

CATEGORY REPORT

PORTFOLIO IMPROVEMENT (10%)



Companies should set targets to address levels of key nutrients of concern (sodium, saturated fats, and total/free sugars) in their portfolios; the use of minimally processed fruits, vegetables, nuts, and legumes (FVNL) as ingredients; the use of whole grains as ingredients; and ensuring the elimination of industrially-produced trans fats (iTfAs).

Establishing such targets makes the companies' commitments to improving the healthiness of their portfolios more concrete and enhances internal and external accountability. For transparency, it is also important for companies to systematically track and publicly report quantitatively on their reformulation progress at portfolio and/or category level.

Targets should be specific, measurable, and time-bound, with all details publicly available. Where relevant, they should align with the latest available international benchmarks and definitions, such as the World Health Organization's (WHO) sodium benchmarks (2021),¹ WHO's REPLACE initiative for trans fats elimination (2018),¹¹ and WHO's 'Carbohydrate intake for adults and children' guideline (2023).¹¹



WHAT DOES GOOD PRACTICE IN PORTFOLIO IMPROVEMENT LOOK LIKE?

The company has a portfolio improvement strategy which:

- **SETS TARGETS TO REDUCE NUTRIENTS OF CONCERN** - which are specific, measurable, and time-bound - to reduce levels of sodium (aligned with World Health Organization (WHO) sodium benchmarks), saturated fats, and free/total sugars across all applicable product categories, in all markets.
- **SETS TARGETS TO INCREASE FRUITS, VEGETABLES, NUTS, AND LEGUMES (FVNL) AND WHOLE GRAINS** - which are specific, measurable, and time-bound - to increase the levels of un-/minimally-processed FVNL and whole grains in its portfolio, and report quantitatively on its progress on positive ingredients.
- **MEASURES AND REPORTS ON REFORMULATION PROGRESS** for each of the nutrients of concern, FVNL, and wholegrains, across all applicable product categories, in all markets, through quantitative metrics.
- **ELIMINATES THE PRESENCE OF INDUSTRIALLY-PRODUCED TRANS FATS (iTfAs)** from its entire applicable portfolio in all markets or sets a time-bound target to do so, and has formal processes in place to prevent the incidental reintroduction of iTfAs in relevant products.
- **ESTABLISHES A POLICY TO ONLY FORTIFY PRODUCTS THAT ARE DEFINED AS 'HEALTHIER'** by an internationally recognised/government-endorsed nutrient profiling model (NPM), while strictly adhering to the CODEX CAC/GL 9-1987 and/or WHO/Food and Agricultural Organization (FAO) guidelines on food fortification with micronutrients.

ATNi encourages companies to only fortify foods in accordance with the CODEX CAC/GL 9-1987 and/ or WHO/Food and Agricultural Organization (FAO) guidelines on food fortification with micronutrients, and select products or categories with intrinsic nutritional quality or defined as 'healthier' according to formal nutrition criteria. Fortifying products that contain high levels of nutrients of concern can result in a 'health halo effect', which leads consumers to misunderstand and overestimate their nutritional quality and healthfulness.

This results in higher consumption of such products, thereby enhancing consumers' risk of experiencing adverse health effects.^{IV}

MAIN FINDINGS

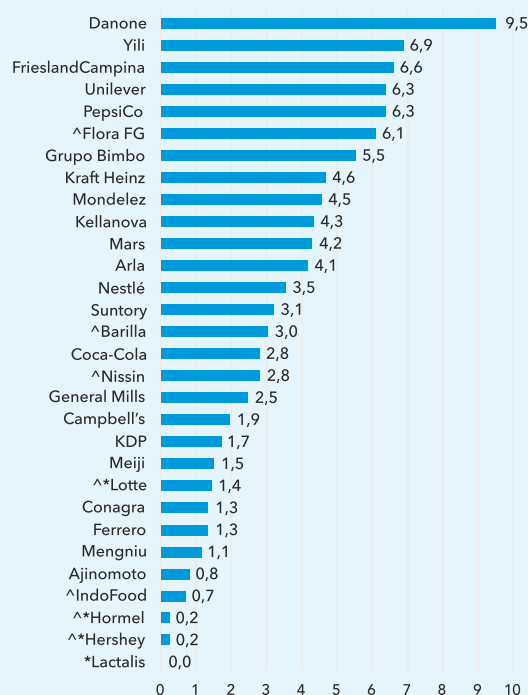
More than half of the companies assessed have set at least one time-bound target relating to the reduction of sodium, saturated fats, and/or sugar levels (i.e., nutrients of concern) within their portfolios, with 11 companies assessed in the 2021 Global Index adopting at least one new target since then.

