit their findings to the pledge organization for assessment. In addition, the CFBAI conducts its own compliance assessments of companies' advertising, but does not commission a third party to do so. This is a less independent approach. The other two companies that make commitments (Brasil Foods and Heinz), do not indicate that they commission or undertake any form of regular auditing of compliance. They should begin to do so immediately.
- Companies are generally not very transparent about their levels of compliance on either traditional or new media. Eight companies demonstrate leading practice by disclosing their individual compliance levels. The other companies could significantly improve their transparency and demonstrate their willingness to be held accountable for compliance with their commitments by also publishing their results.

## NOTES

- <sup>1</sup> The marketing of breast-milk substitutes is not covered in this section.
- <sup>2</sup> This criterion was originally included in the 2016 Global Index methodology, with indicators that were more detailed than in the 2013 methodology. However, the research process revealed that the vast majority of companies could again not provide this information, as was the case in 2013. Therefore these indicators were not scored. See Box 16 for more information.
- <sup>3</sup> Ibid
- <sup>4</sup> <http://healthyeatingresearch.org/focus-areas/food-beverage-marketing/>
- <sup>5</sup> American Marketing Association (n.d.), Definition of marketing [online] Available at: <http://www.marketingpower.com/aboutama/pages/definitionofmarketing.aspx>
- <sup>6</sup> International Chamber of Commerce (2012), Framework for Responsible Food and Beverage Marketing Communications. Available at: <http://www.iccwbo.org/Advocacy-Codes-and-Rules/Document-centre/2012/Framework-for-Responsible-Food-and-Beverage-Marketing-Communications-2012/>
- <sup>7</sup> International Chamber of Commerce (2012), Framework for Responsible Food and Beverage Marketing Communications.. Available at: <http://www.iccwbo.org/Advocacy-Codes-and-Rules/Document-centre/2012/Framework-for-Responsible-Food-and-Beverage-Marketing-Communications-2012/>
- <sup>8</sup> The broader the geographic scope of a company's responsible marketing policy, the higher a company's scores will be in this criterion as well as in criteria 'D2' and 'D3'.
- <sup>9</sup> The body mass index (BMI) determines whether a person is over, under or a normal weight when compared to their height. It is commonly accepted that a BMI below 18.5 is underweight. The use of models below that level of weight may encourage unhealthy eating habits.
- <sup>10</sup> <http://www.who.int/end-childhood-obesity/facts/en/>
- <sup>11</sup> World Health Organization (2010), Set of recommendations on the marketing of foods and non-alcoholic beverages to children, Geneva: World Health Organization, p. 7. Available at: [http://whqlibdoc.who.int/publications/2010/9789241500210\\_eng.pdf](http://whqlibdoc.who.int/publications/2010/9789241500210_eng.pdf)
- <sup>12</sup> <http://www.uconnruddcenter.org/impact-of-marketing>
- <sup>13</sup> World Health Organization (2004), Global strategy on diet, physical activity and health. Geneva: World Health Organization. Available at: [http://www.who.int/dietphysicalactivity/strategy/eb11344/strategy\\_english\\_web/pdf](http://www.who.int/dietphysicalactivity/strategy/eb11344/strategy_english_web/pdf)
- <sup>14</sup> World Health Organization (2006), Marketing of food and non-alcoholic beverages to children: Report of a WHO forum and technical meeting, Oslo, Norway: World Health Organization, p. 1. Available at: <http://www.who.int/dietphysicalactivity/publications/Oslo%20meeting%20layout%2027%20NOVEMBER.pdf>
- <sup>15</sup> World Health Organization (2010), Set of recommendations on the marketing of foods and non-alcoholic beverages to children, p. 5.
- <sup>16</sup> World Health Organization (2012), A framework for implementing the set of recommendations on the marketing of foods and non-alcoholic beverages to children. Geneva: World Health Organization. Available at: [http://www.who.int/dietphysicalactivity/framework\\_marketing\\_food\\_to\\_children/en/](http://www.who.int/dietphysicalactivity/framework_marketing_food_to_children/en/)
- <sup>17</sup> Center for Science in the Public Interest (2007), Food marketing in other countries. Available at [http://www.cspinet.org/nutritionpolicy/foodmarketing\\_abroad.pdf](http://www.cspinet.org/nutritionpolicy/foodmarketing_abroad.pdf)
- <sup>18</sup> See Annex 4 for more information about the components of these pledges.
- <sup>19</sup> International Food and Beverage Alliance (2011) Global policy on advertising and marketing communications to children, November 2011. Available at <https://www.ifballiance.org/sites/default/files/IFBA%20Global%20Policy%20on%20Advertising%20and%20Marketing%20Communications%20to%20Children%28FINAL%2011%202011%29.pdf>
- <sup>20</sup> European Union (n.d.) EU Pledge [online] Available at: <http://www.eu-pledge.eu/>
- <sup>21</sup> The Better Business Bureau (n.d.) Children's food and beverage advertising initiative [online] Available at: <http://www.bbb.org/us/childrens-food-and-beverage-advertising-initiative/>
- <sup>22</sup> More details on how companies define which products are healthy in the context of their marketing policies, use of health claims, product reformulation efforts, and other purposes are provided in this report under Category B, on companies' use of nutrient profiling systems.
- <sup>23</sup> Center for Science in the Public Interest (2005), Guidelines for responsible food marketing to children, Washington, DC: Center for Science in the Public Interest, p.1. Available at: <http://www.cspinet.org/marketingguidelines.pdf>
- <sup>24</sup> IOTF is now called World Obesity
- <sup>25</sup> If companies pledge to support more than one pledge including the IFBA pledge, which many do, their commitments relating to the IFBA pledge are evaluated, as they apply globally. As all companies that support the EU Pledge are also signatories to the IFBA pledge (except FrieslandCampina), they have only been assessed on their IFBA commitments.
- <sup>26</sup> <http://healthyeatingresearch.org/focus-areas/food-beverage-marketing>

All links accessed November 2015.



# E Lifestyles

## Support for healthy diets and active lifestyles (2.5% of overall score)

Companies can encourage their staff to adopt healthy diets and active lifestyles by including well-designed elements relating to these topics within their broader employee health and wellness programs. In addition to other benefits, these programs can help facilitate a company culture that contributes to a greater focus on improving the company's nutrition practices. Companies should support mothers who have returned to work after having a baby to continue to breastfeed by offering suitable facilities and flexible working options. Companies can also help consumers around the world, including in populations with a high prevalence of undernutrition, to adopt healthy diets and active lifestyles by supporting education and activity programs that are designed and implemented by independent expert organizations. This Category assesses the extent to which companies support such efforts 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:

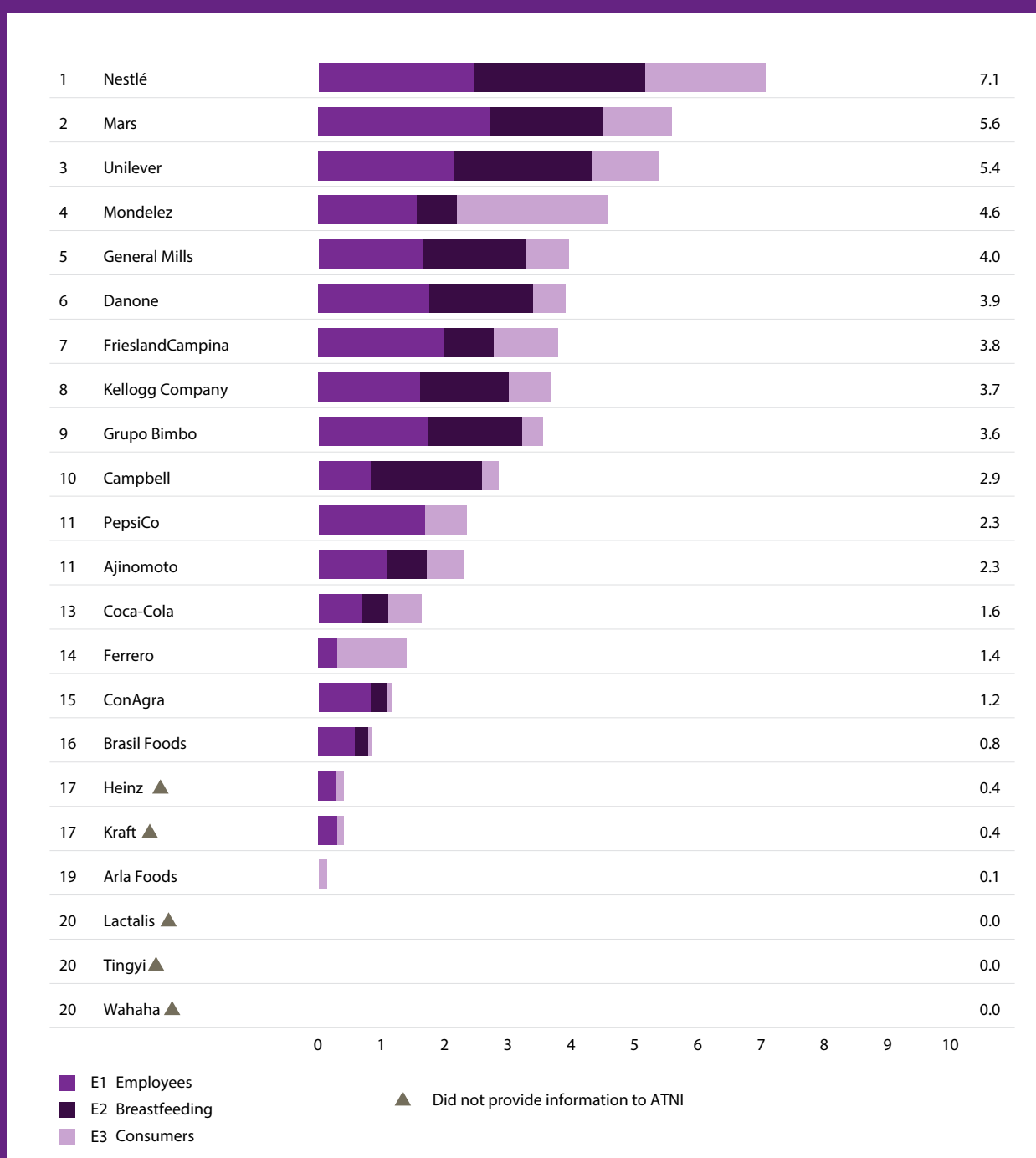
- Offer comprehensive nutrition and healthy lifestyle programs within their overall staff health and wellness programs, for all employees and their families globally.
  - Set and achieve (or exceed) targets for participation in these programs.
  - Commission independent evaluations of the health and/or business impacts of these programs, and publish these evaluations.
- Offer supportive maternity leave policies, 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 in all major markets, developed and implemented by independent organizations with relevant expertise.
  - Commit to not use brand-level sponsorship in association with these programs.
  - Commission and publish independent evaluations to assess the health impacts that these programs deliver.
  - Support third-party social marketing campaigns aimed at educating undernourished consumers (or those at risk of undernutrition) on a range of nutrition issues, including breastfeeding, the appropriate introduction of complementary foods, and the benefits of micronutrient supplementation, eating fortified products and a diverse diet.

## Changes to the methodology compared to the 2013 Global Index

E2 is a new section for the 2016 Global Index that was not assessed in 2013. It was added to the methodology to encourage companies to support the recommendations of the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) of exclusive breastfeeding for infants up to six months old and continued breastfeeding up to two years and beyond, which has substantial, proven health

benefits in the short and long term. Section E1 was strengthened principally by adding more indicators on disclosure. Section E3 was also strengthened by adding an indicator asking whether companies have a written policy and guidelines on the programs they will sponsor/fund, whether they principally support integrated programs, and on levels of disclosure.

## Results



## Key findings

- The best performer in this Category is Nestlé with a score of 7.1 out of 10, while the average score is low, at only 2.5.
- Mars rose from 17th to second place thanks to adoption of strong recent policies. Other companies that made substantial progress in Category E are FrieslandCampina, General Mills and Kellogg Company.
- Only three companies score above five; these are the only ones to demonstrate a global approach to the promotion of healthier lifestyles among employees and consumers. The remainder implement only limited activities or only support core markets.
- While some companies seem to have implemented interesting initiatives, the industry as a whole needs to devote much greater resources to developing and implementing appropriate programs to support their employees, and to support consumers through independently designed and implemented programs in pursuing active lifestyles and healthy diets.
- Category E is among the lowest-scoring category in the 2016 Global Index. This is primarily because the methodology was strengthened and changed slightly, but also because a new criteria was introduced (E2) assessing companies' support for breastfeeding mothers in the workplace.
- The leading companies changed positions, except for Unilever, which keeps its position in the top three in both editions of the Index. This is mostly due to the new criteria (E2), where the current leading companies (Nestlé, Mars and Unilever) scored well above the average, while PepsiCo and Coca-Cola (the leaders in 2013) scored 0 and 0.4, respectively, indicating limited support for breastfeeding mothers in the workplace.
- Three companies (compared to six in 2013) did not disclose any relevant information and scored zero.

### Employee-oriented programs

- Companies generally had higher scores on the assessment of their employee-oriented programs than on supporting independent, third-party programs targeting consumers.
- Similar to the findings in 2013, most companies provide staff health and wellness programs with some nutrition and activity-related elements. However, only ten companies offer these programs globally, while the others appear to limit their scope to home or major markets. Few companies set employee participation targets or identify expected health and business outcomes, and only four companies independently evaluate the health impact of the nutrition, diet and activity elements of their programs.

### Support for breastfeeding mothers

- Disclosure related to the newly introduced criteria (E2) is limited; most of the companies provided the information only under a non-disclosure agreement. Only six identified companies have a formalized commitment to providing breastfeeding mothers with appropriate working conditions and facilities at work.

### Consumer-oriented healthy diets and active lifestyle programs

- The methodology on this topic was strengthened significantly and companies scored well only if they demonstrated support for independently designed and implemented programs, as well as non-branded consumer-oriented programs.
- Fewer than half of the companies have a commitment formalized in a policy to guide their funding, or support independently designed and implemented programs oriented toward active lifestyles, as well as nutrition education and healthy diets.
- Overall, companies' approaches to supporting undernourished consumers in developing countries is poor, and only six companies scored in this area. This suggests very limited corporate support for programs that consider the nutritional needs of the most vulnerable people.

## Key recommendations

- **Demonstrate a strong commitment to support healthier lifestyles among employees:** The nine companies that have not yet done so should put in place a robust health and wellness program that incorporates nutrition, physical activity and healthy behaviors, and make it available to all employees and their family members worldwide. Companies should design these programs to deliver clear intended health and business outcomes such as mitigating sedentary lifestyles and unhealthy diets, while achieving improved efficiency and productivity.
- **Commission independent evaluations of staff health and wellness programs:** To increase their credibility and ensure that resources are being deployed wisely, companies should commission independent evaluations of these programs and make changes according to their recommendations, following the lead of Danone, FrieslandCampina, Mars and PepsiCo.
- **Report more on programs to support healthier diets and lifestyles:** Most companies could improve their disclosure regarding these programs and the evaluations commissioned.
- **Adopt best practice policies to support breastfeeding mothers and disclose more information about them:** Many agencies and governments are placing more emphasis on promoting breastfeeding in order to boost the practice where levels are low or to counter falling rates around the world (which is likely to undermine a population's health over the long term). To demonstrate their support for breastfeeding mothers in the workplace, all companies should adopt best-practice global maternity leave policies (if it is not already a statutory requirement), in order to facilitate exclusive breastfeeding in the child's first six months, which supports healthy growth and development. These policies should also enshrine a commitment to provide appropriate facilities and flexible working arrangements in all workplaces when mothers return to work. Companies should also disclose more about these efforts.
- **Demonstrate a commitment to supporting independently designed and implemented consumer-oriented programs:** Delivering effective programs at scale requires multi-stakeholder collaboration around comprehensive, integrated programs 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 (such as raising brand profile and marketing products). Companies should be more transparent about their role in any consumer-oriented programs they support and should make a commitment to not use brand-level sponsorship for these programs in order to clearly differentiate their marketing efforts from those to genuinely improve consumers' diets and levels of activity.
- **Commission independent evaluations of consumer-oriented programs 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 undertaken, 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 the abandonment of ineffective approaches.
- **Boost efforts to tackle undernutrition:** The companies assessed in this Index could play a more significant role than they currently do in alleviating poor nutrition and hunger in many parts of the world. They should dedicate much more attention and resources to developing or supporting programs to educate undernourished consumers about the value of consuming fortified food, micronutrient supplementation, appropriate complementary feeding and a diverse diet.
- **Support undernutrition programs:** Companies should sign up to undernutrition programs such as the Zero Hunger Challenge, Scaling Up Nutrition and the World Food Program to fight undernutrition.

## E1 Supporting staff health and wellness

Companies across all sectors understand the importance and benefit to their businesses of supporting their staff's efforts to have healthy diets and active lifestyles. Among the steps companies can take are to develop programs and activities focused on nutrition and activity that have clear targets and operate within corporate health and wellness programs.

Workplace health and wellness programs have been shown to yield significant financial benefits for companies that implement them. The World Business Council for Sustainable Development and the International Business Leaders Forum note in a joint publication that: "Health concerns burden corporate competitiveness through absenteeism, decrease 'on the job' productivity, and employee turnover. In high-income countries, employers often foot the bill for health insurance. Business leaders are increasingly aware of the challenges: CEOs in the U.S. ranked healthcare costs as their number one economic pressure. Workplace interventions for chronic disease control in industrialized societies have proven effective at reducing the associated costs, with an average return on investment of \$3 for each \$1 invested"<sup>1</sup> An increasing number of companies believe in the benefits of company wellness programs, as shown by the growing membership (150 members in 2013) in the Economic Forum Workplace Wellness Alliance that was established in order to strengthen workplace health and productivity.<sup>2</sup>

Not only can the companies assessed in the ATNI Global Index benefit financially from implementing effective staff and health and wellness programs, but they can also have a positive impact on the health of the millions of staff they collectively employ.

### Basis for company assessment

This assessment is based on input from the ATNI Expert Group and experience gained from various health and wellness programs. It also draws on the following publications and programs, among others:

- "The business of health - the health of business," World Business Council for Sustainable Development / International Business Leaders Forum.<sup>3</sup>
- The World Economic Forum Workplace Wellness Alliance.<sup>4</sup>
- "What's the hard return on employee wellness programs?", Harvard Business Review 2010.<sup>5</sup>
- Workwell Campaign, Business in the Community.<sup>6</sup>

Companies are assessed on whether they:

- Offer comprehensive staff health and wellness programs (including components from each of the areas shown in Table 7).
- Make these programs available to all of their employees globally and to their employees' families.
- Commission independent evaluations of the health and/or business impacts of these programs.

**TABLE 7** Components of workplace health and wellness programs

Support for healthy diets	Support for active living	Support for healthy behavior
<ul style="list-style-type: none"> <li>▪ Seminars on nutrition or diets</li> <li>▪ Online materials and support for staff on nutrition and diets</li> <li>▪ Healthy options / diet plans in cafes and/or restaurants on work sites</li> <li>▪ Dietary information on menus</li> <li>▪ Subsidized fruit / healthy snacks</li> <li>▪ Cooking master classes focused on healthy options</li> <li>▪ Links to local fresh food markets or similar</li> <li>▪ Personalized nutrition plans</li> </ul>	<ul style="list-style-type: none"> <li>▪ Gyms on work sites</li> <li>▪ Personalized exercise plans</li> <li>▪ Subsidies for off-site gym memberships</li> <li>▪ Lunchtime / work time walking or exercise clubs</li> <li>▪ On-site sports teams</li> <li>▪ Active participation in sports challenges</li> <li>▪ Encouragement to use stairs not elevators, etc.</li> <li>▪ Encouragement / facilities to walk and/or bike to work</li> <li>▪ Online resources related to healthy living and exercise</li> </ul>	<ul style="list-style-type: none"> <li>▪ Senior staff model good behavior and publicize their efforts</li> <li>▪ Health-focused welcome pack for new employees</li> <li>▪ Healthy living / nutrition campaigns regularly throughout work sites</li> <li>▪ Awards for staff making good progress</li> <li>▪ Other: counseling sessions, work/life balance sessions, etc.</li> </ul>

## Detailed results

### To what extent do companies offer comprehensive nutrition-related activities within their staff health and wellness programs and ensure that all employees can access those programs?

#### Nutrition

- Some companies' programs are not as robust as they were for the 2013 Global Index, while others demonstrate significant improvements. Fourteen companies made a commitment to support staff health and wellness through programs focused on nutrition, diet and activity, but only ten companies apply the commitment globally.
- The best performers in E1 were Mars, Nestlé, and Unilever. In 2014, Mars implemented a robust employee health and wellness program, with targets and deadlines, and clearly set out the health and business outcomes it aims to achieve.
- Five companies articulated both health and business outcomes for their programs, such as reducing time off work due to health problems, increasing the number of employees who are physically active, and improving productivity. For example, Unilever states that, "A company of healthy employees is more likely to benefit from positive work behaviors, increased engagement levels, reduced absence rates and healthcare costs, as well as increased performance and productivity." Still, the majority of companies did not articulate any expected outcomes in relation to the nutrition, diet and activity elements of their health and wellness program.
- Campbell, Mars and PepsiCo stand out as the only companies that make their wellness programs available not only to all employees, but also to family members.
- Although the level of disclosure improved compared to the 2013 Global Index, there remains room for further improvement. While the majority of companies publish a commentary on their health and wellness programs, only a few disclose quantitative or qualitative information on the outcomes of these programs.



### What evidence is there of good levels of participation in the nutrition related activities within staff health and wellness programs and of the effectiveness of those programs?

#### Nutrition

- The majority of companies have no employee participation target.
- Of the companies with targets, Ajinomoto is the only company that aims for more than 70% of employee participation in one year in its health and wellness programs.
- In terms of tracking progress on participation targets, only FrieslandCampina, Nestlé, Unilever and Grupo Bimbo report this data. On the other hand, despite the fact that Unilever met its goal to implement its 'Lamplighter' employee program in 70 countries by 2014, the company did not set a new target for participation with a deadline for achieving it.
- Only Danone, FrieslandCampina, Mars, and PepsiCo perform independent evaluations of at least one site, while more than half of all companies do not evaluate the health impact of their health and wellness programs. FrieslandCampina's 'BOEST' program is evaluated by an independent consulting and coaching company in the field of health and performance. However, no company publishes an independent evaluation of its wellness program in full, and only General Mills, Grupo Bimbo, Mars and Unilever publish summary evaluations.

## E2 Supporting breastfeeding mothers in the workplace

The WHO and UNICEF recommend that mothers exclusively breastfeed their babies for the first six months to achieve optimal growth, development and health. They also recommend continued breastfeeding until the child reaches two years or older, as well as introducing nutritionally adequate and safe complementary foods from six months.<sup>7</sup>

This recommendation is made because of the substantial short and long-term health benefits that have been demonstrated by breastfeeding. According to the WHO, these benefits include protection against gastrointestinal infections (in both developing and industrialized countries), strengthening natural immunity against infection and, if initiated within the first hour after birth, reduced newborn mortality. Breastmilk is also an important source of energy and nutrients for children aged six to 23 months and a critical source of energy and nutrients during illness (it reduces mortality among children who are malnourished). Adults who were breastfed as babies are also less likely to be overweight/obese and children and adolescents that have been breastfed perform better on intelligence tests. Finally, breastfeeding also contributes to the health and well-being of mothers, as it reduces the risk of ovarian and breast cancers and helps to space pregnancies.<sup>8</sup>

However, despite the extensive and well-proven benefits of breastfeeding, rates had been falling until about a decade ago, in both developed and developing countries, as a result of a number of societal and commercial pressures. Various campaigns and initiatives by international agencies and national organizations have started to reverse this trend. However, to reinforce this shift, the WHO has set a goal of increasing the rate of exclusive breastfeeding globally to at least 50% by 2025. Achieving this requires many stakeholders (including the private sector) to work together and play their part.

UNICEF estimates that there are around 830 million women workers in the world, many of whom return to work soon after delivering babies. A study in the U.S. found that working outside the home is related to a shorter duration of breastfeeding, and intentions to work full-time are significantly associated with lower rates of breastfeeding initiation and shorter duration.<sup>9</sup> Having to return to work prior to a baby reaching six months of age makes it harder for mothers to breastfeed their babies, as does not having the appropriate facilities at work.

Ideally women who have recently had babies should have six months maternity leave. This is particularly important for lower-paid employees who are likely to have fewer savings on which to rely during that period, and in those countries that do not offer support through state benefits such as statutory maternity pay.

Once women return to work, they need flexible working arrangements to allow them to take regular breaks to express breastmilk and secure, private, hygienic and comfortable places in which to do so. They also need refrigerators to store their breastmilk. Part-time, flexible hours and home-working options can also be extremely beneficial.

Some U.S. states and countries have passed laws requiring certain support and facilities for breastfeeding mothers, in addition to some regulatory requirements relating to maternity leave. However, most jurisdictions have not done so or have set only minimal standards. Companies should therefore voluntarily adopt global policies that guarantee the same options for new mothers in their employ everywhere. Several studies indicate that support for lactation at work benefits individual families as well as employers via improved productivity and staff loyalty, enhanced public image of the employer, and decreased absenteeism, health care costs and employee turnover.<sup>10</sup>

## Basis for company assessment

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This assessment is based on recommended practices set out in the following publications, among others:

- The International Labour Organization (ILO) Maternity Protection Convention, 2000 (No. 183).<sup>11</sup>
- The Centers for Disease Control and Prevention (CDC) Guide to Breastfeeding Interventions, U.S. Department of Health and Human Services, 2005, Shealy KR, Li R, Benton-Davis S, Grummer-Strawn LM.
- Accommodating breastfeeding employees in the workplace, (Advisory, Conciliation and Arbitration Service (Acas), U.K., 2013.
- Guidance on new legislation on breastfeeding at work, New Zealand Department of Labour.

Companies are assessed on whether they:

- Have a paid maternity leave and flexible working policies.
- Commit to provide breastfeeding mothers in all offices and facilities around the world with appropriate working conditions and facilities such as private, hygienic, safe rooms for expressing breastmilk and flexible working arrangements.
- Disclose these policies and practices.

BOX 17 LEADING PRACTICE EXAMPLE

## Support for breastfeeding mothers through paid maternity leave worldwide and facilities in all workplaces, globally

Although no company assessed provides paid maternity leave for more than six months to all employees, only Nestlé demonstrated a public commitment to provide paid maternity leave between three and six months, globally, by 2018.

Campbell and Unilever are the only companies that apply a global approach to support breastfeeding mothers in the workplace, either by providing private rooms in their offices or by allowing flexible or reduced working hours.

## Detailed results

### Do companies offer women good maternity leave policies and, when they return to work, facilities to enable them to express and store breastmilk at work?

#### Nutrition

- In this new area of the methodology, scores show that most of the companies reviewed do not publicly disclose their efforts to support breastfeeding mothers in the workplace or their maternity leave policies. Therefore, their performance for this criteria is poor. Generally, companies that engaged with our research company provided this information only on request.
- Fewer than half of the companies offer evidence of a commitment to provide breastfeeding mothers with appropriate working conditions, including maternity leave and facilities at work. Only six companies formalized this commitment in a policy.
- The maternity leave policies and the length of maternity leave available to female employees differ across countries and local legislation. Only Nestlé commits to providing paid maternity leave between three and six months to all female employees globally, and it is the only company that publicly discloses its policy.
- The majority of companies provide some facilities to support breastfeeding mothers in the workplace, such as hygienic rooms with refrigerators for storing breastmilk, work breaks to express milk and flexible working arrangements. However, this does not seem to be a global approach, in all worksites, as it is mostly only offered in headquarters and other major offices. Only Unilever provide such facilities in the workplace on a global scale.
- The level of disclosure in this area is poor. Most of the companies do not disclose either a maternity policy or how they support breastfeeding mothers within the workplace. Only four companies publish commentary about their efforts to support female employees with appropriate working conditions.

## E3 Supporting consumer-oriented healthy diets and active lifestyle programs

Many companies develop and promote their own programs focused on promoting healthy diets and active lifestyles for consumers. Companies may generate the content of these programs themselves, or may seek input from independent experts. In addition, some companies provide financial support to consumer-oriented programs that are developed and administered by independent groups with relevant expertise, including governments, professional nutrition or medical organizations, and NGOs.<sup>12</sup> In some cases, companies provide input to the content of these programs, place their logos on program materials, or promote their brands at events that support active lifestyles.

Views differ on whether and how companies should be involved in these types of programs. Some stakeholders believe that consumer-oriented programs should only be developed and administered by independent groups with relevant expertise and without any related commercial interests. They argue that the commercial interests of companies compromise their own programs, and that these programs may be utilized to promote the companies' products or to distract stakeholders from their marketing of less healthy products. On the other hand, some companies argue that having a company-run program is one way to demonstrate responsible corporate citizenship and that these programs are, in part, a response to demands to play a more active role in promoting healthy diets and active lifestyles. Others argue that companies should support or administer programs, as long as they do not serve as platforms for corporate, brand or product advertising.

Regarding efforts to address undernutrition in populations for which this is a prevalent problem, limited consumer awareness of the benefits of foods that are high in nutritional value has been a limiting factor. Companies can play a constructive role by supporting social marketing campaigns, which are an effective way of delivering messages about healthy foods to undernourished consumers. These campaigns can include activities such as posters, radio spots, theater plays, use of local musicians, and the development of a special logo that can be used to brand products that are fortified according to guidelines for the prevention of undernutrition.<sup>13</sup> Many international organizations, NGOs, governments and others are active supporters of such campaigns.<sup>14</sup>

### Basis for company assessment

No formal guidance issued by normative bodies regarding private sector activities in this area appears to be available, therefore ATNI's limited assessment is drawn from the experience of a few widely disseminated and well-regarded programs (such as EPODE<sup>15</sup>, produced by well-respected NGO the EPODE International Network) and on input from the ATNI Expert Group.

Companies are assessed on whether they:

- Have policies to commit to nutrition education/healthy programs, as well as active lifestyles for consumers and local communities.
- Support 'integrated' programs, i.e. those that incorporate nutrition, diet and activity elements that are developed and implemented by independent organizations with relevant expertise.
- Publish descriptions of the programs they support that make clear the companies' role in them.
- In addition to broader consumer education efforts about healthy diets and active lifestyles (as referenced above), commit to educate lower-income consumers at risk for, or suffering from, undernutrition about the benefits of consuming foods high in nutritional value – without reference to specific branded products – through programs designed and implemented by independent organizations.

## Detailed results

### Is there evidence that companies support comprehensive, independently designed and implemented programs to encourage consumers to eat healthy diets and have active lifestyles?

#### Nutrition

- As in 2013, while several companies have policies to guide their philanthropic funding of healthy diets / nutrition education and physical activity programs, no company discloses a policy to guide its commercial funding of these programs.
- In terms of commitments, some companies stand out. Nestlé has a commitment to align the nutrition education / healthy-diet-oriented programs it funds to national dietary guidelines. Mars has a clear policy that excludes brand-level sponsorship for both nutrition- and physical-activity-related programs. Mondelez commits to exclusively support programs developed and implemented by independent groups with relevant expertise, at a global level.
- Based on available evidence, five companies fund only programs either developed by the company or by independent groups that are 'integrated', incorporating nutrition, diet and activity elements. Ferrero, Mars, Nestlé, Coca-Cola and Unilever provide support to the well-respected EPODE International Network, which implements integrated programs in many countries.

#### BOX 18 LEADING PRACTICE EXAMPLE

### Support for programs exclusively developed by independent third-parties with relevant expertise, which are independently evaluated

Mondelez appears to be the only company that commits to exclusively support programs developed and implemented by independent groups with relevant expertise, in the areas of both healthy diets and active lifestyles. All programs supported by its foundation are implemented by third parties in such a way that the company does not direct the content or structure of the program and are independently evaluated.

This demonstrates the company's commitment to empower communities where it operates with basic education about healthy living, as well as available nutritious food targeted to consumers in need.

- Mondelez is the only company that appears to commission independent evaluations for all the programs it funds. Ferrero, Danone, Mondelez and Unilever publish some independent evaluations. However, there seems to be no improvement in the disclosure of the progress and results compared to the 2013 Global Index, since no company publishes all independent evaluations carried out for the programs they sponsor.

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

#### Undernutrition

- Two companies, Unilever and Ajinomoto, commit to support programs related to undernutrition that are developed and implemented by third parties (in addition on their own programs). However, most of the companies have no such commitments. Only Unilever publishes impact evaluations carried out for the programs it supports. Mars is also developing initiatives to educate undernourished consumers

in India.

- No company assessed clearly targets the programs it sponsors only to higher-priority developing countries. Nestlé and Unilever focus their programs aimed at undernourished consumers to both higher- and lower-priority countries, while the other companies do not appear to focus their activities in the areas where the greatest levels of undernutrition occur.
- Similar to the findings in 2013, the level of reporting related to area is limited. No company publicly discloses a policy on funding nutrition education programs for the undernourished, and most information for this criteria was provided on request during the research process.

## NOTES

<sup>1</sup> World Business Council for Sustainable Development and the International Business Leaders Forum (2006), The business of health – the health of business. Available at <http://www.wbcsd.org/pages/edocument/edocumentdetails.aspx?id=86&nosearchcontextkey=true>

<sup>2</sup> World Economic Forum (2013), The workplace wellness alliance making the right investment: Employee health and the power of metrics. first edition. [Online]. Available at: [http://www3.weforum.org/docs/WEF\\_HE\\_WorkplaceWellnessAlliance\\_Report\\_2013.pdf](http://www3.weforum.org/docs/WEF_HE_WorkplaceWellnessAlliance_Report_2013.pdf). [Accessed: 9 November 2015]. [Accessed: 9 November 2015].

<sup>3</sup> *Idem*

<sup>4</sup> *Idem 2*

<sup>5</sup> Berry L, Mirabito A, and Baun W (2010), 'What's the hard return on employee wellness programs?' Harvard Business Review 88(12), 104-12,142

<sup>6</sup> Business in the Community, (2015), Wellbeing at work. Available at: <http://www.bitc.org.uk/programmes/workwell>

<sup>7</sup> World Health Organization fact sheet, No 342, 'Infant and young child feeding', (2015). Available at: <http://www.who.int/mediacentre/factsheets/fs342/en/>

<sup>8</sup> *ibid*

<sup>9</sup> Fein SB, Roe B. 'The effect of work status on initiation and duration of breastfeeding'. American journal of public health 1998; 88 (7): 1042-6.

<sup>10</sup> Cohen, R., Mrtek, M. and Mrtek, R. (1995), Comparison of maternal absenteeism and infant illness rates among breastfeeding and formula-feeding women in two corporations. American journal of health promotion, 10(2), pp.148-153.

<sup>11</sup> C183 - Maternity protection convention, 2000 (No. 183), Convention concerning the revision of the maternity protection convention (revised), 1952 (Entry into force: 07 Feb 2002)

<sup>12</sup> Examples of such programs include: EPODE international network (n.d.), EPODE international network [online] Available at: <http://www.epode-international-network.com/>

World Heart Federation (n.d.), Available at: <http://www.world-heart-federation.org/partners/our-partners/>

<sup>13</sup> World Health Organization and Food and Agriculture Organization of the United Nations (2006), Guidelines on food fortification with micronutrients. Available at: [http://www.who.int/nutrition/publications/guide\\_food\\_fortification\\_micronutrients.pdf](http://www.who.int/nutrition/publications/guide_food_fortification_micronutrients.pdf)

<sup>14</sup> Organizations involved in running or supporting such campaigns include Helen Keller International, International council for control of iodine deficiency disorders (ICCIDD), the Manoff group, the Global Alliance for improved Nutrition (GAIN), the Micronutrient initiative, bilateral and multilateral development agencies, and international organizations such as WHO and UNICEF.

<sup>15</sup> EPODE international network (n.d.) EPODE international network [online] Available at: <http://www.epode-international-network.com/>

All links accessed November 2015.



