

ACCESS TO NUTRITION INDEX

GLOBAL INDEX 2013



ACCESS TO
NUTRITION
INDEX™

Acknowledgements

FUNDERS



The Access to Nutrition Index (ATNI) would not have been possible without the generous support of the Global Alliance for Improved Nutrition (GAIN), the Bill & Melinda Gates Foundation and the Wellcome Trust.

ATNI was developed by GAIN's Innovative Finance Program. Led by Chris Walker, the ATNI development team consisted of Michael Park and Valerie Pillonel, along with external consultants Craig Courtney, Rachel Crossley, and Graham Sinclair. The team also drafted this report on the Global Index. Additional advice was provided by Dominic Schofield.

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 was a source of invaluable guidance, and this report benefited in innumerable ways 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.

RESEARCH SUPPORT



MSCI ESG Research is responsible for the scoring and ranking of company performance for the Access to Nutrition Index. MSCI ESG Research contributed to the development of the methodology, report and company scorecards for the Index, and engaged with food and beverage companies as part of the data collection and analysis process. The MSCI ESG Research team was managed by Veronique Menou, and nutrition expertise was provided by Lynn Stockley, an independent consultant to MSCI ESG Research. A steering committee composed of Afshin Mehrpouya, Assistant Professor, HEC Paris and Michelle Lapolla Friedman, Emily Effgen Lawrence, and Perrine Dutronc of MSCI ESG Research also provided essential guidance throughout the company research and analysis process.

ACCESS TO NUTRITION INDEX

GLOBAL INDEX 2013

March 2013

Welcome

I am pleased to introduce the first edition of the Access to Nutrition Index (ATNI), a new initiative that aims to stimulate substantial improvement in consumers' access to good nutrition worldwide.

We are launching this initiative at a critical moment when both obesity and undernutrition are among the world's most pressing public health concerns. Rapidly rising rates of obesity and related chronic and non-communicable diseases have reached the levels of a global epidemic, according to the World Health Organization. At the same time, undernutrition remains one of the world's most serious health problems and is a major risk factor for diseases that have an impact on the poorest people in the world.

These public health challenges affect billions of people, and efforts to address them are vital to ensure that people around the world can live healthy and productive lives. ATNI is founded on the premise that food and beverage manufacturers have a central role to play in addressing these challenges. In fact, given their enormous and growing global reach, companies must be at the forefront of solutions to improve access to better nutrition. Some companies have already begun to recognize the nutrition-related risks and opportunities for their businesses and are integrating nutrition into their core strategies.

This report summarizes findings from the inaugural ATNI Global Index, which rates 25 of the world's largest food and beverage manufacturers on their nutrition-related commitments, performance and disclosure globally. ATNI is not intended to name and shame companies, but instead to highlight strong practices and to provide a means for companies to benchmark their approach to nutrition against their peers and identify areas for improvement. The Index also aims to serve as an independent source of information for stakeholders interested in engaging with the food and beverage industry on nutrition issues.

We intend to publish the ATNI Global Index every two years in order to track and encourage improvements in companies' nutrition practices. We also hope to strengthen the Index over time by continuing to elicit feedback from industry, governments, civil society and other organizations, as well as from a large and growing group of investors that have signed a statement supporting ATNI and its objectives.

I would like to thank the Global Alliance for Improved Nutrition, the Bill & Melinda Gates Foundation, the Wellcome Trust, the members of the ATNI Independent Advisory Panel and the ATNI Expert Group, our research partner MSCI ESG Research, and the ATNI project team for their efforts and support in producing the Index.

The conversation on the role of the food and beverage industry in improving nutrition is in its early stages. It is my hope that the Index will help further this important conversation and serve as a call to action for all involved.

Sincerely,

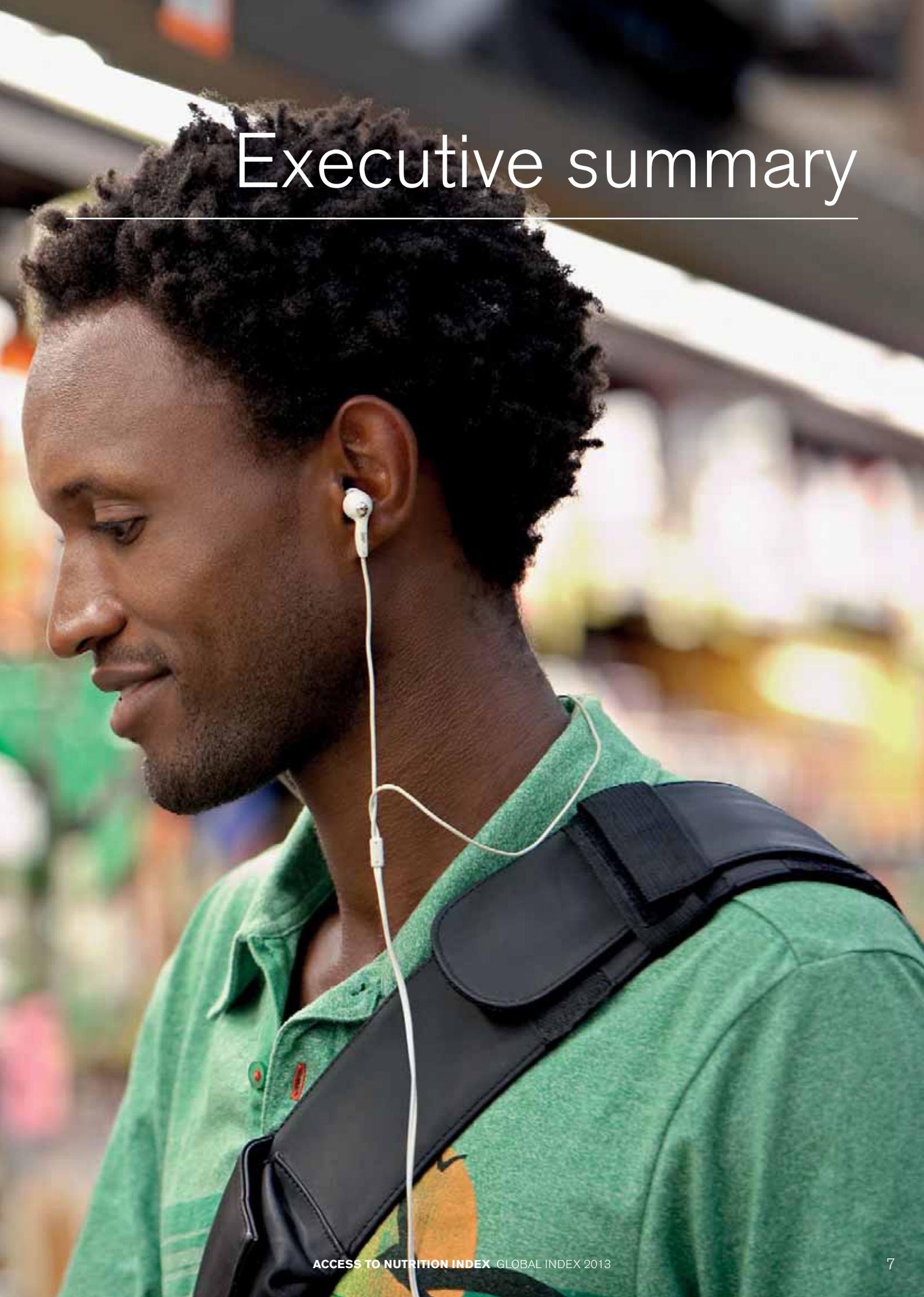


Inge Kauer
Executive Director, Access to Nutrition Index





Executive summary



Overview

Poor nutrition is one of the most significant public health challenges facing the world today. Obesity and diseases related to it, including heart disease, stroke, diabetes and certain cancers, are on a trajectory to become a global pandemic, affecting countries of all income levels. At the same time, undernutrition continues to affect billions of people globally, including in countries suffering from the double burden of both obesity and undernutrition. Given the pervasive and increasing role of their products in diets in many countries, food and beverage manufacturers can make powerful contributions to addressing these challenges.

The objective of the Access to Nutrition Index (ATNI) is to stimulate greater action by the private sector to improve nutrition at a global level. The ATNI Global Index rates 25 of the world's largest food and beverage manufacturers on their nutrition-related commitments, performance and disclosure, with the aim of encouraging them to increase access to nutritious and affordable food and beverage products, as well as to responsibly exercise their influence on consumer choice and behavior.

The ATNI Methodology

assesses companies against international guidelines, norms and accepted good practices, except when such guidance was not found. In such instances, the assessment is based on guidance from a panel of experts on nutrition and the food and beverage industry in addition to recommendations drawn from stakeholder consultations. The entire assessment methodology was developed with their input and through an extensive multi-stakeholder process. Company assessments were conducted by MSCI ESG Research using publicly available documents, supplemented by additional information requested from each company. Companies were then scored on an absolute scale using a system that rewards good practices rather than penalizing poor ones.

Five of the companies assessed by ATNI are manufacturers of breast-milk substitutes. The approach used to evaluate these companies on their compliance with the International Code of Marketing of Breast-milk Substitutes (International Code) has drawn on reports from the International Baby Food Action Network (IBFAN), which are currently the only publicly available assessments of all five companies on this vital matter. This source is being used on an interim basis only, pending the development or availability of a more frequently reported, quantitative, and independently audited assessment approach.¹



© GAIN - Global Alliance for Improved Nutrition / Nadine Hurton

NOTES

- ¹ This part of the methodology accounts for slightly more than 13% of all points possible for companies that manufacture breast-milk substitutes. For more details on this approach, see page 35.