Encouragingly, more companies are recognising the need to lower sodium and sugar levels in their portfolios. The majority of companies (73% with sodium-relevant portfolios^V and 57% with sugar-relevant portfolios) have global targets in place (a substantial increase since the 2021 Global Index). However, there is significant variation in the comprehensiveness and transparency of these targets, including how companies report against them. Only three companies have sodium targets that are aligned with or stricter than WHO's sodium benchmarks, and just over half of companies with sugar targets use the WHO-recommended definition for free/total sugars (rather than 'added sugars').

Relatively fewer companies have set targets to reduce saturated fats or increase positive components, such as FVNL or wholegrains. For five companies, no evidence was found that they have comprehensively eliminated iTFAs from their portfolios, nor do they have targets in place to do so.

Just two companies have a policy in place to only fortify a product if it meets a definition of 'healthier' according to an internationally recognised NPM. A further eight use other criteria or considerations of 'healthiness' when determining which products to fortify.

COMPANY SCORES ON PORTFOLIO IMPROVEMENT /10



* Did not provide information to ATNi
^ Not assessed in 2021

Sodium reduction targets and reporting: Of the 26 companies with portfolios for which sodium reduction is relevant,^{IX} 19 have some form of sodium target in place (six of these are part of broader targets to meet the company's criteria for multiple nutrients of concern).

Twelve have been introduced since the 2021 Global Index, either for the first time (Conagra, General Mills, Mondelez, and Yili) or are replacing expired targets. All but one of these targets are global in scope, and 12 apply to all applicable product categories. For example, as part of the 2021 Tokyo N4G Summit, members of the International Food and Beverage Alliance (IFBA) committed to a common set of global targets for 2025 and 2030, which set maximum salt content levels in 40 sub-categories of products.^{VII}

Only three companies (Mars, PepsiCo, and Yili) have targets that are aligned with or are stricter than WHO's sodium benchmarks, of which only PepsiCo's applies to all applicable product categories.

TABLE B2.1.

OVERVIEW OF COMPANIES WITH REFORMULATION TARGETS IN PLACE AND WHICH SHARED QUANTITATIVE EVIDENCE OF PROGRESS, PER NUTRIENT OF CONCERN

Company	Nutrition criteria *	Sodium	Sugar	Saturated fat
Ajinomoto			#	#
Arla		^ #	• #	#
Barilla		•	• #	
Campbell's	#	^ #	/	
Coca-Cola		N/A	^ #	N/A
Conagra		^ #		
Danone	• /	N/A		
Ferrero		•		
Flora FG		^ #	• #	• /
FrieslandCampina	^ /	^ /		
General Mills		•	#	
Grupo Bimbo	• /		^	^
Hershey			#	
Hormel		#		
IndoFood		#	#	#
Kellanova	/	• /	#	
KDP		N/A	•	N/A
Kraft Heinz	• /			
Lactalis				
Lotte		^	^ /	
Mars	^ #	^ + #	^ #	^ #
Meiji			/	#
Mengniu			/	
Mondelez	^ #	• /		
Nestlé		• /	#	
Nissin		^ #	^ #	
PepsiCo		• + /	^ #	• /
Suntory		°	^ #	
Unilever	• /		^ #	•
Yili		^ + /	• /	• /

* The company has a proportional target/reporting to comply with nutrient criteria, i.e. set of thresholds for each nutrient of concern that must be met simultaneously for a product to be in 'compliance'. A symbol in this box therefore, in effect, applies to each of the nutrients of concern. Some companies with such criteria may also have additional targets/reporting specific to a nutrient of concern on top of their targets/reporting nutrition criteria.