# F Labeling

## Informative labeling and appropriate use of health and nutrition claims (15% of overall score)

One important way to help consumers choose healthy diets and the right products for them is to provide them with accurate, comprehensive and readily understandable information about the nutritional composition and potential health benefits of what they eat. This relates to nutrition labels on the back and front of packs, nutrition claims, health claims and nutritional composition information online. Everyone can benefit from this information whether they are trying to maintain a healthy weight, lose weight, manage diabetes, hypertension or similar diet-related chronic diseases, or if they are deficient in particular micronutrients. Providing nutritional information online can also help consumers to better understand the nutritional composition of products. This Category assesses companies' approaches to product labeling and their use of health and nutrition claims, particularly with respect to the consistency of their application across product portfolios, in different markets and their accordance with international standards. The assessment is divided into two criteria:

### F1 Nutrition labeling

### F2 Health and nutrition claims

To perform well in this Category, companies should (in addition to observing national standards where they exist):

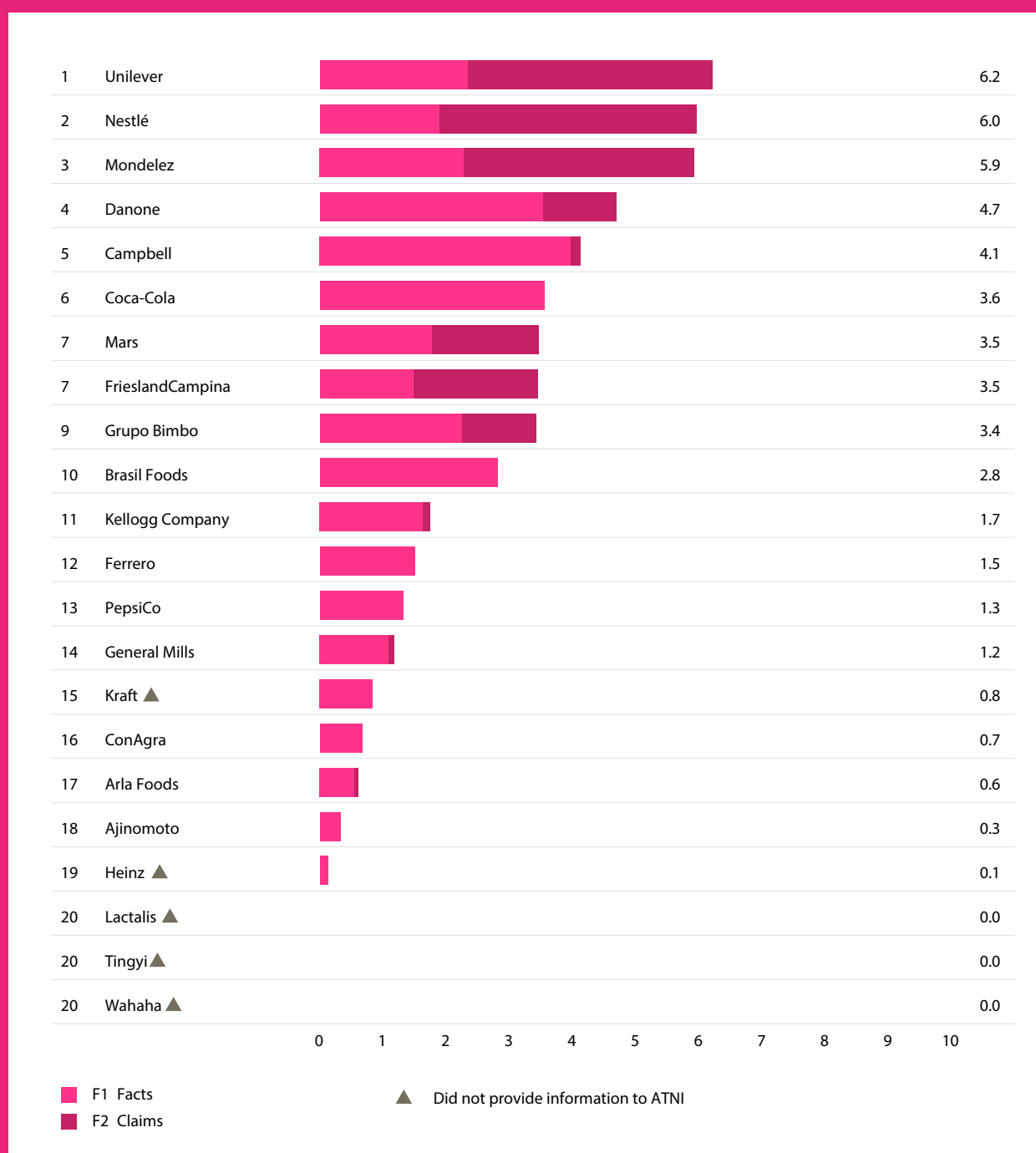
- Adopt and publish a global policy on labeling that: 1) commits to including all key nutrients on back-of-pack labels (energy, protein, total carbohydrates, total or added/free sugars, trans fat, total fat, saturated fat, dietary fiber, sodium (or salt); 2) presents this information as a percentage of guideline daily amounts or daily values; 3) provides the information appropriately for single and multiple portions; 4) commits to providing nutritional information on the front of packs in an interpretive format; and 5) commits to label the micronutrient content of all products sold in developing countries fortified with or naturally high in micronutrients.
- Have already rolled out, or plan to roll out, these labels across all markets and report on progress.
- Provide nutritional information online for all products in all markets in order to enhance consumers' access to information about what they are eating.
- 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<sup>1</sup>.

## Changes to the methodology compared to the 2013 Global Index

Some new performance and disclosure questions were added to strengthen the methodology. For example, 'In what percentage of the market has the company rolled out its full labeling policy' and, 'Does the company track the percentage of products that meet its healthy

standards and carry healthy claims.' One indicator assessing the percentage of products for which information is available online was moved from Category E to this Category.

## Results



## Key findings

- Unilever is the leader with a score of 6.2.
- Unilever, Nestlé and Mondelez all score above 5.0, demonstrating good progress towards best practice. None of these companies were placed in the top three positions in the 2013 Index. However, many companies performed poorly. Nine companies scored below 2.0 and three companies (Wahaha, Tingyi and Lactalis) did not disclose any relevant information and scored zero in this category.
- Companies that have most improved their ranking since the 2013 Index are FrieslandCampina (up 12 places), Campbell (up eight places) and Grupo Bimbo (up six places). Ajinomoto, Kraft and ConAgra all fell substantially.
- Overall, this Category remains a low scoring one, with an average score of only 2.4, showing that this is an area all companies need to pay more attention to. This is particularly the case with front-of-pack labeling and the adoption of responsible claims policies. However, 45% of companies scored above the average score in 2016, compared to 40% in 2013. This demonstrates moderate improvement across the group. Eight companies have released new policies or strengthened their practices since the last Index was published.
- Companies generally scored better in 'Labeling' (F1) than in 'Health and nutrition claims' (F2), as more have disclosed labeling commitments and practices. However, very few address health and nutrition claims in countries where their use is not regulated.
- Similar to the findings of the 2013 Global Index, most companies commit to labeling the nutritional content of their products, both back-of-pack and front-of-pack. However, only four companies commit to including all key nutrients as recommended by Codex. Two of these companies apply this commitment globally and voluntarily, rather than only committing to follow regulatory requirements in their home market, such as following U.S. Food and Drug Administration (FDA) labeling regulation.
- Ten of the companies assessed (45%) committed to comply with the International Food & Beverage Alliance's (IFBA) 'Principles for a global approach to fact-based nutrition information', showing their support to the industry's collective effort to address poor dietary intakes among consumers. However, to achieve highest score, companies need to go beyond IFBA's requirements.
- Companies with international operations fail to provide evidence of having rolled out their policies globally: Twenty out of 22 do not disclose the percentage of markets in which they have implemented labeling commitments in full. This is a concern, given that complete, objective, fact- and science-based nutrition information should be provided to all consumers in all markets. Companies are expected to go beyond the somewhat more lenient legal requirements in emerging countries to ensure that vulnerable consumers are not exposed to misleading nutritional statements.
- Few companies made commitments concerning proper labeling of fortified products in emerging markets. Only five companies scored on F1 and three on F2 illustrating that overall the industry has not adopted recommended and important practices that would help undernourished consumers in developing countries choose appropriately fortified products.

## Key recommendations

- **Adopt and publish a formal policy that commits both to full back-of-pack labeling and interpretative front-of-pack labeling:** To help consumers make informed and healthy choices, companies should adopt policies that commit to providing, on the back-of-packs: i) full, fact-based nutrition information for all key nutrients (recommended by Codex); ii) present the information as a percentage of guideline daily amounts or daily values; iii) provide the information for both single and multiple portions. On the front-of-pack, companies should commit to providing interpretative labeling using colored graphics or symbols. These are more effective than presenting numbers in a monochrome format and help consumers to correctly assess the nutritional content of a product.
- **Go beyond joint industry pledges that fall short of best practice:** Although some companies pledge to support industry initiatives (e.g. IFBA's 'Principles for a global approach to fact-based nutrition labeling' and 'Facts Up Front'), they should go further and align their own policies with international best practice.
- **Apply the policy globally:** Consumers everywhere should have the same comprehensive information made available to them about the nutritional content of foods. Companies that operate globally should apply their commitments across all markets and all products (where national regulation allows), instead of simply committing to follow national requirements (which can fall short of international standards).
- **Adopt and publish a global policy on the use of health and nutrition claims:** While in developed countries the use of health and nutrition claims is regulated, this is not the case in many developing countries. Therefore, in countries where no national regulatory system exists (or is weak), companies should commit to only placing health or nutrition claims on a product if it meets the standards set out by Codex to ensure that consumers in these countries are not misled about potential health benefits.
- **Report more on the use of health and nutrition claims:** Companies should exhibit greater accountability by disclosing more information about their use of such claims across their global portfolios and track and report on the number of products that carry these claims.
- **Publish nutrition content information for all products online:** In this digital age, many consumers look up information online. Companies should work to ensure that they provide full nutritional information on their corporate or brands' websites, in an easily accessible way.
- **Label foods high in micronutrients:** For fortified foods developed for those with micronutrient deficiencies in emerging markets companies should commit to providing information about the micronutrients within those products. This will help consumers to make more informed choices that address their specific health and nutritional needs.

## F1 Product labeling

The WHO 'Strategy on Diet, Physical Activity and Health' states that consumers require accurate, standardized and comprehensible information on the content of food items in order to make healthy choices.

Nutrition information is provided on product packages in two ways:

- Back-of-pack (BOP) labels that list the nutrient content of products.
- Front-of-pack (FOP) labels that typically provide summary quantitative information about levels of key components of the products (generally based on what is provided on the back of packages).

BOP labels in the U.S., Europe, and many other markets tend to be comprehensive, though national requirements may vary. In general, these labels are fairly detailed and cover all key nutrients included in Codex standards.

However, they are generally quantitative and can be difficult for consumers to interpret quickly and easily, particularly when they are making purchasing decisions based on the relative healthiness of different products. Most consumers have expressed a preference for labels that are easier to interpret and several studies have indicated that putting summary nutritional information on FOP labels can be more helpful to consumers than BOP labeling.

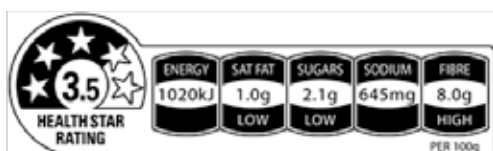
**FIGURE 1** UK Food Standards Agency sponsored system



Source: Food Standards Agency

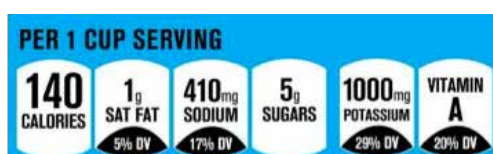
Several countries now have voluntary FOP labeling systems in place. Although there is some debate about which format is most effective in positively influencing consumers' buying decisions, those governments that have introduced voluntary FOP labels have chosen different interpretative systems. The EU has not mandated FOP labeling (though it does have rules about such labels if they are used) but some member countries have adopted voluntary systems. For example, the UK Government recommends the use of the 'traffic light' system (Figure 1) developed by the UK Food Standards Agency. Many manufacturers and retailers in the UK have subsequently adopted this system. The voluntary Health Star Rating system adopted by Australia and New Zealand in 2014 is shown in Figure 2.

**FIGURE 2** Australian Health Star Rating system



Experts in the US also support an interpretative format. An Institute of Medicine committee tasked by Congress to analyse types of FOP labels and consumers' understanding of them stated in its final report in 2011, "It is time for a move away from front-of-package systems that mostly provide nutrition information on foods or beverages but don't give clear guidance about their healthfulness, and toward one that encourages healthier choices through simplicity, visual clarity, and the ability to convey meaning without written information." The final report recommended that "The Food and Drug Administration develop, test, and implement a single, standard FOP symbol system to appear on all food and beverage products, in place of other systems already in use."<sup>2</sup> However, the FDA has not mandated FOP labeling. Instead, the industry has developed its own self-regulatory FOP labeling system called 'Facts up Front' through a joint initiative of the Grocery Manufacturers Association and the Food Marketing Institute. This system was rolled out during 2012 and is now widely used by many companies. This is a step forwards but only presents the information in statistics and without any interpretative elements, as shown in Figure 3.

**FIGURE 3** US Industry-developed voluntary 'Facts up Front' label format



In addition to full nutrition labeling for major micronutrients and food components, it is important that companies properly label any products that are naturally high in micronutrients or which have been fortified for specific populations with particular micronutrient deficiencies in developing countries. Clear and consistent labeling, particularly when backed by other initiatives, such as social marketing programs, can help to educate undernourished consumers and encourage their consumption of products both naturally high in micronutrients and those which are fortified.

Many FOP logos have been developed in recent years by companies and other entities in several markets which designate whether a product is 'healthy' or benefits health in certain ways, however ATNI does not assess corporate use of these in this Index.

## Basis for company assessment

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The ATNI Global Index evaluates companies' practices around the world. As such, it is not appropriate to base the assessment in this criterion on any one country's labeling legislation, guidance or accepted practices. In addition, it is not feasible for ATNI to assess whether companies are complying with multiple countries' regulations on labeling. Accordingly, this criterion focuses on companies' own policies and commitments rather than simply their compliance with government regulations.

The assessment approach is based on input from the ATNI Expert Group, and the indicators related to BOP labeling are based primarily on Codex guidance on food labeling. Codex sets out the international consensus view on labeling packaged foods with nutrition information, and is designed to provide national governments with guidance on how to structure their own regulations. Codex states that a product's energy value and certain nutrients should be included on its label, especially when a nutrition or health claim is made. It defines terms and explains how information should be expressed (e.g. with respect to standard weights or volumes, in relation to portion, serving or package size, and in relation to nutrient reference values). It also recommends which information should be mandatory and voluntary, and describes presentational aspects of labels (energy, protein, carbohydrates, saturated fat, sodium and total sugars).<sup>3</sup>

Companies are assessed on whether they:

- State commitments to disclose nutritional information on both FOP and BOP labels, and the geographic scope of these commitments.
- Commit to provide information on BOP labels on all key nutrients as recommended by Codex,<sup>4</sup> as well as on trans fats<sup>5</sup> and fiber,<sup>6</sup> and to state this information on a per serving or per portion size basis relative to daily values<sup>7</sup> or guideline daily amounts.<sup>8</sup>
- Commit to provide nutrition information on FOP labels, ideally in an interpretative format.
- Publish their commitments on nutrition labeling.
- With respect to undernutrition, commit to labeling products that are fortified with micronutrients and targeted at consumers at risk of undernutrition, and disclose details on these commitments.



## Detailed results

### To what extent have companies adopted best practice BOP and FOP labeling policies that apply globally?

#### BOX 19

### Key elements of IFBA's 'Principles for a global approach to fact-based nutrition information'

International Food and Beverage Alliance's member companies commit to provide the following nutrition information, in line with national regulations and guidance, and where such regulations and guidance do not exist, in line with Codex Alimentarius guidelines for nutrition labeling:

On the back-of-pack (BOP) or side panel, per 100g/ml or per serving:

- Energy (as calories, kilocalories and/or kilojoules), protein, total fat, saturated fat, total (available) carbohydrate, total sugars and sodium/salt.
- Whenever practicable, the contribution to the diet as a percentage of the daily reference intake guidance for the above key nutrients.

On the front-of-pack (FOP):

- Energy value (as calories, kilocalories and/or kilojoules) per serving.
- 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.

In addition, information is provided about any other nutrients wherever relevant and practical, and to evidence a particular nutrition or health claim.

Limitations of IFBA's labeling principles:

- They do not require BOP labeling for two key nutrients: trans fat and dietary fiber.
- They do not require a clear commitment to state the number of portions or servings contained in the package (i.e. nutrition information for both single and multiple portion).
- For FOP labels, companies are only required to provide numeric information rather than using an interpretative format.

#### Nutrition

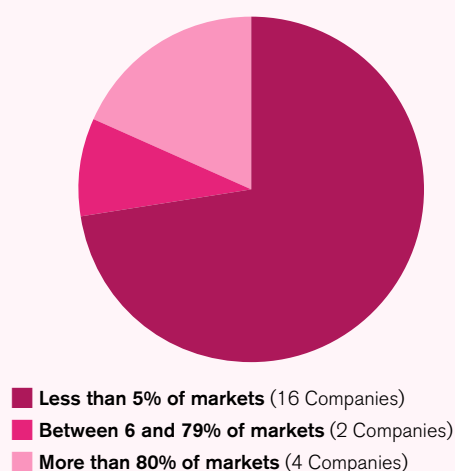
- Some companies demonstrate progress against some indicators in the 2013 Global Index. For example, Mars and FrieslandCampina have improved their policies and delivery against their commitments. Mars published its 'Fortification and Nutrient Claims Policy' in June 2015 and FrieslandCampina improved its policy in 2014.
- The majority of companies have committed to disclose some nutritional information on their products, both on BOP and FOP labels, and to providing information on the quantity of nutrients as a percentage of the Guideline Daily Amounts or similar.
- Although BOP labeling is regulated and mandatory in many developed countries, it does not always require companies to disclose all nutrients that Codex recommends. Moreover, many developing countries do not have similar requirements. Companies do not always demonstrate a commitment to provide consumers with this type of nutrition information across all countries. Only Arla, ConAgra, Campbell, and Mars commit to including all key nutrients assessed on their labels (as seen in Table 8). ConAgra and Campbell apply these commitments in the U.S. only, as required by national regulation, while Arla and Mars demonstrate leading practice by applying these commitments globally and voluntarily.
- Ajinomoto, Brasil Foods, Heinz and Kraft commit to providing some nutrition information on BOP labels but do not provide the specific list of nutrients covered by their policy.
- IFBA members commit to comply with IFBA's 'Principles for a global approach to fact-based nutrition labeling', across their entire portfolios by the end of 2016. However, while IFBA requires BOP nutrition information for most of the key nutrients, and FOP information to be presented as a percentage of recommended daily intake, IFBA's principles do not fully align with best practice, as explained in Box 19.
- Almost 70% of companies commit to provide nutritional information in a simple non-numerical manner on the FOP. However, no company commits to using an interpretative format on the FOP, rather than just a numerical format.

TABLE 8 Key nutrients on which companies commit to provide nutrition information on the back of pack

	Energy/ calories	Protein	Carbohydrates	Total Sugars	Transfat	Total Fat	Saturated Fat	Dietary Fiber	Sodium/ Salt
Ajinomoto									
Arla	•	•	•	•	•	•	•	•	•
Brasil Foods									
Campbell	•	•	•	•	•	•	•	•	•
Coca-Cola*	•	•	•	•		•	•		•
ConAgra	•	•	•	•	•	•	•	•	•
Danone	•	•	•	•		•	•	•	•
Ferrero*	•	•	•	•		•	•		•
FrieslandCampina	•	•	•	•		•	•		•
General Mills*	•	•	•	•		•	•		•
Grupo Bimbo*	•	•	•	•		•	•		•
Heinz									
Kellogg Company*	•	•	•	•		•	•		•
Kraft									
Lactalis									
Mars*	•	•	•	•	•	•	•	•	•
Mondelez*	•	•	•	•		•	•		•
Nestlé*	•	•	•	•		•	•	•	•
PepsiCo*	•	•	•	•		•	•		•
Tingyi									
Unilever*	•	•	•	•		•	•	•	•
Wahaha									

\* IFBA member

**GRAPH 6** Market scope of full application of labeling commitments by companies



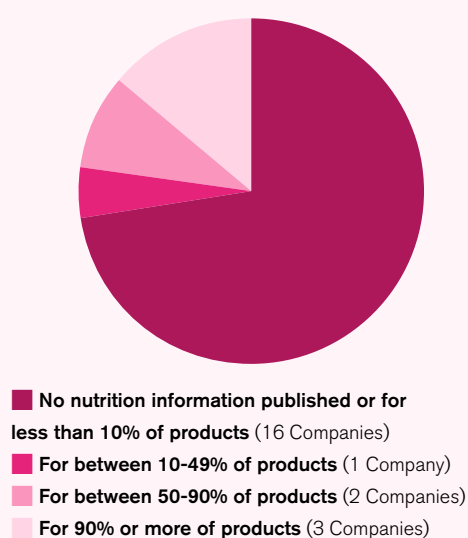
- Only four companies (Brasil Foods, Campbell, Danone, and Coca-Cola) have rolled out their full labeling commitments in more than 80% of their markets. Only Brasil Foods and PepsiCo clearly disclose this information, while other companies report the data in a different way, either per product portfolio, or per partial labeling. For example, Unilever states that more than 60% of its portfolio carries all elements it has committed to, and Grupo Bimbo states that approximately 60% of products have information “on the matter of Guideline Daily Amounts (GDAs)”.

### To what extent do companies provide consumers with nutrition information online?

#### Nutrition

- Only Campbell, General Mills and Kellogg Company demonstrated that they provide nutrition information online for 90% or more of all products worldwide. Ajinomoto and Grupo Bimbo provide nutrition information for less than 90% of products. Although other companies also provide nutrition information online, they could not provide a figure for the proportion of products covered.

**GRAPH 7** Scope of nutrition information provided online



### To what extent do companies properly label fortified products?

#### Undernutrition

- Only Mondelez, FrieslandCampina, Mars, and Nestlé commit to labeling products that either have naturally high levels of micronutrients or that have been fortified with micronutrients for all markets. Mars and Nestlé stand out, as the only companies that publicly disclose their policy on nutrient fortification and labeling.

## F2 Use of nutrition and health claims

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Health and nutrition claims are designed to help consumers choose food and beverages that have (or do not have) specific levels of nutrients or ingredients in them. They can also be aimed at helping consumers manage certain health conditions such as high cholesterol or diabetes. This requires companies to use health and nutrition claims responsibly, particularly in markets where claims are poorly regulated or not regulated at all. Use of nutrition claims without reference to any standards, and use of unapproved health claims, can be misleading to consumers and hinder their ability to make informed purchasing choices.

Nutrition claims highlight products that are a good source of a nutrient that may be beneficial to a consumer's health, such as calcium. They might also indicate a specific vitamin, or a better source of a vitamin or nutrient relative to other foods within the category. These claims are also used to highlight products that have low or lower levels of items for which guidelines recommend reduced consumption, such as salt/sodium, trans fats, saturated fats or sugar. Most major high-income countries regulate the use of nutrition claims, setting out guidance on the maximum or minimum levels of nutrients that must be present to be able to use such a claim on a product.

Health claims are, "Any representation that states, suggests, or implies that a relationship exists between a food or a constituent of that food and health."<sup>9</sup> Health claims are designed to help consumers choose foods that reduce the risk of disease, manage a health condition or improve their health. For instance, a health claim on a product may state that it can reduce the risk of heart disease, high blood pressure or osteoporosis, or improve digestive health.

Some countries and markets have been strengthening their regulatory systems with respect to health and nutrition claims, though regulation of such claims varies substantially around the world, and many lower income countries currently do not regulate their use. Codex has a set of guidelines for the use of health and nutrition claims.<sup>10</sup> This guidance defines terms and states conditions under which various claims can be used. It also notes that claims should be consistent with national policies on health and nutrition. In addition, in 2006, the EU adopted new regulation on health and nutrition claims that, for the first time, created a set of harmonized rules across the region.<sup>11</sup> In the U.S, the FDA is responsible for regulating health and nutrition claims and specific types of health and nutrition claims face additional scrutiny. For instance, those related to foods for infants and young children are generally not allowed unless specifically provided for in Codex or national legislation.<sup>12</sup>

### Basis for company assessment

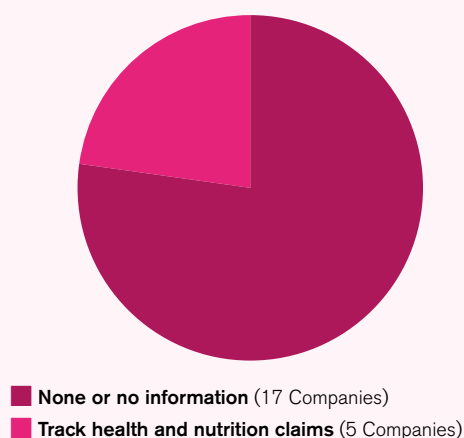
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Where regulatory regimes exist, governments control and enforce the use of health and nutrition claims. This criterion is therefore concerned primarily with companies' use of such claims outside of regulated markets. The indicators are based on input from the ATNI Expert Group and on Codex guidance on the use of health and nutrition claims.

Companies are assessed on whether they:

- Have policies that state that, in countries where no national regulatory system exists, they will only use health and nutrition claims when those claims comply with Codex guidance.
- Disclose their commitments on using health and nutrition claims.
- Track and disclose the number of products that carry health or nutrition claims.
- Disclose if complaints have been upheld against them on the misuse of health or nutrition claims in any market.

**GRAPH 8** Companies that track health and nutrition claims of products that meet their healthy standard



## To what extent do companies follow best-practice policies controlling their use of health and nutrition claims across their whole business?

### Nutrition

- In general, companies provide little information on the use of health and nutrition claims and state that they comply broadly with national regulations when determining whether to put a claim on a particular product. Few companies commit to follow Codex guidance on the use of claims in markets where there is no regulation.
- Only four companies – Danone, Grupo Bimbo, Kellogg Company, and Mars – publicly disclose their commitments to use health and content nutrition claims. Only six companies stated that they will place a health or nutrition claim on a product when it complies with Codex for countries where no national regulatory system exists.
- Danone, FrieslandCampina, Nestlé and Unilever demonstrated that they track the number of products that meet their healthy standard and also carry health and nutrition claims.

## To what extent do companies place claims on fortified products in developing countries only when they comply with Codex standards?

### Undernutrition

- As found in the 2013 Index, corporate disclosure is very poor with regard to their use of claims on fortified products. Based on available evidence, only four companies commit to using nutrition or health claims on products that have been fortified only when they comply with Codex standards.
- Mars and Nestlé are the only companies assessed that publicly disclose their policies on micronutrient fortification and the use of health and nutrition claims.
- The labeling and use of claims for fortified products aimed at undernourished people in developing countries needs to be improved by the majority of companies, as there is very little disclosure and poor performance among most of the companies assessed.

## NOTES

- <sup>1</sup> Codex standard CAC/GL 23-1997, amended most recently in 2013.
- <sup>2</sup> IOM (Institute of Medicine). 2012. Front-of-package nutrition rating systems and symbols: Promoting healthier choices. Washington, D.C.: The national academies press.
- <sup>3</sup> World Health Organization and Food and Agriculture Organization of the United Nations (2011), Codex alimentarius: Guidelines on nutrition labeling. Available at <http://www.codexalimentarius.org/>
- <sup>4</sup> Ibid., p. 2.
- <sup>5</sup> Not currently in the main list of nutrients that should be included in a mandatory declaration, though in countries where trans fats are a public health concern, they are encouraged to be considered for inclusion.
- <sup>6</sup> Not currently recommended by Codex but recommended for inclusion in ATNI's assessment by the ATNI Expert Group.
- <sup>7</sup> National Institute of Health, U.S. (n.d.), Daily values [online] Available at: <http://ods.od.nih.gov/HealthInformation/dailyvalues.aspx>
- <sup>8</sup> Food and Drink Federation, U.K. (n.d.), GDAs explained [online] Available at: <http://www.gdalabel.org.uk/gda/explained.aspx>
- <sup>9</sup> World Health Organization and Food and Agriculture Organization of the United Nations (2012), Codex alimentarius: Guidelines for use of nutrition and health claims, p.1. Available at <http://www.codexalimentarius.org>
- <sup>10</sup> Ibid.
- <sup>11</sup> European Commission (n.d.), Health and nutrition claims [online] Available at: [http://ec.europa.eu/food/food/labelingnutrition/claims/index\\_en.htm](http://ec.europa.eu/food/food/labelingnutrition/claims/index_en.htm)
- <sup>12</sup> World Health Assembly (2010), Resolution 63.23: Infant and young child nutrition. Available at: [http://apps.who.int/gb/ebwha/pdf\\_files/WHA63/A63\\_R23-en.pdf](http://apps.who.int/gb/ebwha/pdf_files/WHA63/A63_R23-en.pdf)

All links accessed November 2015.





# G Engagement

## Engagement with governments, policymakers and other stakeholders (5% of overall score)

Companies can have a significant impact on consumers' access to healthy foods by lobbying governments and policymakers on key nutrition issues and by making financial contributions to governments and lobbying bodies. This can relate to the adoption or revision of regulations on product labeling, use of nutrition content and health claims, soda or fat taxes, or, with respect to undernutrition, on import tariffs for fortified products or adoption of national fortification strategies. Transparency of these lobby activities is essential so other stakeholders can understand the positions companies are taking.

In addition, constructive engagement by companies with a wide range of other stakeholders (including international organizations, civil society and academia) should be used to inform corporate nutrition strategies, policies and practices.

This Category focuses on companies' engagement with governmental and non-governmental stakeholders on corporate nutrition practices and nutrition-related issues.

Companies are assessed under two criteria:

### **G1** Lobbying and influencing governments and policymakers

### **G2** Stakeholder engagement

To perform well in this Category, companies should:

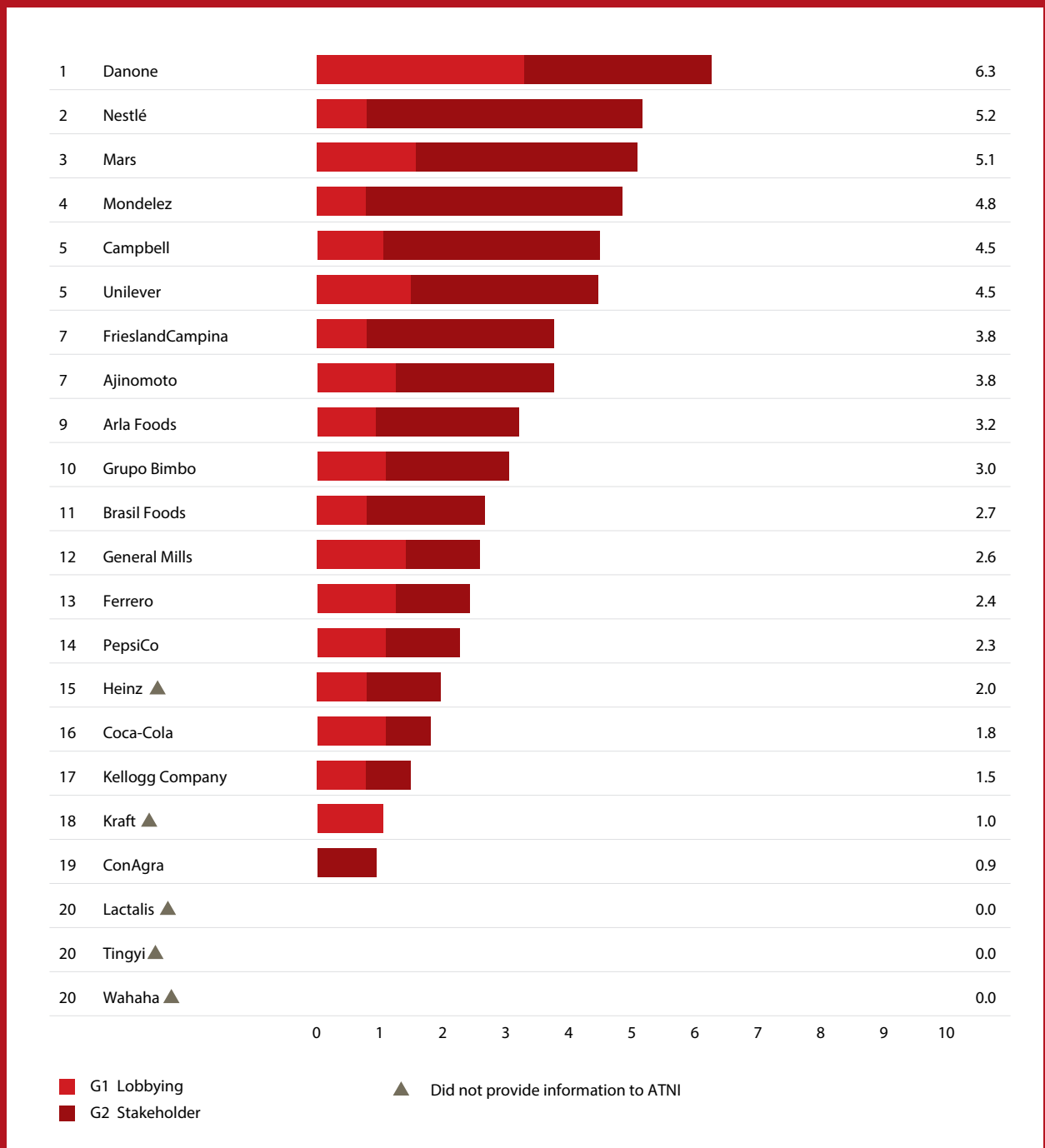
- Publish a policy on lobbying in a Code of Business Ethics, or similar format, which clearly extends to lobbying on nutrition issues.
- Disclose fully, on a global basis, their lobbying activities, including their positions on nutrition issues and their membership and funding of industry associations and lobbying organizations.
- Disclose any Board seats on such bodies and any potential governance conflicts of interest (or state that none exist).
- Commit to playing an active part in supporting the efforts of developing country governments to address undernutrition, and publish examples of such activities.
- Demonstrate a comprehensive, structured approach, following the AA1000 Standard (see Box 21).
- Provide evidence of extensive engagement with stakeholders to address both obesity and undernutrition on a global basis.
- Report on how the input received through stakeholder engagement is used to improve the company's strategies, policies and/or practices.

## Changes to the methodology compared to the 2013 Global Index

The structure, number and wording of indicators in this Category remained practically the same as 2013. One new indicator on companies' involvement in supporting governments to introduce policies or regulations on

fighting undernutrition in developing countries was introduced in G1. One indicator on whether companies follow the AA1000 Standard to structure their stakeholder engagement was introduced in G2.

## Results



## Key findings

- Danone is the leader in this Category, scoring 6.3 and leading other companies by a significant margin. This marks a departure from the 2013 Global Index, in which three companies were tied with the highest score. Nestlé did best on 'G2: Stakeholder engagement'.
- Of the 19 companies that have commitments and/or programs in place, all except two took relevant steps with regards to engaging both government and stakeholders. FrieslandCampina, Mars and Campbell improved most in the rankings.
- 77% of companies had either commitments or activities for both engagement with governments and stakeholders. Three companies have no commitments or activities, and only two companies have commitments and activities exclusively related to engagement with governments or stakeholders.
- Similar to the findings in 2013, companies demonstrated stronger performance on engagement with nutrition stakeholders compared to lobbying and engagement with government. However, scores for both were very low, on average: 1.8 on 'stakeholder engagement' (G2) versus 1.0 on 'lobbying and influencing governments and policymakers' (G1). Many more companies disclosed information about their nutrition stakeholder engagement than about government engagement.
- Companies slightly improved their performance on lobbying and engagement since 2013. Programs that existed in 2013 continued to expand and mature, with more robust accompanying disclosures. Generally however, companies did not demonstrate evidence of adopting policies in areas that focus on key nutrition issues.
- Specific policy positions were rarely disclosed. Although high-level lobbying or business ethics policies were in place at most companies, very little information on lobbying positions was published.
- Companies do not appear to be generally involved or cooperating with policy formation in this area with governments of developing countries. Danone, Ajinomoto, and Unilever were the only three companies of the 22 assessed that were able to provide examples of engagement with developing world governments on undernutrition issues.
- Too often, reporting provides only a general discussion of lobbying and engagement with no clear sense of the extent to which companies are using engagement with governments and other stakeholders to inform their nutrition and undernutrition strategies. Most companies still seem to view engagement activities as principally public relations (PR) exercises, i.e. a way in which to promote their activities, rather than a means to strengthen their nutrition-related business and philanthropic strategies. Only a few companies have adopted the comprehensive AA1000 engagement standard.

## Key recommendations

- **Adopt and disclose clear policies on lobbying:** Companies need to adopt clear policies to guide their lobbying activity related to nutrition and undernutrition issues. These need to support regulatory and policy initiatives that encourage good nutrition and not undermine efforts to improve diets and health. While many companies disclose a position on lobbying in general, very few address nutrition and undernutrition issues therein. A clear policy strengthens organizational accountability around lobbying activities.
- **Improve disclosure, particularly with regards to lobbying activities:** This gap was identified in the 2013 Index and remains apparent. Companies could be more transparent about their support for, involvement in, and financial contributions to industry associations and lobbying organizations. While some companies are legally required to provide a baseline of information on lobbying in countries such as the U.S., all companies should provide this information globally to allow stakeholders to examine the role they are playing.
- **Make lobbying positions on key nutrition issues public:** All companies should enhance disclosure on how their lobbying activities relate to tackling obesity and diet-related chronic diseases. This includes ambitions related to responsible marketing and labeling, so that all stakeholders can understand the positions they are taking in their dialogue with regulatory authorities.
- **Enhance policy cooperation with governments of developing countries:** All companies need to significantly boost their engagement and offer greater support to governments in developing countries that are trying to address undernutrition. When undertaking either commercial or philanthropic undernutrition-focused projects, companies should work to support the goals of local governments.
- **Implement the AA1000 standard in stakeholder engagements:** A clear gap remains in translating stakeholder engagement activities into organizational change, a shortcoming also identified in 2013. Few companies follow the AA1000 standard, which provides a structure for conducting thorough and effective stakeholder consultation. This is particularly relevant for low-scoring companies with underdeveloped consultation programs, as the AA1000 standard clearly sets out the scope and framework of a best practice program, along with practical implementation guidelines.
- **Formally integrate stakeholder engagement into business development:** By including a stakeholder insight and issue gathering phase when developing new strategies and initiatives, companies can assemble valuable information on potential risks and opportunities and understand how others are tackling similar challenges.
- **Demonstrate how stakeholder dialogue has influenced business decisions:** This should be the primary purpose of engagement. A critical next step for many companies is not only to ensure that their engagement is designed in such a way as to generate valuable insights to influence strategy and practice, but to report clearly on how they have done so.

# G1 Lobbying and influencing governments and policymakers

Assessing corporate lobbying activities and interaction with policymakers on nutrition issues presents several challenges. Much of this activity occurs privately and is not subject to mandatory disclosure in most countries. Moreover, a lobbying position that one stakeholder may view as injurious to improving consumers' access to nutrition might be seen by another as supportive of that goal.<sup>1</sup> As a result, companies are not assessed on the actual positions that they take on nutrition issues, but on their level of disclosure on these positions.