Results

Companies are rated on a scale of 0 to 10 based on their nutrition-related commitments, performance and disclosure across seven different Categories (assigned weight):

- A Governance** (12.5%) Corporate strategy, governance and management
- B Products** (25%) Formulation of appropriate products
- C Accessibility** (20%) Delivery of 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 policymakers and other stakeholders

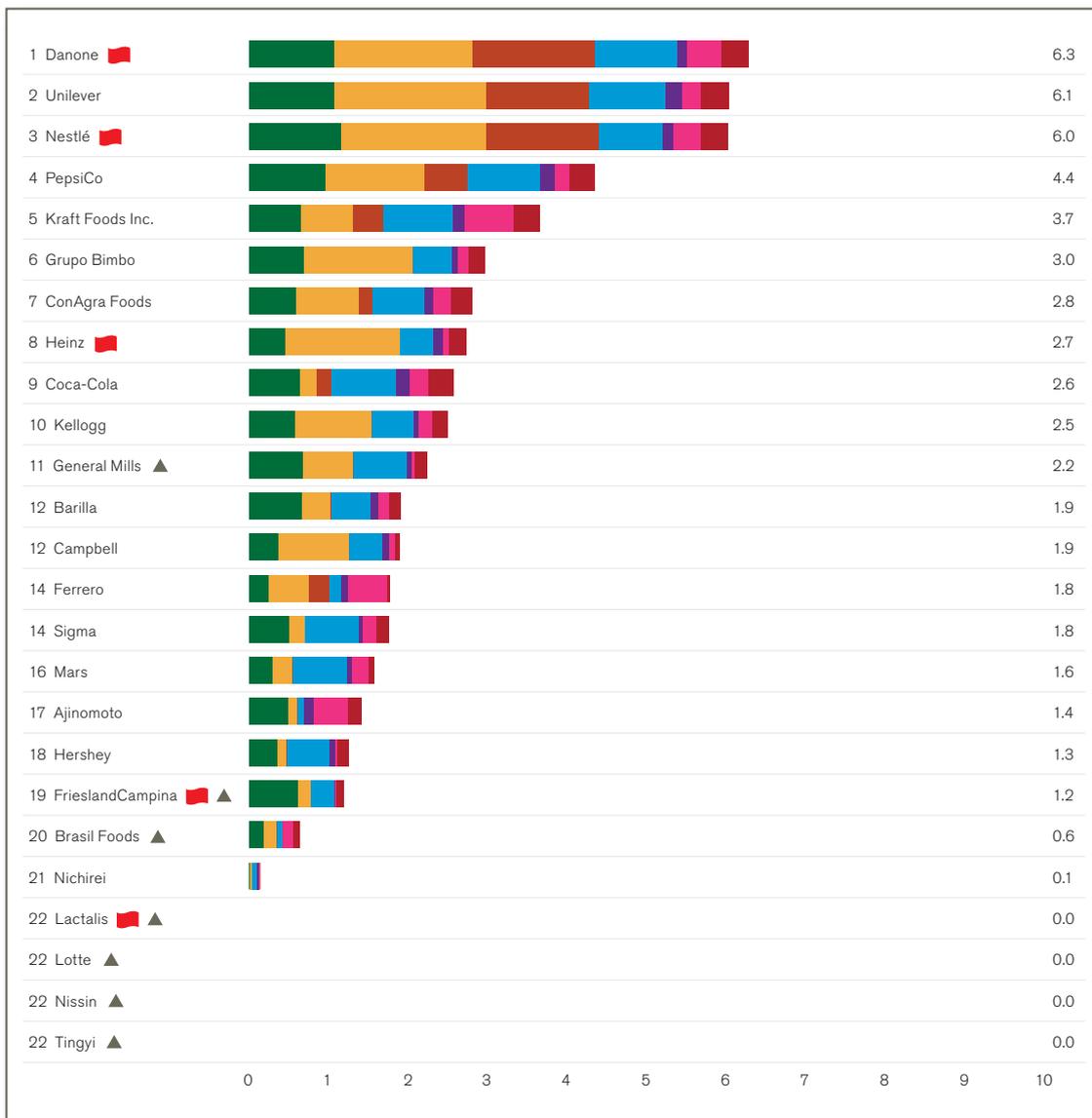
A score of 0 indicates that no evidence was found for any nutrition-related commitments or practices and a score of 10 signifies best practice against the current state of knowledge and consensus as reflected by the ATNI assessment methodology.

Companies that chose not to respond to questions from ATNI's research partner (MSCI ESG Research) during the research process were ranked based solely on information that they put into the public domain. These companies are designated with the following symbol:

▲ Company did not provide information to ATNI's research partner during the research phase

Companies that are breast-milk substitute manufacturers are indicated with the following symbol:

🇧🇪 BMS manufacturers



Key findings

Across the board, the world's largest food and beverage manufacturers can do substantially more to improve consumers' access to nutrition. This is reflected in the fact that all companies generally scored low on the ATNI Global Index. Only three companies scored above 5.0 on a 10-point scale, and the majority of companies scored below 3.0.

Many companies are now taking at least some action to improve access to nutrition.

- ATNI found that companies are doing the most in the area of incorporating nutrition into their corporate governance and management systems. The best companies have made clear commitments and adopted detailed policies and measurable targets related to nutrition, allocated responsibility for achieving these targets to senior executives, and created incentive structures for them to do so.
- Many companies are motivated to act by the business risks associated with nutrition, as well as the opportunity to play a more active role in addressing nutrition challenges. For example, the majority of the publicly traded companies assessed by ATNI discuss nutrition-related risks to their businesses in their annual reports or public filings.

Danone, Unilever and Nestlé are the highest-ranking companies by a sizeable margin, but even their scores demonstrate that there is significant room for improvement.

- Their strong performance on ATNI is a reflection of corporate strategies that include explicit commitments to improving nutrition and the corresponding integration of nutrition considerations into their core business activities such as formulating healthier products, making these products affordable and accessible to consumers, and marketing them appropriately.
- As a result, all three companies are at the top of both the obesity and undernutrition sub-rankings, and they consistently perform at or near the top in almost all areas assessed by ATNI.
- **The notable exception is Danone and Nestlé's performance with regard to the marketing of breast-milk substitutes. Their reported lack of compliance with the International Code of Marketing of Breast-milk Substitutes is a significant concern.**

Companies' practices often do not measure up to their commitments. Broadly, companies' scores on nutrition strategy and governance were higher than their scores on product formulation, accessibility, and marketing. And within each of these areas, their level of implementation lagged behind their stated commitments:

- In the area of product formulation, many companies have made commitments and some have set quantitative targets. However, fewer demonstrate substantial progress against these targets.

- While some companies have commitments to make their healthy products more affordable and available, few provided evidence of actually having done so. As a result, company scores in this area of the methodology are among the lowest in the Index.
- Most companies have signed on to industry-led pledges and/or developed their own policies, but their scope of application is often inconsistent or unclear. In addition, much less information was available about whether companies place a greater emphasis on their healthier products when marketing to children.

Companies could do more to address undernutrition and at a broader scale.

- The highest score achieved on the undernutrition ranking was 5.3, with the majority of companies scoring below 2.0. These scores are significantly lower than those on the overall ranking and on the obesity and diet-related chronic diseases ranking.
- Many companies do not articulate a clear recognition of the role they can play in addressing undernutrition.
- Companies' actions to address undernutrition are more often philanthropic initiatives than efforts implemented through their core business functions, though some companies are engaging in a wide range of approaches, from public-private partnerships to social businesses. However, all of these efforts have generally been at a limited scale.

Many companies are not very transparent about their nutrition practices. This lack of disclosure limits the ability to understand the full scope of companies' nutrition-related efforts. In particular, the lowest-ranked companies on the Index do not disclose sufficient information on their policies and practices to evaluate any approaches they may have to nutrition.



Key recommendations

An essential first step for companies to address the challenges of obesity and undernutrition is to integrate nutrition into their corporate strategies and to demonstrate action to deliver on these priorities. This is central to ensuring that nutrition considerations are included in companies' core business activities such as product development, pricing, distribution and marketing.

- To advance this strategic integration, companies should develop clear and measurable corporate objectives and targets on nutrition.
- They should also create robust incentive and accountability structures, such as linking CEO compensation to the achievement of nutrition objectives and assigning day-to-day responsibility for delivering on their nutrition strategy to senior executives. Nutrition issues are then more likely to be prioritized in all relevant business functions.

Stronger mechanisms are needed to track companies' performance on their commitments and targets in order to improve consumers' access to nutrition. Companies and other relevant actors should prioritize on developing and implementing these mechanisms, which include:

- *External mechanisms*, such as independent audits, third-party evaluations, and incorporation of input from experts or other stakeholders. More companies should follow the lead of those that commission independent verification of their reporting, external audits of their compliance with marketing pledges, and third-party impact assessments of their initiatives to promote healthy diets and active lifestyles.
- *Internal mechanisms*, such as Board and executive-level oversight of the company's performance against its nutrition commitments.

Companies' priorities for improving their approach to nutrition should include:

- Ensuring product formulation, marketing and labeling efforts are in line with recommendations from norm-setting bodies such as the World Health Organization and the Food and Agriculture Organization of the United Nations.
- Setting product formulation targets for all relevant ingredients and across their entire product portfolios and articulating these targets in a format that allows for a clearer understanding of the scope of such efforts.
- Identifying and applying approaches to make products of high nutritional quality more affordable and widely available, especially to lower-income consumers.
- Implementing a strict and comprehensive policy on marketing to children that applies to all media channels and all countries in which a company operates.
- **For all companies that manufacture breast-milk substitutes, taking immediate action to ensure that their practices are in full compliance with the International Code in all countries.**

Companies should increase their efforts to address undernutrition and scale up those approaches that are the most successful.

- Companies should leverage the experience, skills and scale of their core business functions to address undernutrition. They should implement a range of approaches – including philanthropic efforts, public-private partnerships, social businesses and core business initiatives – in consultation with local stakeholders and in alignment with any national strategies for addressing undernutrition.
- Products formulated to meet the needs of lower-income consumers at risk for, or suffering from, undernutrition should be culturally appropriate and not associated with an increased risk for obesity and diet-related chronic diseases.

Companies should increase public disclosure of their nutrition activities. Such disclosure by companies underpins credibility, strengthens any evaluation of their nutrition practices, and heightens accountability.