- Target that applies to all markets and applicable product categories
- ^ Target that only applies to specific markets and / or applicable product categories
- + Aligned with/stricter than WHO's sodium benchmarks
- / Reports or confidentially shared quantitative evidence of progress across all markets and applicable product categories
- # Reports or confidentially shared quantitative evidence of progress for specific markets and/or applicable product categories

Of the 19 companies with sodium reduction targets (including those that relate to broader targets to meet the company's criteria for multiple nutrients of concern), 14 have published theirs in full in the public domain. Of these, six (Ferrero, FrieslandCampina, Grupo Bimbo, Kraft Heinz, PepsiCo, and Unilever) publicly report on progress against these targets; two (Mars and Kellanova) report on sodium reduction using a different metric; and six (Arla, Barilla, General Mills, Lotte, Mondelez, and Nestlé) do not report against their publicly available targets. Conagra and Yili have partially disclosed targets and report on their progress against them. The remaining three companies (Campbell's, Flora FG, and Nissin) have sodium-related targets in place, but neither publish nor report on progress on them.

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Sugar targets and reporting: 17 of the 30 companies assessed (57%) have some form of target in place to reduce levels of sugars (of which eight are part of a broader target to meet the company's overall criteria for multiple nutrients of concern). Since 2021, 11 sugar-related targets have been introduced. Nine of the 17 companies have set targets in terms of free/total sugars (the definition of 'sugar' recommended by WHO),^x of which all are global in scope. However, only three of these companies (Danone, Kraft Heinz, and Yili) apply such targets to all relevant product categories, with while FrieslandCampina, Lotte, Mondelez, Nissin, and Unilever limited to specific product categories.

MONITORING ITFA ELIMINATION BY IFBA MEMBERS

In 2023, ATNI was commissioned by WHO to monitor progress on the 2019 commitment made by 11 companies of the IFBA to eliminate iTFA in products, using data from 14 markets. The results can be found here.

No levels above the WHO iTFA recommendation (iTFA <2 g per 100 g of total fat) were found, reinforcing that reformulation and replacement of harmful iTFA in food products is feasible.

ATNi, supported by Resolve to Save Lives, is continuing its work on this topic by looking into the role of global suppliers of edible fats and oils in eliminating iTFAs from food supplies.

The remaining eight companies' targets are in terms of 'added sugars' only, of which only Arla, Flora FG, and Keurig Dr Pepper (KDP)'s cover all markets and product categories.

Of the 17 companies with sugar reduction targets (including those that relate to broader targets to meet the company's criteria for multiple nutrients of concern), 13 have published theirs in full in the public domain. Of these, seven (Danone, FrieslandCampina, Grupo Bimbo, Kraft Heinz, PepsiCo, Suntory, and Unilever) publicly report on progress against these targets, while six (Arla, Barilla, Coca-Cola, KDP, Lotte, and Nestlé) do not report specifically against their public sugar-related targets. Four companies (Mondelez, Nissin, Flora FG, and Yili) have not published their sugar-related targets. Five companies (Campbell's, Kellanova, Lotte, Meiji, and Mengniu) report quantitatively on their sugar reduction efforts, but do not have targets in place.

Saturated fats targets and reporting: Of the 27 companies with saturated fats-relevant portfolios,^{xi} 10 (37%) have some form of target to reduce saturated fats levels (of which six are part of a broader target to meet the company's criteria for multiple nutrients of concern).

Seven targets have been introduced since 2021. While each of the 10 companies' saturated fats targets are global in scope, six are applied to all applicable product categories, while four are applied to specific product categories.

Of the 10 companies with saturated fats reduction targets (including those that relate to a broader target to meet the company's criteria for multiple nutrients of concern), seven have published theirs in full in the public domain. Of these, five (Danone, FrieslandCampina, Grupo Bimbo, Kraft Heinz, and PepsiCo) publicly report on progress against these targets. Three companies (Campbell's, Flora FG, and Yili) have not published their saturated fats-related targets.

Elimination of iTFAs: Of the 20 companies with portfolios that are at risk of containing iTFAs, 12 state they have eliminated or reduced iTFAs in line with the WHO threshold of 2g per 100g of total fat; while Nissin shared that it has done so according to the Japanese government's recommendation (0.3g/100g of product). Of these 12, seven (Grupo Bimbo, Mars, Mondelez, Nestlé, PepsiCo, Unilever, and Flora FG) provide information about their processes to ensure compliance and prevent the reintroduction of iTFAs, primarily through supplier specifications. PepsiCo, for example, stated it also works with suppliers to implement best practices to prevent incidental iTFA formation, while three companies indicated that they conduct 'audits' of their products.

In addition, two companies (IndoFood and Meiji) have time-bound targets in place to eliminate or limit iTFAs in specific product categories globally. However, five companies (Ajinomoto, Hershey, Hormel, Kraft Heinz, and Lotte) have not publicly stated or shared evidence that they have eliminated iTFAs from their portfolios, nor publicly set any ambitions to do so in the future.