## Basis for company assessment

Requirements for registration or disclosure of companies' lobbying activities differ by country. In the absence of consensus guidelines or statements from norm-setting bodies, our assessment approach (developed in consultation with the ATNI Expert Group) incorporates existing good corporate practices and parallels the approach used by other indexes and rating systems that assess companies' lobbying efforts in other sectors<sup>2</sup>.

Companies are assessed on whether they:

- Disclose a formal policy that guides engagement with governments, policymakers and donations.
- Disclose membership of industry associations, lobbyists (individuals or groups), think tanks, interest groups or other organizations that lobby on its behalf. Also disclose financial support for these organizations, Board seats at industry associations and advisory bodies and potential conflicts of interest.
- Disclose information about lobbying activity globally.
- Disclose policy positions on key nutrition issues and their memberships of industry associations and lobbying groups.
- Commit to support government efforts to address undernutrition.
- Disclose a commentary lobbying efforts related to undernutrition.

## Detailed results

### Is there evidence that companies have comprehensive policies and disclosure related to lobbying and engagement with governments on obesity and diet-related chronic diseases?

#### Nutrition

- Most companies disclosed some information on their lobbying activities, but very rarely was this linked to health and nutrition. Eighteen of the 22 assessed companies disclosed a lobbying or business ethics policy, but few companies discussed their lobbying activities related to nutrition issues.
- Only Unilever and Mars disclosed their public policy positions on labeling. Other companies did not disclose their public policy positions on related health issues such as health and nutrition claims, front-of-pack labeling, child-directed marketing or nutrition-related fiscal instruments. This makes it difficult for other stakeholders to understand companies' positions on these issues and whether they are lobbying in support or against particular regulatory or policy proposals.
- Performance in this area was therefore low overall, with Danone the highest performer by a significant margin compared to peers due primarily to its fuller disclosure. Compared to 2013, disclosure generally remains poor across the assessed companies.

## Is there evidence that companies play an active part in supporting developing country governments in addressing undernutrition?

### Undernutrition

- In assessing both formal commitments to support government efforts and specific examples of related efforts, companies were found to disclose minimal information.
- Danone, Ajinomoto, and Unilever were the only three companies of the 22 assessed that were able to provide examples of engagement with governments on undernutrition issues. Much of this engagement is at an aggregate industry level, via industry association or NGO participation, rather than directly between the companies and governments.

### BOX 20 LEADING PRACTICE EXAMPLE

## Commitment to engage with governments on undernutrition issues

Danone was the only company that made an explicit commitment to support the efforts of governments to tackle undernutrition. For example, engagement with governments is a key element of the company's market research to underpin its product development program ('Nutriplanet') and understand and map local health needs related to undernutrition.

## G2 Stakeholder engagement

Companies have numerous stakeholders, and engaging with and responding to them presents a challenge. The AA1000 Stakeholder Engagement Standard developed by AccountAbility is a global standard designed for companies to use to structure and undertake comprehensive and effective engagement.

### Basis for company assessment

The approach to company assessment for this section is based primarily on the AA1000 Stakeholder Engagement Standard. It evaluates standard elements of good corporate practice in stakeholder engagement and parallels the approach used by other indexes and rating systems that evaluate companies' stakeholder engagement practices in other sectors.

Companies are assessed on whether they:

- Clearly set out their approach to stakeholder engagement and compliance with the AA1000 standard.
- Conduct comprehensive, well-structured engagement focused on improving business strategy and performance.
- Provide evidence of extensive engagement with international organizations and local organizations with specialist knowledge of nutrition issues.
- Provide examples of how engagement has been used to change policies or practices.
- Provide evidence of engagement with relevant organizations on undernutrition.
- Provide a narrative on their engagement with stakeholders on undernutrition.

### BOX 21

## The AA1000 Stakeholder Engagement Standard

This industry standard developed by independent organization AccountAbility sets out best practice guidelines for developing and conducting effective and responsible stakeholder engagement. It addresses organizational commitments, scoping and integration with company practices, as well as guidelines to assist in engagement planning, execution, feedback implementation and effectiveness review.

To engage effectively with stakeholders, this standard recommends that companies first map out relevant groups and determine the appropriate type, level and frequency of engagement with each. Thereafter, companies should develop a systematic approach to engagement and report regularly on what they have learned and how they have taken into account the input of stakeholders from that engagement.

The standard is publicly available at: [www.accountability.org/standards/aa1000ses.html](http://www.accountability.org/standards/aa1000ses.html)



**BOX 22 LEADING PRACTICE EXAMPLE**

## Annual stakeholder meetings

Part of Nestlé's comprehensive engagement process includes annual meetings including a wide representation from the public, customers, employees, NGOs, shareholders, suppliers, and others.

These are independently hosted and organized by external experts, and the outcome of these meetings inform company policies and action plans for the following year.

**BOX 23 LEADING PRACTICE EXAMPLE**

## Comprehensive engagement and feedback integration

One of the few companies adopting the AA1000 engagement standard, Mondelez conducts a broad set of engagement initiatives focused on business strategy and performance.

This includes considerations for nutrition profiling, new product development, and reporting practices.

## Detailed results

### To what extent do companies engage systematically with all relevant stakeholders on nutrition issues globally?

#### Nutrition

- The engagement of the companies with other stakeholders was more developed than their engagement with governments and policymakers. Seventeen of the 22 assessed companies disclosed evidence of ongoing stakeholder engagement, ten of which demonstrated that their process is a comprehensive, structured two-way communication. Four companies indicated that they follow the AA1000 stakeholder engagement standard.
- This discussion of stakeholder engagement practices rarely took the next step of explaining how such stakeholder input might be used. Although many companies enumerated key stakeholders and material issues at a high level, Mars, Mondelez and Nestlé were able to provide specific examples of how stakeholder input is used to alter company business practices. Except for these three companies, this gap between engagement initiatives and stakeholder feedback integration appears to be a key deficiency across the industry.
- This pattern of gaps in disclosure is generally consistent with 2013. Most companies demonstrate that they engage with stakeholders, but disclosure is minimal with respect to using the feedback received.
- Also, as in 2013, nutrition-focused stakeholder engagement efforts are typically either not disclosed, or only discussed at a high level.
- Many companies still seem to perceive stakeholder engagement as an element of their marketing strategy. They are simply 'telling' stakeholders what they are doing rather than asking them what more they might do to tackle nutrition challenges, in order to inform their strategies, policies and practices and heeding that advice.

#### Undernutrition

- No companies publicly disclosed their engagement activities related to undernutrition in detail. It was not clear from public information whether any of the assessed companies engaged one-on-one with individual experts or organizations to solicit input on their undernutrition strategies. In direct feedback to ATNF however, seven companies gave examples of this type of engagement.
- Disclosure on stakeholder engagement projects appears to be an area where many companies could improve. Only Ajinomoto, Arla and Nestlé published narratives describing their stakeholder engagement activities related to undernutrition.

## NOTES

<sup>1</sup> For example, 'fat taxes' are supported by some stakeholders as an appropriate disincentive for consumers to choose high-fat products (among other reasons). On the other hand, such taxes may be rejected by other stakeholders as regressive in nature by disproportionately penalizing low-income consumers (among other reasons).

<sup>2</sup> For example: Anon (2015). 1st edn. [Online]. Available at: <http://www.wwf.org.uk/filelibrary/pdf/influencingpower.pdf>. [Accessed: 5 November 2015] and Access to Medicine Foundation (2014) *Access to Medicine Index*. [online] Available at: <http://www.accesstomedicineindex.org/index-methodology->

All links accessed November 2015.



# Marketing of breast-milk substitutes (BMS)

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The following section sets out the results of the BMS pilot assessment using the newly developed methodology, including key findings and recommendations. It summarizes the results of two elements of the assessment: BMS 1 and BMS 2. BMS 1 assesses the quality of companies' BMS marketing policies and management systems, and their level of transparency. BMS 2 is based on two assessments of marketing practices in Vietnam and Indonesia carried out on behalf of ATNI by independent research organization Westat.

# Marketing of breast-milk substitutes

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The WHO recommends that to achieve optimal growth, development and health, 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. It notes that complementary foods should not be used as breast-milk substitutes (BMS), and infants and young children should continue to be breastfed until they are two or older.<sup>1</sup>

The International Code of Marketing of Breast-milk Substitutes (The Code) was adopted in 1981. It is a non-binding instrument that sets out 'a recommended basis for action' for Member States to regulate and monitor the marketing of breast-milk substitutes. Several WHO Member Health Assembly (WHA) resolutions have subsequently been passed that augment The Code, clarifying and/or extending its scope and application. The Code's articles relate in some cases to governments, in some cases to BMS manufacturers and in some cases to healthcare systems, workers and others. To give legal effect to The Code, countries need to enact laws and regulations.

Six companies have been assessed using the BMS methodology developed for the 2016 Index following extensive consultation with many stakeholders, including the WHO. These include four food and beverage companies – Nestlé, Danone, FrieslandCampina and Heinz, and two pharmaceutical companies – Abbott and Mead Johnson. The latter two companies are not included in the 2016 Global Index, but they were assessed to provide a more complete comparison of the world's major baby-food producers.

The assessment, carried out on a pilot basis, comprises:

**BMS 1** Policy commitments, management systems and disclosure relating to BMS marketing

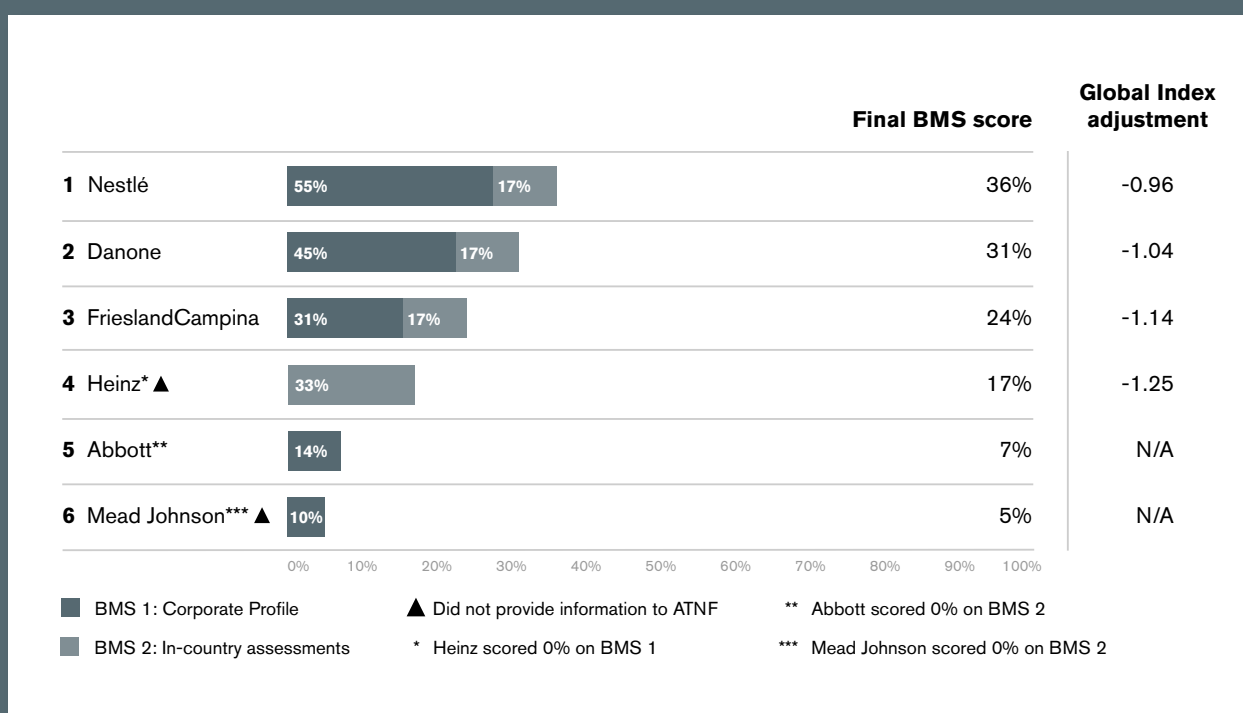
**BMS 2** In-country studies of marketing practices in Vietnam and Indonesia



To perform well in these two areas, companies should:

- Adopt a comprehensive BMS Marketing Policy, fully aligned to The Code and subsequent relevant WHA resolutions.
- Apply that policy globally, to all subsidiaries and joint ventures, and to all formula products designed for infants up to two years of age and complementary foods for infants up to six months of age.
- Commit to upholding their own 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 their commitments across the whole business i.e. consistently in all markets, higher-risk and lower-risk.
- Adopt clear policies and management systems outlining their approach to lobbying on BMS matters.
- Publish their policies, information about its 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 in the two countries where assessments of marketing were undertaken.

## Results



**How the BMS score is calculated and links to the overall Global Index score:** The total BMS score is an average of the BMS Corporate Profile assessment score (BMS1) and the 'in-country' assessments of marketing practices (BMS2), carried out in Vietnam and Indonesia on a pilot basis by Westat, a research organization contracted by ATNF – explained in full later. The total possible BMS 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 (BMS1 and BMS2) is also 100%. An adjustment to the four F&B companies' final Global Index score is then made, proportionate to the BMS score, up to a maximum of 1.5. Had Abbott and Mead Johnson been included in the Global Index, their score would also have been adjusted. A full explanation of the methodology, including the scoring system, is set out in the BMS Annex, available at [www.accessstonutrition.org](http://www.accessstonutrition.org).



# Key findings

## Overall

- The BMS marketing policies and practices of the six companies assessed, which in FY2014 accounted for global baby food sales of \$33.7 bn, fall well short of the recommendations set out in The Code (as measured by the ATNI methodology) as being necessary to protect and encourage breastfeeding and contribute to the optimal health of babies and infants worldwide.
- While in relative terms, Nestlé has the highest overall score on the BMS assessment, in absolute terms its aggregate score was low at 36%. Abbott and Mead Johnson rank lowest, with scores of 7% and 5% respectively, on aggregate. Danone ranked second, with an aggregate score of 31% and FrieslandCampina ranked third, with an aggregate score of 24%. Heinz ranked fourth with an aggregate score of 17%. These outcomes, based on the Corporate Profile analysis of their BMS marketing policies, management systems and disclosure, and on two pilot studies in Vietnam and Indonesia illustrate – if these two studies are indicative of a wider pattern – that all six companies have a great deal more to do in other countries to improve their BMS marketing policies and practices.
- There is a large degree of variation in the companies' Corporate Profile assessment scores, which range from Nestlé at 55% to Heinz at 0%. This is also the case in the two pilot studies conducted in Vietnam and Indonesia, where scores ranged from 33% for Heinz to 0% for Abbott and Mead Johnson. This illustrates the substantial differences in companies' policies and how effectively – or otherwise – they control marketing in these markets. With the exception of Heinz, the results appear to show that the companies with the stronger policies and management systems control their marketing in Vietnam and Indonesia slightly more effectively than those with weaker policies and management systems.

## BMS 1: Corporate Profile

- While the language of Nestlé's policy aligns most closely with The Code, none of the companies' policies align fully with The Code and cover all BMS products (per the WHO's clarification of the definition of BMS products covered by the scope of The Code published in July 2013<sup>2</sup>), including infant formula for infants from birth to six months of age, follow-on formula for infants from six months of age, growing-up milks for infants from 12 to 24 months of age and complementary foods indicated as suitable for introduction before six months of age.
- Four of the six companies pledge not to market complementary foods as suitable for infants less than six months of age in higher-risk countries<sup>3</sup>; Danone extends that commitment to all countries. However, all except Nestlé caveat their statements by indicating that they will do so if local regulations allow.
- No companies apply their policies in all markets as recommended by The Code; rather, they apply them differentially in higher-risk and lower-risk countries, to some products but not others.
- All five companies other than Nestlé state that in all countries they will follow local regulations even if they are weaker than their own policies (which are all weaker than The Code). This finding gives rise to particular concern, given the number of countries in which local regulations do not align to The Code, as documented by the research of WHO, Helen Keller International (HKI), International Baby Food Action Network (IBFAN), Alive & Thrive and others.<sup>4</sup>
- Nestlé appears to have robust, globally applied management systems to implement its BMS marketing policy (though with some gaps). However, the other companies' management tools, such as formal procedures, detailed instructions to staff, guidelines and training are weak or lacking in relation to some Articles of The Code. Some companies' procedures do not appear to be consistent in all markets.
- Danone and Nestlé make some policy commitments related to BMS lobbying and state some objectives. The other four companies do not.
- Companies' disclosure varies a great deal. While Nestlé discloses a great deal, and scores very well in this area, the transparency of the other companies ranges greatly, with Abbott and Mead Johnson publishing very little of their management systems documentation, and Heinz nothing. Mead Johnson, Danone, FrieslandCampina and Abbott adhere to self-regulatory industry code of the International Association of Infant Food Manufacturers (IFM) called the Rules of Responsible Conduct, which are publicly available.

**BMS 2: In-country assessments**

- A cause for significant concern identified by Westat (the research organization sub-contracted by ATNF to carry out pilot studies of BMS companies' marketing in Vietnam and Indonesia) is that companies' management systems are clearly not fully effective. In total 1,096 incidences of non-compliance with the methodology were found for the six ATNI ranked companies in both Vietnam and Indonesia and 1,630 incidences overall, across all 112 companies included in the studies. This finding is in line with several other organizations' research conclusions. For the six companies in the ATNI sub-ranking, more than seven times more incidences of non-compliance were found in Indonesia than Vietnam. In Vietnam, 31% of these related to growing-up milks and in Indonesia, 85% also related to those products.
- The companies found to have the highest total number of incidences of non-compliance in Vietnam were Abbott (27) and in Indonesia Danone (354) and Nestlé (353). Once these figures were normalised to take into account the number of products each company sells in each city, Mead Johnson had the highest level of non-compliance in Vietnam (2.9) while FrieslandCampina had the highest level in Indonesia (16.8).
- Aggregating the results from both countries, most incidences of non-compliance related to point-of-sale promotions (533), advertising (443) and labels (89) among the six companies being assessed in the ATNI BMS sub-ranking. The least incidences related to informational and education materials in healthcare facilities or retailers (31).
- The Westat studies also revealed 264 incidences of non-compliance among the non-ATNI rated companies assessed in Vietnam and 270 in Indonesia. These companies included other large international and local players. In Vietnam, the other 90 companies accounted for 69% of total number of incidences of non-compliance. In Indonesia, the 16 non-ATNI ranked companies accounted for 22% of the total.

**Wider findings**

- The lack of clear definitions of a few key terms in The Code, and relating to its application, made it difficult to make decisions about whether some apparent incidences of non-compliance were in fact such; for example, there is no explanation available as to which type of images 'idealise' the use of BMS products. Due to this lack of clarity, the companies' scores do not include any incidences of pictures of baby animals or infant-like cartoon characters, but only images of human infants.
- The industry's self-regulatory code, the 'Rules of Responsible Conduct (RRC)', developed in 2013 for members by IFM fall significantly short of the recommendations of The Code, subsequent WHA resolutions and the WHO's recent clarification of products covered by The Code. A full analysis of the RRC, identifying its weaknesses, is available at [www.accesstonutrition.org](http://www.accesstonutrition.org)

# Key recommendations

- All companies assessed need to improve their marketing practices so as to protect and encourage exclusive breastfeeding for the first six months and continued breastfeeding up to two years of age and beyond by marketing their products responsibly, in line with the recommendations of the WHO and UNICEF. This includes the six companies being evaluated by ATNI as well as the other 106 companies assessed in Vietnam and Indonesia.

## The six multinationals rated here should:

- Revise their policies where required in order to ensure full alignment with The Code, using the definition of BMS products clarified by WHO in its statement of 17 July 2013. This would include filling gaps in alignment with The Code and relevant WHA resolutions, and committing to applying their policy to all markets and to all types of BMS products.
- Adopt the industry best practice of going beyond compliance with local regulation and following their own policies (strengthened to align fully with The Code) where local regulations are weaker than The Code, while meeting all local legal requirements.
- Plug gaps in, and strengthen their management systems where they are weak, and make greater efforts to ensure they are applied consistently in all markets. Were these systems to be working effectively, they would ensure, for example, that informational and educational materials and samples are not distributed to health care facilities and retailers, that company representatives do not make contact with women, that all BMS product advertising ceases (including on new media, not just traditional media), that no point-of-sale promotions are found and that all labels comply with recommendations of The Code and local requirements.
- Publish their non-proprietary BMS marketing policies in full and publish much more about their management procedures to enable stakeholders to scrutinise them.

## Wider recommendations:

- National governments should ensure that they fully implement The Code through local regulations to create a 'level playing field' between all companies selling products in their markets. Strong monitoring and enforcement is also essential to effectively control companies' BMS marketing activities.
- The WHO and other international organizations should continue to encourage and support countries to fully implement The Code and WHA resolutions within national regulations, and to support their monitoring and enforcement activities. This would help to build a more comprehensive picture of manufacturers' marketing activities on which many stakeholders could draw.
- The WHO could also make a valuable contribution to this type of research by publishing additional guidance on its expectations relating to marketing of complementary foods. Another key need is greater clarification of key terms used in The Code that are currently interpreted differently by stakeholders, such as what types of image 'idealise' BMS.
- IFM should revise its Rules of Responsible Conduct to extend their geographic scope to all markets, to all products for infants up to 24 months of age, and remove the clause that companies will follow local regulations in any countries where they are weaker than the Rules.
- The Interagency Group on Breastfeeding Monitoring (IGBM) Protocol, first developed in 2007, which was used by Westat to conduct the studies, should be updated to address the gaps in its scope, including, for example, extending evaluation of companies' advertising to online media and specifying how retailers should be selected to evaluate point-of-sale promotions. It should also include new methodologies to assess other articles of The Code not currently included and extend the scope of products assessed to include all formula products intended for infants up to 24 months old.

## The importance of breastfeeding

Global recommendations for infant and young child feeding are set out in WHO and UNICEF's joint 2003 Global Strategy for Infant and Young Child Feeding.<sup>5</sup> The Strategy states that, 'Infants should be exclusively breastfed for the first six months of life to achieve optimal growth, development and health. Thereafter, to meet their evolving nutrition requirements infants should receive nutritionally adequate and safe complementary foods while breastfeeding continues for up to two years of age or beyond.' Particularly in the poorest countries, breastfeeding is vital to many children's survival and development. The Lives Saved Tool (LiST)<sup>6</sup> developed by a consortium of academic and international organizations estimates that 823,000 annual deaths could have been saved in 75 high-mortality, low to middle income countries in 2015 if breastfeeding were scaled up to near universal levels.

Due to the sub-optimal rates of breastfeeding worldwide, and continuing poor infant mortality and health, the WHO has set global targets for 2025 of reducing wasting to less than 5%, a 40% reduction in children who are stunted, increasing the rate of exclusive breastfeeding in the first six months to at least 50% and seeing no increase in levels of overweight children.

Breastfeeding confers a range of health and other benefits to infants and children everywhere, in developed and developing countries, as extensive research has consistently demonstrated.

Babies that are breastfed are at a lower-risk of:

- Dying
- Gastroenteritis
- Respiratory infections
- Obesity
- Type 1 & 2 diabetes<sup>7</sup>

A recent systematic review and meta-analysis found that babies that continued to be breastfed after 12 months of age exhibited a two-fold less risk of mortality than those that weren't breastfed.<sup>8</sup>

Mothers also benefit from breastfeeding by deriving greater protection against breast and ovarian cancer and hip fractures in later life, for example. Recent evidence has demonstrated an association between prolonged breastfeeding and postmenopausal risk factors for cardiovascular (CV) disease. These illnesses all represent the greatest threats to women's health across all ages.<sup>9</sup> By reducing the incidence of infants' and mothers' illness, extensive breastfeeding can therefore reduce the burden on health systems.

While the vast majority of women and infants can breastfeed, in low-income, middle-income and high-income countries, breastfeeding rates are falling and uptake of breast-milk substitutes (BMS) is increasing for many reasons. These include rising rates of female participation in the labor force in many developing markets, urbanization and increasing incomes and aspirations which have encouraged the adoption of convenience-oriented lifestyles, and making baby formula and prepared baby foods more desirable. In many countries, the caché of premium products is an important symbol of social status.<sup>10</sup> The marketing of BMS products is also believed to contribute to the decreasing rates of breastfeeding.

## The importance of responsible marketing of milk formulas and complementary foods

The global baby food market was estimated to be worth around \$50bn in 2014 and forecast to be the fastest growing packaged food category over the following five years, achieving growth in excess of 7% a year.<sup>11</sup> Although today 87% of global baby food and 66% of baby formula sales by value are generated in North America and Europe, developing markets are driving growth because population and income levels are growing more quickly there.<sup>12</sup> Companies generate significant revenues from these products, as illustrated by Table 9; they account for between 10% and 100% of their overall revenues. Companies included in the ATNI BMS sub-ranking are highlighted in bold.

**TABLE 9** Market shares and revenues from baby food of the world's ten largest manufacturers

Rank	Company	2014 global market share	2014 baby food revenues (\$m)	Share of company's revenues FY2014
1	<b>Nestlé SA</b>	<b>23.7%</b>	<b>13,370.6</b>	<b>14%</b>
2	<b>Groupe Danone</b>	<b>12.3%</b>	<b>6,913.1</b>	<b>26%</b>
3	<b>Mead Johnson Nutrition Co</b>	<b>10.6%</b>	<b>5,953.3</b>	<b>100%</b>
4	<b>Abbott Laboratories Inc</b>	<b>7.1%</b>	<b>4,012.0</b>	<b>18%</b>
5	<b>Royal FrieslandCampina NV</b>	<b>3.0%</b>	<b>1,686.3</b>	<b>10%</b>
6	Hangzhou Beingmate Group Co Ltd	2.2%	1,222.3	-
7	Inner Mongolia Yili Industrial Group Co Ltd	1.8%	1,030.8	-
8	Biostime International Holdings Ltd	1.6%	910.5	-
9	Hipp GmbH & Co Vertrieb KG	1.4%	807.7	-
10	China Mengniu Dairy Co Ltd	1.2%	694.6	-
<b>Total</b>		<b>64%</b>	<b>36,601.2</b>	

Source: Euromonitor. Note that no figures are available for Kraft/Heinz for FY2014 due to the merger.

Euromonitor revenue projections for 2015 would place it sixth in this ranking.

Companies that make milk formulas, complementary foods, teats and bottles must market these products responsibly to ensure that they do not undermine breastfeeding or infant and child health. This requires that they adopt policies and practices that ensure full and consistent implementation of The Code and subsequent WHA resolutions across their whole business – in both higher and lower-risk countries.

## Approach to assessment

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The 2016 Global Index has significantly strengthened the approach it takes to assessing BMS manufacturers' compliance with The Code and subsequent WHA resolutions compared to that used in 2013. ATNF recognized that the previous approach was limited; it lacked an assessment of companies' policies, management systems and disclosure, and that a more extensive assessment of companies marketing within countries was needed. Many stakeholders also expressed this view.

The new approach, undertaken on a pilot basis, evaluates companies' performance in two ways:

**BMS 1** Corporate Profile assessment: The ATNI BMS Corporate Profile methodology is designed to evaluate whether the six selected companies have robust BMS marketing policies and management systems, and their level of transparency. Only four food and beverage (F&B) companies that produce BMS from the 2016 Global Index cohort of 22 companies were selected for the BMS assessment because the criterion used for selection was that they should have generated more than 5% of total FY2014 retail revenues from baby food (as Euromonitor defines the product category). Arla, Lactalis, PepsiCo and Wahaha did not meet this criterion and were therefore not assessed.

**BMS 2** In-country assessments: Two pilot assessments were undertaken in Vietnam and Indonesia to assess the compliance of all BMS companies in each country with The Code and national regulations. This research was carried out by specialist research organization Westat, appointed following a competitive bid process, using the IGBM Protocol. The Protocol was developed between 1998 and 2007 by The Interagency Group on Breastfeeding Monitoring (IGBM) which was a UK-based coalition of international non-government organizations, churches, academic institutions and interested individuals. Its use is now controlled by UNICEF New York. Permission was given by UNICEF to use the IGBM Protocol but UNICEF was not involved in the studies<sup>13</sup>.

The companies were not informed of the location or timing of these studies prior to their commencement, but only after they had been finished.

A detailed description of how the methodology for each element of the assessment was developed, how companies and countries were selected and how the research was undertaken is set out in the BMS Annex, available at [www.accesstonutrition.org](http://www.accesstonutrition.org).

### Basis for company assessment

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As with all other aspects of the ATNI methodology, the assessment is based on key international guidelines and standards, in this area:

- The International Code of Marketing of Breast-milk Substitutes (The Code).
- Subsequent WHA resolutions that make significant additions or provide clarifications to the original Code, referred to throughout this document in appropriate sections.
- WHO's statement of 17 July 2013 entitled 'Information concerning the use and marketing of follow-up formula'.
- Codex Alimentarius Standards (Codex) for infant formula and formulas for special medical purposes intended for infants (Codex Standard 72 – 1981) and Codex standard for follow-up formula (Codex Standard 156-1987).



In addition, ATNF aimed to learn from and align its approach to the BMS criteria and research methods to those of FTSE4Good.<sup>14</sup> The ATNF Expert Group and a wide range of external stakeholders provide extensive, constructive advice in developing the ATNI BMS methodology. These included HKI, WHO, UNICEF, Save The Children, Alive & Thrive, 1000 Days, the World Bank and others.

ATNF also occasionally updated the companies and IFM, the International Association of Infant Food Manufacturers, on the discussions. During the consultations, the companies and industry associations indicated that they do not accept the definition of BMS as used by ATNF, based on WHO's definitions.

### **Scope of assessment - products**

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In line with the WHO guidance set out in Box 24, ATNI assesses whether companies restrict marketing of the following products, considered to be breast-milk substitutes, in line with the recommendations of The Code and relevant WHA resolutions:

- Complementary foods and beverages identified as being suitable for infants up to six months of age.
- Any type of milk-based formula including infant formula (that can satisfy the normal nutritional requirements of infants up to six months of age); follow-on formula, also called follow-up formula (for infants from six months of age) and growing-up milk, also called toddler milk (for infants and young children up to 24 months of age.)
- Feeding bottles and teats (and any other products encompassed by country regulations, for the in-country assessments) and equipment and materials, as defined by The Code or local regulations.

Note also that The Code does not exclude products for special medical or dietary use; these products were therefore included in the ATNI analysis.



**BOX 24****WHO guidance on the scope and definition of BMS products used by ATNI**

To determine which products to assess, ATNF uses the original definition of products covered by The Code as well as the subsequent clarifying language set out by WHO in the July 2013 statement, summarized here.

The Code defines a breast-milk substitute as any food being marketed or otherwise presented as a total or partial replacement for breastmilk, whether or not suitable for that purpose. Resolution 54.2 (May 2001) additionally states that infants should be exclusively breastfed for the first six months of life to achieve optimal growth, development and health. Mothers should continue to breastfeed their children beyond the age of six months, until they are two years of age or older, at the same time providing them with safe and appropriate complementary foods to meet their evolving nutritional requirements.

WHO makes clear that breastmilk remains the most appropriate liquid part of a progressively diversified diet for the vast majority of children

between six and 24 months of age, once complementary feeding has begun. For these children who, for various reasons, are not breastfed, or for whom breastfeeding will stop before the recommended duration of two years or beyond, acceptable non-formula milk sources exist.

Therefore, the WHO statement continues, the practice of providing infants and young children between six and 12 months with specially formulated milks (so-called 'follow-up milks', 'follow-on milks or follow-on formula') is not necessary and is not a suitable substitute for breastmilk, due to its content. So-called 'growing-up milks', usually marketed as being suitable for young children between 12-24 months, are also unnecessary and unsuitable, as they also substitute for breastmilk.

The WHO also states that complementary food and beverages should not be introduced prior to six months (180 days) of age. Marketing these products as suitable for infants younger than six months of age contravenes The Code. From six months, local, nutritious foods should be introduced to infants' diets, while breastfeeding should continue for up to two years or beyond.

While follow-up formula or growing-up milks may not be explicitly promoted as a breast-milk substitute, documented marketing strategies, such as packaging, branding and

labeling may induce mothers to use follow-up formula in the first six months of life or later on, and/or to stop breastfeeding after this period.

Thus, if follow-up formula or growing-up milks are marketed or otherwise represented to be suitable, with or without modification, for use as a partial or total replacement for breastmilk, they are covered by The Code. In addition, where such products are marketed or otherwise represented in a manner which results in them being perceived or used as a partial or total replacement for breastmilk, they also fall within the scope of The Code.

This clarified definition was reiterated in reports published in August 2015 by the WHO's Scientific and Technical Advisory Group (STAG) on Inappropriate Promotion of Foods for Infants and Young Children summarizing the findings of a global consultation.<sup>15</sup>

When, as expected, WHO issues guidance about the appropriate marketing of complementary foods and beverages for infants and young children over six months, ATNF will consider how to extend its methodology to encompass those products.

Source: WHO statement of 17 July 2013, entitled 'Information concerning the use and marketing of follow-up formula'.

## BMS 1 Corporate Profile analysis

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### Basis for company assesment

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In respect of the product types outlined above, companies are assessed on whether they:

- Have a comprehensive marketing policy, fully in line with The Code and subsequent relevant WHA resolutions.
- Apply that policy equally globally (rather than only in higher-risk countries), and to all subsidiaries and joint ventures.
- Have robust governance and management systems to ensure the policy's proper implementation across the whole business i.e. consistently in all markets.
- Adopt clear policies, objectives and management systems outlining whether and how they lobby on BMS issues.
- Publish their policy, information about its governance and management systems, auditors' reports, position statements and other relevant documentation.

ATNF undertook the Corporate Profile research, following the steps outlined in the BMS Annex, available at [www.accesstonutrition.org](http://www.accesstonutrition.org). This was based both on published information and additional confidential documentation that four of the companies provided under a non-disclosure agreement. Mead Johnson and Heinz declined to submit such information; their results and score are therefore based only on information in the public domain and therefore do not necessarily reflect these companies' actual policies and practices with respect to BMS marketing.

### Overall results

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The companies' overall Corporate Profile scores are calculated by taking into account all of the following factors and applying a series of related adjustments and weightings, as described in the summary of scoring under Table 11 and more fully in the BMS Annex:

- Which BMS products the company's policy applies to.
- In which types of countries the policy applies, i.e. all countries or higher-risk countries only.
- Whether the company complies with its own policies if they are stronger than local regulation, or instead defaults to local regulation in the countries even when it is weaker than their own policies.

The scores also take into account whether the company explicitly states support for the core principles of The Code and WHO's recommendations regarding breastfeeding and infant feeding, as shown in Table 10. Table 11 shows the results of this analysis.

**TABLE 10** Commitments made by each company to key principles of The Code, and score of application of companies' policies

Company explicitly states support for:	Abbott	Danone	FrieslandCampina	Heinz	Mead Johnson	Nestlé
Exclusive breastfeeding for first six months	●	●	●		●	●
Continued breastfeeding up to two years or more						●
Introduction of appropriate complementary foods from the age of six months	●	●	●		●	●
The Code	●	●	●		●	●
All relevant WHA resolutions		●				●

Note that 'no dot' can indicate either that the commitment is not made or that no information was available

**TABLE 11** Initial scores, scores by type of BMS product and final weighted scores

	Initial Corporate Profile score	Weighted scores				Final weighted Corporate Profile score
		Infant formula (35%)	Complemen- tary foods (25%)	Follow-on formula (20%)	Growing-up milks (20%)	
		0-6 months	0-6 months	6-12 months	12-24 months	
Nestlé	92%	69%	69%	69%	0%	55%
Danone	67%	67%	50%	43%	0%	45%
FrieslandCampina	72%	62%	0%	46%	0%	31%
Abbott	25%	21%	16%	16%	0%	14%
Mead Johnson	19%	12%	12%	12%	0%	10%
Heinz	0%	0%	0%	0%	0%	0%

**Summary of scoring Initial Corporate Profile score:** This score is based on an initial analysis of the company's policy, management systems and disclosure as set out in the ATNI BMS methodology in the BMS Annex. It reflects the extent to which their policies are aligned with The Code and subsequent WHA resolutions, the strength of their management systems and extent of disclosure (but not yet taking into account the product scope). **Weighted scores:** The initial Corporate Profile score is adjusted according to which types of countries the policy applies to and whether companies commit 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 higher and lower-risk countries) and upholding them where local regulations are weaker than their policies, in which case their score is not adjusted downwards. If companies apply their policies globally and commit only to comply with local regulations (rather than their own policies where stricter) their scores are reduced by 15%. If companies commit to applying their policies only in higher-risk countries, but go beyond legal compliance where their policies are stronger than local regulation, their scores are reduced by 25% (because the policy is not applied also in lower-risk countries). If companies apply their policies only in higher-risk countries and commit only to comply with local regulations rather than their own policies where stricter) their scores are reduced by 25% and another 15%, i.e. 40% in total. The scores under each product type show the level of compliance each company achieves for that product type. If the company does not apply its policy to any product category it scores zero. This is also the case if it does not disclose its policy. **Final Corporate Profile score:** This is the final score weighted according to whether the companies' policy applies to each type of BMS product being assessed by ATNI. The weightings for each product type were agreed with the Expert Group.

## BMS 1 Corporate Profile analysis

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### Detailed results

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#### How do the companies perform overall on the Corporate Profile assessment? To which products and countries do their policies apply?

The scores described here refer to the level of compliance a company has achieved on the ATNI Corporate Profile methodology. More detailed analysis of the strengths and weaknesses of companies' individual policies, management systems and disclosure is provided in their BMS scorecards, available at [www.accesstonutrition.org](http://www.accesstonutrition.org), along with recommendations of how they could be improved.

It is important to note that all companies commit at a minimum to uphold local regulations in all countries. However, their commitments vary considerably in terms of the products to which their policies apply, whether they apply globally or in higher-risk countries only and whether they go beyond compliance where their policies more closely adhere to The Code than prevailing local regulations.