- Companies that currently disclose little or no information can begin by reporting on the nutrition-related commitments they have made, as well as any objectives and targets that support these commitments.
- Companies that already provide significant amounts of information about their nutrition-related practices can further improve by increasing disclosure on their performance against targets and by broadening the geographic scope of their reporting.



© GAIN - Global Alliance for Improved Nutrition

Future evolution of ATNI

ATNI is intended to stimulate a constructive dialogue on the role of food and beverage manufacturers in addressing both obesity and diet-related chronic diseases and undernutrition. The aim is for the Global Index to be published every two years in order to (1) track and encourage improvements in companies' nutrition-related practices over time and (2) reflect advances in the state of nutrition knowledge, new guidelines and policies, and feedback from stakeholders.

In assessing companies in this first edition of the Global Index, ATNI faced several limitations that will be addressed for future editions. Notable among these are: the lack of an international standard for what can be considered a "healthy" product; challenges in accounting for differences in the scope of improvements companies can make to the nutritional quality of their product portfolios; limited disclosure by some companies about their nutrition practices; and gaps in the knowledge base where it is not currently possible to assess companies' practices.

ATNI recognizes the limitations to the interim approach that is used in this first edition of the Index for assessing the marketing practices of breast-milk substitute manufacturers. As such, it will seek to ensure development of a robust approach to field assessment of these practices for future editions of the Index, including through any new appropriate assessment initiatives or approaches that may emerge.

Evolution of the Index along these lines will strengthen the assessment of companies and also facilitate the dialogue between companies and other stakeholders on the issue of access to nutrition.

This first edition of ATNI demonstrates the enormous potential for the food and beverage industry to improve its contribution to nutrition. Some companies have already taken significant steps to orient their businesses toward providing consumers with better access to nutritious foods and beverages. The ambition for the next edition of ATNI is that the conversation among all stakeholders on industry's role will have matured and that more companies will recognize the benefits of addressing consumers' access to nutrition, with the long-term goal of improving public health globally.

© GAIN - Global Alliance for Improved Nutrition





Contents

Introduction	17
Objectives	18
Nutrition challenge	19
Scope and guiding principles	24
Methodology	31
Company selection	32
Methodology structure	33
Approach to scoring and ranking	34
Approach to assessing manufacturers of breast-milk substitutes	35
Limitations	37
Agenda for future development of ATNI	38
Rankings	41
1 Overall ranking	43
2 Obesity and Undernutrition rankings	44
Key findings	46
Key recommendations	48
Categories	51
A Governance	52
B Products	62
C Accessibility	74
D Marketing	84
E Lifestyles	102
F Labeling	112
G Engagement	122

Company Scorecards	131
--------------------	-----

Annexes	159
---------	-----

1 Approach to selection of companies ranked by ATNI	160
2 Methodology development process	161
3 Company research and analysis	164
4 Marketing: additional results	165
5 ATNI advisory groups	170
6 Stakeholder engagement process	172
7 Selected bibliography	174
8 Acronyms	180
General disclaimer	181
Notice and disclaimer	181
Copyright	182



Introduction

Contents

Objectives	18
Nutrition challenge	19
Scope and guiding principles	24

Objectives

Obesity and diet-related chronic diseases¹ and undernutrition collectively affect an estimated 2.3 billion people globally – about one third of the world's population. Together they have significant negative health and economic consequences in both high-income and lower-income countries² and have become global public health priorities. Both of these challenges are affected by the quantity and quality of food. Given the fundamental and increasing role of food and beverage companies in food availability globally, their impact on the nutritional status of consumers worldwide is growing.

The Access to Nutrition Index (ATNI) is founded on the premise that food and beverage³ manufacturers can make a strong contribution to addressing poor nutrition and related diseases. By assessing and ranking 25 of the world's largest manufacturers on their nutrition-related commitments, practices and performance globally, ATNI aims to encourage companies to:

- Increase consumer access to nutritious and affordable foods and beverages through actions related to product formulation, pricing and distribution; and
- Responsibly exercise their influence on consumer choice and behavior through actions in areas such as marketing, labeling and promoting healthy diets and active lifestyles.

ATNI seeks to stimulate dialogue about ways in which companies can improve their nutrition practices by serving as:

- A means for companies to benchmark their approach to nutrition against their peers and identify areas for improvement; and
- An independent source of information for stakeholders interested in monitoring and/or engaging with the food and beverage industry on nutrition issues.

Through these paths of influence, ATNI aims to encourage companies to increase consumer access to nutritious products and responsibly exercise their influence on consumer choice and behavior. The ultimate goal is to facilitate improved diets and a reduction in the serious global problems of both obesity and undernutrition.

Nutrition challenge

The following sections provide an overview of the global problems of obesity and diet-related chronic diseases and undernutrition, as well as the role that food and beverage manufacturers can play in addressing these challenges. Companies' delivery of healthy food choices and their responsible influence on consumer behavior are applicable to both issues. Additional actions that companies can take that are specific to either obesity or undernutrition are also outlined below.

Obesity and diet-related chronic diseases

Obesity is a significant and growing public health issue that has been characterized by the World Health Organization (WHO) as a "global epidemic".⁴ While obesity has been a challenge in high-income countries for some time, it is now prevalent in a growing number of lower-income countries. Approximately 1.4 billion people are overweight, of which about 500 million are obese.⁵ Rates of childhood obesity and overweight in particular have risen dramatically in recent decades – over 32 million overweight children are living in lower-income countries, compared to 10 million in high-income countries.⁶

Obesity is a major risk factor for cardiovascular diseases (e.g., heart disease and stroke), diabetes, musculoskeletal disorders and some cancers. At least 2.8 million adults are estimated to die annually due to being overweight and obese, making these the fifth leading risk for death globally.⁷ Obesity also has significant societal implications; in the United States alone, \$190 billion in additional annual medical spending (or 21% of total U.S. medical expenditures) is attributed to obesity.⁸ Obesity and diet-related chronic diseases are largely preventable, but the complex systemic factors causing them present a significant challenge to developing effective solutions.

Obesity is caused by calories consumed in excess of calories expended.⁹ Calories consumed have increased among many people due to increased consumption of energy-dense foods, which tend to be high in fat and sugar.¹⁰ At the same time, calories expended have decreased among many people due to the increasingly sedentary lifestyle allowed by advances in technology and transportation (particularly in the context of urban environments not conducive to active lifestyles).¹¹ No longer a problem restricted to high-income countries, similar trends are observed in lower-income countries as they undergo a "nutrition transition" driven by an increase in consumption of animal-source foods, edible oils, processed foods and sugar-sweetened drinks, as well as shifts in population from rural to urban settings.^{12 13 14}

Poor diets are not only a risk factor for obesity, but for other chronic diseases as well. For example, high dietary fat intake is a risk factor for the development of high blood lipid levels and high dietary salt intake is a risk factor for the development of high blood pressure. In turn, high blood lipid levels and high blood pressure are significant risk factors for heart attacks, heart failure, strokes and kidney disease, which together account for 12% of global disability-adjusted life years.¹⁵

Undernutrition

Undernutrition is a serious global health and development challenge, particularly for lower-income countries. In addition to its impact as a major risk factor for disease and mortality, undernutrition has significant societal implications, including decreases in educational attainment and productivity and increases in healthcare spending. An estimated 870 million people globally are undernourished,¹⁶ and 314 million children under five are stunted.¹⁷ Maternal and child undernutrition lead to 3.5 million deaths annually,¹⁸ while undernourished children who survive to adulthood are estimated to earn almost 20% less than those not affected.¹⁹ Overall, many countries are estimated to lose 2-3% of their gross domestic product to undernutrition.²⁰

Undernutrition, caused by improper or insufficient food intake compounded by repeated infectious diseases, can take two primary forms²¹:

- *Protein-energy malnutrition* - deficiencies of any or all nutrients, which can be:
 - Acute - evidenced by wasting (defined as low weight-for-height)
 - Chronic - evidenced by stunting (defined as low height-for-age)
- *Micronutrient deficiency diseases* - deficiencies of specific micronutrients, which can cause:
 - Birth defects (folate)
 - Blindness (vitamin A)
 - Mental retardation (iodine)
 - Decreased cognitive and physical performance (iron)
 - Diarrhea and impaired growth (zinc).

Obesity and undernutrition do not exist in isolation of each other. Many countries now have a "double burden" of malnutrition, where a significant prevalence of undernutrition exists alongside rising rates of obesity and diet-related chronic diseases. In addition, inadequate nutrition during early development (in the womb) results in metabolic programming increasing the risk of obesity and diet-related chronic diseases later in life.²⁵

Optimal breastfeeding is also an important measure to prevent both obesity and undernutrition.

These conditions can cause chronic disease and disability, which impair educational attainment and future productivity as an adult. Interventions tend to focus on women of childbearing age and young children, as prevention of undernutrition is most effective starting from the pre-natal period and extending into the first two years of life²² (this is also known as the "1,000 day window"). The Copenhagen Consensus, a project convening a leading panel of economists to evaluate solutions to global challenges, concluded for its second consecutive conference (2008 and 2012) that addressing micronutrient deficiencies in particular is the most cost-effective solution among all those evaluated.²³

Scale and reach of food and beverage companies

The food and beverage industry is central to addressing these global nutrition challenges. Given its enormous reach and influence, the industry has significant potential to address poor nutrition by helping consumers access appropriate products and improve their diets. Whether food and beverage companies act on this potential depends on whether they recognize the severity of the nutrition challenge, accept that they have a role to play and are willing to take responsibility and be held accountable.