Targets and reporting for FVNL and whole grains:

Of the 20 companies with relevant portfolios,^{xi} a total of seven have set targets relating to FVNL (four companies) and whole grain (six companies) content.

PepsiCo and Unilever have targets in place to increase levels of a range of 'positive' ingredients, among which both FVNL and whole grains are included, across

all markets. However, in both cases, the targets can be achieved without increased FVNL or whole grain content by a specific amount. Only Mars has a global target for increasing sales of products using FVNL as ingredients, while Nestlé and General Mills, through their joint venture Cereal Partners Worldwide, have a target to ensure that 100% of their cereals will have whole grains as the first ingredient. Barilla and Nissin have set separate targets specifically to increase levels of FVNL and wholegrains, although neither company applies their targets across all applicable product categories and markets.

Only Kellanova has started reporting progress on increasing their use of FVNL across all relevant product categories globally, while Nestlé shared evidence of doing so for whole grains across all relevant categories (although this is not publicly reported). Five companies (Ajinomoto, Campbell's, General Mills, Mars, and Nissin) provide quantitative evidence of progress in increasing FVNL use across specific categories, and three companies (Barilla, General Mills, and Nissin) do so for increasing whole grain content. While PepsiCo and Unilever report on their overall progress against their 'positive nutrition' targets, they do not report specifically in terms of FVNL or whole grain content.

No company specifically relates their targets and/or reporting to the use of unprocessed or minimally processed FVNL (which is acknowledged by WHO to be preferable), nor are they explicit about how this content is defined. Regarding whole grains, only Nissin's target includes a definition which aligns with The Whole Grain Initiative's definition of 'whole grain products' (i.e., must contain at least 50% whole grain ingredients based on dry weight); although this target is not in the public domain.

Responsible fortification practices: 13 companies state that, when fortifying products, they follow the CODEX CAC/GL 9-1987 and/or WHO/FAO guidelines on food fortification with micronutrients, which provide international guidance on the appropriate selection and levels of micronutrients to use in fortification.

Ten companies limit the kinds of products that they choose to fortify, based on a consideration of their healthiness. Two companies (Arla and Grupo Bimbo) only fortify products considered 'healthier' according to the thresholds of an internationally recognised/

government-endorsed Nutrient Profiling Model (NPM) (in each case, this is the Health Star Rating (HSR) score of 3.5 or above), thereby ensuring that unhealthy products are not fortified. Danone also uses the HSR for this purpose, using a threshold of 2.5 stars instead of 3.5.

Meanwhile, two companies (FrieslandCampina and PepsiCo) use their own nutrition criteria (which have maximum thresholds for each key nutrient of concern, but are less strict than an internationally recognised/ government-endorsed NPM). Five companies (Flora FG, Kellanova, Mars, Mondelez, and Unilever) shared evidence that they take into consideration the overall healthiness of a product when deciding whether to fortify or not, but do not require compliance with specific nutrition criteria.



LEVELS OF FOOD PROCESSING AND HEALTH EFFECTS OF HIGHLY- AND ULTRA-PROCESSED FOODS (UPFS)

ATNi has been closely monitoring the debates and policy developments regarding UPFs and, in April 2024, we published a discussion paper on the topic. For this index, ATNi did not assess levels of processing of products, but asked companies about their position on the link between highly processed foods and adverse health impacts, and whether they have strategy to address this link.

Ten of the 25 engaging companies responded to ATNi regarding a statement on the link between highly- or UPFs and adverse health outcomes. In each case, these companies emphasised that the evidence on cause and effect is weak, and stressed the benefits of food processing for the nutritional quality, adequacy, and safety of products. These responses are similar to industry sentiments that ATNi heard at the end of 2023, when it proposed to include an assessment on levels of processing in the product profile assessment.

As more than one third of the engaging companies provided a statement, ATNi considers this a clear sign that the food industry has realised that the scientific debate and policy discussions on highly-/UPFs cannot be ignored. ATNi aims to support any efforts from policymakers to develop clear standards and regulations on this topic. Following this, a constructive dialogue should be organised between industry and other stakeholders on the options for industry actors to comply with new standards and regulations. In the interim, ATNi believes companies should ramp up efforts to reformulate towards healthier portfolios.