**1. Nestlé** had the highest score among the group of six companies assessed, achieving 55% compliance with the ATNI methodology. While the language of its policy aligns very closely to The Code, as indicated by its initial Corporate Profile score of 92% (further explained below), the policy does not apply to growing-up milks, nor does it apply globally, only in higher-risk countries. Nestlé is, however, the only company to state that in these countries, "Operating companies must follow the national code/ measures in addition to the WHO Code and Nestlé Instructions, whichever is stricter." In other words, it goes beyond compliance with local regulations: this is a commendable position to take.

Nestlé was also the only company to explicitly state support for The Code and subsequent WHA resolutions, and all of the infant feeding practices recommended by WHO as shown in Table 10. (However, as noted in Box 25, Nestlé does not incorporate the specific wording required by WHA 58.32 into its policy and related procedures).

**2. Danone** achieved 45% compliance with the ATNI BMS methodology. Its policy commitments (made in what it calls its Green Book and via its support for the IFM RRC) aligns reasonably closely to the Code in some areas, as indicated by its initial Corporate Profile score of 67%, further explained below.

For infant formula, its policy applies worldwide (i.e. in higher and lower-risk countries) and Danone follows its own policy if it is stricter than local regulations, i.e. it goes beyond compliance with local regulations. However, this is not the case with other products. For complementary foods for infants up to six months of age, its policy applies only in higher-risk countries. In this case, it also commits to go beyond compliance with local regulations if they are weaker than The Code. With respect to follow-on formula, its policy only applies in higher-risk countries, and with respect to these products it states that, "If there is a conflict, the local laws and regulations prevail" and elsewhere, "The policy applies... unless local laws and regulations specifically allow for the promotion and advertising of such formula from the age of six months". Moreover, Danone's policy commitments do not apply to growing-up milks.

While Danone acknowledges the importance of The Code and subsequent WHA resolutions and states support for exclusive breastfeeding up to six months, it does not state support for continued breastfeeding for up to two years or beyond, nor does it apply its policy to joint ventures where it has a minority holding.

**3. FrieslandCampina** achieved 31% compliance with the ATNI methodology. Its policy commitments (made in its own policy documents and via its support for the IFM RRC) aligns reasonably closely to the Code in some areas, as indicated by its initial Corporate Profile score of 72%, further explained below. FrieslandCampina does not apply its policy to growing-up milks, nor, contrary to all other companies except Heinz, to marketing of complementary foods for infants under six months of age<sup>16</sup>. Its policy applies to infant formulas and follow-on formula in all countries; however, this is undermined by the fact that it does not pledge to follow its own commitments in countries where regulations are weaker than those commitments.

FrieslandCampina states a policy commitment (via its support for IFM RRC) that acknowledges the importance of The Code but not subsequent WHA resolutions. It states support for exclusive breastfeeding up to six months and for introduction of appropriate complementary foods from six months of age, but not for continued breastfeeding for two years or beyond. It does apply its policy to all joint ventures, whether the company has a minority or majority holding.

**4. Abbott** achieved 14% compliance with the ATNI BMS methodology. This is in part because its own policy does not align closely to The Code and nor does the IFM RRC to which it subscribes. Its policy applies globally to infant formula but only in higher-risk countries to follow-on formula and complementary foods. Its policy does not apply to growing-up milks. It also does not pledge to follow its own commitments in countries where regulations are weaker than those commitments. Abbott states a policy commitment (via its support for IFM RRC) that acknowledges the importance of The Code but not subsequent WHA resolutions. It states support for exclusive breastfeeding up to six months and for introduction of appropriate complementary foods from six months of age, but not for continued breastfeeding for two years or beyond. The company does not currently have any joint ventures.

**5. Mead Johnson** achieved 10% compliance with the ATNI BMS methodology. Similar to Abbott, this is in part because its policy does not align closely to The Code nor does the IFM RRC to which it subscribes and in part because it does not apply to growing-up milks, and to other products only in higher-risk countries. It also does not pledge to follow its own commitments in countries where regulations are weaker than those commitments.

Mead Johnson states a policy commitment (via its support for IFM RRC) that acknowledges the importance of The Code but not to subsequent WHA resolutions. It states support for exclusive breastfeeding up to six months and for introduction of appropriate complementary foods from six months of age, but not for continued breastfeeding for two years or beyond. It also does not state that its commitments apply to joint ventures.

**6. Heinz** scored zero. It does not publish any policy commitments or other information and does not subscribe to the IFM RRC.<sup>17</sup>



## **To what extent do the companies' policies align fully with the Articles of The Code and WHA resolutions, and are their management systems robust enough to deliver full implementation of their policies?**

This section provides an overall summary of companies' performance on the elements of the ATNI methodology that assess alignment of their policies with The Code, and their management systems that should ensure compliance with those policies across the whole company.

Table 12 illustrates the highly variable degree to which companies' policy wording aligns to the wording of the Articles of The Code and how relatively strong and weak their management systems are to ensure implementation of each Article. This table shows the company's 'initial score' only on each Article (see summary of scoring under Table 11) and does not factor in which product types the companies' policies apply nor to which types of countries (all countries or higher-risk countries only). This more detailed analysis is shown in Table 12.

- Nestlé's policy wording aligns most closely to the language of the Articles of The Code, only omitting full commitments on one topic – that relating to WHA resolution 58.32 relating to information and labeling regarding pathogenic micro-organisms (see Box 25). Its management systems are also strong in most areas. They comprise a suite of instructions and procedures for staff to follow relating to each Article of The Code. Its governance and managerial arrangements at the global level are also strong and appear to be consistent globally.
- The language of the policies of FrieslandCampina conform relatively closely to The Code, but some gaps need to be addressed. However, the company's management systems are generally strong and quite consistent.
- Danone's policy commitments conform relatively closely to the specific language of The Code, but exhibit some gaps. The company's management systems are generally good but need to be strengthened in some areas. The details are set out in the company's BMS scorecard, available at [www.accesstonutrition.org](http://www.accesstonutrition.org).
- Abbott and Mead Johnson's policies lack many commitments required to align with The Code. Although they both subscribe to the IFM RRC, these standards omit support for many provisions of The Code, and therefore do not contribute to their score. Abbott's management systems are somewhat stronger than Mead Johnson's but both companies need to make significant efforts to ensure that those systems are equally effective in all business units. See these companies' BMS scorecards for more details.
- Heinz has not published any policy commitments and provided no evidence of any management systems to implement any commitments.

**TABLE 12** Summary of companies' scores on policy commitments and management systems, by Article

Scores per article of the Code	Nestlé	Friesland Campina	Danone	Abbott	Mead Johnson	Heinz
<b>Article 4: Information and education</b>						
Policy commitment	83%	50%	33%	0%	17%	0%
Management systems	100%	100%	50%	17%	0%	0%
Total	92%	75%	42%	9%	9%	0%
<b>Article 5: General public and mothers</b>						
Policy commitment	100%	80%	100%	40%	60%	0%
Management systems	100%	100%	83%	15%	0%	0%
Total	100%	90%	92%	28%	30%	0%
<b>Article 6: Health care systems</b>						
Policy commitment	100%	93%	64%	36%	21%	0%
Management systems	100%	100%	50%	19%	0%	0%
Total	100%	97%	57%	28%	11%	0%
<b>Article 7: Health workers</b>						
Policy commitment	100%	100%	50%	50%	50%	0%
Management systems	100%	100%	50%	17%	0%	0%
Total	100%	100%	50%	34%	25%	0%
<b>Article 8: Employees</b>						
Policy commitment	100%	100%	100%	0%	0%	0%
Management systems	100%	100%	50%	8%	0%	0%
Total	100%	100%	75%	4%	0%	0%
<b>Article 9: Labeling</b>						
Policy commitment	86%	71%	33%	0%	14%	0%
Management systems	55%	100%	50%	22%	0%	0%
Total	71%	86%	42%	11%	7%	0%
<b>Article 10: Quality</b>						
Policy commitment	100%	100%	100%	100%	100%	0%
Management systems	100%	100%	83%	8%	0%	0%
Total	100%	100%	92%	54%	50%	0%
<b>Article 11: Implementation and monitoring<sup>18</sup></b>						
Policy commitment	67%	67%	67%	17%	50%	0%
Management systems	100%	69%	86%	40%	15%	0%
Total	93%	69%	82%	35%	22%	0%

## BOX 25

## Providing information and labeling products with warnings about pathogenic micro-organisms

The only policy commitment which no company makes is the requirement relating to WHA resolution 58.32 that health workers, parents and other caregivers are provided with information that powdered infant formula may contain pathogenic micro-organisms and must be prepared for use appropriately. In addition, the resolution requires companies to include this information on labels of powdered infant formula. The reason for this requirement, outlined in the resolution, is that powdered infant formula (PIF) has been associated with serious illness and death in infants due to infections with *Enterobacter sakazakii*.

However, the companies argue that many consumers are unlikely to understand the term 'pathogenic micro-organisms' and feel using such a term might unduly scare them about product composition. They therefore prefer to provide the wording about appropriate preparation and handling of products, and to stress how important this is.

In terms of the alignment of companies' policies with different Articles of The Code, their scores are highest for Articles 10 on product quality, Article 5 on advertising to the general public and mothers and Article 7 on provision of information to, and contact with to health workers. In other words, on average, their policies align most closely to The Code in these areas. Conversely, the Articles where companies' policies on aggregate deviate most from The Code are Article 4 on the content and distribution of information and educational materials, and Article 9 on labeling.

All five companies' policies other than Nestlé's are also weak with respect to making donations. Nestlé is the only company to explicitly state that donations of informational or educational equipment or materials are made only at the request and with the written approval of appropriate government authorities and that these materials will not refer to a proprietary product (Sub-article 4.3).

## Do companies make clear their policy, objectives and management systems relating to lobbying on BMS?

This element of the methodology aligns closely to that used by FTSE4Good<sup>19</sup>, but is not an aspect of company behaviour to which The Code pertains. While governments often solicit the views of industry on proposed legislation and regulations relating to BMS marketing, as in other areas of policy development, 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 to not undermine the development of any national or international policies and regulation designed to give effect to The Code.

TABLE 13 Companies' scores on lobbying commitments and management systems

Score	Nestlé	Friesland Campina	Danone	Abbott	Mead Johnson	Heinz
Policy commitments	50%	0%	75%	0%	0%	0%
Management systems	100%	0%	100%	0%	0%	0%
Total	75%	0%	88%	0%	0%	0%

As illustrated by Table 13, no company has a clear policy outlining the circumstances in which and how it will lobby governments and policymakers on BMS issues. Danone does however outline its objectives with respect to lobbying and engaging policymakers on BMS issues and commits to support national governments' efforts to implement regulations. It also explicitly states that it will seek to ensure that trade associations and industry policy groups to which it belongs operate to the same standards. Danone also confirmed which executives within the company are responsible for compliance with its policy and standards. Nestlé also sets objectives and makes a commitment to support efforts by governments to implement The Code through legislation, regulation or other appropriate measures. Nestlé also names the executive responsible for compliance with their commitments.

### How extensive is companies' disclosure of BMS marketing policies and practices?

It is important for companies to be highly transparent about their policies and management practices to help stakeholders to scrutinise their policy and management arrangements and hold them to account. This section of the methodology evaluates companies' public disclosure of documentation, not whether they submitted documentation to ATNF.

As shown by Table 14:

- Nestlé scores most highly, disclosing much more information than any other company.
- Danone discloses its 'Green Book' and 'Blue Book', its policy and a summary of the management systems it has in place to guide BMS marketing.
- Mead Johnson discloses some information about the application of its policy to different products but very little else.
- FrieslandCampina and Abbott publish very little of their own material; their score reflects its support for the publically available IFM RRC.
- Heinz publishes no information at all.

There is one disclosure indicator on which no companies score: none publish a declaration each year that employees' bonuses have not been based on the volume of sales of BMS products or that it has not set quotas for sales of these products – despite some having a commitment to this practice.

**TABLE 14** Companies' disclosure of policy commitments and management systems

Nestlé	Friesland Campina	Danone	Abbott	Mead Johnson	Heinz
82%	13%	40%	13%	13%	0%

### To which BMS products and in which countries do companies' commitments apply?

It is also important to look at which types of products companies apply their policies to or in which countries. Although The Code was designed to apply equally in all countries, all companies assessed distinguish between higher-risk and lower-risk countries, and typically only apply their policies in the former – with some exceptions and caveats.

The results shown in Table 15 indicate that companies' policy commitments vary considerably.

**Infant formula (for infants 0-6 months of age):** These products have always been understood to be included within the definition of BMS from the time when The Code was published in 1981. The IFM RRC also cover infant formula, but only in higher-risk countries. All companies include infant formula within their scope; whether Heinz does is not known. Most apply this commitment only in higher-risk countries, although Danone, Abbott and FrieslandCampina extend this commitment globally, i.e. to lower-risk countries too. However, as noted, FrieslandCampina and Abbott will market these products in line with local laws and regulations if they allow it, whereas Danone will uphold its own policy in such markets.

**Complementary foods (marketed as suitable for infants 0-6 months of age):** These products have always been understood to be included within the definition of BMS since The Code was published in 1981. FrieslandCampina excludes complementary foods from its policy because it sells them mainly in Greece where EU regulations apply which allow these products to be marketed as suitable for infants from four months old. No information is available for Heinz. The other four companies commit not to market complementary foods as suitable for infants under six months old in higher-risk countries only, but only Nestlé and Danone commit not to market those products as suitable for younger infants even when local regulations allow. The other two companies follow the IFM RRC commitment for higher-risk countries, which includes the caveat that member companies can market those products if local regulations allow.

**Follow-on formula (for infants from 6 months of age):** Nestlé is the only company to include follow-on formula within its policy scope AND to uphold its own policy even in countries where local regulations are weaker than its policy or The Code, though again this commitment applies only in higher-risk countries. The four IFM members follow the RRC which extends to these products in higher-risk countries, but again it states that if local regulations allow, then they will be marketed. WHO clarified in its statement of July 2013 (subsequently reiterated in the summer of 2015 in documents relating to the development of marketing guidance for complementary foods) that these products fall within the scope of The Code. Again, no information was available for Heinz.

**Growing-up milks (for infants from 12 months of age):** No companies include growing-up milks within the scope of their policy commitments. WHO clarified in July 2013 that these products fall within the scope of The Code (subsequently reiterated in documents noted above relating to the development of marketing guidance for complementary foods).

**TABLE 15** Companies' application of policy commitments to products and types of country

	Abbott	Danone	Friesland Campina	Heinz	Mead Johnson	Nestlé*
<b>Policy application</b>						
Policy applies to joint ventures and subsidiaries where the holding is less than 50%			●			●
Company has its own policy?	●	●	●		●	●
Company also follows IFM RRC?	●	●	●		●	
<b>Policy application to product type</b>						
<b>Infant formula</b>						
Global	●	●	●			
Higher-risk countries only					●	●
Only follows local regulation even if weaker than its own policy	●		●		●	
Goes beyond legal compliance where local regulation is weaker than its own policy		●				●
<b>CF 0-6 months</b>						
Global						
Higher-risk countries only	●	●			●	●
Only follows local regulation even if weaker than its own policy	●				●	
Goes beyond legal compliance where local regulation is weaker than its own policy		●				●
<b>Follow-on formula</b>						
Global						
Higher-risk countries only	●	●	●		●	●
Only follows local regulation even if weaker than its own policy	●	●	●		●	
Goes beyond legal compliance where local regulation is weaker than its own policy						●
<b>Growing-up milks</b>						
Global						
Higher-risk countries only						
Only follows local regulation even if weaker than its own policy						
Goes beyond legal compliance where local regulation is weaker than its own policy						

Note that 'no dot' means either that the companies' policy does not apply or, in the case of Heinz, that its policy scope is unknown.

\* Nestlé is not a member of IFM and so does not follow RRC, but rather its own policy which is stricter than the commitments of the RRC.



## Challenges, limitations and opportunities for improvement of the BMS Corporate Profile assessment

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While this assessment of the six companies is the first of its kind, ATNF encountered several challenges when undertaking it. A number of limitations have also been identified as well opportunities to improve the work in future.

### Challenges

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The challenges and limitations of developing and undertaking the pilot Corporate Profile assessment are set out in more detail in the BMS Annex. In summary, some of the main challenges faced related to the lack of similar prior assessments on which to draw. While ATNF aimed to align the methodology structure to the extent possible with that of the Global Index methodology, it also drew from the criteria set out by FTSE4Good. Developing indicators to assess companies' management systems was the most challenging; The Code does not offer any guidance in this area.

Challenges related to doing the research included time needed to analyse a large volume of detailed documentation that those companies that engaged provided. Establishing a scoring system also presented some difficulties, particularly with respect to assigning weightings to product types, as there does not appear to be any evidence on which to draw information about the health impacts of consumption of different types of products nor the relative effect of marketing of different types of products. The weightings were determined in consultation with stakeholders and the Expert Group, but ultimately, they are subjective, and many other weighting systems could be used.

Limitations of the analysis include the small cohort of companies assessed: only six multinational BMS manufacturers were included, whereas several other major companies account for significant sales globally (as illustrated in Table 9). Ideally, any future assessment would extend to at least these firms to give a more complete picture of industry performance. The Corporate Profile methodology does not cover some topics that are important but fall outside the scope of The Code.

### Opportunities

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**Extending the Corporate Profile research:** Some stakeholders have indicated that they would like to see the BMS Corporate Profile assessment extended to more multinational companies to give a more complete picture of industry performance. It could also be replicated in individual countries, assessing major companies operating in particular markets.

**Extending the research to encompass the marketing of complementary foods for infants and children up to two years old:** The methodology and research could also be extended to consider companies' policies and practices with respect to these products. Once WHO has published additional guidance in this area, ATNF would consider widening the scope of products assessed.

## BMS 2 In-country pilot assessments of marketing practices

### Basis for BMS assessment

ATNF undertook two in-country assessments on a pilot basis for the 2016 Global Index.

To be considered for selection, countries needed to meet two criteria:

- 1 Score as a higher-risk country on a risk rating system used by FTSE4Good, based on data from UNICEF and other organizations<sup>120</sup>.
- 2 All six of the BMS companies to be assessed on the BMS Index had to be present in the market.

With guidance from the Expert Group, ATNF selected Vietnam (Hanoi) and Indonesia (Jakarta). Westat was contracted to undertake the two country pilot assessments using The Interagency Group on Breastfeeding Monitoring (IGBM) Protocol. Westat's reports on the methodology and results can be found at [www.accesstonutrition.org](http://www.accesstonutrition.org)

**TABLE 16** Summary of scope of research

	Hanoi Vietnam	Jakarta Indonesia
No. of women interviewed	814	856
No. of health care workers interviewed	131	127
No. of health facilities visited	38	37
No. of retail outlets visited	114	111
No. of products assessed for all companies	334	172
No. of manufacturers assessed	96	22
No. that make BMS products	43	13
No. that make teats, bottles (and pacifiers) only	53	9

As Table 16 shows, twice as many products were found for sale in Hanoi (334) compared to Jakarta (172) and were sold by over four times as many companies in Hanoi than Jakarta. A very large number of companies sold teats and bottles in Hanoi, whereas very few did so in Jakarta.

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 studies were complete.

## Overall results

**TABLE 17** Initial scores, scores by type of BMS product and final weighted scores

Level of compliance				
		Score based on both country ratings	Vietnam	Indonesia
		%	Rating	Rating
1	Heinz	33%	Low	High
2	Nestlé	17%	Med	Low
3	FrieslandCampina	17%	Med	Low
4	Danone	17%	Med	Low
5	Abbott	0%	Low	Low
6	Mead Johnson	0%	Low	Low

The companies' overall score on in-country marketing practices is calculated as follows, drawn from the figures presented throughout this section.

- Aggregating the total number of observations of non-compliance with the methodology in each country. (Note, however, that data based on mothers' and health care workers' recall are not included in these calculations for several reasons, outlined in the Westat reports. In short, this is because recall is subjective and can be biased in several ways; in addition, because objective information was collected in the studies, the recalled data could be used in conjunction with the actual data against which to corroborate those findings).
- Calculating the number of incidences of non-compliance, normalised 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 (the labels of which 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. Note also that products made specifically for sale in Vietnam and Indonesia as well as products imported from other countries were included in this list and assessed. In some cases, this meant that two versions of the same product (in terms of ingredients and branding) were assessed, as consumers were able to buy both versions.
- 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, normalised), medium (between 1.1 & 2 incidences) or low (more than 2.1 incidences). The same ranges for high, medium and low are used for both countries.
- Each rating corresponds to a percentage score indicating the level of compliance with the methodology:
  - Complete compliance = 100%
  - High relative level of compliance = 66%
  - Medium relative level of compliance = 33%
  - Low relative level of compliance = 0%



## Detailed results

**TABLE 18** Summary of findings in Vietnam

	Level of compliance	Relative level of non-compliance <sup>22</sup>	No of products evaluated <sup>23</sup>	Total non-compliances identified	No of information and educational materials	No. of adverts found on assessed media	No. of point of sale promotions	No. of labels with at least one non-compliance <sup>**</sup>
					Article 4	Article 5	Article 5	Article 9
<b>Abbott</b>	Low	2.1	13	27	0	15	7	5
<b>Danone</b>	Med	1.8	12	21	0	2	9	10
<b>FrieslandCampina</b>	Med	1.4	9	13	0	3	4	6
<b>Heinz</b>	Low	2.4	5	12	0	9	0	3
<b>Mead Johnson</b>	Low	2.9	8	23	1	3*	16	4
<b>Nestlé</b>	Med	1.1	22	24	0	2	10	12
<b>Sub-total</b>			<b>69</b>	<b>120</b>	<b>1</b>	<b>34</b>	<b>46</b>	<b>40</b>
<b>All others (90)</b>			265	264	17	52	81	114
<b>Total</b>			<b>334</b>	<b>384</b>	<b>18</b>	<b>86</b>	<b>127</b>	<b>154</b>

\* The Westat report shows a total of 12 incidences; this is because nine incidences were for a brand rather than a specific product, which were not included in the ATNF score.

\*\* ATNF does not count when collating these figures images on labels of non-human infants (i.e. of animals or cartoon characters). Westat did include these types of images in the totals presented in its reports.

### Vietnam: regulatory context<sup>21</sup>

Marketing and labeling of BMS and related products is controlled principally by two regulations in Vietnam: Decree 21 (2006) and Decree 100 (2015). Decree 100 superseded Decree 21 and became effective in March 2015 (except for provisions relating to product labeling). Decree 100 extended the scope of products covered to all products for infants from 0-24 months, including complementary foods for this age range, thus exceeding WHO's 2013 re-statement of the definition of BMS products (which extends only to complementary foods for infants of 0-6 months of age). However, different articles of the regulation apply differentially to various products. Companies have to submit proposed labels to the Government for approval.

Advertising of any form of BMS is prohibited: the prohibition extends to infants under 24 months, complementary foods for infants under six months old, and feeding bottles and teats. The advertising of

complementary foods for infants under 24 months old must contain certain language that promotes breastfeeding and make clear they should only be used as a supplement to breastmilk for infants over six months of age.

With respect to labeling requirements, there are minor differences between the two Decrees but the new Decree 100 requirements were not in force at the time of the study. (For example, Decree 100 exceeds The Code in one way only, by including pacifiers within their scope. They also add detail regarding the requirements for 'ease of reading' and define appropriate language as Vietnamese.) However, as stipulated by the IGBM Protocol, labels for all products were evaluated for compliance with The Code's recommendations.

The regulation of BMS and related products is therefore strongly aligned with The Code in Vietnam; Decree 100 aligns well with The Code and in fact exceeds it in some areas.

**TABLE 19** Summary of findings in Indonesia

	Level of compliance	Relative level of non-compliance	No of products evaluated	Total non-compliances identified	No of information and educational materials	No. of adverts found on assessed media	No. of point of sale promotions	No. of labels with at least one non-compliance**
					Article 4	Article 5	Article 5	Article 9
<b>Abbott</b>	Low	5.3	8	42	1	20	18	3
<b>Danone</b>	Low	13.1	27	354	12	109	210	23
<b>FrieslandCampina</b>	Low	16.8	6	101	6	30	61	4
<b>Heinz</b>	High	0.4	8	3	0	0	0	3
<b>Mead Johnson</b>	Low	12.3	10	123	3	78	41	1
<b>Nestlé</b>	Low	15.3	23	353	8	173	157	15
<b>Sub-total</b>			<b>82</b>	<b>976</b>	<b>30</b>	<b>410</b>	<b>487</b>	<b>49</b>
<b>All others (16)</b>			90	270	8	85	165	12
<b>Total</b>			<b>172</b>	<b>1246</b>	<b>38</b>	<b>495</b>	<b>652</b>	<b>61</b>

\*\* ATNF does not count when collating these figures images on labels of non-human infants (i.e. of animals or cartoon characters). Westat did include these types of images in the totals presented in its reports.

#### Indonesia: Regulatory context<sup>24</sup>

Several regulations control labeling, advertising and the quality of formula products and promoting exclusive breastfeeding for the first six months (see Westat report for full details, available at [www.accesstonutrition.org](http://www.accesstonutrition.org)). Regulation 69 (1999) and Regulation 42 (2004) were in force at the time of the study; they address labeling but are not aligned with the recommendations of The Code. Companies have to submit proposed labels to the Government for approval. While advertising and promotion of infant formula and follow-on formula is restricted by Regulation 33, advertising and promotion of growing-up milks and complementary foods is not prohibited. A new regulation (Number 49 of 2014) is due to come into force in February 2017 that both introduces new quality and labeling requirements for growing-up milks and restricts the advertising of these products but only by preventing manufacturers from using the same trade name as the trade names of infant formula and follow-

on formula (and from irradiating some products). Thus, currently, there is no restriction on marketing any BMS products other than infant formula and follow-on formula.



## Overview of findings

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Among the six companies being assessed for this sub-ranking, eight times more incidences of non-compliance were identified in Indonesia (976) compared to Vietnam (120). Considering the normalized results (i.e. looking at the ratio of the number of non-compliances to products available on the market) also indicates a much higher level of non-compliance with the ATNI methodology in Indonesia by all companies other than Heinz. Overall, 80% of the incidences of non-compliance related to growing-up milks, whereas around 8% related to infant formula and 6% related to follow-on formula. Fewer than 2% related to complementary foods.

The much higher level of non-compliance in Indonesia compared to Vietnam and high level relating to growing-up milks is explained principally by two factors: i) Prevailing Indonesian regulations relating to advertising, promotion and labeling do not cover growing-up milks, whereas those in Vietnam do and; 2) the ATNI methodology assesses companies' marketing practices for products intended for infants up to 24 months of age. Further, none of the companies' policies extend to growing-up milks.

## Summary findings for the six ranked companies

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Full details of the companies' performance can be found in their individual BMS scorecards at [www.accesstonutrition.org](http://www.accesstonutrition.org). For analysis of relative levels of compliance with different Articles of The Code, see the Westat reports, available at [www.accesstonutrition.org](http://www.accesstonutrition.org).

**Heinz achieved the highest score of the six companies for the in-country assessment with a score of 33%. This reflects a high level of compliance in Indonesia, but a low level of compliance in Vietnam.** However, Heinz sells by far the smallest number of products in these markets – only 13, and all are complementary foods. It is therefore relatively easy for the company to achieve a higher level of compliance. The company's level of compliance with the Articles assessed by the methodology (through observation rather than recall) was significantly better in Indonesia than Vietnam, with a total of 15 incidences of non-compliance identified in the two countries.

In absolute terms, Heinz had the lowest number of incidences of non-compliance of any of the six companies. On a relative basis (normalized by the total number of products assessed in both markets) the incidences of non-compliance found was 2.4 in Vietnam and 0.4 in Indonesia.

In neither Vietnam nor Indonesia were any examples of non-compliance with Article 4 (informational and educational materials) found and no point-of-sale promotions were identified (Article 5.3). Three of the company's products in Indonesia had non-compliant labels, and three in Vietnam. In Indonesia no adverts were found (sub-Article 5.1) but nine were found in Vietnam, all for complementary foods and all on the company's Facebook page. (See Table 20). As the company does not publish its policy on BMS marketing it is not possible to determine whether these adverts would be considered a contravention of its own policy.

**Danone was one of three companies to score only 17% in the in-country assessment. This score reflects a medium level of compliance in Vietnam but a low level of compliance in Indonesia.** The company's level of compliance with the Articles assessed by the methodology (through observation rather than recall) was better in Vietnam than in Indonesia, but still poor, with a total of 375 non-compliances identified in the two countries.

Of these, 50% overall related to growing-up milks, which are not covered by Danone's own BMS marketing commitments. In Indonesia, they accounted for 84% of the total incidences identified. However, in Vietnam, they were spread across all products, with growing-up milks accounting for fewest incidences of non-compliance. Danone's policy on infant formula applies in both markets, apparently illustrating some lapses in implementation. With respect to follow-on formula, however, the company commits only to following local regulations.

Danone had the third highest number of relative non-compliances in Vietnam of the six companies assessed here (1.8 on average across all products), but the second highest relative figure in Indonesia (13.1). On aggregate, the fewest examples of non-compliance were found in respect of Article 4 (informational and educational materials) and Article 9 (labeling) whereas most were found in both countries relating to Article 5 (advertising and promotion) – although in both cases many fewer were found in Vietnam compared to Indonesia. The majority of the advertising in both countries was found for growing-up milks (80%) followed by infant formula (17%) – (see Table 20), and online, on the company's Facebook pages, Twitter feeds, its own website and third-party retailers' websites, though the company also placed a significant amount of TV and print advertising. (See Westat reports for breakdown).

**FrieslandCampina was one of three companies to score only 17% in the in-country assessment. This score reflects a medium level of compliance in Vietnam but a low level of compliance in Indonesia.** The company's level of compliance with the Articles assessed by the methodology (through observation rather than recall) was better in Vietnam than in Indonesia, but still poor, with a total of 114 incidences of non-compliance identified in the two countries.

Of these, 61% related to growing-up milks which are not covered by FrieslandCampina's own BMS marketing commitments, while 20% related to infant formula and follow-on formula, covered by its commitments in these markets, as they are designated higher-risk. However, the company commits only to following local regulations if they are weaker than its policy, which is the case in Indonesia.

FrieslandCampina had the second lowest level of number of relative non-compliances in Vietnam of the six companies assessed here (1.4 on average across all products), but was the worst performer in Indonesia based on the comparable figure (16.8).

On aggregate, as for the other five companies, the fewest examples of non-compliance were found in respect of Article 4 (informational and educational materials). FrieslandCampina also appeared to have relatively few products with non-compliant labels (Article 9). However, many examples of advertising and point-of-sale promotions (Article 5) were found (98) – the vast majority were in Indonesia (91). The bulk of the advertising in both countries was found for growing-up milks (82%) followed by 12% relating to infant formula (see Table 20). They were mostly found online, on the company's Facebook pages, Twitter feeds, YouTube, its own website and third-party retailers' websites. (See Westat reports for breakdown). However, although companies are not allowed to advertise infant formula in either Vietnam or Indonesia, advertising of growing-up milks is allowed in Indonesia but not in Vietnam.

**Nestlé was one of three companies to score only 17% in the in-country assessment. This score reflects a medium level of compliance in Vietnam but a low level of compliance in Indonesia.** The company's level of compliance with the Articles assessed by the methodology (through observation rather than recall) was better in Vietnam than in Indonesia, but still poor, with a total of 377 incidences identified in the two countries – the highest of all companies assessed.

A total of 69% of these related to growing-up milks which are not covered by Nestlé's

**TABLE 20** Number of observations of non-compliance of all adverts, by product type, in Vietnam and Indonesia

	Abbott	Danone*	FrieslandCampina	Heinz	Mead Johnson **	Nestlé***
<b>Infant formula 0-6 months</b>						
<b>Vietnam</b>	6	1	0	0	3	0
<b>Indonesia</b>	3	18	4	0	8	6
<b>Total</b>	<b>9</b>	<b>19</b>	<b>4</b>	<b>0</b>	<b>11</b>	<b>6</b>
<b>% of all ads</b>	<b>26%</b>	<b>17%</b>	<b>12%</b>	<b>0%</b>	<b>13%</b>	<b>3%</b>
<b>Complementary foods 0-6 months</b>						
<b>Vietnam</b>	0	0	0	9	0	0
<b>Indonesia</b>	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>
<b>% of all ads</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
<b>Follow-on formula 6-12 months</b>						
<b>Vietnam</b>	5	0	0	0	0	0
<b>Indonesia</b>	0	4	2	0	4	5
<b>Total</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>5</b>
<b>% of all ads</b>	<b>14%</b>	<b>4%</b>	<b>6%</b>	<b>0%</b>	<b>5%</b>	<b>3%</b>
<b>Growing-up milks 12-36 months~</b>						
<b>Vietnam</b>	4	1	3	0	0	2
<b>Indonesia</b>	17	87	24	0	66	162
<b>Total</b>	<b>21</b>	<b>88</b>	<b>27</b>	<b>0</b>	<b>66</b>	<b>164</b>
<b>% of all ads</b>	<b>60%</b>	<b>80%</b>	<b>82%</b>	<b>0%</b>	<b>83%</b>	<b>94%</b>
<b>Total</b>	<b>35</b>	<b>111</b>	<b>33</b>	<b>9</b>	<b>81</b>	<b>175</b>

~ Although the studies assessed only products for infants up to 24 months, if products were identified as being suitable for infants from 12 months up to any age, they were counted as adverts for growing-up milks.

\* One commercial in Indonesia included products from 0-6, 6-12, 12-24 and in Vietnam one ad was for a product (Dumex) without an age specification

\*\* Vietnam: Enfamil A+ age range not specified, 9 related to Enfa A+ Bran expo

\*\*\* One product had no age range indicated.

own BMS marketing policy while the other 31% relate to infant formula, follow-on formula and complementary foods that are covered by its policy in these markets which are designated higher-risk.

Nestlé had the lowest number of incidences of non-compliance in Vietnam of the six companies assessed here (1.1 on average across all products), but the second highest relative figure in Indonesia (15.3). On aggregate, the fewest examples of non-compliance were found in respect of Article 4 (informational and educational materials) and Article 9 (labeling) whereas most were found in both countries relating to Article 5 (advertising and promotion). The vast majority of the advertising in both countries was found for growing-up milks (94% of ads in Indonesia and 100% in Vietnam) and online – on the company's Facebook pages, Twitter feeds, YouTube, its own website and third-party retailers' websites. (See Table 20).

**Abbott was one of two companies not to score in the in-country assessment due to its low levels of compliance in both cities.** The company's level of compliance with the Articles assessed by the methodology (through observation rather than recall) was somewhat better in Vietnam than in Indonesia, but still poor, with a total of 69 incidences of non-compliance identified in the two countries.

On average, 67% of these related to growing-up milks, which are not covered by Abbott's own BMS marketing policy. The other 33% were found to relate equally to infant formula and follow-on formula, which are covered by Abbott's policy in these markets (designated as higher-risk). However, the company only follows local regulations if they are weaker than its policy, which is the case in Indonesia.

Abbott ranked fourth in its level of relative non-compliance among all companies in Vietnam of the six companies assessed here (2.1 on average across all products), but the second highest relative level of compliance among all companies in Indonesia (5.3). On aggregate, the fewest examples of non-compliance were found in respect of Article 4 (informational and educational materials) and Article 9 (labeling) whereas the most were found in both countries relating to Article 5 (advertising and promotion). The products for which most advertising in both countries was found was for growing-up milks (60%), (see Table 20), and online, on the company's own website and third-party retailers' websites (see Westat report).

**Mead Johnson was the other one of two companies not to score on the in-country assessment due to its low levels of compliance in both cities.** The company's level of compliance with the Articles assessed by the methodology (through observation rather than recall) was significantly better in Vietnam than in Indonesia, but still poor, with a total of 146 non-compliances identified in the two countries.

Of these, 53% on average related to growing-up milks that are not covered by Mead Johnson's own BMS marketing policy. Around 14% on average related to follow-on formula and infant formula which are covered by its policy in these markets (designated higher-risk). However, the company only commits to following local regulations if they are weaker than its policy, which is the case in Indonesia.

Mead Johnson had the highest level of incidences of non-compliance in Vietnam on a relative basis of the six companies assessed here (2.9 on average across all products), and the third highest relative figure in Indonesia (12.3).

On aggregate, as for the other five companies, the fewest examples of non-compliance

were found in respect of Article 4 (informational and educational materials) and Article 9 (labels). However, Mead Johnson was the only company among the six ATNI companies for which an informational material was found in a health facility. While relatively few adverts were found in Vietnam (2), a lot were found in Indonesia (78). The most point-of-sale promotions were found for Mead Johnson of any of the six companies in Vietnam (16).

The vast majority of the advertising in both countries was found for growing-up milks (83%) followed by 13% for infant formula (See Table 20). These were mostly found online, on the company's Facebook pages, Twitter feeds, YouTube, its own website and third-party retailers' websites. (See Westat reports for breakdown). However, although advertising of infant formula is forbidden in both Vietnam and Indonesia, advertising of growing-up milks is allowed in Indonesia but not in Vietnam. Mead Johnson is another company that follows only local regulations rather than its own policy in higher-risk countries, even when they are weaker than its own policy.

### Overall conclusions on companies' performance: how effectively do companies' apply their management systems in these two cities?

The in-country assessments of marketing practice 'test' the extent to which companies' management systems are effective in ensuring that their marketing practices comply both with local regulatory requirements – which all companies commit to meet – and with their own policy commitments, to the extent that those commitments go beyond local regulation.