The food and beverage industry is immense, with annual global retail sales of food of approximately USD 4 trillion.²⁶ The composition of the industry is also very diverse, ranging from commodity suppliers to food and beverage manufacturers to retailers. ATNI is focused on manufacturers, and even within this segment of the industry, there is significant diversity. Of the 25 manufacturers assessed on the ATNI Global Index, the majority sell a diverse set of food and beverage products, but there are also three that are primarily dairy producers, three confectionary companies, one company that only produces beverages, and four companies that sell non-food items in addition to foods and beverages. Many of the companies sell their products globally, while one company sells very little outside of the U.S. market. Four are headquartered in emerging market countries, including two in Mexico. They also differ in ownership type, ranging from companies that are publicly traded to others that are privately held and one that is a cooperative. All told, these 25 companies had combined revenues of \$459 billion and collectively employed more than 1.6 million people in FY 2011.

The role played by food and beverage manufacturers is increasing in importance, as packaged foods make up a generally significant and rapidly growing percentage of diets throughout the world. The ratio of the sales volume of packaged foods to the sales volume of fruits and vegetables is 0.73 globally (greater than 1 indicates a greater sales volume of packaged foods than fruits and vegetables), ranging from 0.19 in India to 3.17 in the United Kingdom. The top ten packaged food companies account for 15.2% of packaged food sales globally; their penetration in specific markets varies from 2.3% of sales in China to 25.9% of sales in the U.S. In addition, three companies account for 40.4% of beverage sales globally.²⁷

In lower-income countries, sales of packaged foods are increasing from three to ten times faster than in high-income countries. Levels of packaged food production and the number of supermarket retail outlets is growing^{28,29} and will likely continue to do so as a result of further urbanization, economic growth and rising income levels.³⁰

What food and beverage manufacturers can do

The food and beverage industry can and should play a significant role in addressing both obesity and diet-related chronic diseases and undernutrition. 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. Food and beverage companies can therefore take a range of actions to have a more positive impact, including by:

- Improving the nutritional quality of their products and developing new healthy options;
- Making these options more accessible to consumers by reducing their cost and increasing their availability; and
- Positively shaping the environment in which consumers make decisions (referred to throughout this report as their "influence on consumer choice and behavior").
For instance, they can help consumers make healthier choices through efforts such as directing more of their marketing efforts toward healthier products, utilizing product labels that provide consumers with nutritional information in a format that is easy to understand, and appropriately using health and nutrition claims.

With respect to preventing **obesity and diet-related chronic diseases**, companies that take action in these areas can make a positive contribution. The importance of such action was recently recognized by the Special Assembly on Non-Communicable Diseases, convened by the United Nations in September 2011. A declaration was passed that included several resolutions directed to the private sector. These describe actions food and beverage companies should take, including:

- *Take measures to implement the WHO set of 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;*
- *Consider producing and promoting more food products consistent with a healthy diet, including by reformulating products to provide healthier options that are affordable and accessible and that follow relevant nutrition facts and labelling standards, including information on sugars, salt and fats and, where appropriate, trans-fat content;*
- *Promote and create an enabling environment for healthy behaviours among workers... including, where appropriate, through good corporate practices, workplace wellness programmes and health insurance plans;*
- *Work towards reducing the use of salt in the food industry in order to lower sodium consumption.*³¹

In addition, as food and beverage companies increasingly enter markets in which some consumers are at risk for or are suffering from **undernutrition**, their product offerings have the potential to play a constructive role in helping to prevent and/or address this health issue. 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.³² Some companies have already begun to play a role in helping to prevent and/or address undernutrition, including among the most vulnerable.

For example, companies can:

- Sell foods that are both naturally high in nutritional value and/or fortified (including lipid-based nutrient supplements and micronutrient powders, for example).
- Increase demand for agricultural inputs with higher nutritional value.
- Identify specific consumer groups at risk for, or suffering from, undernutrition and develop affordable products appropriately formulated to meet their specific needs.
- Implement a wide range of innovative models to deliver products of high nutritional value to consumers at risk for, or suffering from, undernutrition.
- Leverage their scale and commercial experience to extend the reach of multi-stakeholder initiatives, including:
 - *Share expertise in quality assurance and management systems*
 - *Reduce ingredients costs through efficient supply chain*
 - *Conduct joint efficacy and effectiveness research (by independent 3rd party)*
 - *Share consumer insights and research*
 - *Develop appealing and effective behavioural change campaigns to raise public awareness and create demand*
 - *Use communication channels to communicate public sector messages*
 - *Use branding to identify quality assured fortified products*
 - *Use distribution networks to increase availability and affordability of nutritious products.*³³

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 that have been demonstrated to be effective.

Why food and beverage manufacturers should act

A number of factors are already motivating some food and beverage companies to play a more active role on nutrition issues. These include the need to respond to business risks associated with nutrition, as well as the opportunities stemming from nutrition-related trends. These same factors should also provide an incentive to other companies to act.

Among 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, while encouraging 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), restriction of advertising of less healthy products to children, regulation of the use of health and nutrition claims, strengthening of food labeling requirements, and support of a variety of social marketing campaigns to raise awareness of healthy diets.
- **Reputational risks:** Public and media awareness of nutrition has become widespread, and food and beverage manufacturers are a primary target of scrutiny by consumer advocacy groups and consumers.³⁴
- **Legal risks:** Companies could be vulnerable to litigation similar to that faced by tobacco companies in the past.³⁵ Companies have already been the subjects of class-action lawsuits, particularly related to inappropriate marketing of their foods relative to their nutritional quality.³⁶
- **Market risks:** Companies that do not adjust to changing dietary preferences may lose market share, revenues and profits.

A growing number of commercial opportunities are also available to companies that act to address undernutrition and obesity and diet-related chronic diseases. These include:

- **Consumer trends toward health and wellness:** According to some analysts, consumers in both high- and lower-income countries are demanding a greater range of healthier options. One investment research report notes that healthier packaged foods grew by 6% a year from 2002-08, compared to 3% a year for overall packaged food growth.³⁷ Another study concluded that healthier options accounted for 39% of overall packaged food sales from 2007-11 and 72% of the growth in sales during the same period.³⁸ Profit margins in the global health and wellness food market were estimated to be \$663 billion in 2012.³⁹ Consumer awareness of health and nutrition is expected to expand globally over the long term.
- **Emerging markets:** Lower-income countries, many of which have a “double burden” of poor nutrition, are likely to be a primary source of future commercial growth due to urbanization, large populations with rapidly growing middle classes, and higher rates of economic growth than in high-income countries.⁴⁰ As 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 BOP (base-of-the-pyramid) consumers and producers – a key success factor in this market.”⁴¹ A related benefit of making products designed for emerging markets is the potential transferability of such products, or the process innovations accompanying them, to serve consumers in high-income countries.
- **Increased productivity:** Integration of a clear, proactive nutrition strategy into core business activities may also help to attract and retain a more committed workforce. In addition, investments in corporate health and wellness programs that help employees maintain a healthy diet and an active lifestyle can enhance productivity and reduce absenteeism.⁴²
- **Enhanced corporate reputation and brand value:** 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 for being a responsible corporate citizen and to enhancing the value of its corporate brand.

Several investment firms have written extensive research reports in recent years highlighting the need for investors to factor into their analyses the growing risks that companies face by not being more active in addressing poor nutrition. They 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”.⁴³ Investors are a key constituency for companies, and as they move to include nutrition considerations in their analyses and responsible ownership activities, they can provide an incentive for companies to do more to address nutrition.⁴⁴

A separate motivation for companies to take action may be their commitment to “give back” through philanthropic support for nutrition initiatives. For instance, some companies state their support for the Millennium Development Goals, several of which relate to improving nutrition. Companies can provide support to nutrition initiatives through either their own foundations' programs or by supporting those run by independent organizations.

Regardless of their specific motivations, companies that do act to address risks and take advantage of opportunities related to nutrition should be well positioned for long-term success. Some companies have already taken significant steps to orient their businesses toward providing consumers with better access to nutritious foods and beverages. As more food and beverage manufacturers follow their lead, the industry as a whole can contribute to improving public health globally.

Scope and guiding principles

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

In scope

Focus on food and beverage manufacturers

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 preparing foods for consumption, the first edition of ATNI 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.

Assess global food and beverage manufacturers as well as major regional and local companies

The ATNI Global Index ranks 25 of the largest food and beverage manufacturers in the world, including both publicly traded and privately held companies. More details on how these companies were selected can be found in the Annex entitled, 'Approach to selection of companies ranked by ATNI'.

Include a focus on specific country markets

This report presents the findings of the ATNI Global Index. In addition, ATNI has developed three country-specific (or "Spotlight") Indexes that rank 10 of the largest food and beverage manufacturers in each of India, Mexico and South Africa. These countries were selected because they: (1) are broadly representative of countries with large populations in which both obesity and diet-related chronic diseases and undernutrition are prevalent; (2) represent major emerging markets on different continents; and (3) have substantial and/or growing food and beverage industries. The findings of these Spotlight Indexes will be presented in separate reports.

Address the full spectrum of nutrition-related issues, from obesity to undernutrition

In addition to an overall ranking, companies are ranked separately on their contributions to addressing obesity and diet-related chronic diseases and to addressing undernutrition.⁴⁵

Evaluate companies on what they do to deliver healthier products and on how they influence consumer choice and behavior

In addition to delivering healthy products that are affordable 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

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

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 not related to diet (such as HIV/AIDS).

Products that are a part of a formal weight management program

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. Furthermore, consumption of a balanced, healthy diet and regular physical activity are more likely to be beneficial than weight-management programs that often cannot be sustained on an ongoing basis.

Other issues

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

- Food safety;⁴⁶
- Water management practices;
- Environmental sustainability, including sourcing of ingredients;
- Impact on climate change;
- Fair treatment of workers and communities; and
- Crop breeding (e.g., hybridization and genetic modification).

Guiding principles

The following principles have guided the development of ATNI and the methodology used to assess food and beverage manufacturers.

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

ATNI aims to reflect existing consensus on best practices, not define such practices. The methodology is therefore based on international policies, norms and guidelines except when such guidance was not found. Resources utilized in developing the methodology are listed in the Annex entitled "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.⁴⁷

Ensure relevance and applicability to a range of company types

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

Identify, reward and spread good practice

ATNI is not intended to be a “name and shame” exercise. The scoring system awards credit for good practices, rather than penalizes poor practices by deducting credit. This approach is intended to highlight and encourage widespread adoption of good practices across the food and beverage industry.