KEY RECOMMENDATIONS FOR THE SECTOR

It is encouraging that an increasing number of companies have set time-bound reformulation targets, particularly with regards to sodium and sugar reduction. However, there is still scope for most companies to improve the comprehensiveness, specificity, and consistency of their targets and reporting, as well as their alignment with the latest international guidance and benchmarks. There is also considerable scope for companies to adopt responsible fortification practices.

To this end, all companies are encouraged to:

1 Evaluate

- Assess the healthiness of their entire portfolios to identify key risk areas regarding nutrients of concern, as well as opportunities for improvement by reformulation – with particular reference to the latest international guidance and benchmarks, such as WHO's sodium benchmarks.
- Explore opportunities to increase the amounts of minimally processed FVNL and wholegrains used as ingredients across their product portfolios.
- Monitor their portfolios for the presence of iTFAs, beyond the WHO threshold of 2g per 100g of total fat.

2 Transform

- Develop a comprehensive reformulation strategy and set ambitious targets that are specific, measurable, and time-bound, to reduce nutrients of concern, eliminate iTFAs, and increase positive ingredients across their product portfolios.
- Ensure that new product developments do not exceed set nutrient thresholds.
- Develop a policy to only fortify products that are defined as 'healthier' according to an internationally recognised NPM, while strictly adhering to the CODEX CAC/GL 9-1987 and/or WHO/FAO guidelines on food fortification with micronutrients.

**ONLY THREE COMPANIES
HAVE SODIUM TARGETS
THAT ARE ALIGNED WITH
OR STRICTER THAN WHO'S
SODIUM BENCHMARKS**

3 Disclose

- Report on reformulation progress using consistent and comprehensive quantitative metrics for each nutrient of concern and positive ingredient, and publish the results annually.

NOTES AND REFERENCES

- ⁱ World Health Organization (2021) WHO Global Sodium Benchmarks for Different Food Categories. Geneva: World Health Organization. Available at: <https://www.who.int/publications/i/item/9789240025097> (Accessed: 28/10/2024).
- ⁱⁱ World Health Organization (2024) REPLACE Trans Fat-Free. Available at: <https://www.who.int/teams/nutrition-and-food-safety/replace-trans-fat> (Accessed: d28/10/2024).
- ⁱⁱⁱ World Health Organization (2023) Carbohydrate Intake for Adults and Children: WHO Guideline. Geneva: World Health Organization. Available at: <https://www.who.int/publications/i/item/9789240073593> (Accessed: 28/10/2024).
- ^{iv} Sundar, A., and Kardes, F.R. (2015) 'The Role of Perceived Variability and the Health Halo Effect in Nutritional Inference and Consumption', *Psychology & Marketing* 32(5): 512–21. doi. org/10.1002/mar.20796.
- ^v 'Relevant portfolio' in the context of this chapter means that the company has a significant amount of products in product categories that typically contain the nutrients/food components discussed.
- ^{vi} Sodium was not considered to be a nutrient of concern for Coca-Cola, Danone, KDP, and Suntory's portfolios.
- ^{vii} Global Nutrition Report (GNR) (2021) IFBA Global Sodium Reduction Commitment. Available at: <https://globalnutritionreport.org/resources/naf/tracker/commitment/ifba-global-sodium-reduction-commitment/> (Accessed: d28/10/2024).
- ^{viii} 'Relevant portfolio' in the context of this chapter means that the company has a significant amount of products in product categories that typically contain the nutrients/food components discussed.
- ^{ix} Sodium was not considered to be a nutrient of concern for Coca-Cola, Danone, KDP, and Suntory's portfolios.
- ^x According to WHO, 'free sugars' refers to all sugars added to foods and beverages by the manufacturer, as well as those naturally occurring in honey, syrups, fruit juices, and fruit juice concentrate. 'Total sugar' also includes intrinsic naturally occurring sugars (e.g. part of the cell structure of fruits and vegetables). The term 'added sugar' typically excludes those sugars naturally occurring in honey, syrups, fruit juices, and fruit juice concentrate.
- ^{xi} Saturated fats was not considered to be a nutrient of concern for Coca-Cola, KDP, and Suntory's portfolios.
- ^{xii} FVNL and wholegrains were not considered to be relevant for the following portfolios: Arla, Coca-Cola, Danone, Flora FG, FrieslandCampina, Lactalis, KDP, Mengniu, Suntory, and Yili.