**TABLE 21** Companies' final scores on both elements of the assessment

Company (ordered by CP score)	BMS 1: Corporate Profile score (Level of compliance with the methodology)	BMS 2: In-country assessment total score (Level of compliance, Vietnam and Indonesia combined)
Nestlé	55%	17%
Danone	45%	17%
FrieslandCampina	31%	17%
Abbott	14%	0%
Mead Johnson	10%	0%
Heinz	0%	33%

Some correlation can be identified between the companies' scores in the Corporate Profile assessment and the in-country assessments. Nestlé, Danone and FrieslandCampina have the highest scores on the Corporate Profile assessment and do slightly better in the in-country assessments than Abbott and Mead Johnson which score poorly on the Corporate Profile assessment.

This seems to indicate that the more extensive policies of Nestlé, Danone and FrieslandCampina, and their more robust management systems, mean that they are better able to curtail incidences of non-compliance. The differential effect of the scope of these companies' policies has already been noted. The limited policies and weak management systems of Abbott and Mead Johnson (as illustrated by their low Corporate Profile score) seem to result in a high level of incidences of non-compliance being found in Vietnam and Indonesia.

Heinz is an anomaly however. As already noted, it sells many fewer products than the other companies assessed, all of which are complementary foods. Although the company does not publish its policies and did not share any documentation of its management systems during the research process, it has the highest level of compliance with the methodology among the six companies assessed on average across both Vietnam (where only two incidences of non-compliant labels were found) and Indonesia. This seems to imply that the company does operate according to a BMS marketing policy and has procedures to guide its marketing practices. However, these do not seem to align to the recommendations of The Code, given that several examples of labeling non-compliance were identified.

#### BOX 26

### Notable issues identified by the research

**Role of online retailers:** It is important to note that with respect to point-of-sales promotions, the IGBM Protocol does not enable monitors to determine the extent of the role of the manufacturers in point-of-sale promotions. Some of the online adverts and promotions may have been initiated by online retailers with which the manufacturers do not have contracts. In these cases, their ability to influence them is therefore more limited than where they do have contracts to provide products for sale. Nevertheless, The Code makes clear that companies 'have a duty to ensure that distributors of their products are aware of their responsibilities under The Code.'

**Contact by companies (Articles 5 & 6):** One area of concern was the continuing efforts reported through interviews by some company representatives to make contact with pregnant women and mothers of infants. Although these data were not included in the companies' scores, for reasons already set out, it indicates that companies need to desist from attempting to make such contact. Local monitoring of companies' activities also needs to be stepped up in this area. Six percent of the women reported that a company representative had spoken with them directly about using a BMS product, and for 34.2% of the 38 health facilities, at least one health care worker reported that a company representative had visited the facility to seek direct contact with women or to obtain contact information for them. Closely related to this is the reported provision of samples to pregnant women and women with young infants. Nearly 9% of the women interviewed reported having received a free sample of at least one product.

**Women's familiarity with BMS brands – the apparent influence of cross-marketing (Article 5):** The vast majority of the women interviewed reported hearing or seeing a relevant advertisement during pregnancy or since their baby was born. However, the media monitoring service, in Vietnam particularly, identified few relevant TV adverts. Westat was not able to reach a clear conclusion about the women's reports of television advertising because most of these advertisements were for products beyond the scope of The Code. Nonetheless, this is an area of concern, as it appears that many women may be familiar with the names of the BMS



manufacturers and their brands through these advertisements for products that are related to covered products, which could influence their decision-making about use of BMS products per se. This is especially probable since the design of packaging, use of fonts, colors, labels etc of the covered products is frequently nearly identical to that of the products for children who are two+ years old. It is interesting to note that Indonesia has passed a regulation that comes into force in early 2017 that prohibits manufacturers from using the same trade name as the trade names of infant formula and 'advanced milk' formula.

**Levels of non-compliance among smaller BMS manufacturers:** In both Vietnam and Indonesia, many small and large manufacturers were present in the market and were also found to have high levels of non-compliance. For example, Westat documented significant activity by two Vietnamese manufacturers, Vinamilk and Nuti Food. Nuti Food had a higher average number of labeling observations per product than most companies, and both companies showed up frequently in other areas, such as promotions. Likewise, some smaller manufacturers seem to have a worse rate of non-compliance with labeling requirements. This indicates that any monitoring exercises and enforcement activity needs to extend to all companies in any market rather than focusing solely on major multinationals.

**Broad public education about the value of breastfeeding:** Whether a woman chooses to breastfeed or to use a BMS product can be influenced by advice from family and friends. Many women interviewed said they had had recommendations to use a BMS product from those around them. Efforts to better educate the population as a whole, or to give more directed advice about exclusive breastfeeding to a pregnant woman, may also help to counter manufacturers' promotion of BMS products.

**Changing maternity leave and working practices for lactating women:** Some women mentioned anecdotally that they find it difficult to maintain breastfeeding because of a need to return to work before the child is six months of age. Requiring all employers to provide lengthy paid maternity leave and improving the means for women to continue breastfeeding while working, such as by providing breastmilk pumps, allowing breaks at work to express milk, providing fridges to store the milk and making more private, secure places available for breastfeeding could also support women to continue breastfeeding. Although not assessed in the Vietnam and Indonesia studies per se, these anecdotes underline the need for employers to provide good maternity policies, as assessed by ATNI within Category E of the Global Index methodology.

## Challenges, limitations and opportunities for improvement of the in-country assessments of marketing

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### Challenges and limitations

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The challenges and limitations of these studies are elucidated at length in the BMS Annex and the Westat reports. In summary, some of the main challenges faced related to the difficulty encountered in accessing sufficient data about healthcare facilities, the lack of clarity of some definitions in The Code, which made assessing certain aspects of product marketing difficult, for example, the use of pictures and text that 'idealise' breast-milk substitutes. ATNF also faced challenges in designing a scoring system, as there was no precedent to draw on.

Other limitations related to the narrow geographical coverage of these studies, the fact that they were carried out in two major urban areas, which means that the findings cannot be extrapolated to the rest of the country, and they are not likely to be representative of marketing activity in smaller urban or rural areas. They are also only one-time cross-sectional surveys providing only a limited insight into companies' ongoing marketing activities.

The sample of retail outlets was a purposive sample (as no guidance for their selection was provided by the IGBM Protocol) whereas a more formal approach to sampling would be preferable as this would provide a sounder basis on which to estimate prevalence. It is possible that not all products available for sale in each city were taken into account, as no 'master' list of products available on each market was identified. There may therefore be more incidences of non-compliance than identified and/or the relative numbers for each company may have been higher or lower had additional products been assessed.

Because the IGBM Protocol calls for interviews with (pregnant women and) mothers of children younger than six months old it therefore does not assess the promotion of BMS products for older infants and children by asking mothers of older children about their experiences with products designed for those age groups. Another significant limitation of the studies is that much of the information is collected through interviews with women and with health care workers, which are highly likely to be subject to recall bias. The many ways this kind of data can be inaccurate are outlined in the Westat reports. Also, while healthcare workers were randomly selected within each health facility, they might not have been the best employees to interview with respect to facility-related issues; some of the questions might have been better addressed to facility managers.

### Opportunities to improve future studies

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**More regular and consistent monitoring is needed in more countries on a more regular basis:** The only way for ATNF and other stakeholders to build a comprehensive picture of manufacturers' marketing activities worldwide is for governments and/or independent agencies to carry out monitoring studies in several countries at regular intervals, e.g. every two years, or on an ongoing basis using real-time data collection facilitated by apps on mobile devices, until such time as full compliance is achieved and sustained. ATNF and other organizations would then be able to draw on these studies; the ATNI BMS sub-ranking could then base the companies' scores on a more comprehensive picture of their compliance worldwide.

**Updating the IGBM Protocol:** The IGBM Protocol is seen by BMS experts as the best existing rigorous research-oriented approach to conduct such an assessment. It assesses compliance with most of the Articles of The Code that apply in some way to manufacturers and establishes a sophisticated approach to collecting six different sources of information captured using different methodologies. It addresses compliance with 16 sub-articles of The Code within Articles 4, 5, 6, 7, and 9.

Another element could be added to assess Article 8, which deals with prohibitions on outside activities by representatives of BMS manufacturers. This would however require contact with company representatives or some other source that could attest to the activities of these representatives. Additional modules could be added to assess several sub-Articles of 11.2 which call on companies to monitor their practices, to be sure that their conduct at every level conforms to the principles and aims of The Code and apprise each member of their marketing personnel of The Code and of their responsibilities under it. This would add a valuable corollary to ATNI's assessment of company's management systems through the Corporate Profile analysis. This too would require interviews to be conducted with company staff.

Another way in which the Protocol needs to be updated is to enable online advertising and promotion on companies' own Facebook, YouTube or Twitter feeds, or on third-party sites, such as online women's magazines and online retailers. These sources are not currently within the scope of the IGBM protocol because it was last updated in 2007.

As noted above, a better approach to selecting health care workers might be to direct facility-level questions to a facility manager or a financial manager.

Similarly, further guidance could be added to create a more objective approach to selecting retail outlets so that results could be extrapolated to the universe of stores in the area being studied.

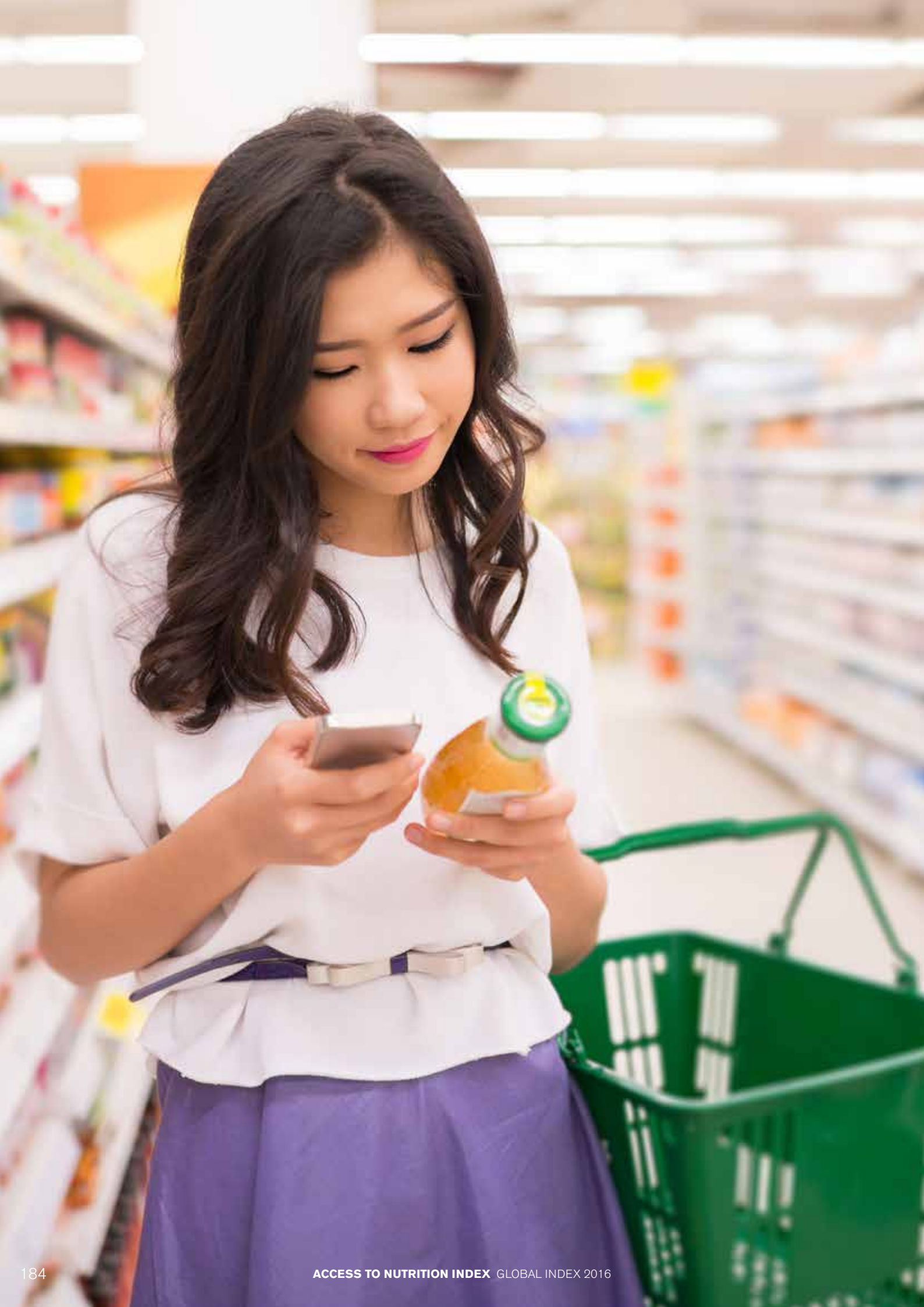
It should be noted that WHO is currently coordinating a project called NetCode that aims to develop and pilot a Code-monitoring protocol based on the IGBM, also incorporating elements of other protocols.

**Developing clear, agreed definitions:** Monitoring studies would be more accurate if there was more clarity about what types of pictures 'idealize' the use of breast-milk substitutes. There is no definition in The Code or elsewhere at present, and there is debate among stakeholders and companies about whether this should apply only to pictures of humans or whether it also extends to animals or cartoons of robots for example. Another area that requires further discussion is how to address advertising and promotion by online retailers. The WHO could make a valuable contribution to such studies by clarifying this and other definitions.

**NOTES**

- <sup>1</sup> [http://www.who.int/nutrition/topics/infantfeeding\\_recommendation/en/](http://www.who.int/nutrition/topics/infantfeeding_recommendation/en/)
- <sup>2</sup> It is important to note that during the consultation process companies expressed concern about this revised definition.
- <sup>3</sup> Defined using UNICEF data – see BMS Annex, available at [www.accesstonutrition.org](http://www.accesstonutrition.org).
- <sup>4</sup> <http://ibfan.org/code-watch-reports>; <http://aliveandthrive.org/wp-content/uploads/2014/11/Code-of-Marketing-Brief-Breastmilk-Substitute-BMS-Code.pdf>; <https://extranet.who.int/nutrition/gina/>
- <sup>5</sup> [http://www.who.int/maternal\\_child\\_adolescent/documents/9241562218/en/](http://www.who.int/maternal_child_adolescent/documents/9241562218/en/)
- <sup>6</sup> <http://www.jhsph.edu/research/centers-and-institutes/institute-for-international-programs/current-projects/lives-saved-tool/>
- <sup>7</sup> <http://www.unicef.org.uk/BabyFriendly/News-and-Research/Research/Breastfeeding-research---An-overview/>
- <sup>8</sup> Optimal breastfeeding practices and infant and child mortality: a systematic review and meta-analysis. Sankar MJ, Sinha B, Chowdhury R, Bhandari N, Taneja S, Martines J, Bahl R. *Acta Paediatr Suppl.* 2015 Dec;104(467):3-13. doi: 10.1111/apa.13147. <http://www.ncbi.nlm.nih.gov/pubmed/26249674>
- <sup>9</sup> *ibid*
- <sup>10</sup> <http://www.nielsen.com/sa/en/press-room/2015/oh-baby-global-baby-food-and-formula-sales-will-reach-nearly-35-billion.html>
- <sup>11</sup> <http://www.zenithinternational.com/articles/135577%25+growth+for+%2450+Billion+global+infant+nutrition+market>.
- <sup>12</sup> <http://www.nielsen.com/content/dam/nielsen/global/de/docs/Nielsen%20Global%20Baby%20Care%20Report%20-%20August%202015.pdf>
- <sup>13</sup> UNICEF's permission to use the IGBM protocol does not imply endorsement of the methodology used or the results of the survey.
- <sup>14</sup> [http://www.ftse.com/products/downloads/F4G\\_BMS\\_Criteria.pdf](http://www.ftse.com/products/downloads/F4G_BMS_Criteria.pdf) and <http://www.ftse.com/products/indices/F4G-BMS>
- <sup>15</sup> <http://www.who.int/nutrition/events/inappropriate-food-promotion-consultation/en/>
- <sup>16</sup> This is because the company only sells CFs within the EU (mainly in Greece) and so follows EU regulations.
- <sup>17</sup> Heinz was a member of IFM when the RRC were published, but subsequently ceased its membership.
- <sup>18</sup> Note that the weighting in this section is 20% for policy indicators and 80% for management systems indicators as there are many more of the latter. The weighting in all other sections is 50%/50%.
- <sup>19</sup> The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices on which financial products can be based and which can be used in other ways. FTSE4Good Indexes exclude BMS manufacturers unless they meet the FTSE4Good BMS criteria. Currently Nestlé is the only company to do so.
- <sup>20</sup> UNICEF data on mortality data, 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.
- <sup>21</sup> Based on analysis by Westat, in-country advisors and ATNF.
- <sup>22</sup> This is the total number of non-compliances identified divided by the total number of products evaluated, e.g. for Abbott,  $27/13 = 2.1$ .
- <sup>23</sup> This is the total number of products bought and of which labels and inserts were analyzed.
- <sup>24</sup> Based on analysis by Westat, in-country advisors and ATNF.

All links accessed November 2015.



# Company Scorecards

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## Contents

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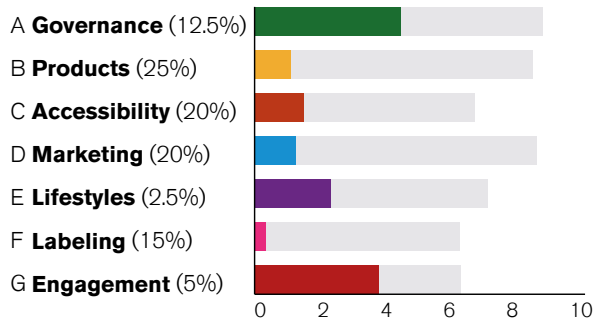
Ajinomoto	187
ARLA Foods amba	188
BRF S.A.	189
Campbell Soup Company	190
ConAgra Foods	191
Ferrero S.p.A.	192
General Mills, Inc.	193
Groupe Danone	194
Groupe Lactalis S.A.	195
Grupo Bimbo, S.A.B. de C.V.	196
H.J. Heinz Holding Corporation	197
Hangzhou Wahaha Group Co.	198
Kellogg Company	199
Koninklijke FrieslandCampina	200
Kraft Foods Group, Inc.	201
Mars, Incorporated	202
Mondelez International, Inc.	203
Nestlé S.A.	204
Pepsico, Inc.	205
The Coca-Cola Company	206
Tingyi Cayman Islands Holding	207
UNILEVER plc	208



The following pages contain one-page summaries about each company, including 'Areas of Strength' and 'Areas for Improvement'. The full Global Index scorecards and the BMS scorecards can be found: [www.accesstonutrition.org](http://www.accesstonutrition.org).

## Ajinomoto

↑  
RANK  
**15**  
SCORE  
**1.7**  
17 (2013)

NUTRITION GENERAL **17** 1.3UNDERNUTRITION **4** 3.6

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
Japan

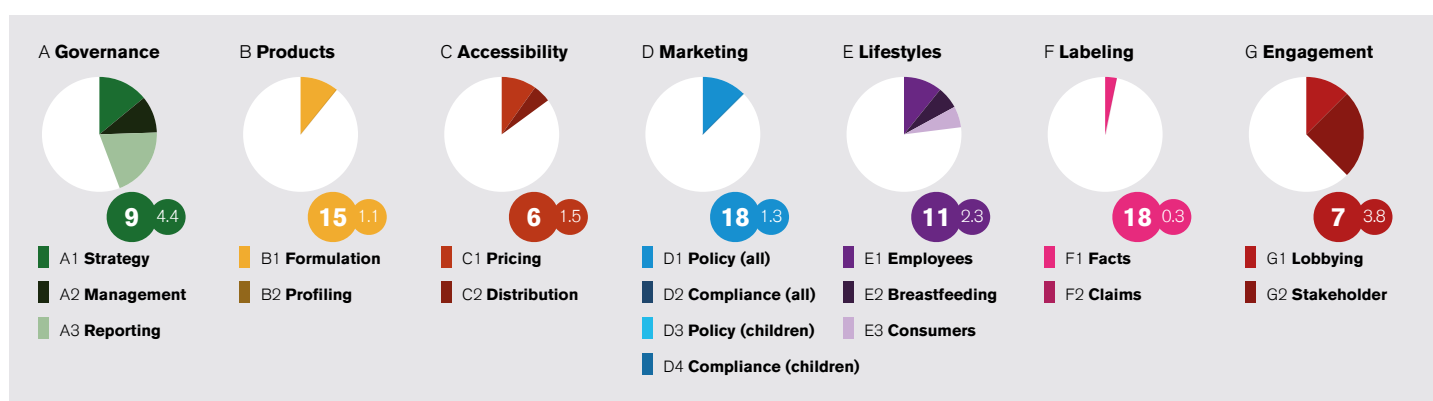
**Market capitalization**  
\$11,119 m

**# of employees**  
27,579

**Total revenues\***  
\$9,629 m

**Reported product categories**  
Coffee; Soup; Noodles; Concentrates; Frozen Processed Food; Sauces, Dressings and Condiments

**Reported revenue by geography\*\***  
Japan 49%, Asia 25%, Americas 14%, Europe 11%



## Areas of strength

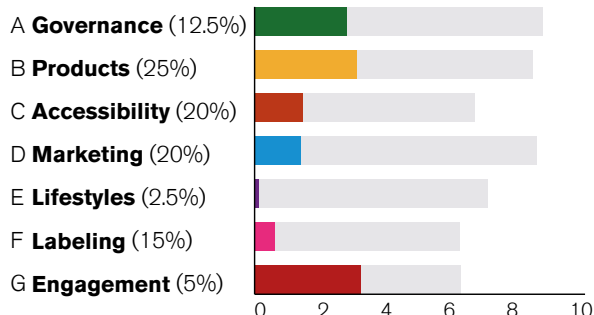
- In the Global Index, Ajinomoto ranks fifteenth, which is an improvement on its previous rank of seventeenth in the 2013 Global Index.
- Ajinomoto has identified both overnutrition and undernutrition as key principles in its 2014-2016 medium-term management plan. The plan outlines the company's aim to use products such as its umami seasonings to address health issues. The plan is globally applicable to all Ajinomoto operations.
- Compared to 2013, Ajinomoto has improved its nutrition R&D efforts. The company has disclosed targets to increase its nutrition R&D spending. However, it is unclear how Ajinomoto's investment targets will continue beyond 2015. Ajinomoto also provides consolidated data on the number of new healthy products recently launched which is an improvement on 2013.
- Ajinomoto has demonstrated an increased focus on employee health and wellness. The company now has formal targets for employee participation in health and wellness programs. Programs offered to employees are more robust and address issues such as the importance of healthy diets, behavior and physical fitness.
- Ajinomoto focuses its undernutrition activities in higher-priority developing countries, primarily through its Ghana Nutrition Improvement Project. The project targets infant undernutrition through its Koko Plus product, a supplement that contains amino acids to fortify the nutrition of traditional infant weaning food. The project includes consideration of distribution, local production, marketing and consumer research of local needs. The project began pilot sales in FY2013 and experienced modest sales increases in FY2014. If effectively scaled up this project has the potential to have significant impact.

## Areas for improvement

- Some key gaps remain since 2013. Ajinomoto lacks many key policies, such as those for product reformulation, healthy product affordability and accessibility, labeling, nutrient claims and lobbying.
- The company's top-level management plan addresses several nutrition issues but does not cover other key areas such as labeling, marketing, distribution, or stakeholder engagement.
- Similar to 2013, Ajinomoto lacks a company definition of healthy products. The company also does not use a Nutrient Profiling System (NPS), nor does it have reformulation targets to reduce or increase levels of key nutrients.
- While Ajinomoto sells affordable products in developing countries and generally aims to make products that are accessible to all consumers, it still does not publish any affordability or accessibility commitments specifically related to healthy foods.
- Ajinomoto's general commitment to advertising and marketing is narrow in scope and does not cover key issues for the responsible marketing of food to children or adults.
- Contrary to best practice, Ajinomoto does not publish formal nutrition labeling commitments. The company should codify formal commitments to provide information for all key nutrients on both the front and the back of product packaging.
- Ajinomoto could improve its disclosure on lobbying and stakeholder engagement. Although it publishes some examples of engagement initiatives, key elements remain undisclosed, such as nutrition-related lobbying positions, detail on how stakeholder engagement is structured and how stakeholder feedback impacts business decisions.

## ARLA Foods amba

RANK  
**14**  
SCORE  
**1.9**  
N/A (2013)

NUTRITION GENERAL **14** 2.3UNDERNUTRITION **13** 0.3

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
Denmark

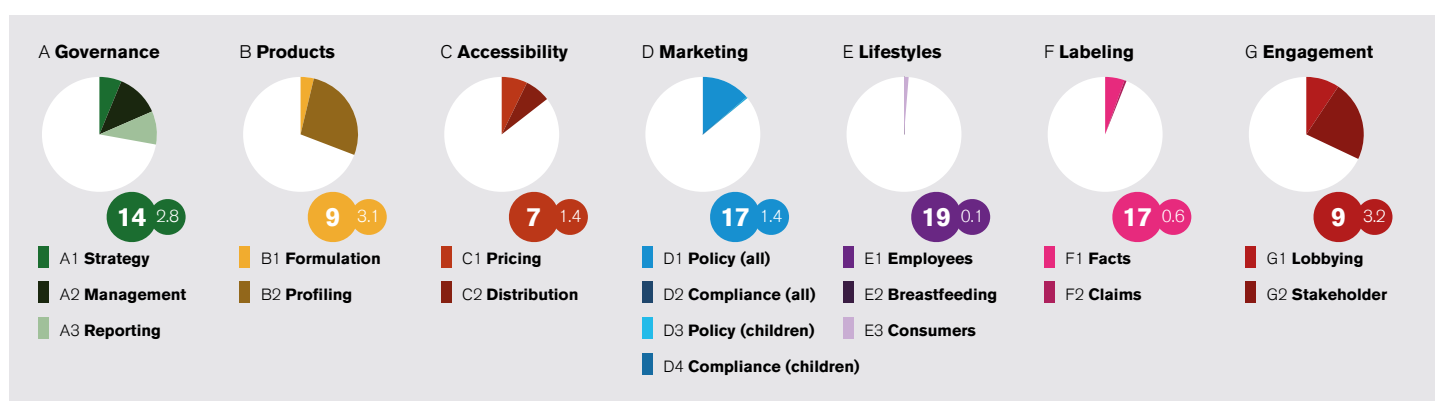
**Market capitalization**  
Not Available (Cooperative structure)

**# of employees**  
19,000

**Total revenues\***  
\$12,848 m

**Reported product categories**  
Dairy; Oils and fats; Sauces, dressing; Soups; Spreads

**Reported revenue by geography\*\***  
Not Available



## Areas of strength

- Arla has a formal nutrition commitment which is embedded within its overall business strategy and mission statement. Its four-pillar health strategy deals with stimulating healthy diets (improving products' nutritional profile); simplifying choice (improving product information transparency); inspiring good food habits (supporting healthy lifestyle choices) and, accommodating specific needs (addressing obesity, undernutrition and digestive issues).
- Arla aims to grow via a focus on health and nutrition. It demonstrates a commitment to enhancing product nutrition, asserting that product R&D and nutritional improvement is a high priority.
- Arla has made a commitment to address the affordability and accessibility of its healthy products. The company's global health strategy includes promoting and offering healthy and affordable products to consumers. The commitment is applicable to all Arla markets, as part of its overarching global health strategy. Arla is one of the few companies assessed that commits to providing nutrition information on the back-of-pack for all the key nutrients recommended by the Codex (energy/calories, protein, carbohydrates, sugars, trans fat, total fat, saturated fat, dietary fiber and sodium). This approach is applied globally.

## Areas for improvement

- Commitments, performance and disclosure across all categories have room for improvement when compared with industry peers. Arla recognizes the nutritive potential of dairy products, but current disclosure does not reveal a fully developed or comprehensive approach to improving consumers' access to healthy products.
- Although the company indicates that it frequently launches products targeting undernourished populations, disclosure of its precise strategies and initiatives remains limited. Arla has not made formal commitments in the areas of affordability, marketing, stakeholder engagement or fortified product formulation. There is no commitment to tackle undernutrition in priority developing countries. Arla could strengthen its approach by formally setting out how it intends to address undernutrition issues in the emerging markets and by focusing its activities on consumers with the greatest need.

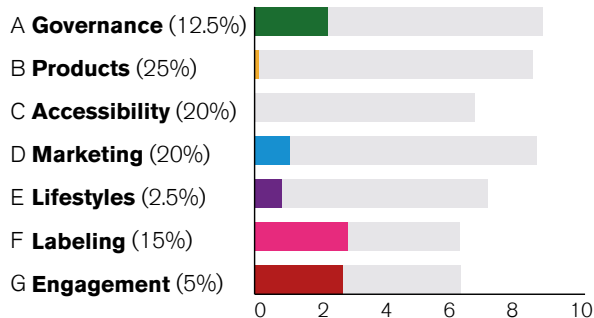
**i** In recent years Arla announced several mergers and joint ventures that led to significant growth. Arla posted total revenues of around \$12 billion in FY2014, leading to its inclusion in the ATNI 2016 Global Index. Although Arla markets breast-milk substitutes (BMS), it was not included in the BMS assessment and sub-ranking because it did not derive 5% or more of its FY2013 revenues from baby food (according to Euromonitor data), which is the criterion for inclusion.

## BRF S.A.



## NUTRITION GENERAL 17 1.3

## UNDERNUTRITION 15 0.1



**Headquarters**  
Brazil

**Market capitalization**  
\$20,622 m

**# of employees**  
10,4000

**Total revenues\***  
\$10,913 m

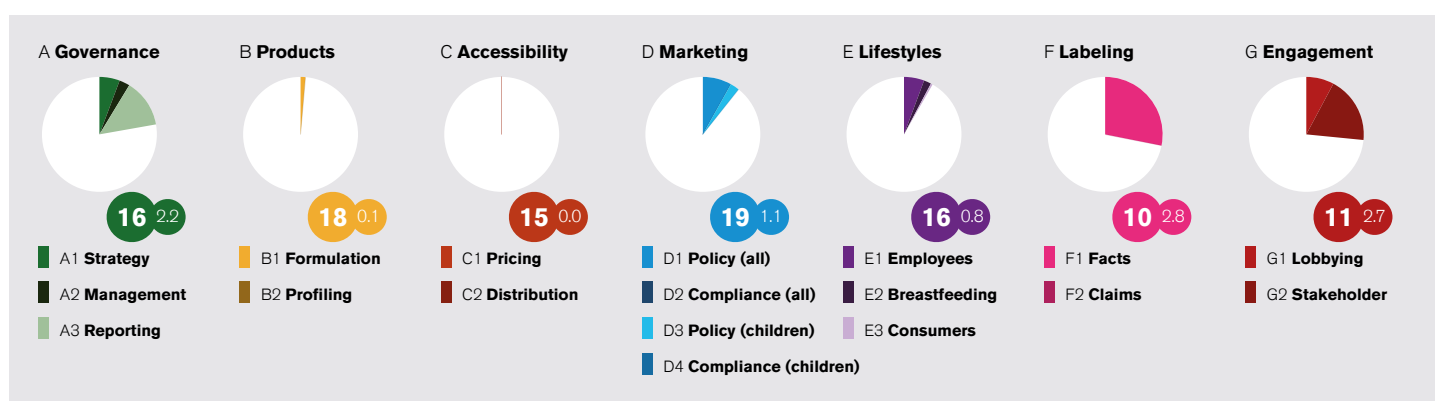
**Reported product categories**  
Processed Food; Dairy; Meat

**Reported revenue by geography\*\***  
Brazil 53%, Middle East / Africa 19%, Europe / Eurasia 10%, Far East 10%, America 6%

■ Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ



## Areas of strength

- Although BRF's reporting is not very comprehensive, the company addresses nutrition issues in its annual report. These are incorporated in the sustainable consumption pillar of its sustainability strategy, suggesting that nutrition is an element of its core business strategy.
- BRF's approach to reformulating its existing products is aligned with national dietary guidelines, such as those of the Brazilian Association of Food Industries and of the Ministry of Health.
- The company's responsible marketing policy, not available in 2013, was disclosed on request during the research process. It is applicable to all consumers and all media, and prohibits advertising to children under-six.

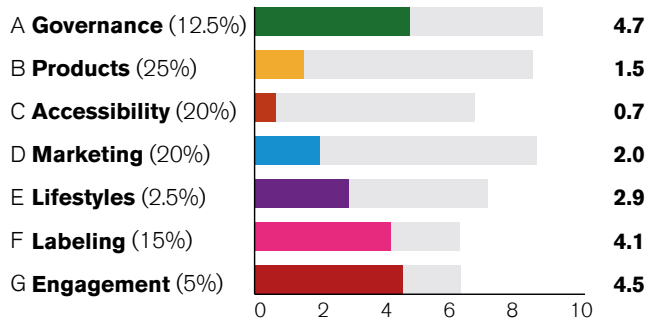
## Areas for improvement

- Although BRF improved slightly on its previous ranking of twentieth in 2013 to seventeenth in 2016 Global Index, it is still amongst the lowest scoring companies.
- BRF claims that delivering better nutrition is part of the company's strategy, however, this commitment could be made more evident by codifying it in a mission statement or policy and by explaining more fully how it intends to operationalize that commitment. BRF's nutrition strategy is not applicable company-wide but limited to Brazil.
- As in 2013 Index, BRF did not adopt a robust Nutrient Profiling System (NPS) to guide its reformulation efforts.
- BRF should extend its commitments relating to marketing to children. It should also begin to commission audits of its compliance with its policy and publish the findings.
- The company could strengthen its approach to helping consumers achieve healthier lifestyles by supporting programs implemented and designed by third parties with relevant expertise.
- BRF should disclose any formal labeling policies it has and these should be applied globally.
- BRF's efforts to address undernutrition could be strengthened by developing and providing fortified foods that address the specific needs for undernourished people in priority developing countries. It could also support other initiatives designed to prevent and address undernutrition in priority markets.

**i** BRF does not have any products in its portfolio to which fruits could reasonably be added; therefore the company was not assessed on targets to increase fruit levels in products.

## Campbell Soup Company

RANK  
**12**  
SCORE  
**2.4**  
12 (2013)

NUTRITION GENERAL **12** 2.4

**Headquarters**  
U.S.

**Market capitalization**  
\$13,972 m

**# of employees**  
19,400

**Total revenues\***  
\$8,358 m

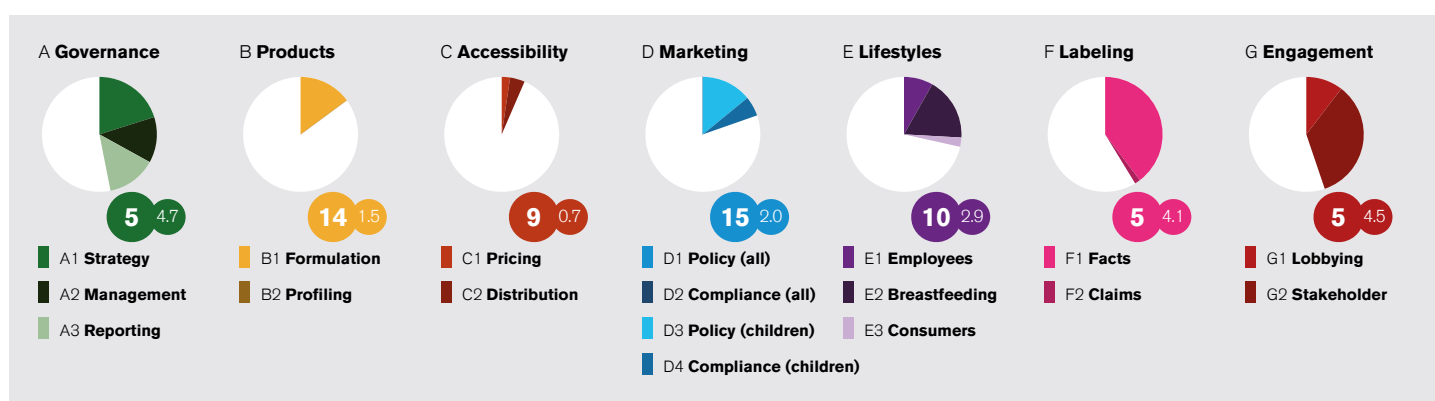
**Reported product categories**  
Baby Food; Soups; Sauces; Beverages;  
Baked Goods; Snacks

**Reported revenue by geography\*\***  
United States 77%, Other countries 13%,  
Australia 8%

■ Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ



## Areas of strength

- Campbell has made a strategic commitment to emphasize healthier products in its business expansion and has signaled that this emphasis will continue in the future. Recent acquisitions of Plum Organics, Bolthouse Farms and Garden of Eatin' exemplify this commitment.
- Product reformulation is a notable area of improvement since the 2013 Global Index. In 2013, Campbell reported that 28% of its U.S. products were considered healthy. In 2015, 59% of its U.S. products met this standard. However, the figure for its global portfolio is not available.
- In addition to offering health and wellness programs to its workforce, Campbell also makes these programs available to employees' family members, which is a leading practice among companies assessed.
- Across its major markets, Campbell commits to back-of-pack (BOP) labeling of all key nutrients in compliance with U.S. regulatory requirements and applies various front-of-pack (FOP) labeling schemes. It also provides nutrition information online for more than 90% of its products, a leading practice and level of product coverage among the companies assessed on the 2016 Global Index.
- Campbell engages with stakeholders on topics such as health and nutrition, and follows the AA1000 standard on stakeholder engagement. This is a best practice approach that is followed by very few of the companies assessed on the 2016 Global Index.