Encourage transparency as well as good practice

ATNI awards companies credit for 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

Input from relevant stakeholder groups – including governments, consumers, civil society and industry – was sought throughout the development process. More details on engagement with various stakeholder groups are provided in Annex 6 entitled “Stakeholder engagement process”.

Recognize current state of knowledge and continually evolve

In recognition that knowledge and practices in the nutrition field continue to evolve, the assessment methodology will be revised in advance of future releases of ATNI. 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

- ¹ Diet-related chronic diseases include diabetes, high lipid levels and high blood pressure.
- ² Throughout this report, 'high-income countries' are those defined by the World Bank as having 2011 Gross National Income (GNI) per capita > \$12,476 (<http://data.worldbank.org/about/country-classifications>) and 'lower-income countries' are defined as those with 2011 GNI per capita ≤ \$12,476.
- ³ Throughout this report, "beverage manufacturers" 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 by ATNI).
- ⁴ World Health Organization (n.d.) *Controlling the global obesity epidemic*. Available at: <http://www.who.int/nutrition/topics/obesity/en/>
- ⁵ According to WHO, 'overweight' is defined as a body mass index (BMI, an index of weight-for-height) greater than or equal to 25, while 'obesity' is defined as a BMI greater than or equal to 30.
World Health Organization (2012) *Obesity and Overweight Factsheet No. 311*. Available at: <http://www.who.int/mediacentre/factsheets/fs311/en/>
- ⁶ UNICEF, WHO and The World Bank (2011) *Joint child malnutrition estimates*. Available at: <http://www.who.int/nutgrowthdb/estimates/en/index.html>
- ⁷ World Health Organization (2012) *Obesity and Overweight Factsheet No. 311*. Available at: <http://www.who.int/mediacentre/factsheets/fs311/en/>
- ⁸ Cawley, J and Meyerhoefer, C. (2012) 'The Medical Care Costs of Obesity: An Instrumental Variables Approach'. *Journal of Health Economics* 31(1), 219-230.
- ⁹ For more information on the relationship between genetics and obesity, see: Harvard School of Public Health (n.d.) *Obesity Prevention Source* [online] Available at: <http://www.hsph.harvard.edu/obesity-prevention-source/obesity-causes/genes-and-obesity/>
- ¹⁰ World Health Organization (2012) *Obesity and Overweight Factsheet No. 311*. Available at: <http://www.who.int/mediacentre/factsheets/fs311/en/>
- ¹¹ Harvard School of Public Health (n.d.) *Obesity Causes: Environmental Barriers to Activity*. Available at: <http://www.hsph.harvard.edu/obesity-prevention-source/obesity-causes/physical-activity-environment/#references>
- ¹² Barry Popkin (n.d.) *What is the Nutrition Transition?* Available at: <http://www.cpc.unc.edu/projects/nutrans/whatis>
- ¹³ Food and Agriculture Organization (2004) *Globalization of food systems in developing countries: impact on food security and nutrition (Food and Nutrition Paper 83)*. Available at: <http://www.fao.org/docrep/007/y5736e/y5736e00.htm>
- ¹⁴ Popkin B, Adair L, Ng S. (2012) 'Global nutrition transition and the pandemic of obesity in developing countries'. *Nutrition Reviews* 70(1), 3-21.
- ¹⁵ Murray C et al. (2012) 'Disability-adjusted life years (DALYs) for 291 diseases and injuries in 21 regions, 1990 - 2010: a systematic analysis for the Global Burden of Disease Study 2010.' *The Lancet* 380(9859), 2197 - 2223.
- ¹⁶ Food and Agriculture Organization of the United Nations (2012). *The State of Food Insecurity in the World*. Available at: <http://www.fao.org/publications/sofi/en/>
- ¹⁷ Stevens G et al. (2012) 'Trends in mild, moderate and severe stunting and underweight, and progress towards MDG 1 in 141 developing countries: a systematic analysis of population representative data' *The Lancet* 380(9844), 824-834.
Of the 314 million total children stunted, 170 million are moderately or severely stunted. The latter figure is similar to the 165 million estimate according to: UNICEF, WHO and The World Bank (2011) *Joint child malnutrition estimates*. Available at: <http://www.who.int/nutgrowthdb/estimates/en/index.html>
- ¹⁸ Black R et al. (2008) 'Maternal and child undernutrition: global and regional exposures and health consequences.' *The Lancet* 371(9608), 243-260.
- ¹⁹ Grantham-McGregor S et al. (2007) 'Development potential in the first 5 years for children in developing countries' *The Lancet* 369(9555), 60-70.
- ²⁰ World Bank (2010) *Scaling Up Nutrition: What Will It Cost?* Available at: <http://siteresources.worldbank.org/HEALTHNUTRITIONANDPOPULATION/Resources/Peer-Reviewed-Publications/ScalingUpNutrition.pdf>
- ²¹ London School of Tropical Hygiene and Medicine (n.d.) Types of malnutrition [online] Available at: http://conflict.lshtm.ac.uk/page_115.htm
- ²² World Health Organization (n.d.) *Evaluating the public health significance of micronutrient malnutrition*. Available at: http://www.who.int/nutrition/publications/micronutrients/GFF_Part_2_en.pdf
- ²³ UN Standing Committee on Nutrition: 33rd Annual Session (2006) *Double Burden of Malnutrition – A Common Agenda*. Available at: http://www.unscn.org/files/Statements/Double_Burden_A_Common_Agenda.pdf



NOTES

- ²⁴ Copenhagen Consensus Center (2012) *Copenhagen Consensus* [online] Available at: <http://www.copenhagenconsensus.com/Projects/CC12.aspx>
- ²⁵ Harvard School of Public Health (n.d.) *Obesity Causes: Prenatal and Early Life Influences*. <http://www.hsph.harvard.edu/obesity-prevention-source/obesity-causes/prenatal-postnatal-obesity/>
Dyer J and Rosenfeld C (2011) 'Metabolic imprinting by prenatal, perinatal and postnatal overnutrition: a review'. *Seminars in Reproductive Medicine* 29(3), 266-76.
- ²⁶ USDA Economic Research Service (2009) *Global Food Markets: Global Food Industry Structure*. Available at: <http://webarchives.cdlib.org/sw1bc3ts3z/http://ers.usda.gov/Briefing/GlobalFoodMarkets/Industry.htm>
- ²⁷ Alexander E, Yach D, Mensah G (2011) 'Major multinational food and beverage companies and informal sector contributions to global food consumption: implications for nutrition policy'. *Global Health*. 7(1), 26.
- ²⁸ 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
- ²⁹ Reardon T et al. (2003) 'The Rise of Supermarkets in Africa, Asia, and Latin America'. *American Journal of Agricultural Economics* 85(5), 1140-1146.
- ³⁰ While packaged food is playing an increasingly significant role in lower-income countries, the majority of foods, such as fruits and vegetables, grains and oils, are not packaged.
- ³¹ 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. 8. This was only the second time the UN has convened a Special Assembly for a health-related issue – the first instance was in response to the AIDS epidemic. United Nations General Assembly (2011) *Political declaration of the High-level Meeting of the General Assembly on the Prevention and Control of Non-communicable Diseases*, 7-8. Available at: http://www.un.org/ga/search/view_doc.asp?symbol=A/66/L.1
- ³² 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
- ³³ Scaling Up Nutrition (2012) *Private Sector Engagement Toolkit*. Available at: http://scalingupnutrition.org/wp-content/uploads/2012/09/Private-Sector-Engagement-Toolkit_0909112.pdf
- ³⁴ Stuckler D and Nestle M (2012) 'Big Food, Food Systems and Global Health'. *PLoS Med* 9(6): e1001242.
- ³⁵ Branch, Shelly (2002) 'Is Food the Next Tobacco?', *Wall Street Journal*, 13 June, pp. B1, B9.
- ³⁶ Strom, Stephanie (2012) 'Lawyers From Suits Against Big Tobacco Target Food Makers', *The New York Times*, 18 August, p. A1. Available at: http://www.nytimes.com/2012/08/19/business/lawyers-of-big-tobacco-lawsuits-take-aim-at-food-industry.html?pagewanted=all&_r=0
- ³⁷ AB Bernstein Research (2011) *US Food: Which companies are best positioned to capitalize on the trend toward health and wellness?*, 9 May. (This report defines foods as "healthier" according to Euromonitor, a proprietary market database.)
- ³⁸ Hudson Institute, Obesity Solutions Initiative (2011) *Better-For-You Foods: It's Just Good Business*, October 2011. Available at: <http://www.hudson.org/files/documents/BFY%20Foods%20Executive%20Summary.pdf>
- ³⁹ Bank of America Merrill Lynch ESG Equity | Global (2012) *Globesity – The Global Fight Against Obesity*. New York: Bank of America Merrill Lynch.
- ⁴⁰ Goldman Sachs (2009) 'The BRICs as Drivers of Global Consumption', *BRICs Monthly*, Issue No 09/07, 6 August.
- ⁴¹ World Economic Forum (2009) *The Next Billions: Business Strategies to Enhance Food Value Chains and Empower the Poor*. Geneva: World Economic Forum. Available at: <http://www.weforum.org/reports/next-billions-business-strategies-enhance-food-value-chains-and-empower-poor>
- ⁴² World Business Council for Sustainable Development and International Business Leaders Forum (2006) *The Business of Health – the Health of Business*, p. 2. Available at <http://www.wbcsd.ch/DocRoot/4xr8EZThRA3Ck4HMgK6D/business-of-health.pdf>
- ⁴³ Bank of America Merrill Lynch ESG Equity | Global, *Globesity – The Global Fight Against Obesity*.
- ⁴⁴ See the Annex to this report entitled "Stakeholder engagement process" for more details on the ATNI Investor Statement and the role of investors.
- ⁴⁵ Three companies are not assessed on undernutrition. Two of them are confectionary companies, and one did not sell products in lower-income countries at the time of research.
- ⁴⁶ 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.
- ⁴⁷ Please see Annex 5 for more information on this ATNI Expert Group.