## Areas for improvement

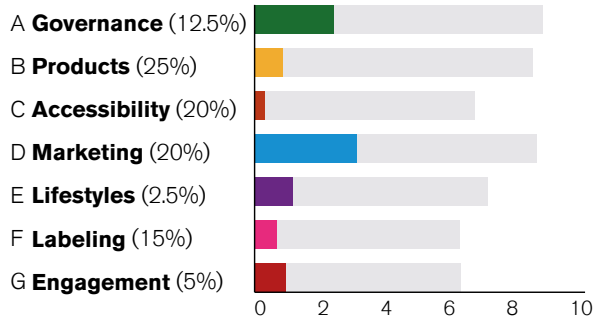
- Recent product launches demonstrate an ability to develop and market healthy foods. Campbell could improve the nutritional quality of existing products across the company's portfolio. A dual focus on releasing both new healthy foods and reformulating existing products would create significant positive health impacts for consumers.
- Although Campbell's enlarged healthy portfolio indicates an increased focus on delivering healthier products and capacity to track their contribution to its revenues, similar to 2013 these products appear limited to the U.S. Campbell should track and disclose these numbers for all of its markets to demonstrate that it is committed to improving consumers' healthy options across all markets of operation, not just at home.
- Campbell does not disclose any policies to ensure the responsible marketing of its products to all consumers. It could strengthen its child-directed marketing commitments outside of the U.S. and disclose the results of audits assessing compliance with its marketing policies.
- Campbell could contribute to improving staff health and wellness by setting clear targets for participation and conducting evaluations of the program's effectiveness. Moreover, it could formalize and extend its maternity leave policy.
- Overall, although there is evidence of improvement in the company's policies and practices, Campbell's relatively low score and average position on both the 2013 and the 2016 Global Index suggests its performance has not substantially changed. Campbell's focus appears to be firmly on the U.S. The company should expand its nutrition policies, commitments and programs to all of its markets of operation to demonstrate a commitment to improving consumers' diets across the globe.

# ConAgra Foods

↓  
RANK  
**16**  
7 (2013)

SCORE  
**1.4**

## NUTRITION GENERAL 16 1.4



■ Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
U.S.

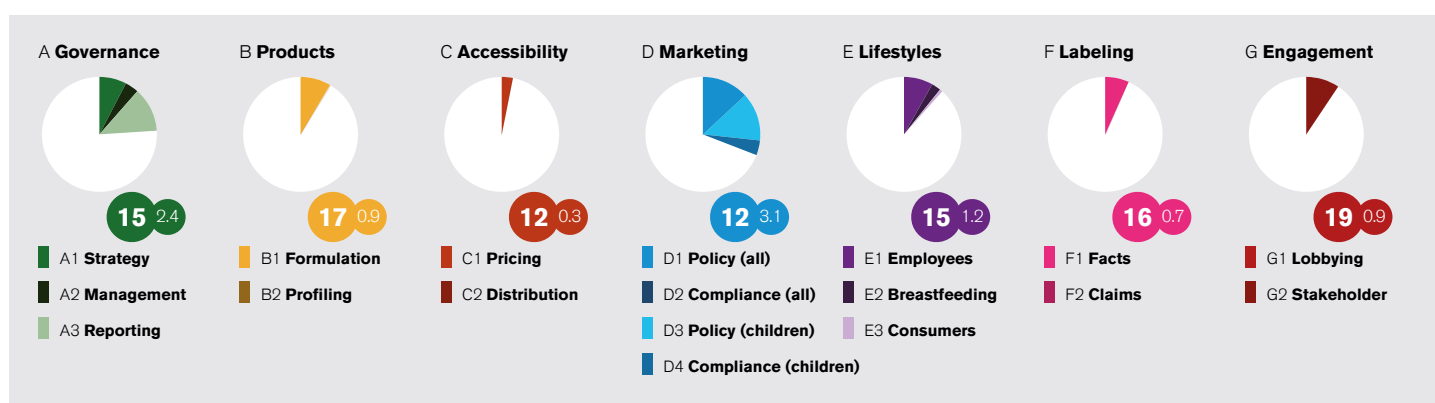
**Market capitalization**  
\$15,678 m

**# of employees**  
32,800

**Total revenues\***  
\$14,820 m

**Reported product categories**  
Bakery; Canned/ Preserved Food; Chilled, Dried and Frozen Processed Food; Confectionery; Noodles; Oils and Fats; Pasta; Ready Meals; Sauces, Dressings and Condiments; Snack Bars; Soup; Spreads; Savoury Snacks; Other hot drinks

**Reported revenue by geography\*\***  
United States 87%, Rest of the world 13%



### Areas of strength

- ConAgra's strategic roadmap, Our Recipe for Growth, includes a citizenship pillar as one of its five strategic business areas of focus. Health and nutrition is identified as an important element of this pillar.
- ConAgra has strengthened the language of its commitment to affordability since the 2013 Global Index, stating the company wants, "Nothing more than to make safe, delicious, affordable and nutritious foods."
- ConAgra has committed to provide both back-of-pack (BOP) and front-of-pack (FOP) nutrition labeling. Its BOP labeling includes all key nutrients recommended by the Codex Guidelines on Nutrition Labeling. Information is provided on the basis of recommended daily values.

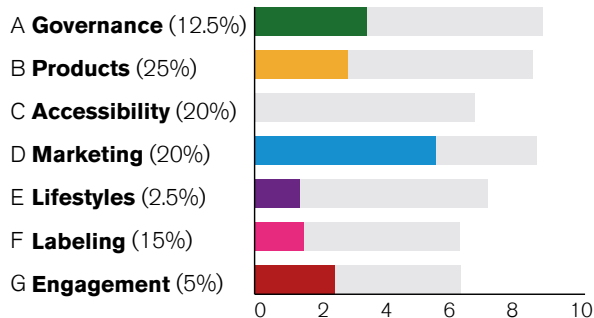
### Areas for improvement

- ConAgra's overall rank in the 2016 Global Index is sixteenth, down from seventh in the 2013 Global Index. The factors contributing to decline in performance include, the company's lack of an a Nutrient Profiling System (NPS) and overall limited disclosure relating to all ATNI categories.
- ConAgra has not recognized the priorities set out in the World Health Organization (WHO) Action Plan on the Prevention and Control of Non-communicable Diseases, which should be used by companies as a guide for developing an effective approach to tackling nutrition issues.
- In the absence of an NPS, ConAgra lacks an effective framework to guide product reformulation and healthy product R&D.
- ConAgra could also improve its performance by setting reduction targets for negative nutrients such as saturated fats, trans fat, and sugars, as well as targets to increase the proportion of fruits, vegetables, fiber and wholegrains in products.
- As in the 2013 Global Index, the company does not emphasize healthy products in its activities to improve access to foods. ConAgra should focus on this as a priority, given that one of its important business lines is the manufacture of foods to be sold under the brand names of food retailers, often at relatively lower prices.
- ConAgra still does not commission independent audits of its practices related to its marketing to children. The company conducts self-assessments that are monitored by the Children's Food and Beverage Advertising Initiative (CFBAI). While compliance is also assessed through the CFBAI, independent assessment conducted by an external party would demonstrate best practice.

**i** ConAgra generates the vast majority of its revenues in OECD countries, with less than 5% of its sales originating in non-OECD countries. Therefore, the company has not been assessed on the undernutrition criteria for the purposes of the 2016 Global Index.



# Ferrero Group

NUTRITION GENERAL **9** 3.0UNDERNUTRITION **16** 0.0

**Headquarters**  
Italy

**Market capitalization**  
Privately owned

**# of employees**  
24,836

**Total revenues\***  
\$11.180 m

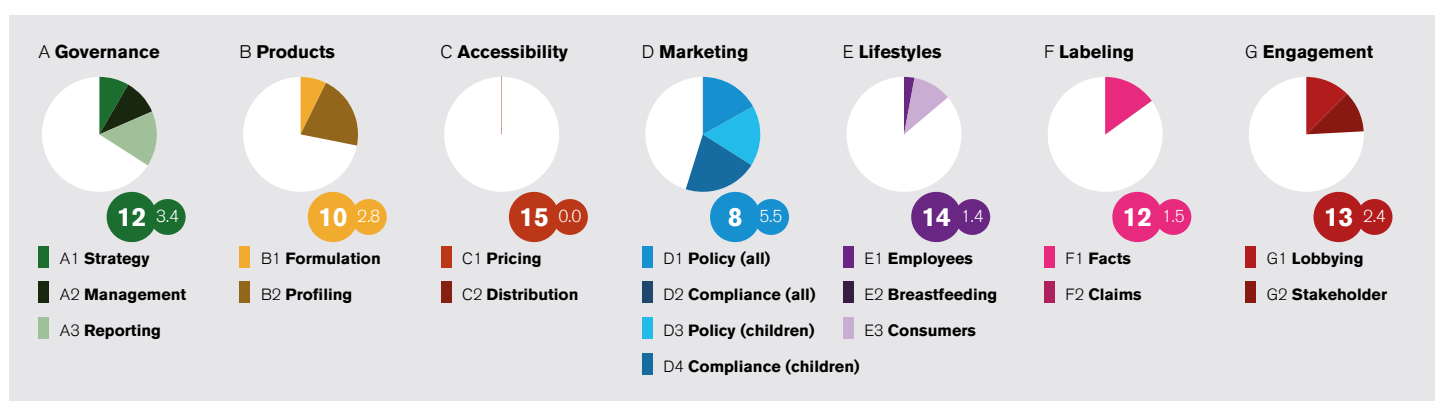
**Reported product categories**  
Confectionery; Spreads

**Reported revenue by geography\*\***  
Not disclosed

■ Highest score among rated companies

\* Source: Ferrero Group, CSR Report 2014, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ



## Areas of strength

- The company recognizes the priorities set out in the World Health Organization (WHO) Global Action Plan, as a member of the International Food & Beverage Alliance (IFBA) and the European Platform for Action on Diet, Physical Activity and Health.
- Compared to the 2013 Global Index, Ferrero now demonstrates a strategic commitment to deliver better nutrition across its business, as well as to grow through a focus on health and nutrition. Management systems are in place to implement its nutrition strategy. Moreover, Ferrero's corporate social responsibility (CSR) report, which covers its global nutrition-related initiatives, is subject to external verification, which is a leading practice.
- Ferrero applies the International Chamber of Commerce (ICC) Framework to guide its marketing to all consumers. The company also has its own policy on marketing to children and also adheres to the IFBA, the Children's Food and Beverage Advertising Initiative (CFBAI) and EU industry pledges. This is important given its business is focused on chocolate and confectionary products that are appealing to children. Ferrero responded to ATNF's suggestion for improvement from the 2013 Global Index and disclosed its individual compliance levels with the IFBA and EU pledges.
- The company's labeling commitments are applied globally, rather than just in its major markets of the U.S. and the EU, which was the case in 2013.
- Overall, there is evidence of improvement in the company's practices compared to the findings of the 2013 Global Index, which has resulted in an improved ranking on the 2016 Global Index.

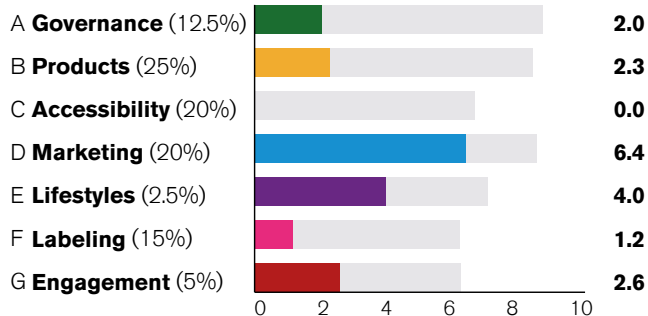
## Areas for improvement

- Although Ferrero has made efforts to improve the nutritional quality of its products by reducing the levels of salt and the calories per portion, the company could further improve its practices to deliver healthier options by setting targets to increase the levels of fruits and fiber to relevant products.
- Ferrero strengthened its worldwide commitment to not advertise products to audiences with children under-12 by lowering the child audience threshold limit from 50% to 35% since the 2013 Global Index. It could further improve its practices by reducing the threshold to 25%, which some peer companies are doing. Ferrero could also refrain from advertising any of its products to children under-12 and by extending the scope of application to include areas in and near secondary schools, as well as places where children gather, as recommended by the WHO.
- The availability of Ferrero's workplace health and wellness initiatives is limited and could be extended to all employees, as well as to their family members, globally.
- Ferrero could strengthen its approach to consumer education by commissioning and publishing independent evaluations of the outcomes of the programs it supports.
- Ferrero's sponsorship commitments could also be extended to programs that address undernutrition focusing on high-priority, low-income countries and populations.
- Ferrero's level of disclosure related to government and stakeholder engagement practices remains poor. The company should provide more details about its engagement activities, as well as how engagement with stakeholders has led to improvements in its nutrition policies and practices.

**i** Ferrero's capacity to address undernutrition commercially is limited as it is predominantly a confectionary business. Therefore, only its non-commercial funded efforts to address undernutrition were evaluated. Ferrero has very limited opportunities to add vegetables to any of its products, it was not assessed on related indicators.

## General Mills, Inc.

↑  
**RANK**  
**10**  
**SCORE**  
**2.5**  
 11 (2013)

NUTRITION GENERAL **11** 2.7UNDERNUTRITION **12** 0.5

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
U.S.

**Market capitalization**  
\$32,814 m

**# of employees**  
43,000

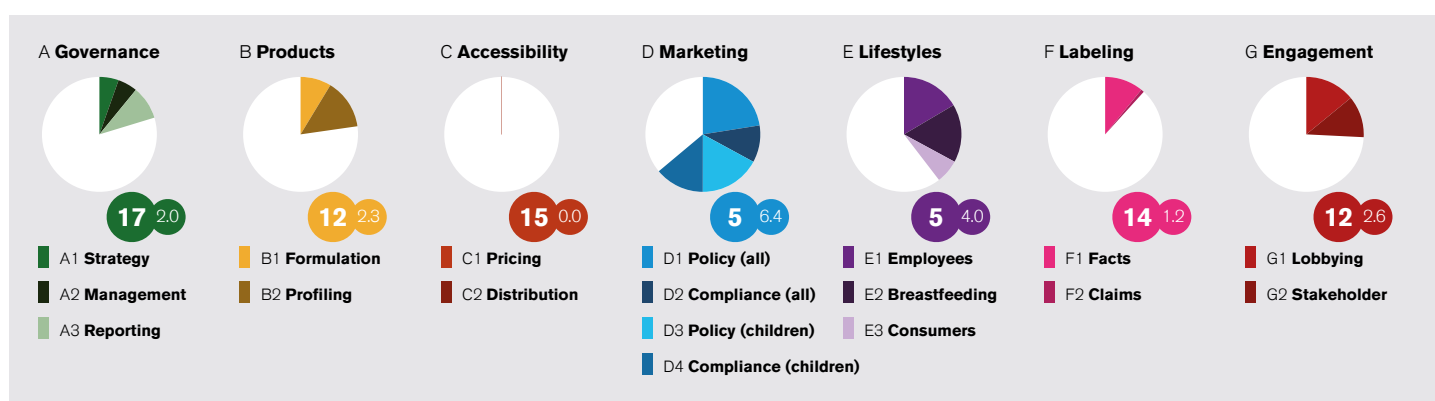
**Total revenues\***  
\$17,642 m

**Reported product categories**

Bakery; Canned/ Preserved Food; Chilled, Dried and Frozen Processed Food; Confectionery; Dairy; Ice Cream; Meal Replacement; Noodles; Pasta; Ready Meals; Sauces, Dressings and Condiments; Snack Bars; Soup; Spreads; Savoury Snacks; Concentrates

**Reported revenue by geography\*\***

United States 70%, Rest of the world 30%

**Areas of strength**

- The company participated in the ATNI research process and provided additional information upon request. This is an improvement from 2013 when the assessment had to be conducted using only information publicly available and led to a higher ranking in four out of the seven categories (D, E, F, and G).
- Similar to the first Index, General Mills' nutrition programs are subject to executive oversight via its Board-level Public Responsibility Committee, and overall nutrition responsibility is allocated to the CEO.
- General Mills shows continued improvement in the nutritional quality of its product portfolio. It now reports that 76% of its products have been nutritionally improved since 2005, up from 64% as reported in the first index.
- General Mills supports the health and wellness of employees through a comprehensive suite of initiatives. These include on-site gyms and nutrition consultations, addressing health through both diet and lifestyle changes.

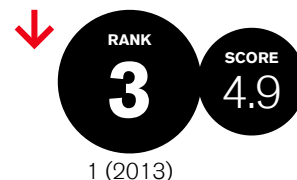
**Areas for improvement**

- General Mills' Health Metric product reformulation system enables products to be included in the company's health metric achievement list when reductions are made in one of a variety of negative nutrients. This does not equate however to a product meeting a composite healthy threshold.
- Similar to 2013, the reformulation system appears to be confined to U.S. markets, despite the fact that the company generates 33% of its revenues in other markets. A best-practice approach to reformulation would establish absolute minimum/maximum thresholds for each key nutrient, by product category or sub-category, across the group-wide portfolio and in all markets, and would calculate the overall nutritional quality of each product.
- Undernutrition-related disclosure remains limited. The company contributes to the philanthropic industry organization Partners in Food Solutions (PFS), which helps to address micronutrient deficiency in Ethiopia, Kenya, Tanzania, Malawi and Zambia. Similar to 2013, there is however little reporting on General Mills' own commercial undernutrition initiatives. Many products are nutrient-enriched, but there is no evidence that such enrichment is designed and targeted to specific undernourished groups.
- Although the company participates in philanthropic initiatives in certain higher-priority developing countries, it does not make any specific commitment to focus its undernutrition efforts in these locations.
- General Mills' ranking in the 2013 and 2016 Global Indexes remains the same. Although the company provided additional information through its engagement with the Access to Nutrition Foundation (ATNF), the company still lags leading practice. This shows there is substantial room for improvement in many areas.

**i** This evaluation is based on operations throughout 2015, but it should be noted that the company announced on 3 September 2015 that it intends to sell its Green Giant vegetable business by the end of 2015. The company will continue to operate the brand under license in some non-U.S. markets.

# Groupe Danone

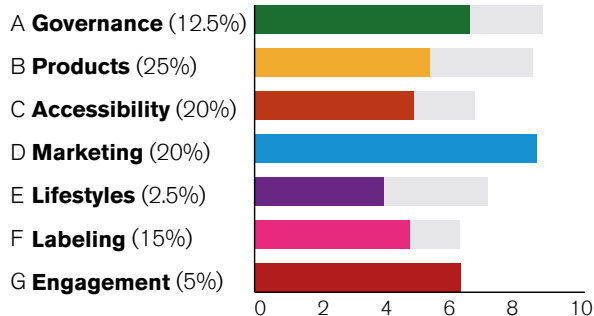
BMS



NUTRITION GENERAL 3 5.9

UNDERNUTRITION 3 3.7

BMS 2 31%



Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

## Headquarters

France

## Market capitalization

\$39,387 m

## # of employees

99,927

## Total revenues\*

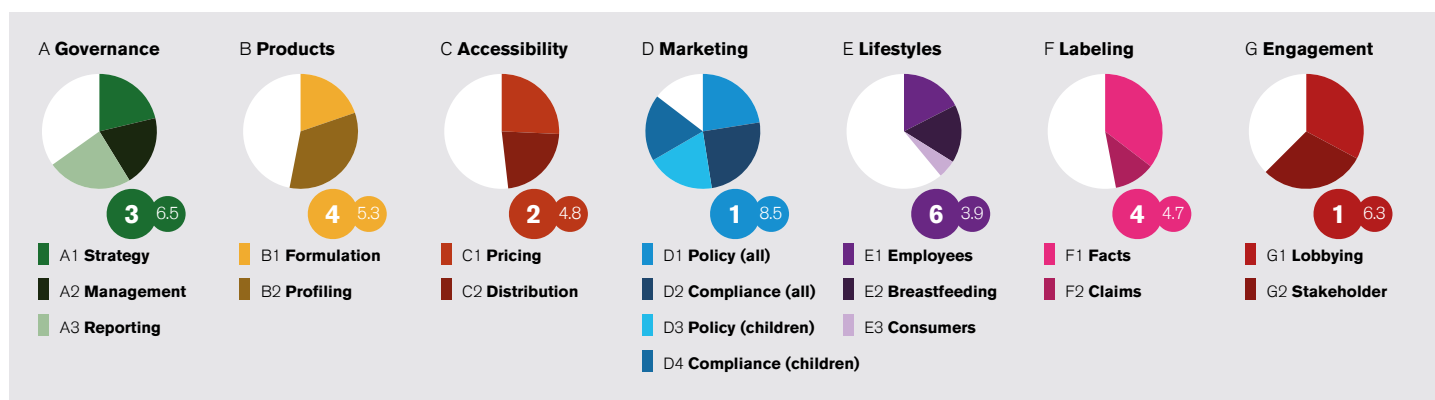
\$25,593 m

## Reported product categories

Baby Food; Dairy; Water and Beverages; Medical Nutrition

## Reported revenue by geography\*\*

Asia-Pacific / Latin America / Middle East / Africa 38%, Europe 30%, CIS &amp; North America 21%, France 9%



## Areas of strength

- Danone clearly demonstrates how a company can contribute to preventing and addressing obesity and diet-related chronic diseases and undernutrition. Nutrition-related commitments are fundamentally embedded into Danone's business objectives and strategic thinking, and are augmented by strong philanthropic initiatives.
- The company's annual sustainability report covers global nutrition-related initiatives and is externally verified, a new development since the 2013 Global Index and is considered to be best practice.
- The company makes significant efforts to address nutrition issues through its commercial portfolio. Consideration of local dietary needs and potential nutrient deficiencies are included in market research assessments and supported by targeted product reformulation as well as follow-up studies to assess efficacy.
- Danone scored well on several affordability-related indicators that were included in the 2016 Global Index. Each of the company's product categories includes healthy variants affordable to low-income populations via coupons, discounts or smaller product sizes. Moreover, these affordability efforts extend to several fortified products designed to target undernourished, low-income consumers.
- During the 2013 Global Index research process, Danone conducted an evaluation of its employee health and wellness program and has since reported the results. An independent academic group has also evaluated the company's program, focusing on participation rates and employee attitude shifts toward health and wellness.
- Danone's maternity leave policies differ by geography, but are generally robust and cover key issues well.
- The company has a track record of successful commercial initiatives and philanthropic projects targeting nutrient deficiencies in low-income demographics.

## Areas for improvement

- At the time of assessment, Danone was in a period of transition between strategic planning cycles. The company was developing its Danone 2020 plan, which is expected to include financial and R&D targets, as well as a revision of strategic business commitments. It is possible that the gaps present in Danone's disclosure can be attributed to the timing of the 2016 Global Index assessment taking place prior to the company's publication of the updated business plan. However this has led to a decrease in ranking from the first place in 2013 to the third place in the second index.
- Danone does not have comprehensive forward-looking targets relating to reducing or increasing key nutrients in its product portfolio. Forward-looking targets related to employee participation in wellness programs are also absent, despite that participation rates and other metrics appear to be routinely tracked.
- Although Danone has nutrition-related initiatives in many developing countries, it does not make a specific commitment to focus its undernutrition efforts in developing countries of highest priority.
- Danone only advertises its healthy products to children under-12. Danone improved its threshold for programs with a child audience limit to 35% for all regions. This could be further improved by reducing the child audience threshold limit to 25%.
- As also recommended in 2013, Danone could improve its disclosure by publishing its policy on nutrition labeling for fortified foods.
- Danone ranked the second on the breast-milk substitutes (BMS) sub-ranking. While its policy commitments align reasonably strongly with The International Code of Marketing of Breast-milk Substitutes (The Code) and subsequent World Health Assembly (WHA), they are not applied to all products in all markets. In both Vietnam and Indonesia, multiple observations of non-compliance with The Code were made.

**i** Danone was evaluated on the BMS sub-ranking. The company's Global Index score has been adjusted by -1.04 to reflect its level of compliance with the BMS methodology of 31%. For the Global Index the company's commitment and practices relating to its Early Life Nutrition products, water products and its medical nutrition products were not evaluated.

**BMS** Assessed against the BMS methodology

# Groupe Lactalis S.A.▲

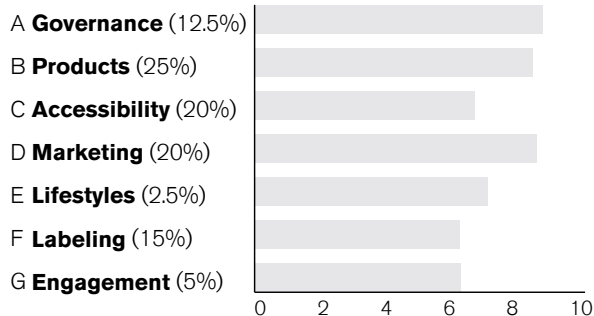
**RANK**  
**20**

**SCORE**  
**0.0**

22 (2013)

**NUTRITION GENERAL** **20** 0.0

**UNDERNUTRITION** **16** 0.0



**Headquarters**  
France

**Market capitalization**  
Private Company

**# of employees**  
61,000

**Total revenues\***  
Not Available

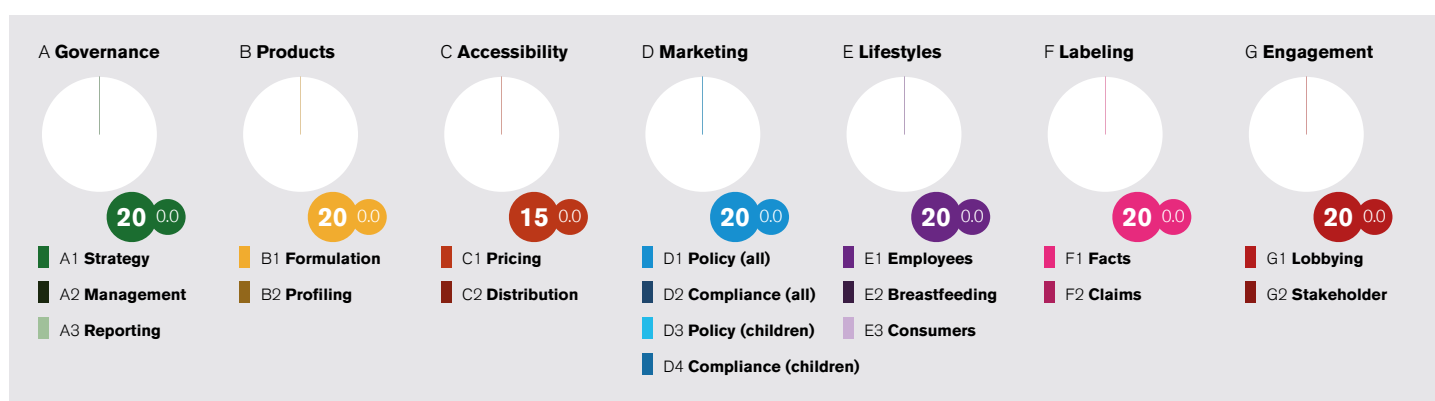
**Reported product categories**  
Baby food; Chilled Processed Food; Dairy

**Reported revenue by geography\*\***  
Not Available

■ Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ



## Areas of strength

- As in the 2013 Global Index, Lactalis' disclosure is very limited. Lactalis did not engage in the 2016 Global Index research process or provide any additional information on request during the company research phase. No clear areas of strength were therefore identified.

## Areas for improvement

- Because it is privately owned, the company is not subject to the same regulatory disclosure requirements as publicly listed firms. However, Lactalis competes for the same consumers as those firms, and the success of its business is subject by the same market forces. Increased disclosure and engagement on nutrition initiatives would allow for a more complete assessment of the company's performance in preventing and addressing obesity and undernutrition, as well as for the identification of areas of strength and those that need improvement.

**i** Although Lactalis markets breast-milk substitutes (BMS), it was not included in the BMS assessment and sub-ranking because it did not derive 5% or more of its FY2013 revenues from baby food (according to Euromonitor data), which is the criterion for inclusion.

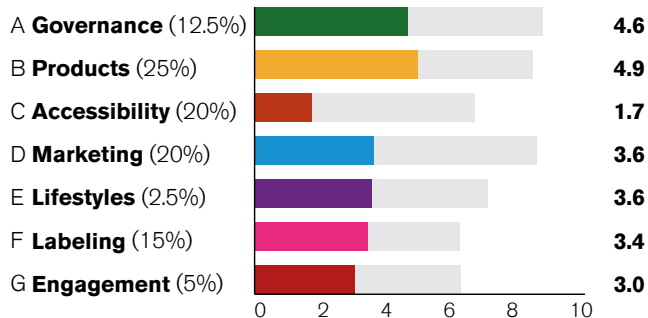
▲ Did not provide information to ATNI

# Grupo Bimbo, S.A.B. de C.V.



## NUTRITION GENERAL 5 4.0

## UNDERNUTRITION 10 1.4



Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
Mexico

**Market capitalization**  
\$12,963 m

**# of employees**  
129,000

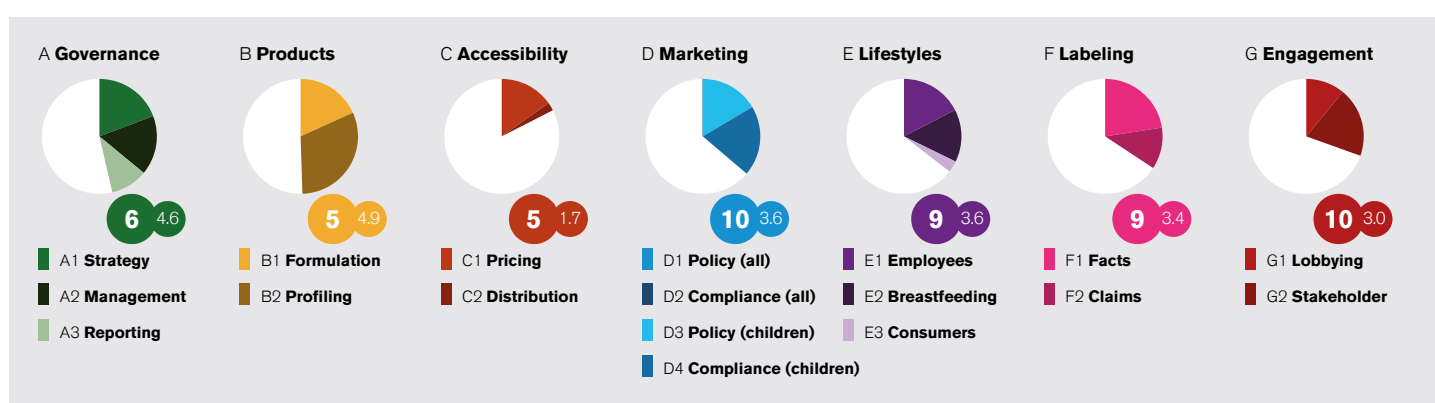
**Total revenues\***  
\$12,672 m

**Reported product categories**

Bakery; Confectionery; Dried Processed Food; Frozen Processed Food; Snack Bars; Savoury Snacks; RTD Coffee

**Reported revenue by geography\*\***

North America 48%, Mexico 38%, Central and South America 11%, Europe 3%

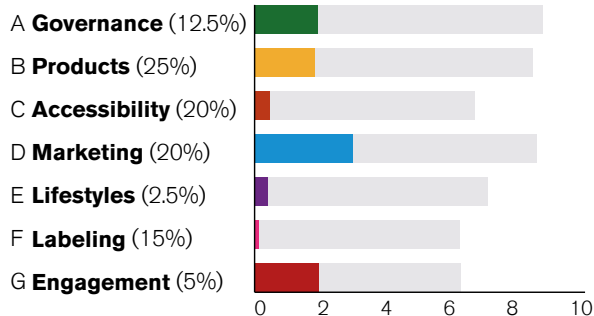
**Areas of strength**

- Grupo Bimbo maintained its sixth place in the 2016 ATNI ranking. In the context of the more robust methodology and assessment used for the 2016 Global Index, as well as strong efforts by top-performing peer companies, this indicates that the company has made significant improvements.
- Nutrition is integrated in the company's corporate strategy, with a notable focus on low-income populations. The company has identified a comprehensive set of nutrition objectives and defined managerial accountability for its nutrition strategy, which rests at the level of the executive team.
- The company reports that 80% of its product categories in developed and developing markets offer one or more healthy variants that are affordable for populations in the lowest-25% income bracket, demonstrating potentially high penetration of affordable healthy foods.
- The company has been able to provide more examples of reduced product sizes in order to limit calorie intakes than it did in 2013.
- Other significant advances since 2013 include commitments around affordability for both its healthy and fortified products and assigning managerial responsibility for the implementation of these commitments.
- Commitments and disclosure of commitments regarding the use of health and nutrition claims are also stronger. In its 'Manifiesto Grupo Bimbo in Health and Wellness', the company outlines a strong approach to the use of such claims, committing that they are clearly and truthfully communicated in line with national regulation, and in its absence, with Codex standards.

**Areas for improvement**

- Grupo Bimbo's targets for sodium, sugars and saturated fats are focused only on specific product categories. The company should expand these to its entire portfolio.
- The company's commitments regarding undernutrition do not target particular countries where micronutrient deficiencies are most acute. Despite Grupo Bimbo's extensive presence in developing markets, most of the company's action on undernutrition is focused on its home market of Mexico.
- The company's product fortification strategy is aimed at pregnant women, children and older adults. Greater emphasis could be placed on addressing the needs of women of childbearing and children under-two.
- Grupo Bimbo's non-commercial activities to address undernutrition remain limited and represent an area in which the company could progress.
- Grupo Bimbo supports active lifestyle programs, but does not exclude brand-level sponsorship from these initiatives. Currently, the company exercises influence over the content of the programs it sponsors. Grupo Bimbo should shift its resources to supporting independently designed and implemented programs.
- Grupo Bimbo focuses on active lifestyle programs, with little emphasis placed on programs that promote healthy eating and nutrition education. The company could better harness its active lifestyle programs to help consumers make healthy diet choices.

## H.J. Heinz Holding Corporation

**NUTRITION GENERAL** 15 1.5**UNDERNUTRITION** 11 1.3**BMS** 4 17%

**Headquarters**  
U.S.

**Market capitalization**  
Not Available

**# of employees**  
24,500

**Total revenues\***  
\$10,922 m

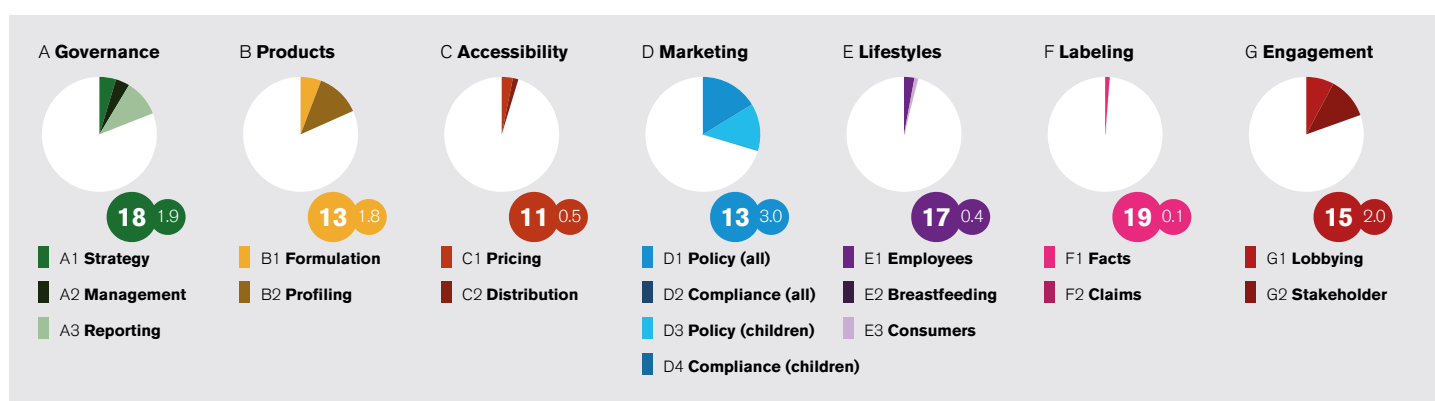
**Reported product categories**  
Baby Food; Meal Replacement; Sauces, Dressings and Condiments

**Reported revenue by geography\*\***  
Rest of the world 52%, United States 33%, Europe 14%

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Areas of strength**

- Heinz's mission statement states its dedication, "To the sustainable health of people (consumers and employees)."
- Since the 2013 Global Index was published, Heinz has made a public commitment to continue to invest in R&D to improve the nutritional quality of its products. In 2013, it opened a new European Innovation Center in The Netherlands with the aim of "Developing new healthy products by leveraging nutritional science and R&D at the site."
- Heinz addresses undernutrition exclusively through its Foundation's activities. The Heinz Micronutrient Campaign, implemented in 15 developing countries since 2011, aims to address micronutrient deficiencies among undernourished children. It also partners with various stakeholders to improve the reach of its campaign.

**Areas for improvement**

- Heinz's ranking dropped significantly, from sixth on the 2013 Global Index to nineteenth on the 2016 Global Index. This is partly because the company actively engaged with Access to Nutrition Foundation (ATNF) during the research process for the 2013 Global Index, but did not in the second Index.
- Although Heinz uses nutrition criteria to guide its product development and reformulation, it does not disclose a Nutrient Profiling System (NPS), although such a system was being used and was assessed for the 2013 Global Index. Publishing an NPS would lead to a better understanding of the company's approach to improving the nutritional quality of its products.
- Heinz's approach to marketing to children appears to be weak and falls below that of its peers. The company could strengthen its commitment by pledging to support industry initiatives such as the Children's Food and Beverage Advertising Initiative (CFBAI) in the U.S. or the International Food & Beverage Alliance (IFBA) in global markets.
- Besides its philanthropic approach to addressing undernutrition, Heinz should also support commercial activities through its core business in consultation with local stakeholders and in response to local needs in high-priority developing countries.
- Heinz ranked fourth on the breast-milk substitutes (BMS) sub-ranking. It does not publish any policies or other information about its approach to BMS marketing. In both Vietnam and Indonesia, multiple observations of non-compliance with The International Code of Marketing of Breast-milk Substitutes (The Code) were made.

**i** Heinz was evaluated on the BMS sub-ranking. The company's Global Index score has been adjusted by -1.25 to reflect its level of compliance with the BMS methodology of 17%. On 2 July 2015, Heinz completed a merger with Kraft Foods Group. As this occurred after the end of the research phase, the two companies are ranked separately for the 2016 Global Index. The company did not participate actively in the research process; its assessment is therefore based solely on publicly available information.

**▲** Did not provide information to ATNI

**BMS** Assessed against the BMS methodology



# Hangzhou Wahaha Group Co.▲

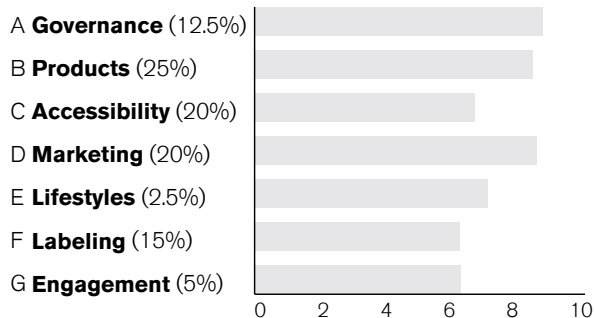
**RANK**  
**20**

**SCORE**  
**0.0**

N/A (2013)

**NUTRITION GENERAL** **20** 0.0

**UNDERNUTRITION** **16** 0.0



**Headquarters**  
China

**Market capitalization**  
Privately owned

**# of employees**  
79,003

**Total revenues\***  
Not disclosed

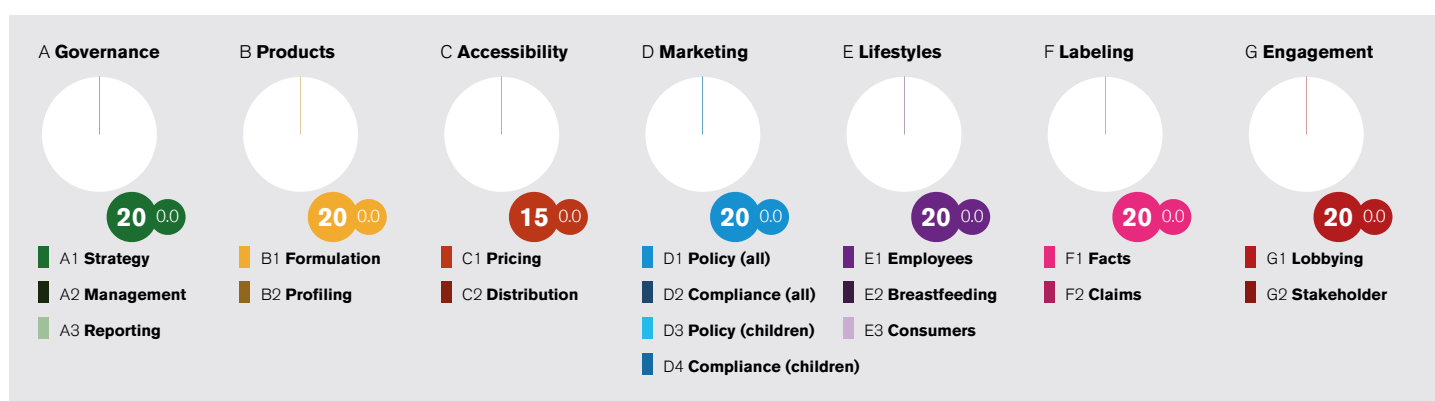
**Reported product categories**  
Baby Food; Canned/Preserved Food; Dairy; Carbonates; Juice; Sports and Energy Drinks; Asian Speciality Drinks; Tea; Other

**Reported revenue by geography\*\***  
Not disclosed

■ Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ



## Areas of strength

- Wahaha's limited disclosure means that no clear areas of strength were identified.

## Areas for improvement

- Increased disclosure about the company's approach to tackling the double burden of malnutrition would allow for a more complete assessment and identification of specific areas for improvement.

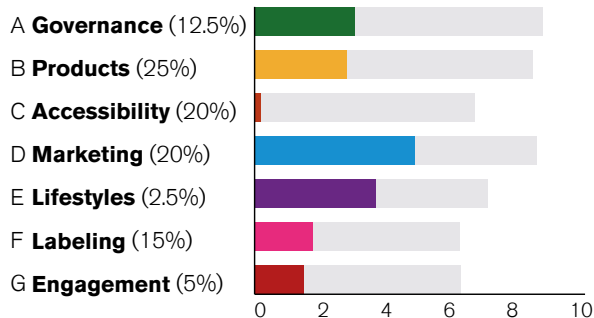
- Engagement with Sustainalytics, ATNF's research partner, would allow a more complete assessment of Wahaha's policies and practices.

**i** Wahaha does not publish information pertaining to its nutrition practices and did not provide any information upon request during the research. As a result it has been difficult to assess the company for the 2016 Global Index. Although Wahaha markets breast-milk substitutes (BMS), it was not included in the BMS assessment and sub-ranking because it did not derive 5% or more of its FY2013 revenues from baby food (according to Euromonitor data), which is the criterion for inclusion.

▲ Did not provide information to ATNI

# Kellogg Company

RANK  
**10**  
SCORE  
**2.5**  
10 (2013)

NUTRITION GENERAL **10** 2.8UNDERNUTRITION **13** 0.3

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
U.S.

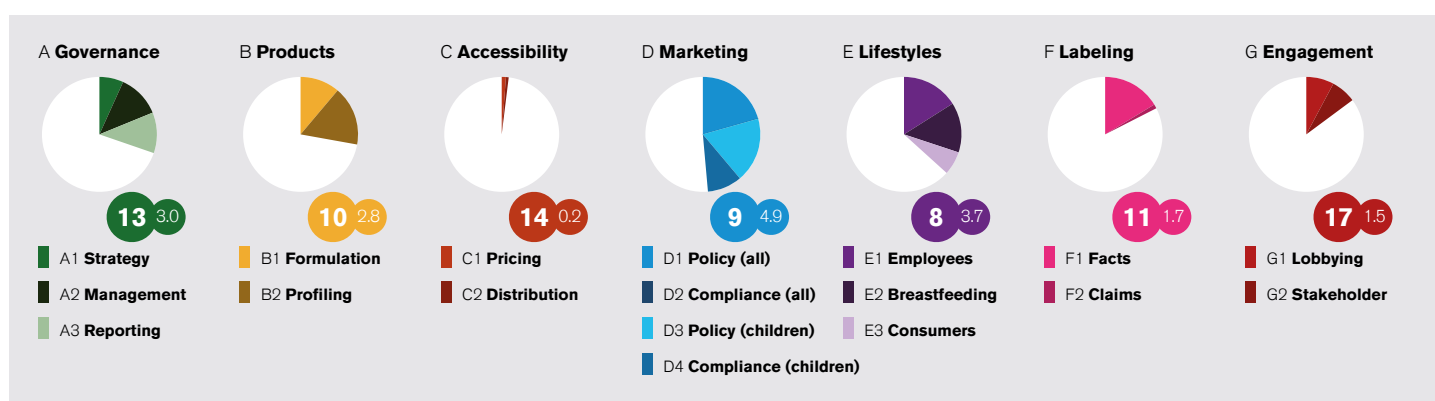
**Market capitalization**  
\$23,652 m

**# of employees**  
29,790

**Total revenues\***  
\$14,567 m

**Reported product categories**  
Dried Processed Food; Frozen Processed Food; Snack Bars; Savoury Snacks; Other

**Reported revenue by geography\*\***  
Not Available



## Areas of strength

- Kellogg Company states that offering nutritious products is an integral part of its mission and overarching business strategy. Senior management has oversight for related activities, and a Science Advisory Board, comprising external stakeholders, provides advice on food, nutrition, food engineering and public health. In 2015, the company released its Global Breakfast Food Beliefs, which underscored its commitment to grow its business through healthy foods.
- Responsible marketing to children is codified in a policy that includes a wide range of commitments. The company has improved its score in this area since the 2013 Global Index. The improved score is due to increased disclosure by the company.
- The area where Kellogg Company has most significantly improved its performance is for the support of healthy diets and active lifestyles – where its rank jumped from fifteenth in 2013 to eighth in 2016. Kellogg Company now has clearly set out health and business outcomes of its employee wellness program and targets for participation rates.
- In the new area of assessment that evaluates a company's support for breastfeeding mothers at work, Kellogg Company scores well due to its internal policies and the facilities offered. However the company could improve its policies by making them universally applicable.

## Areas for improvement

- Product reformulation initiatives, e.g. a target to reduce sodium, are yet to be extended globally and are limited only to some brands or some markets. Similarly, the company's Nutrient Profiling System (NPS) is only applicable to certain brands. This limited scope significantly reduces the company's contribution to addressing diet-related diseases.
- Systemic work on improving pricing and distribution channels to offer more healthy products to people who need them but cannot afford or easily access them, is not evident. Compared to 2013, the company has only marginally improved its performance, and it continues to score very poorly in this area.
- Although Kellogg Company reports on its product labeling commitments, there is no evidence of similar levels of disclosure for health and nutrition claims. The company could improve performance in this area by, for example, adopting a commitment to only place a health or nutrition claim on a product when such claims comply with Codex.
- Kellogg Company should be more transparent regarding any nutrition-related advocacy work with government officials that it is involved in. Similarly, disclosure on how the company solicits feedback on its nutrition strategy from external experts and how such feedback is considered and implemented would allow stakeholders to better understand the company's strategies in this area.
- Kellogg Company has only limited operations in countries identified by ATNI as high priority. In those high priority countries where it does operate, the company provides a few examples of initiatives aimed at increasing its offering of fortified foods, but fails to report any strategies, targets and timelines regarding its commercial and/or philanthropic strategies to combat undernutrition in these countries.

## Koninklijke FrieslandCampina

BMS



RANK

8

SCORE

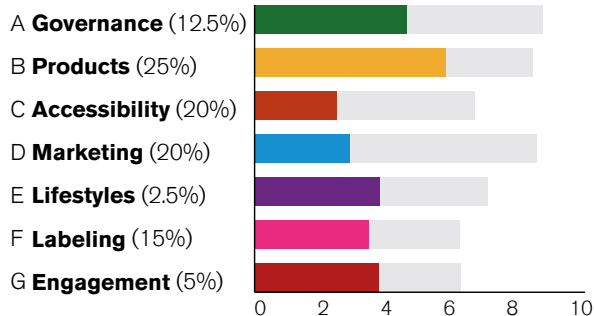
2.8

19 (2013)

NUTRITION GENERAL 5 4.0

UNDERNUTRITION 6 2.3

BMS 3 24%



Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

## Headquarters

The Netherlands

## Market capitalization

Not Available (Cooperative structure)

## # of employees

22,168

## Total revenues\*

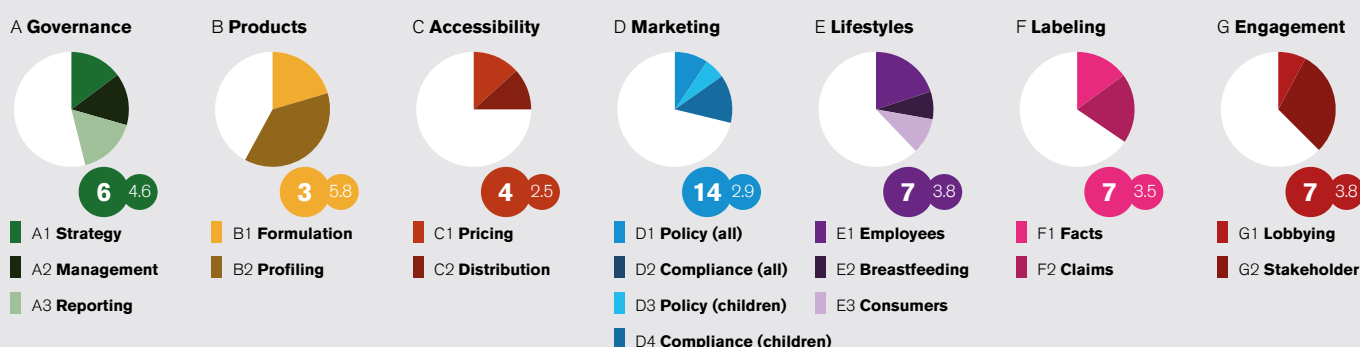
\$13,736 m

## Reported product categories

Baby Food; Dairy; Oils and Fats; Juice; Other

## Reported revenue by geography\*\*

Europe 67%, Asia and Oceania 22%, Africa and The Middle East 7%, North and South America 1%



## Areas of strength

- In the 2016 Global Index, FrieslandCampina ranks eight, which is a significant improvement on its previous rank of nineteenth in the 2013 Global Index. Its proactive engagement has contributed to this improvement.
- FrieslandCampina has a framework in place through which it addresses issues of nutrition in its commercial strategy. The company focuses on product development, labeling and consumer-oriented programs. Managerial accountability and responsibility for implementation is assigned to a corporate executive one level below the CEO, who reports to the CEO and Chairman.
- FrieslandCampina has a range of product reformulation targets covering all relevant product categories.
- Formal policies guide the company's approach to marketing to children. The company sets a stricter threshold than most other companies assessed for determining whether its marketing is directed at children. FrieslandCampina has a threshold of 30%. Most other companies assessed have a threshold of 35% child audience.
- The company has improved the quality of its reporting since the 2013 evaluation. Global reporting is provided against all objectives and targets, and includes an outlook on future plans.
- Through engagement with ATNF, the company has disclosed a NPS that it uses to guide new product development and reformulation efforts.
- FrieslandCampina's BOEST program, through which it supports employee health and wellness, indicates a notable improvement since the 2013 Global Index, as programs for employee health and wellness were not previously disclosed.
- In addressing undernutrition, FrieslandCampina has provided evidence of its work to complete nutritional profiling in both higher- and lower-priority countries through its South East Asia Nutrition Survey (SEANUTS). The company has also developed beverages for children that seek to address nutritional deficiencies. Further, FrieslandCampina tracks the revenues it derives from

## Areas for improvement

- FrieslandCampina's approach to undernutrition remains relatively poor in comparison to its initiatives to address obesity and diet-related chronic diseases. Milk would be a good avenue for the company to pursue a targeted approach to fortification, as it possesses a high underlying nutritional value. The company should also explore opportunities to address undernutrition through other product lines.
- Additionally, FrieslandCampina should target those groups on which it could have the most impact. A focus on school-age children is important but the company could also emphasize other populations at risk, such as women of childbearing age.
- The company's commitment to affordability could be strengthened by publicly publishing a strategy and nutrition policy to improve access to nutritious and fortified foods for low-income consumers.
- FrieslandCampina ranked third on the BMS sub-ranking. While its policy commitments align reasonably well with The International Code of Marketing of Breast-milk Substitutes (The Code) and subsequent World Health Assembly (WHA), they are not applied to all products in all markets. In both Vietnam and Indonesia, multiple observations of non-compliance with The Code were made.

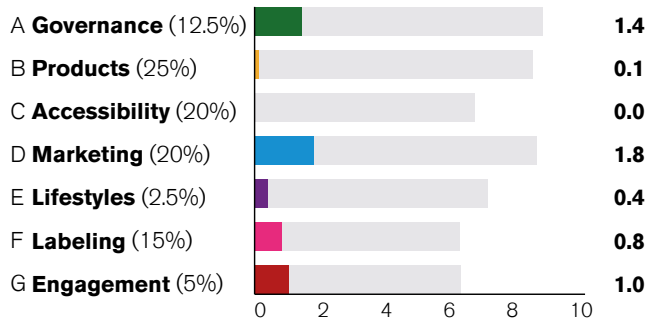
**i** FrieslandCampina was evaluated on the BMS sub-ranking. The company's Global Index score has been adjusted by -1.14 to reflect its level of compliance with the BMS methodology of 24%.

BMS Assessed against the BMS methodology

## Kraft Foods Group, Inc.▲

↓  
RANK  
**18**  
5 (2013)

SCORE  
**0.8**

NUTRITION GENERAL **19** 0.8

## Headquarters

U.S.

## Market capitalization

\$37,408 m

## # of employees

22,100

## Total revenues\*

\$18,205 m

## Reported product categories

Dairy; Snack Bars; Spreads; Concentrates; Juice; RTD Coffee; Coffee; Chilled Processed Food; Meal Replacement; Oils & Fats; Ready Meals; Sauces, Dressings and Condiments

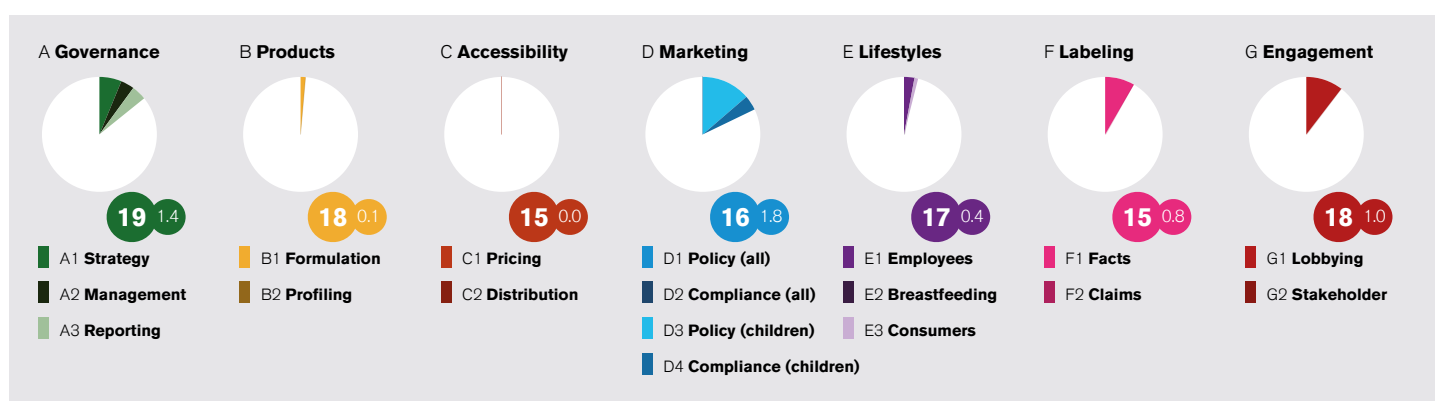
## Reported revenue by geography\*\*

United States 86%; Canada 12%; Rest of the world 2%

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ



## Areas of strength

- Kraft recognizes that it has a role to play in tackling the global challenges of increasing levels of obesity and diet-related chronic diseases, as manifested through its membership of the Healthy Weight Commitment Foundation, a coalition of 160 companies and others committed to help reduce obesity in the U.S., the company's core market.
- Kraft commits to not advertise in primary and secondary schools, as do several other companies assessed. The company participates in the Children's Food and Beverage Advertising Initiative (CFBAI) both in the U.S. and in Canada, markets which account for more than 98% of its revenues.

## Areas for improvement

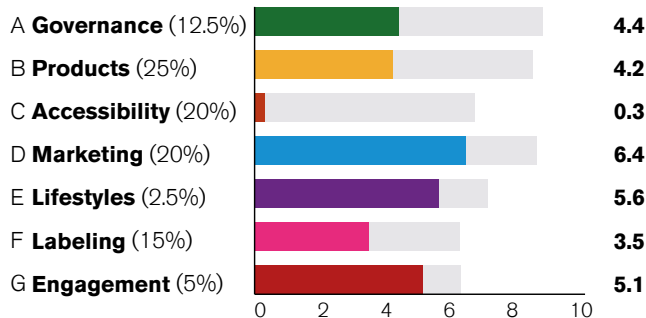
- Kraft Foods Group publishes limited information on its nutrition-related practices. Increased disclosure on its approach to tackling obesity and diet-related chronic diseases would allow for a more complete assessment, given that Kraft's ranking dropped significantly, from five out of 25 on the 2013 Global Index to eighteenth out of 22 on the 2016 edition.
- Kraft does not appear to have a strategic commitment to delivering more nutritious foods across its two key markets of the U.S. and Canada. Kraft's approach could be substantially improved by the development and integration of a comprehensive nutrition strategy into the overall business strategy.
- Kraft's product reformulation efforts could be improved by setting clear targets to reduce levels of key negative nutrients and increase levels of positive ones in all relevant products, guided by a robust Nutrient Profiling System (NPS). Given the significant reach of Kraft's products in North America, this could have a substantial impact on reducing consumers' calorie intake and on increasing their consumption of fruits, vegetables, fiber and wholegrains.
- Kraft was one of a handful of companies to state a broad commitment to improving the affordability of its healthier products and provided examples of these efforts on the 2013 Global Index; however, it has not provided similar information for the 2016 Global Index.
- Kraft is encouraged to engage in the ATNI research process, as this would allow a more complete assessment of its policies and practices.

**i** On 2 July 2015, Kraft completed a merger with Heinz. As this occurred after the end of the research phase, the two companies are ranked separately for the 2016 Global Index. The company did not participate actively in the research process; its assessment is therefore based solely on publicly available information. As less than 5% of its FY2014 revenues came from non-OECD countries, it has not been assessed against the undernutrition indicators of the Index.

▲ Did not provide information to ATNI

# Mars, Incorporated

↑  
RANK  
**5**  
SCORE  
**3.8**  
16 (2013)

NUTRITION GENERAL **5** 4.0UNDERNUTRITION **5** 2.6

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
U.S.

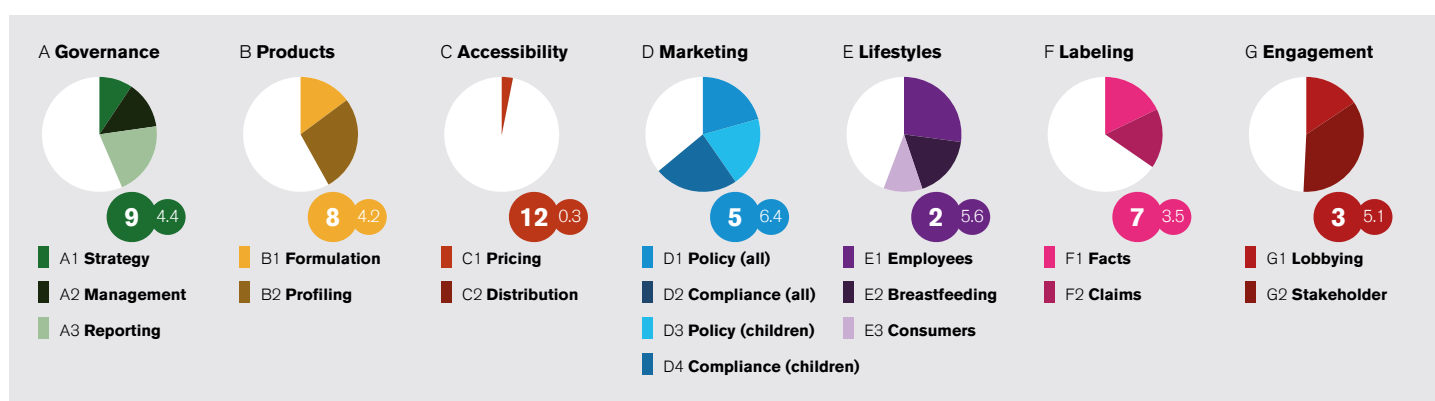
**Market capitalization**  
Private Company

**# of employees**  
75,000

**Total revenues\***  
Not disclosed

**Reported product categories**  
Confectionery; Ice Cream; Pasta; Ready Meals; Sauces; Dressings and Condiments; Snack Bars; Soup; Coffee; Tea; Other hot drinks; Other

**Reported revenue by geography\*\***  
Not disclosed



## Areas of strength

- Overall, Mars has made significant developments in its nutrition policies and practices and improved disclosure, this has led to an improved ranking on the 2016 Global Index, rising to the fifth place.
- Predominantly a confectionery business, Mars demonstrates responsibility to consumers through continual updates to its R&D activities. This is evident in Mars' updated R&D policies and improved program disclosure between the 2013 and 2016 assessments. The company's reformulation efforts are focused on its food segment rather than chocolate products, where the potential for improvement is limited.
- The company's marketing code is detailed and robust and covers the key issues of responsible marketing to adults and children. Mars demonstrates a strong commitment to addressing concerns about marketing to children, which is particularly important as a major confectionery company. Mars has committed not to advertise directly to under-12s if they comprise 25% or more of the total audience; a stricter threshold than most peer companies assessed in the 2016 Global Index.
- Nutrition labeling commitments are clear and fully disclosed and many meet current global best practice. During the Index assessment process, Mars publicly reported its Fortification and Nutrient Claims Policy. This policy explains how it approaches the labeling of fortified foods and use of nutrient claims when national regulations are not in place.
- Tackling undernutrition is embedded in Mars' core business strategy. The company has recently increased efforts to develop and market fortified products for low-income populations and developing countries.

## Areas for improvement

- Mars has room for improvement in the disclosure of its nutrition efforts. Based on current disclosure, it remains unclear how nutrition issues may be formally incorporated into Mars' assessment of its business risks and opportunities.
- Mars has a strong Nutrient Profiling System (NPS) in place, with room for additional improvement. Its tool for assessing the overall product portfolio nutritional quality covers all Mars products; however, the tool used to assess the nutritional quality of individual products and guide product reformulation is currently only applicable to Mars' non-confectionery food division (approximately 5% of revenue). Mars could improve by expanding the scope of this system to include confectionery.
- Mars can continue to improve its disclosure on employee health and wellness programs. A selection of performance metrics are currently provided on the company website, but Mars could improve its disclosure by publishing full program performance evaluations. Such evaluations would comprehensively report on the effectiveness of the program's nutrition, diet, and activity elements.
- Mars does not track and publish data regarding its health and nutrition claims, such as the number or percentage of products currently carrying such claims.
- Efforts to prevent and address undernutrition are still under development. Mars explicitly demonstrates an interest in tackling global health issues, including undernutrition. But disclosure is limited. Management structures are not yet evident and issues such as accessibility and marketing of fortified products to undernourished consumers are not reported. Better reporting on commercial efforts to tackle undernutrition in developing countries could help Mars improve its practices.
- Mars does not make specific commitments to focus its undernutrition efforts in higher-priority developing countries.

# Mondelez International, Inc.

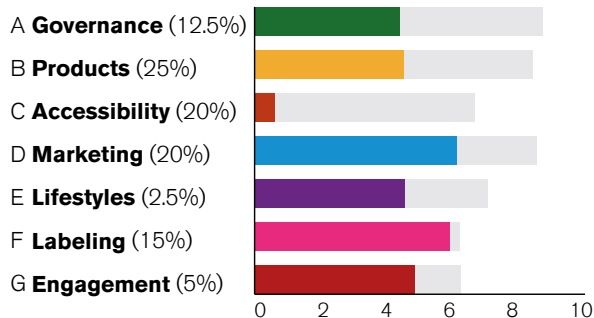
**RANK**  
**4**

**SCORE**  
**4.3**

N/A (2013)

**NUTRITION GENERAL** **4** 4.4

**UNDERNUTRITION** **6** 2.3



**Headquarters**  
U.S.

**Market capitalization**  
\$62,191 m

**# of employees**  
104,000

**Total revenues\***  
\$34,244 m

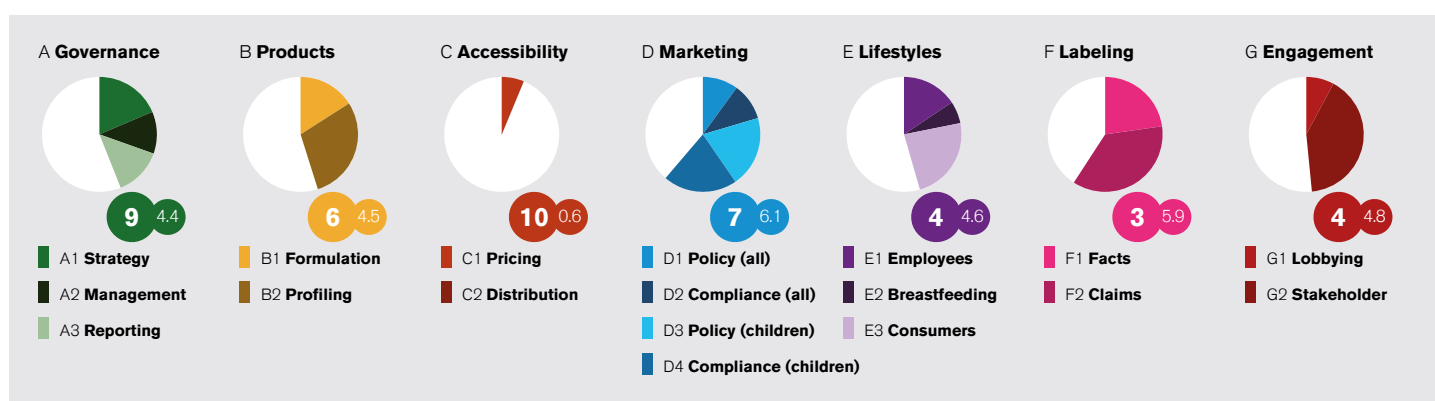
**Reported product categories**  
Bakery; Confectionery; Dairy; Snack Bars; Spreads; Savoury Snacks; Coffee; Other hot drinks; Other

**Reported revenue by geography\*\***  
Rest of the world 82%, United States 18%

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ



## Areas of strength

- As a new entrant to the 2016 Index, Mondelez has scored relatively well on the Global Index compared to peer companies. The company recognizes that it has a role to play tackling the global challenges of increasing levels of obesity and diet-related chronic diseases, and it has established a nutrition strategy at Group-level with global scope.
- Mondelez sets global product reformulation targets, which is a leading practice among companies assessed.
- Mondelez product fortification initiatives focus on priority countries and it has worked to make products more affordable in those markets.
- Mondelez adheres to the International Chamber of Commerce (ICC) Framework for Responsible Food and Beverage Marketing Communications, setting a baseline of standards with a broad scope of application for marketing products to consumers including children. The company also uses internal guidelines to ensure a responsible approach to marketing and subscribes to global and regional frameworks. Mondelez does not advertise to children under-6 and only advertises products that meet its nutritional criteria to children aged 6-12. The company has committed to stop advertising to children under-12 from 2016. Its compliance with its marketing policy targeted at children is disclosed, reaching 98% for television and 100% for print and online media.
- Mondelez has committed to exclusively supporting programs that help consumers adopt healthy lifestyles and which are developed and implemented by independent groups with relevant expertise.
- The relevant Codex standards are followed to monitor the use of health and nutrition claims on products in the absence of regulatory guidance. The company is one of a handful that clearly discloses its application of this practice.
- Mondelez used the AA1000 standard to conduct its stakeholder engagement initiatives, which informs its corporate social responsibility (CSR) strategy.

## Areas for improvement

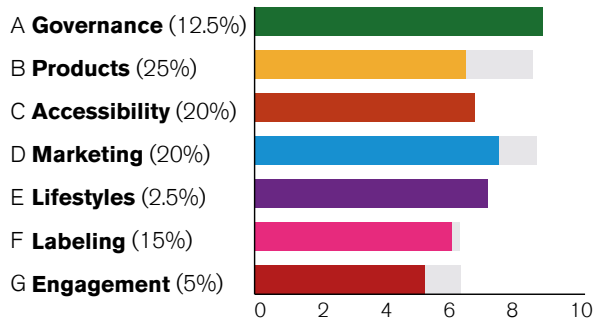
- Mondelez's nutrition strategy could be broadened and responsibility for day-to-day implementation should be centralized through a member of senior management reporting to the Board of Directors. Nutrition should also be incorporated into its annual report and accounts.
- Mondelez does not have a sugar target and this is a significant omission for a leading snack food and confectionary company. The company could improve by setting goals for positive nutrients such as fruits and vegetables, and by investing in new healthy product development.
- Mondelez does not include affordability and accessibility in its business practice. The company should place greater emphasis on making healthy products affordable and accessible.
- The company could improve its employee wellness programs by setting clear health and participation objectives and should develop a formal global commitment to support breastfeeding at work.
- Mondelez applies its back-of-pack (BOP) labeling policies globally, but could further improve its labeling by fulfilling its front-of-pack (FOP) labeling commitments for 2016.
- The company could strengthen its undernutrition activities by further developing and distributing fortified foods for those with micronutrient deficiencies in countries with the greatest need, and by supporting programs to educate the undernourished on the benefits of consuming such foods.
- Mondelez derives nearly 40% of its revenues from emerging markets. The company could do more to boost its offer of affordable healthy products and harness local distribution models. Smaller servings at lower cost and the use of non-traditional retail channels, such as micro-entrepreneurs, are examples of possible strategies.
- Commercial and non-commercial undernutrition activities should focus on defined target groups, e.g. the most vulnerable population segments of children under the age of two and women of childbearing age.

**i** In October 2012, Kraft Foods split into Mondelez International, Inc. and Kraft Foods Group. As this occurred after the research phase for the ATNI 2013 Global Index, Mondelez International, Inc. was not ranked on the 2013 Global Index.



Nestlé S.A. <sup>BMS</sup>

↑  
RANK  
**2**  
SCORE  
**5.9**  
3 (2013)

NUTRITION GENERAL **1** 6.6UNDERNUTRITION **1** 6.3BMS **1** 36%

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
Switzerland

**Market capitalization**  
\$235,530 m

**# of employees**  
339,000

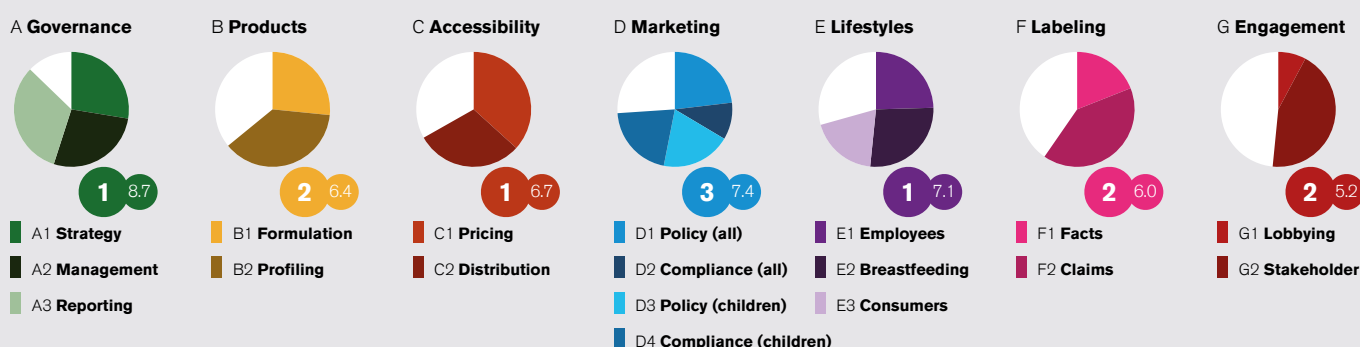
**Total revenues\***  
\$92,224 m

**Reported product categories**

Baby Food; Powdered & liquid beverages;  
Pet Care; Nutrition & health care; Dairy;  
Confectionery; Ready Meals; Ice cream;  
Water; Canned/ Preserved Food; Chilled &  
Frozen Processed Food; Snack foods

**Reported revenue by geography\*\***

Rest of the world and corporate 33%, United  
States 25%, Europe 15%, China 7%, Brazil  
5%, Mexico 3%, Philippines 2%, Canada 2%

**Areas of strength**

- As in 2013, Nestlé is among the top three performers in the ATNI Global Index.
- Nestlé's overall nutrition governance and management is comprehensive and transparent, as was the case in the 2013 Global Index. It has developed and published its 'Creating Shared Value' framework which clearly elaborates commitments, objectives, targets and policies on nutrition, health and wellness to guide its activities and provide accountability.
- As in 2013, the company's commitment to deliver more healthy foods incorporates a specific commitment to target low-income groups. Nestlé's Popularly Positioned Products (PPPs) are an effective way of increasing access to nutritious and fortified foods. Three quarters of PPPs meet Nestlé's Nutrition Foundation criteria and many of the products sold in developing markets are fortified to help address specific micronutrient deficiencies. Nestlé has leveraged its PPP model to reduce prices and enhance distribution of these products through adjusted formats, local manufacturing and non-traditional routes to market.
- Nestlé disclosed its Policy on Micronutrient Fortification of Food and Beverage Products, which covers product labeling and the use of health and nutrition claims. This enhanced disclosure increases transparency and accountability.
- Nestlé's efforts to tackle undernutrition are almost exclusively delivered through commercial strategies focused on children, women and key priority groups. These strategies focus on developing countries, including high-priority countries. It also pursues initiatives to promote healthy diets, nutrition education and active lifestyles through its Creating Shared Value program.

**Areas for improvement**

- Nestlé makes significant efforts to reformulate its products, but there is no evidence that it has introduced new products which meet its Nutrition Foundation criteria in recent years.
- While Nestlé's policy on marketing to children is considered relatively strong, the company has not addressed areas for improvement identified in 2013, including: raising the definition of the age of a child to 16; lowering the threshold for defining a child audience to 25%; and extending its policy to apply to secondary schools. However, it should be noted that the company's definition of a child audience applies to new media, an improvement from 2013.
- Nestlé has not improved its approach to developing and implementing independent consumer-oriented healthy eating and active lifestyle programs. It does not commit to exclusively supporting independent programs implemented by third parties with relevant expertise, but rather maintains involvement in their design and implementation.
- The company does not have a strategic and comprehensive approach to funding non-commercial initiatives to address undernutrition either through its own programs or other organizations. A commitment to do this could generate a meaningful impact on quality for life of undernourished people.
- Nestlé should develop a commitment to playing an active and constructive part in supporting the efforts of developing country governments to address undernutrition.
- Nestlé ranked first on the breast-milk substitutes (BMS) sub-ranking. Its policy commitments align strongly with the International Code of Marketing of Breast-milk Substitutes (The Code) and subsequent World Health Assembly (WHA), although they are not applied to all products in all markets. In both Vietnam and Indonesia, multiple observations of non-compliance with The Code were made.