All links accessed early February 2013.



Methodology

Contents

Company selection	32
Methodology structure	33
Approach to scoring and ranking	34
Approach to assessing manufacturers of breast-milk substitutes	35
Limitations	37
Agenda for future development of ATNI	38

Company selection

The ATNI Global Index ranks 25 of the world's largest food and non-alcoholic beverage manufacturers. These include companies that are publicly listed, privately owned, government-owned and operated as cooperatives. They were selected for inclusion based on their level of retail sales. More details on how companies were selected are available in Annex 1.

TABLE 1 Overview of companies assessed by ATNI

	Headquarters	Total F&B revenues USD bn FY 2011	Number of employees
Ajinomoto Co., Inc.	Japan	15.53	28,084
Barilla SpA	Italy	4.5	8,766
Brasil Foods SA	Brazil	13.8	132,696
Campbell Soup Company	United States	7.7	17,500
The Coca-Cola Company	United States	46.5	146,200
ConAgra Foods, Inc.	United States	12.3	23,200
Danone SA	France	25.04	101,885
Ferrero SpA	Italy	9.02	21,500
FrieslandCampina	Netherlands	11.92	19,000
General Mills, Inc.	United States	13.03	35,000
Groupe Lactalis	France	19.3	54,000
Grupo Bimbo SAB de CV	Mexico	9.56	127,000
H. J. Heinz Company	United States	11.7	34,800
The Hershey Company	United States	6.08	13,800
The Kellogg Company	United States	13.2	30,700
Kraft Foods Inc.	United States	54.4	127,000
Lotte Co. Ltd.	Japan / Korea	4.76	4,700
Mars, Incorporated	United States	30	70,000
Nestlé SA	Switzerland	89.24	328,000
Nichirei Corporation	Japan	5.25	10,118
Nissin Foods Holdings Co., Ltd.	Japan	4.8	7,505
PepsiCo Inc.	United States	65	297,000
Sigma Alimentos	Mexico	3.3	29,226
Tingyi Holding Corporation	China / Taiwan	7.9	64,309
Unilever	Netherlands / United Kingdom	29.41	171,000

Methodology structure

The ATNI methodology is organized into Categories, Criteria and Indicators:

- **Categories:** Seven broad categories (A - G) relevant to companies' nutrition-related practices
- **Criteria:** More detailed criteria within each of the Categories (19 in total, ranging from two to six in any given Category – for example, B1 and B2)
- **Indicators:** Indicators within each Criterion (over 150 in total) on which companies were scored. Indicators are classified as relating to one of three aspects of companies' practices:
 - Commitments
 - Performance
 - Disclosure

In addition, some of the Indicators are focused specifically on companies' practices related to obesity and diet-related chronic diseases, while others look at additional actions companies are taking to address undernutrition.

The table below provides an overview of the Categories and Criteria of the ATNI methodology. Full details on the methodology (including assessment Indicators) can be found on the ATNI website (www.accesstonutrition.org).

TABLE 2 Overview of methodology

Category	Name	Weight	Description	Criteria
Section 1: Nutrition governance				
A	Governance	12.5%	Corporate strategy, governance and management	A1 Strategy Corporate nutrition strategy A2 Management Nutrition governance and management systems* A3 Reporting Quality of reporting
Section 2: Formulating and delivering appropriate, affordable, accessible products				
B	Products	25%	Formulation of appropriate products	B1 Formulation Product formulation* B2 Profiling Nutrient profiling system
C	Accessibility	20%	Delivery of affordable, available products	C1 Pricing Product pricing* C2 Distribution Product distribution*
Section 3: Influencing consumer choice and behaviour				
D	Marketing	20%	Responsible marketing policies, compliance and spending	ALL CONSUMERS D1 Policy Responsible marketing policy D2 Compliance Auditing and compliance with policy D3 Spending Advertising focus* CHILDREN D4 Policy Responsible marketing policy D5 Compliance Auditing and compliance with policy D6 Spending Advertising focus
E	Lifestyles	2.5%	Support for healthy diets and active lifestyles	E1 Employees Supporting staff health and wellness E2 Consumers Supporting consumer-oriented healthy eating and active lifestyle programs*
F	Labeling	15%	Informative labeling and appropriate use of health and nutrition claims	F1 Facts Product labeling* F2 Claims Health and nutrition claims*
G	Engagement	5%	Engagement with policymakers and other stakeholders	G1 Lobbying Lobbying and influencing governments and policymakers* G2 Stakeholder Stakeholder engagement*

* Criteria with additional undernutrition specific indicators

Approach to scoring and ranking

To generate each company's overall score and ranking, the following process was used:

- 1 A company was first scored against each Indicator in the methodology. The top performance level on an Indicator is ten points, with lower scores assigned for lower performance.¹
- 2 A company's scores on all the Indicators within a Criterion (e.g., Criterion B1) were then added together and weighted according to whether they were scores on Commitment, Performance or Disclosure Indicators (the weights assigned to each type of Indicator are described in Table 3). This generated the company's score in each Criterion.
- 3 Each Criterion received an equal weight within its Category. A company's scores on the Criteria within each Category were therefore averaged to calculate its score for that Category.
- 4 Finally, a company's overall score was generated through a weighted average of its Category scores. The weights assigned to each Category are listed in Table 3.²

The overall ranking on the Global Index is based on companies' scores on the entire methodology. Separate rankings on obesity and diet-related chronic diseases and on undernutrition are also presented in this report. The sub-ranking for obesity reflects companies' efforts to deliver healthy food choices and 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 obesity 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. Because several levels of weights were applied to each of these rankings, it is not possible to take a simple average of the obesity and undernutrition scores to arrive at the overall score. The full company assessment methodology is available at www.accesstonutrition.org.

For the undernutrition ranking, three of the 25 companies on the Global Index were not assessed. Ferrero and Hershey do not have substantial product lines apart from confectionary, and ConAgra did not sell products in lower income countries at the time the research was conducted.

TABLE 3 Overview of how company scores were weighted

Category weights	Weights by Indicator type		
	Commitments 25%	Performance 50%	Disclosure 25%
12.5%	Category A Corporate strategy, governance and management		
25%	Category B Formulation of appropriate products		
20%	Category C Delivery of affordable, available products		
20%	Category D Responsible marketing policies, compliance and spending		
2.5%	Category E Support for healthy diets and active lifestyles		
15%	Category F Informative labeling and appropriate use of health and nutrition claims		
5%	Category G Engagement with policymakers and other stakeholders		

Category weights were determined based on input received from the ATNI Expert Group and public consultation on the methodology.³ 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.

Overall, the Categories that assess companies' 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.

Approach to assessing manufacturers of breast-milk substitutes

ATNI supports the WHO recommendation for exclusive breastfeeding up to six months of age, with continued breastfeeding along with appropriate complementary foods up to two years of age or beyond. The guidelines for the marketing of breast-milk substitutes are clearly outlined by the International Code of Marketing of Breast-milk Substitutes ("International Code").⁴ There is an absence of clarity on how to apply the International Code to the marketing of commercialized complementary foods and supplements. In May 2012, at the 65th World Health Assembly (WHA), this lack of clarity was recognized in WHA Resolution 65.6, which requests that WHO "provide clarification and guidance on the inappropriate promotion of foods for infants and young children cited in resolution WHA63.23, taking into consideration the ongoing work of the Codex Alimentarius Commission (Codex)".⁵

Five of the 25 companies ranked in the ATNI Global Index manufacture breast-milk substitutes.⁶ Given the considerable and wide-reaching public health benefits of optimal breastfeeding (in the context of both undernutrition and obesity and diet-related chronic diseases) and the significant mortality in lower-income countries attributed to suboptimal breastfeeding, a complete review of these companies' nutrition practices should include an assessment of their marketing of these products against consensus international guidelines directed to fostering optimal breastfeeding.

An early version of the ATNI company assessment methodology proposed evaluating companies' policies and internal management systems related to the marketing of breast-milk substitutes. This approach was included in the online consultation on the draft methodology (this consultation process is described in Annex 2). Multiple stakeholders commented that ATNI should not conduct an assessment along these lines, unless it also conducted a field assessment of companies' practices.⁷ The feasibility of conducting a field assessment was thoroughly investigated, but it was determined that it would not be possible within the time and financial resources available; this will be revisited for the next ATNI report. An alternative approach was therefore developed, as described below.

Two organizations that currently review company performance on the responsible marketing of infant feeding products using a variety of assessment criteria are the International Baby Food Action Network (IBFAN, <http://www.ibfan.org/>) and FTSE4Good (http://www.ftse.com/Indices/FTSE4Good_Index_Series/FTSE_BMS_Criteria.jsp).⁸ Of these two, only IBFAN has published extensive assessments of many companies' compliance with the International Code. However, IBFAN's assessments are not able to provide a quantitative assessment of International Code violations that would be more appropriate for use in ATNI. In addition, the scope of coverage of its assessments is limited because its approach does not systematically cover every company in every country.

Given the critical importance of this issue for public health, ATNI is adopting an interim arrangement pending a quantitative and independently audited mechanism for future versions of the Index. Under this arrangement, ATNI is evaluating companies' compliance with the International Code based on monitoring by IBFAN.⁹

The following Criteria in the ATNI methodology address issues within the scope of recommendations made in the International Code (the relevant sections of the International Code and subsequent WHA Resolutions are in parentheses):

- **D1 – D3** Responsible marketing (Article 5)
- **E2** Support for healthy diets and active lifestyles (Article 4)
- **F1** Product labeling (Article 9)
- **F2** Health and nutrition claims (WHA Resolution 63.23)

An Indicator assessing companies on their compliance with guidance from the International Code was added to each of the above Criteria. These Indicators are worth 50% of the total points possible for each respective Criterion. If a company is assessed as not being in compliance with the International Code based on the most recent versions of IBFAN's assessments, it will receive zero points on all of these Indicators. At this time, it is not possible to differentiate among companies' levels of compliance, so a company either receives full credit or no credit on these Indicators.

Taken together, these Indicators represent a total possible weighted value of slightly over 13% of all points available for breast-milk substitute manufacturers (i.e., 1.3 points out of the total possible score of 10 points), emphasizing the critical importance of this issue. At the same time, ATNI recognizes that companies are working to improve their practices in other areas that fall within the scope of these Criteria and that are central to addressing obesity and diet-related chronic diseases and undernutrition.

Using this approach, all five companies assessed by ATNI that manufacture breast-milk substitutes (Danone, FrieslandCampina, Groupe Lactalis, Heinz and Nestlé) have been identified by IBFAN as not being in full compliance with the International Code. They therefore have scores in the relevant Categories and overall rankings that are not as high as they would have been if they were in compliance.

ATNI will seek to ensure development of a robust approach to field assessment of companies' marketing practices for breast-milk substitutes for future versions of the Index, including through any new appropriate assessment initiatives or approaches that may emerge from other actors.

Limitations

ATNI is a work in progress. As with the first version of many initiatives, challenges arose in developing a comprehensive approach to assessing the nutrition practices of food and beverage manufacturers. Several of these are discussed below.

Methodology

There is currently no universally accepted 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. This creates inherent limitations on ATNI's assessment of company practices, as several indicators in the ATNI methodology depend on companies' own definitions of “healthy” products, which 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.

Further, 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).¹⁰

As noted in Box 1 on page 65, companies differ in 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 set targets to improve the nutritional quality of their product portfolios and on how well they are meeting these targets.

The current assessment on undernutrition largely focuses on companies' actions to address micronutrient deficiencies through fortification. This focus arose from the principle that ATNI would assess companies' practices related to foods and beverages consumed by the general population rather than those targeted at special nutritional needs. Company practices related to producing foods and beverages that are naturally high in nutritional value (and on which they are assessed in the general ATNI methodology) can also play a role in addressing mild forms of acute (wasting) and chronic (stunting) undernutrition. Companies can take additional actions to address undernutrition that are currently not a focus of the methodology. The undernutrition aspects of the methodology will be revisited for the next edition of the Index with a view to including other important areas of intervention besides food fortification.

Research

ATNI's assessment of companies' nutrition practices relied to a large extent on their own statements and published materials. When possible, evidence was sought to verify companies' statements and practices. For instance, companies sometimes commission independent, external audits of various practices, such as their compliance with pledges on marketing to children. However, such audits are not common and do not currently cover many areas of company practice, and results are often not disclosed publicly. Additional methods of independent verification of companies' statements and practices will be explored for future editions of the Index.

The majority of research was based on materials made available by the companies themselves rather than on third-party information. This is because there is no one source of data that covers all companies assessed by ATNI in the same manner and on the same issue. In addition, it is difficult to assess the accuracy or validity of such information. However, the exception is the evaluation of companies' compliance with the International Code, which is based on monitoring undertaken by IBFAN.

In addition, some companies disclose very little information about their nutrition practices. For such companies, it is difficult to conduct a full assessment of their approach to nutrition. Greater disclosure by companies of their policies and practices, and engagement by them in the ATNI research process, would allow for a more robust assessment by ATNI.

Timing

The assessment of companies was conducted using data that was available as of the conclusion of the company research process.¹¹ Since then, it is likely that some companies have adopted new policies or implemented new approaches to addressing obesity and diet-related chronic diseases and undernutrition. In addition, one company (Kraft Foods) has since split into two separate companies. While ATNI has not accounted for these recent developments, it will do so in the next version of the Index.

Agenda for future development of ATNI

The ATNI Global Index will be published on a regular basis (initially every two years) in order to track and encourage improvements in companies' nutrition-related practices over time. As part of this process, the company assessment methodology will be updated for each future edition of ATNI to reflect advances in the state of nutrition knowledge, emerging consensus on good corporate practices, new guidelines and policies, and changes in the expectations of stakeholders.

During the process of developing the current methodology, the ATNI Expert Group identified multiple areas deemed to be important in assessing companies' influence on consumers' nutritional status but for which consensus guidelines on good practices currently do not exist. These areas form a "knowledge agenda" consisting of issues that require further work by interested stakeholder groups. These issues will be considered for potential inclusion in future editions of the ATNI company assessment methodology, as consensus guidelines and/or generally accepted good practices are developed.

The issues that make up this knowledge agenda include:

- Greater clarity on what constitutes a robust nutrient profiling system and movement towards a consensus 'gold standard'.
- A standard format in which to report product reformulation efforts, which allows an understanding of the scope of such efforts and comparison of companies' efforts.
- Research on how pricing affects low-income consumers' purchasing decisions of healthier products.
- Development of a rigorous, transparent and methodologically reliable on-the-ground assessment of breast-milk substitute manufacturers' marketing practices.
- Characterization of how individual companies affect the food consumption environment (for instance, through their marketing activities or labeling practices), and development of metrics that capture these impacts.
- Assessment of companies' role in encouraging food safety (for example, through efforts such as package labeling systems that provide transparency in the production of food or educate consumers on appropriate ways to prepare foods at home to ensure their safety).

- Guidelines for and methods to assess company performance on responsible:
 - Commercial sports sponsorship.
 - Nutrition education (or, more broadly, support of healthy diet and active lifestyles).
 - Marketing to adolescents.

In addition, the following issues are specific to undernutrition:

- Characterization of food purchasing patterns among consumers in markets with a significant burden of undernutrition, so as to better understand the role played by processed foods in their diets.
- Role of fortification of packaged foods in the context of broader national fortification strategies.
- Appropriate role for food and beverage companies in interventions other than fortification to address undernutrition.
- Guidelines for the responsible marketing of foods, particularly for those being sold in markets with a burden of undernutrition where guidance is less well developed, including complementary foods.

NOTES

- ¹ The Indicators related to compliance with the International Code of Marketing of Breast-milk Substitutes are the exception to this scoring rule, as noted in the section of this report entitled "Approach to assessing manufacturers of breast-milk substitutes".
- ² Weights for each Category were determined according to guidance from the ATNI Expert Group and input from a public consultation on the ATNI methodology.
- ³ For more details, see the ATNI Methodology Development Report at http://accesstonutrition.org/uploads/media_items/atni-methodology-development-report-1.original.pdf.
- ⁴ World Health Organization (1981) *International Code of Marketing of Breast-milk Substitutes*. Available at: <http://whqlibdoc.who.int/publications/9241541601.pdf>
- ⁵ World Health Assembly (2012) Resolution 65.6: Maternal, infant and young child nutrition. Available at: http://apps.who.int/gb/ebwha/pdf_files/WHA65/A65_R6-en.pdf
- ⁶ A search of these companies' global websites identified at least one breast-milk substitute produced by that company somewhere in the world.
- ⁷ For more details, see the ATNI Methodology Development Report at: http://accesstonutrition.org/uploads/media_items/atni-methodology-development-report-1.original.pdf.
- ⁸ To date, FTSE4Good has only published an assessment of one of the five companies ranked by ATNI that manufacture breast-milk substitutes (Nestlé).
- ⁹ A list of reports and assessments conducted by IBFAN can be found at http://www.ibfan.org/code_watch-reports.html. Publicly available information on company violations from IBFAN's website was utilized. In addition, detailed information on reported company violations of the International Code is available in "State of the Code by Company" and "Breaking the Rules, Stretching the Rules".
- ¹⁰ An assessment of the nutritional quality of a selection of foods and beverages produced by each company in the Spotlight Index countries was undertaken, however. More details on this assessment will be provided in the Spotlight Index reports.
- ¹¹ The company research process was completed on 31 August 2012. All companies were provided the same amount of time to respond to research requests as part of this process.

All links accessed early February 2013.