**i** Nestlé was evaluated on the BMS sub-ranking. The company's Global Index score has been adjusted by -0.96 to reflect its level of compliance with the BMS methodology of 36%. For the Global Index ATNI does not evaluate activities funded through the Nestlé Foundation because the Foundation is a wholly separate entity to Nestlé S.A.; the company plays no part in its governance or management, and its strategy is therefore separate to that of the company. The Foundation funds a wide range of nutrition-related research programs and other initiatives.

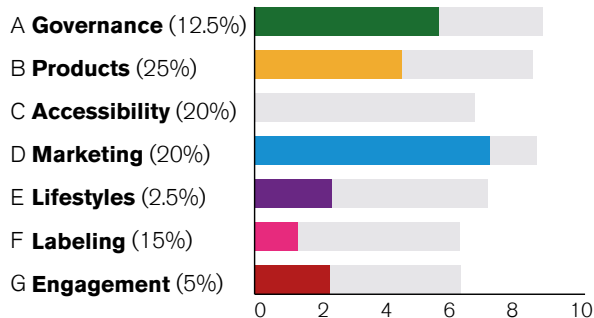
**BMS** Assessed against the BMS methodology

## Pepsico, Inc.



NUTRITION GENERAL 8 3.8

UNDERNUTRITION 9 1.5



Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
U.S.

**Market capitalization**  
\$143,614 m

**# of employees**  
271,000

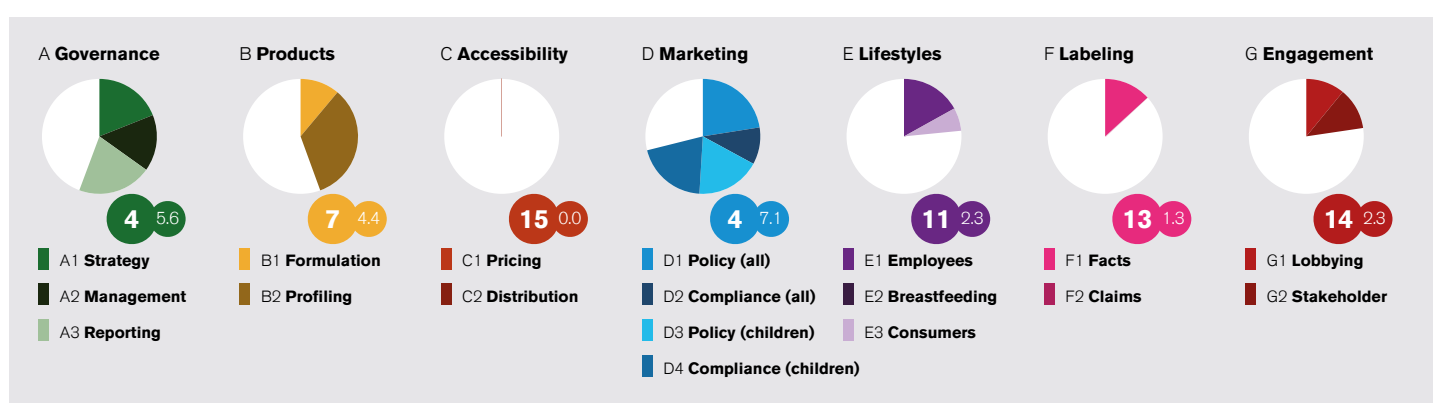
**Total revenues\***  
\$66,683 m

**Reported product categories**

Baby Food; Chilled and Dried Processed Food; Confectionery; Dairy; Ice Cream; Noodles; Pasta; Dressings & Condiments; Snack foods; Spreads; Carbonates; Juice; Sports & Energy Drinks; RTD Coffee & Tea

**Reported revenue by geography\*\***

Rest of the world 62%, United States 51%, Russia 6%, Mexico 6%, Canada 4%, United Kingdom 3%, Brazil 2%

**Areas of strength**

- Nutrition is one of the core pillars of PepsiCo's overarching growth strategy and is articulated through its 'Performance with Purpose' concept.
- Well-established management systems, led by a wide range of executives and senior staff, guide the company's work to improve nutrition, demonstrating the emphasis it places on nutrition. Notably, nutrition-related goals are linked to components of executive compensation, a best practice.
- As in 2013, PepsiCo's staff wellness program, Healthy Living, is globally available and open to employees and their families, which is a leading practice.
- To measure the effectiveness of its employee well-being program, PepsiCo partnered with RAND Corporation to calculate the return on investment (ROI) of its program over a ten-year period, an advanced approach for the evaluation of such a program. The results showed that the company's lifestyle management program resulted in weight loss and a reduction in employee absenteeism.
- PepsiCo discloses the percentage of markets in which it has applied its labeling commitments in full, and discloses its compliance with this commitment. Only one other company analyzed achieved this level of disclosure relating to product labeling.
- PepsiCo's lobbying activities in the U.S. include a focus on obesity prevention.

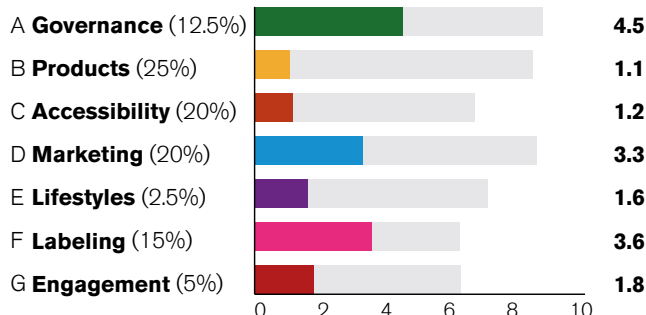
**Areas for improvement**

- PepsiCo has dropped in ranking since the 2013 Global Index. This was principally due to limited disclosure and a lack of reporting on consolidated data.
- PepsiCo provides examples of R&D investment to improve the nutritional quality of products, but does not make a formal commitment to continue this type of investment or to set targets.
- Reformulation targets to reduce levels of four major negative nutrients have been set, but only for some products in key markets only. PepsiCo could improve its practices and come closer to leading practice by applying these targets across all portfolios globally and by setting clear deadlines for achieving them. Similarly, the company aims to increase levels of fruits and wholegrains in some products, but has not set targets or timelines for doing so. Furthermore, the company could improve its performance relating to product reformulation by putting in place monitoring systems.
- Unlike in the 2013 Global Index, there is no evidence of initiatives to enhance the affordability or accessibility of healthy products.
- Disclosure on support to breastfeeding mothers and its maternity leave policy is limited while the disclosure on stakeholder engagement has deteriorated since 2013. Notably, PepsiCo did not disclose how experts' feedback was used in developing or executing its nutrition strategy.
- In contrast to the 2013 Global Index, there is no evidence of a strategic review of potential commercial opportunities linked to developing products for the undernourished, and the company channels its undernutrition efforts through philanthropy only.

**i** Given the limited ability of the company to add vegetables to its products, it was not assessed on targets relating to vegetables. Although PepsiCo markets breast-milk substitutes (BMS), it was not included in the BMS assessment and sub-ranking because it did not derive 5% or more of its FY2013 revenues from baby food (according to Euromonitor data), which is the criterion for inclusion.

# The Coca-Cola Company

↓  
RANK  
**12**  
SCORE  
**2.4**  
9 (2013)

NUTRITION GENERAL **12** 2.4UNDERNUTRITION **8** 1.8**Headquarters**

U.S.

**Market capitalization**

\$187,292 m

**# of employees**

129,200

**Total revenues\***

\$45,998 m

**Reported product categories**

Dairy; Carbonates; Concentrates; Juice; RTD Coffee; RTD Tea; Sports and Energy Drinks

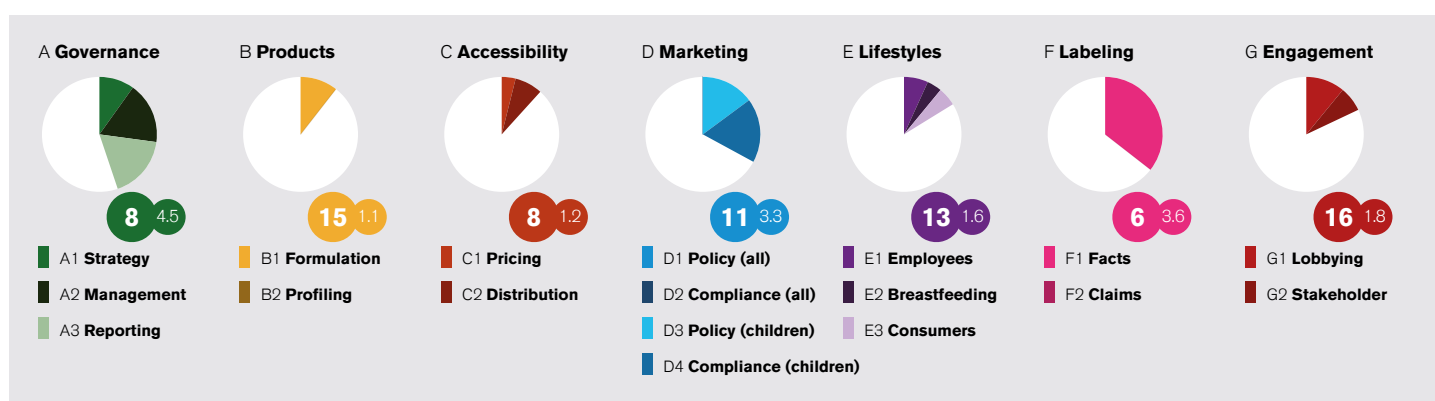
**Reported revenue by geography\*\***

North America 46%, Asia Pacific 12%, Corporate 12%, Europe 12%, Latin America 10%, Eurasia &amp; Africa 6%

Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ



## Areas of strength

- Some of the areas where The Coca-Cola Company (TCCC) performs notably well include nutrition governance and strategy. It demonstrates awareness of the key risks and opportunities presented by rising consumer demand for healthier products. Compared to 2013, the company has evolved the way it articulates its commitment to nutrition within its core business, for example by including a focus on well-being in its strategic set of commitments stating an, "End goal to inspire happier, healthier lives"
- The company recognizes that it has a role to play in addressing obesity and through its membership of the International Food and Beverage Alliance (IFBA) is committed to addressing the priorities set out in the World Health Organization (WHO) Global Action Plan. Senior executives on the company's Board oversee the nutrition strategy. The strategy contains four strategic commitments to address obesity on a global scale, these are: Offering more low- or no-calories beverages, providing nutrition-related information on packaging, supporting physical activity programs, and marketing products responsibly. The strategy is reviewed annually by management.
- TCCC has focused on developing low or no-calorie beverages. As of September 2014, these constitute 25% of its global product portfolio, or 800 out of 3,500 beverage options worldwide. It is one of the few companies to track and report such figures.
- TCCC addresses undernutrition among low-income groups in India by setting affordable prices for a micronutrient fortified powder beverage and also invests to expand its offering to low-income populations. It also funds projects to make fortified products available to underprivileged school children in India and the Philippines.
- TCCC is one of only two companies that commits to not advertise any products to children under-12 where they make up more than 35% of the audience. This commitment extends across a wide range of media.

## Areas for improvement

- Despite some positive measures, TCCC's Global Index ranking dropped from ninth on the 2013 Global Index to twelfth on the 2016 edition. This is because some companies have improved their performance since the 2013 Index and also because in some areas TCCC is yet to adopt leading practices.
- TCCC's strategy to address undernutrition is delivered primarily through philanthropic initiatives. The company could improve its positioning if it outlined a set of commitments aimed at addressing undernutrition in developing countries.
- The company has introduced a number of low and zero calorie soft drinks and fruit based beverages, however it has not adopted a Nutrient Profiling System (NPS). TCCC does not believe that products should be defined as 'healthy' or otherwise. Overall, TCCC has made slight progress since the 2013 Global Index regarding product reformulation.
- TCCC has established targets to reduce calories in some of its products. It is encouraged to extend the commitment to all relevant products globally.
- TCCC provides few details regarding strategies, targets or timelines to increase the affordability and accessibility of its zero and low-calorie products.
- While a responsible marketing to children policy outlines details of its approach, a responsible marketing policy for all consumers was not evident during this research round. Of note, in the 2013 Global Index TCCC stated that it was in compliance with the International Chamber of Commerce (ICC) Code to guide its marketing to all consumers, but no such commitment was evident in the second Index.
- TCCC's performance with regards to healthy lifestyles has declined significantly. This is due to reduced disclosure (e.g. this year the company does not articulate the business and health outcomes expected from its staff oriented programs) and poor performance against the new criterion to support breastfeeding mothers at work.

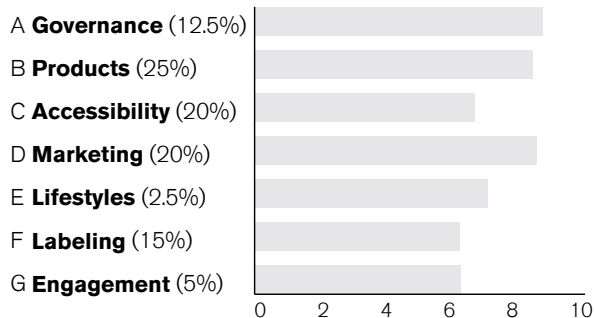
**i** Given the company's product portfolio, TCCC was not assessed against the reduction of salt, trans fat and saturated fat or any increase in levels of vegetables and wholegrains, as they are not relevant.

# Tingyi Cayman Islands Holding ▲

**RANK**  
**20**  
**SCORE**  
**0.0**  
22 (2013)

**NUTRITION GENERAL** **20** 0.0

**UNDERNUTRITION** **16** 0.0



**Headquarters**

China

**Market capitalization**

\$12,642 m

**# of employees**

79,003

**Total revenues\***

\$10,238 m

**Reported product categories**

Meal Replacement; Noodles; Carbonates; Juice; RTD Tea

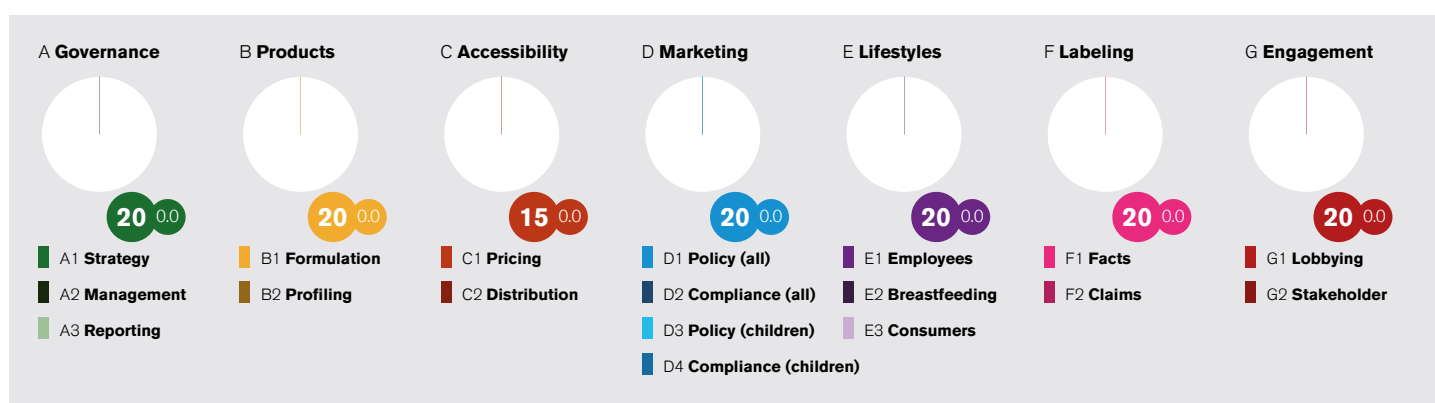
**Reported revenue by geography\*\***

China 100%

■ Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ



## Areas of strength

- As in the 2013 Global index, Tingyi's disclosure is limited and therefore no clear areas of strengths were identified.

## Areas for improvement

- Better disclosure about Tingyi's approach to tackling the double burden of malnutrition would allow for a more complete assessment and identification of specific areas for improvement.

- Engagement with the research company would allow a more complete assessment of Tingyi's policies and practices.

**i** Tingyi does not publish information pertaining to its nutrition practices and did not provide any information upon request during the research. As a result it has been difficult to assess the company for the 2016 Global Index.

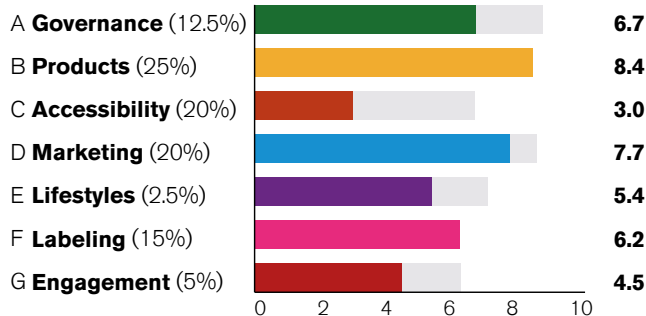
▲ Did not provide information to ATNI

## UNILEVER plc

↑  
RANK  
**1**  
SCORE  
**6.4**  
2 (2013)

## NUTRITION GENERAL 2 6.3

## UNDERNUTRITION 2 4.6



Highest score among rated companies

\* Source: Capital IQ, USD exchange rate as of 31 Dec 2014

\*\* Source: Capital IQ

**Headquarters**  
U.K., The Netherlands

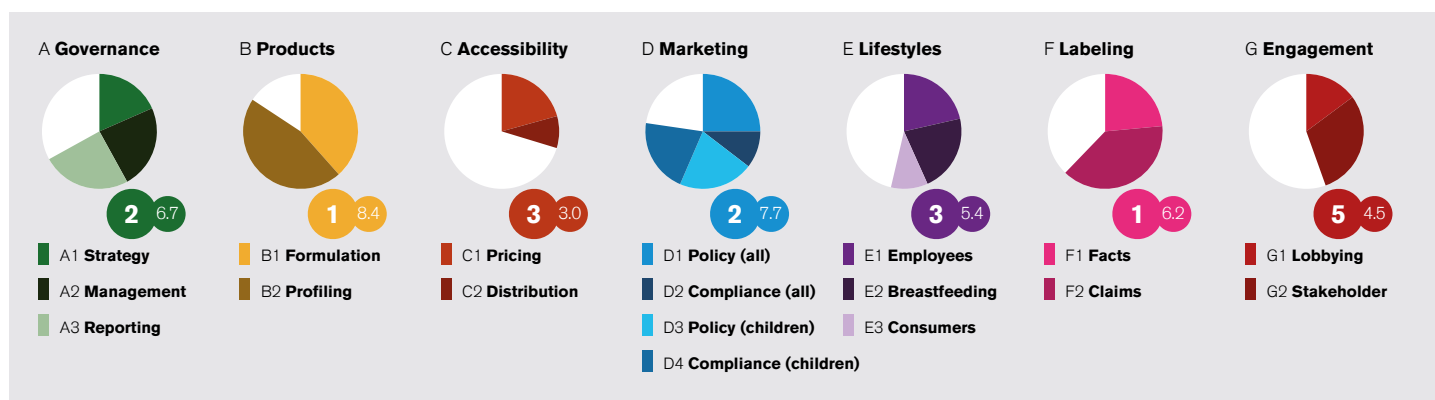
**Market capitalization**  
\$116,163 m

**# of employees**  
172,471

**Total revenues\***  
\$58,629 m

**Reported product categories**  
Canned/Preserved Food; Dried Processed Food; Ice Cream; Noodles; Oils and Fats; Pasta; Sauces, Dressings and Condiments; Soup; Spreads; Concentrates; Juice; RTD Tea; Coffee; Tea; Other

**Reported revenue by geography\*\***  
Asia 40%, Americas 32%, Europe 27%



## Areas of strength

- Unilever is the top performer in the 2016 Index. It has a solid governance system to assess risks and opportunities related to nutrition and diet-related chronic diseases and is a leader in healthy product formulation.
- Unilever's Sustainable Living Plan contains three overarching goals including 'Improving Health and Well-being' which has a focus on nutrition. The goal includes specific policies, commitments, targets and deadlines.
- Unilever's Nutrient Profiling System (NPS) is used globally and across all brands to inform product innovation and reformulation. The NPS is reviewed on a regular basis by internal and external experts. The company has a goal of 60% of its global portfolio meeting stringent healthy standards by 2020. Progress is assessed annually and is verified by an independent auditor, which is exceptional in the industry.
- Partnerships and joint projects with specialist organizations enable the company to develop innovative solutions to address undernutrition in low-income countries and to scale up their impact through its global footprint.
- In India the company uses a door-to-door selling model - 'Shakti', to increase accessibility of the company's products in hard-to-reach areas and to provide employment opportunities to underemployed populations. The model has been replicated in Egypt, Bangladesh and Pakistan.
- Unilever's policy on responsible marketing to all consumers and to children satisfies many best practice standards. The company publishes its individual level of policy compliance achieved relating to marketing to children. This is assessed by a third party.
- Unilever tracks the number of products that meet its healthy standard that carry health and nutrition claims. In all markets, the company commits to using health and nutrition claims only for fortified products that meet Codex.
- The company has a strategy to address undernutrition through commercial and philanthropic strategies in developing markets and in the highest priority developing countries.

**i** Given the limited potential for the company to include fruit, fiber and wholegrains in its products the indicators to assess product reformulation targets for these ingredients were not taken into consideration in the company's assessment. Unilever also produce weight-management products which are not part of this Global Index assessment.

## Areas for improvement

- Unilever does not set a target to increase the level of vegetables in relevant products. It also does not include within its otherwise strong NPS consideration of the levels of positive nutrients (such as vegetables, fruit or fiber).
- Despite having some good initiatives to improve the affordability and accessibility of its healthy and fortified products, they are limited in scope and reach. Unilever should aim to develop a global strategy and solutions for its own products building on what it has learned from its participation in Project Laser Beam and similar initiatives to substantially increase its ability to reach large numbers of undernourished, low-income populations in the highest priority countries. In addition to existing initiatives on product pricing, formal accessibility programs that are strategic and widespread would ensure greater impact.
- The long-lasting Lamplighter program aimed at supporting employees' health and wellness, although recognized by the company to be effective in terms of health and business benefits, lags behind best practice as the company fails to extend the program to all employees and their families, to establish measurable targets for the future and to ensure regular independent evaluations.
- Unilever's efforts to engage consumers and communities on the need for healthy diets and to lead an active lifestyle could be strengthened.
- While the company's performance on undernutrition is quite consistent and in good standing compared to peers, there is a notable gap regarding disclosure for the labeling and health claims of fortified products.







# Annexes

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## Contents

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<b>1</b>	Company selection approach	212
<b>2</b>	Global Index company research approach	214
<b>3</b>	Board, Independent Advisory Panel, ATNI Expert Group	215
<b>4</b>	Selected bibliography	218
<b>5</b>	Acronyms	224
<b>6</b>	BMS	226
	Disclaimer	226
	Copyrights	227

# 1 Company selection approach

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The 2016 ATNI Global Index ranks 22 of the world's largest food and non-alcoholic beverage manufacturers, including both publicly listed and privately owned companies and cooperatives. These are the 20 largest food and beverage manufacturers by total global FY2013 revenues, plus two that were ranked between the top 20 and the top 25 largest food and non-alcoholic beverage manufacturers in 2013 (Ajinomoto and Campbell) but had slipped outside the top 20. As both these companies were in the top 20 in 2013, the 2016 situation may be an anomaly. For this reason and to increase continuity between the 2013 and 2016 Indexes and also to lend encouragement to continuing efforts by both companies, they were included in the 2016 Global Index.

## Company selection criteria and the process for the 2016 Global Access to Nutrition Index

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Publicly available data published by the companies and captured by Standard and Poor's Capital IQ data service was used to identify the largest publicly listed food and beverage manufacturers. For non-listed companies, their own websites and published information was used and this was supplemented by other financial news sources.

The world's largest food and beverage companies by total revenues (FY2013) were first identified. Revenues derived from non-food and beverage activities, such as pharmaceuticals were discounted. In addition, several exclusion criteria were applied.

### Exclusion criteria

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The following exclusions were applied during the company selection process;

- Non-added value - companies that produce mostly non-added value products and commodities (such as Tyson Foods (meat), Inc., Smithfield Food Inc. (pork) and Associated British Foods plc (sugar and other agricultural commodities).
- Alcohol - companies that mainly produce only alcoholic beverages
- Bottling - Bottling companies that bottle beverages for other beverage companies.

### Changes compared to 2013

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The 2016 Global Index includes three companies, which were not assessed by the 2013 Global Index. These are:

- Arla.
- Wahaha.
- Mondelez, which comprises the global snack and food brands of the former Kraft. Kraft and Mondelez split in 2012.

Some companies were assessed by the 2013 Global Index but have not been included in this Global Index, these are:

- Barilla.
- Hershey Food Corporation.
- Lotte.
- Nichirei Corporation.
- Nissin Foods Holdings.
- Sigma Alimentos.

## Breast-milk substitute manufacturers company selection

The new breast-milk substitute methodology has been applied to companies that sell baby food<sup>1</sup> where sales of baby food make up 5% of their total retail revenues (using data from Euromonitor). This is to ensure focus on the largest players with the greatest impact in the market. The companies assessed against the breast-milk substitute methodology are Danone, Heinz, FrieslandCampina and Nestlé (see Appendix 4). In addition to these four companies, two pharmaceutical companies that are among the largest breast-milk substitute producers globally were assessed, these are Mead Johnson and Abbott.

The companies that market baby food but fall below the 5% of revenue threshold are Arla, Lactalis, Wahaha and PepsiCo.

### NOTES

<sup>1</sup> Baby food definitions from Euromonitor were used in selection criteria. These are:

**Dried baby food:** Products which require the addition of water before consumption, and which are usually sold in packets. Cereals and dehydrated soups are also included. Please note that food service and retail volumes are shown in terms of, as sold, and are not reconstituted volumes.

**Milk formula:** This is the aggregation of standard, follow-on, toddler and special milk formula. Note: Välling, vaelling, gruel or any milk formula products containing cereals/wheat/oat or the like are excluded from milk formula.

**Prepared baby food:** Baby products sold in jars, cans or retort flexible pouches which do not require any cooking preparation other than heating. Includes pureed food, yoghurts, chilled desserts, soup, desserts, ice cream marketed for babies.

**Other baby food:** Any other products marketed for babies are included here. Examples may include baby rusks, teething biscuits, baby fruit juices, etc.

All links accessed November 2015.

## 2 Global Index company research approach

ATNF retained Sustainalytics, a leading provider of sustainability research & analysis, as the research consultant for the 2016 Global Index<sup>1</sup>. Sustainalytics used the ATNI Global Index methodology to conduct research on each company to assess its performance and was responsible for gathering company information, calculating the scores and rankings, and drafting company scorecards for the Global Index.

The ATNI research process involved the following steps:

- **Identification and review of relevant publicly available documents:** Sustainalytics began with desk-based research for the Global Index. Analysts pre-populated the data-gathering platform with all information available in the public domain relevant to the Global Index methodology in order to reduce the burden for the companies. The documents reviewed included annual reports, corporate social responsibility/sustainability reports, websites, press releases and any publicly available policy statements. All documents publicly available before the end of the company research phase were analyzed.
- **Companies' contribution to the platform:** Once Sustainalytics had completed the review of publicly available information and inputted initial data to the online platform, companies were asked to provide additional information to fill in any gaps. Companies were given four weeks to add data to the platform. Some companies provided information on a confidential basis; such information was used to help calculate scores but is not directly quoted or referenced in the report without permission. Of the 22 companies assessed by the Global Index, five did not provide information during the company contribution stage and have been assessed solely on publicly available information.
- **Verification of company facts:** Sustainalytics then reviewed the information submitted and liaised with companies where more information or clarification was needed. Companies were given a week to provide any additional information or clarifications. Sustainalytics then drafted the company scorecards. Companies were given an opportunity to review both the draft scorecards and the best practices referred to in the Global Index to confirm the factual information. Shortly before publication of the 2016 Global Index, companies received their final scorecards under embargo and were advised of plans for the launch.
- **Data analysis and conduct quality assurance:** Sustainalytics used the data collected on companies to score them using the ATNI assessment methodology. A robust quality assurance process was applied to ensure accurate data collection, interpretation and scoring. The quality assurance process involved crosschecking of information by multiple analysts to ensure consistency for company scoring followed by a final crosscheck by the Sustainalytics research project manager.

### NOTES

<sup>1</sup> Sustainalytics has not been involved in the BMS assessment. The BMS Corporate Profile assessment was conducted by ATNF. The in-country assessments in Vietnam and Indonesia were conducted by Westat. See the BMS section of this report for more information.



### 3 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 ATNI's development since January 2011. As part of the intended impact of ATNI includes active engagement by various stakeholder groups with food and beverage manufacturers, the Index 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 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. Therefore 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	
<b>Keith Bezanson</b>	<i>Chair of the Board and Chair Independent Advisory Panel</i> ATNF <i>Former President</i> International Development Research Centre <i>Former Director</i> Institute of Development Studies.
<b>Inge Kauer</b>	<i>Executive Director</i> Access to Nutrition Foundation.
<b>Kathy Spahn</b>	<i>President and Chief Executive Officer</i> Helen Keller International <i>Board member</i> InterAction, International Agency for the Prevention of Blindness (IAPB), and the Bernadotte Foundation for Children's Eyecare.
<b>Lauren Compere</b>	<i>Managing Director</i> Boston Common Asset Management
<b>Marc van Ameringen</b>	<i>Executive Director</i> Global Alliance for Improved Nutrition (GAIN)
<b>Paulus Verschuren</b>	<i>Founder</i> WorldFed NL <i>Former Special Envoy Food and Nutrition Security</i> Ministry of Foreign Affairs, The Netherlands <i>Former Senior Director</i> Unilever Global Health Partnerships <i>Former Executive Director</i> International Life Sciences Institute – ILSI Europe



## Independent Advisory Panel

The mandate of the Independent Advisory Panel is to provide strategic, advice on the development of the ATNF. It has focused on how to make ATNI more useful and effective, what institutional arrangements should be made to sustain ATNI over time, and how to engage with a variety of stakeholder groups regarding the objectives and findings of the ATNI.

Independent Advisory Panel	
<b>Keith Bezanson</b>	<i>Chair of the Board of ATNF and Chair Independent Advisory Panel</i> Access to Nutrition Foundation <i>Former President</i> International Development Research Centre <i>Former Director</i> Institute of Development Studies.
<b>Anna Kotenko</b>	<i>Analyst</i> Children's Investment Fund Foundation.
<b>Juan Rivera</b>	<i>Founding Director</i> Center for Research in Nutrition and Health, National Institute of Public Health, Mexico.
<b>Marie Ruel</b>	<i>Division Director</i> Poverty, Health and Nutrition, IFPRI
<b>Nicola Perrin</b>	<i>Head of Policy</i> Wellcome Trust.
<b>Senoe Torgerson</b>	<i>Senior Program Officer</i> Bill & Melinda Gates Foundation.
<b>Shiriki Kumanyika</b>	<i>Chair</i> ATNI Expert Group <i>Professor Emerita of Epidemiology</i> Department of Biostatistics and Epidemiology, Perelman School of Medicine, University of Pennsylvania.
<b>Victoria Quinn</b>	<i>Senior Vice President of Programs</i> Helen Keller International.
<b>Observer: Francesco Branca</b>	<i>Director</i> Department of Nutrition for Health and Development, World Health Organization.

## ATNI Expert Group

The function of the ATNI 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.

Expert Group	
<b>Shiriki Kumanyika</b>	<i>Chair</i> ATNI Expert Group <i>Professor Emerita of Epidemiology</i> Department of Biostatistics and Epidemiology, Perelman School of Medicine, University of Pennsylvania.
<b>Boyd Swinburn</b>	<i>Professor</i> 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.
<b>CS Pandav</b>	<i>Professor and Head</i> Centre for Community Medicine, All India Institute of Medical Sciences (AIIMS).
<b>Kapil Yadav</b>	<i>Assistant Professor</i> All India Institute of Medical Sciences (AIIMS).
<b>Linda Meyers</b>	<i>Senior Science Advisor</i> for the American Society for Nutrition (ASN).
<b>Lindsay H. Allen</b>	<i>Director</i> USDA ARS Western Human Nutrition Research Center <i>Research Professor</i> Department of Nutrition, UC Davis.
<b>Mike Rayner</b>	<i>Director</i> British Heart Foundation Health Promotion Research Group, University of Oxford.
<b>Terry T-K Huang</b>	<i>Professor</i> School of Public Health, City University of New York.

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## 5 Acronyms

<b>Acas</b>	Advisory, Conciliation and Arbitration Service
<b>ASRC</b>	Advertising Self-Regulatory Council
<b>ATNF</b>	Access To Nutrition Foundation
<b>ATNI</b>	Access to Nutrition Index
<b>BBB</b>	Better Business Bureaus
<b>BMI</b>	Body mass index
<b>BMS</b>	Breast-milk substitute(s)
<b>BMS 1</b>	Corporate Profile assessment
<b>BMS 2</b>	In-country assessment
<b>BOP</b>	Back-of-pack
<b>CAGNY</b>	Consumer Analyst Group of New York
<b>CARU</b>	Children's Advertising Review Unit
<b>CDC</b>	Disease Control and Prevention
<b>CEO</b>	Chief Executive Officer
<b>CF</b>	Complementary Foods
<b>CFBAI</b>	Children's Food and Beverage Advertising Initiative
<b>CHF</b>	Swiss Franc
<b>CI</b>	Consumers International
<b>Codex</b>	Codex Alimentarius
<b>CSPI</b>	Center for Science in the Public Interest
<b>CSR</b>	Corporate Social Responsibility
<b>CV</b>	Cardiovascular
<b>EPODE</b>	Ensemble Prévenons l'Obésité des Enfants
<b>EU</b>	European Union
<b>FAO</b>	Food and Agriculture Organization
<b>FB</b>	Facebook
<b>FDA</b>	U.S. Food and Drug Administration
<b>FOF</b>	Follow-on Formula
<b>FOP</b>	Front-of-pack
<b>FY</b>	Financial Year
<b>F&amp;B</b>	Food and beverage
<b>GAIN</b>	Global Alliance for Improved Nutrition
<b>GDA</b>	Guideline Daily Amount
<b>GDP</b>	Gross Domestic Product
<b>GNR</b>	Global Nutrition Report
<b>GUM</b>	Growing-up Milk
<b>HKI</b>	Helen Keller International
<b>IBFAN</b>	International Baby Food Action Network
<b>ICBA</b>	International Council of Beverages Associations
<b>ICC</b>	International Chamber of Commerce
<b>ICC Code</b>	Consolidated International Chambers of Commerce Code of Advertising and Marketing Communication Practice
<b>ICCIDD</b>	International Council for Control of Iodine Deficiency Disorders
<b>IF</b>	Infant Formula
<b>IFBA</b>	International Food and Beverage Alliance
<b>IFM</b>	International Association of Infant Food Manufacturers
<b>IFPRI</b>	International Food Policy Research Institute
<b>IGBM</b>	Interagency Group on Breastfeeding Monitoring
<b>ILO</b>	International Labour Organization
<b>ISMS</b>	Institute of Social and Medical Studies
<b>IOM</b>	Institute of Medicine
<b>IOTF</b>	International Obesity Task Force
<b>IFBA</b>	International Food and Beverage Alliance
<b>ISMS</b>	Institute of Social and Medical Studies
<b>LIST</b>	The Lives Saved Tool

<b>NCDs</b>	Non-communicable diseases
<b>NetCode</b>	New Global Code Monitoring Initiative
<b>NGO</b>	Non-governmental organization
<b>NPS</b>	Nutrient Profiling System
<b>OECD</b>	The Organisation for Economic Co-operation and Development
<b>PAC</b>	Political action fund
<b>PAHO</b>	Pan American Health Organization
<b>PFS</b>	Partners in Food Solutions
<b>PIF</b>	Powdered Infant Formula
<b>PPP</b>	Popularly Positioned Products
<b>PWC</b>	PricewaterhouseCoopers
<b>R&amp;D</b>	Research and development
<b>RFP</b>	Request for Proposal
<b>ROI</b>	Return on investment
<b>RRC</b>	Rules of Responsible Conduct
<b>SEANUTS</b>	South East Asia Nutrition Survey
<b>SDG</b>	Sustainable Development Goals
<b>STAG</b>	WHO Scientific and Technical Advisory Group
<b>SUN</b>	Scaling Up Nutrition
<b>TCCC</b>	The Coca-Cola Company
<b>The Code</b>	The International Code of Marketing of Breast-milk Substitutes
<b>U.K.</b>	United Kingdom of Great Britain and Northern Ireland
<b>UN</b>	United Nations
<b>UNESDA</b>	Union of European Soft Drinks Associations
<b>UNICEF</b>	United Nations Children's Fund
<b>U.S.</b>	United States
<b>USAID</b>	United States Agency for International Development
<b>USD</b>	US dollar
<b>VP</b>	Vice President
<b>WFP</b>	World Food Programme
<b>WGC</b>	Whole Grains Council
<b>WHA</b>	World Health Assembly
<b>WHO</b>	World Health Organization
<b>WWMCG</b>	Worldwide Marketing and Communication Guide

## Disclaimer

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Sustainalytics Research is responsible for the scoring and ranking of company performance for the Access to Nutrition Index. Sustainalytics Research contributed to the report and company scorecards for the Index, and engaged with food and beverage companies as part of the data collection and analysis process.

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## 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**  
multidisciplinary design

## Design & development

Ontwerpwerk, a Dutch design agency in The Hague, designed and developed the report and website.



## Language editor

Copywriting report and scorecards