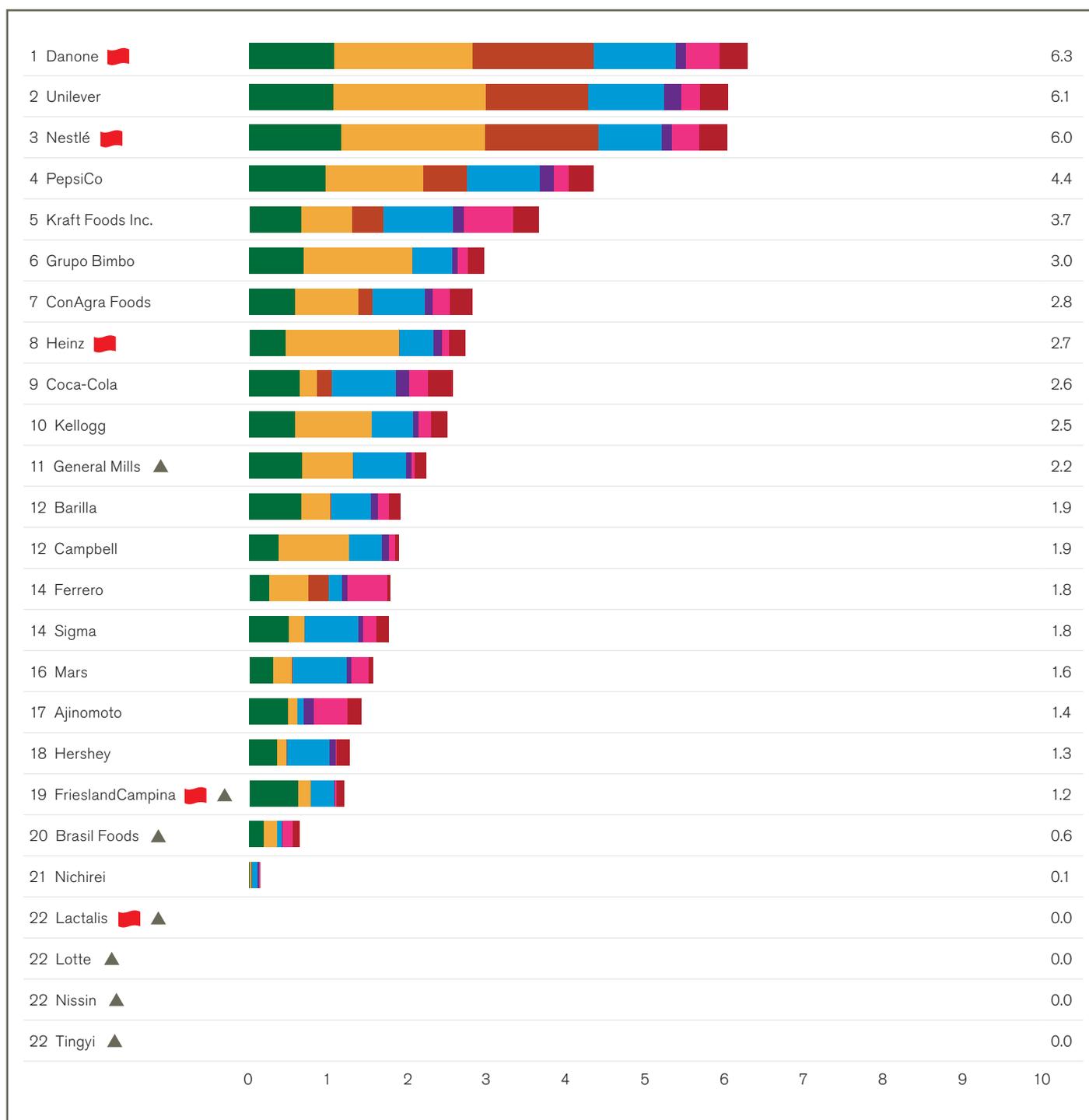
Rankings



The overall ATNI ranking shows companies' performance across all Categories of the methodology in the context of both obesity and 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 for obesity reflects companies' efforts to deliver healthy food choices and 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. For more details on the methodology, see www.accesstonutrition.org.

1 Overall ranking (maximum score = 10)

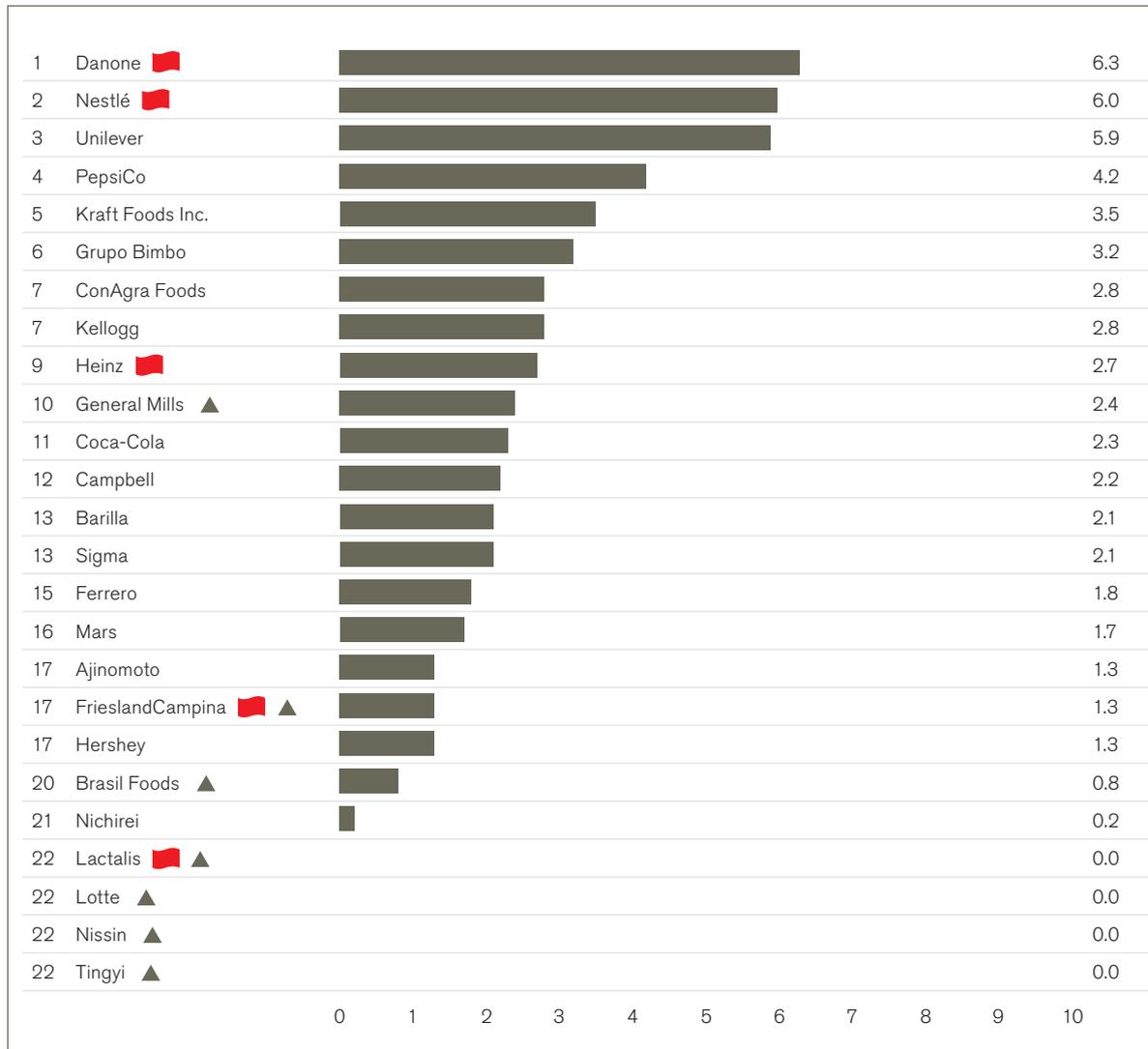


BMS manufacturers

Company did not provide information to ATNI's research partner during the research phase

2 Obesity and Undernutrition rankings

Obesity and diet-related chronic diseases ranking (maximum score = 10)



BMS manufacturers

Company did not provide information to ATNI's research partner during the research phase

Undernutrition ranking (maximum score = 10)*

1	Unilever		5.4
2	Danone		5.3
2	Nestlé		5.3
4	PepsiCo		4.1
5	Kraft Foods Inc.		3.1
6	Coca-Cola		2.9
7	Ajinomoto		2.1
8	Grupo Bimbo		1.8
9	Heinz		1.4
10	Kellogg		0.8
11	FrieslandCampina		0.7
12	General Mills		0.5
13	Mars		0.3
14	Barilla		0.0
14	Brasil Foods		0.0
14	Campbell		0.0
14	Lactalis		0.0
14	Lotte		0.0
14	Nichirei		0.0
14	Nissin		0.0
14	Sigma		0.0
14	Tingyi		0.0

0 1 2 3 4 5 6 7 8 9 10

BMS manufacturers

Company did not provide information to ATNI's research partner during the research phase

* Three companies (ConAgra, Ferrero and Hershey) are not ranked on undernutrition. Two are confectionary companies, and one did not sell products in lower-income countries at the time of research.

Key findings

Below are the central findings from ATNI's research as well as recommendations based on these results. More specific findings and recommendations are included in each Category analysis section of this report.

Across the board, the world's largest food and beverage manufacturers can do substantially more to improve consumers' access to nutrition. This is reflected in the fact that all companies generally scored low on the ATNI Global Index. Only three companies scored above 5.0 on a 10-point scale, and the majority of companies scored below 3.0.

Many companies are now taking at least some action to improve access to nutrition.

- ATNI found that companies are doing the most in the area of incorporating nutrition into their corporate governance and management systems. The best companies have made clear commitments and adopted detailed policies and measurable targets related to nutrition, allocated responsibility for achieving these targets to senior executives, and created incentive structures for them to do so.
- Many companies are motivated to act by the business risks associated with nutrition, as well as the opportunity to play a more active role in addressing nutrition challenges. For example, the majority of the publicly traded companies assessed by ATNI discuss nutrition-related risks to their businesses in their annual reports or public filings.

Danone, Unilever and Nestlé are the highest-ranking companies by a sizeable margin, but even their scores demonstrate that there is significant room for improvement.

- Their strong performance on ATNI is a reflection of corporate strategies that include explicit commitments to improving nutrition and the corresponding integration of nutrition considerations into their core business activities such as formulating healthier products, making these products affordable and accessible to consumers, and marketing them appropriately.
- As a result, all three companies are at the top of both the obesity and undernutrition sub-rankings, and they consistently perform at or near the top in almost all areas assessed by ATNI.
- ***The notable exception is Danone and Nestlé's performance with regard to the marketing of breast-milk substitutes. Their reported lack of compliance with the International Code of Marketing of Breast-milk Substitutes is a significant concern.***

Companies' practices often do not measure up to their commitments. Broadly, companies' scores on nutrition strategy and governance were higher than their scores on product formulation, accessibility, and marketing. And within each of these areas, their level of implementation lagged behind their stated commitments:

- In the area of product formulation, many companies have made commitments and some have set quantitative targets. However, fewer demonstrate substantial progress against these targets.
- While some companies have commitments to make their healthy products more affordable and available, few provided evidence of actually having done so. As a result, company scores in this area of the methodology are among the lowest in the Index.
- Most companies have signed on to industry-led pledges and/or developed their own policies, but there appear to be inconsistencies among them. In addition, much less information was available about whether companies place a greater emphasis on their healthier products when marketing to children.

Companies could do more to address undernutrition and at a broader scale.

- The highest score achieved on the undernutrition ranking was 5.3, with the majority of companies scoring below 2.0. These scores are significantly lower than those on the overall ranking and on the obesity and diet-related chronic diseases ranking.
- Many companies do not articulate a clear recognition of the role they can play in addressing undernutrition.
- Companies' actions to address undernutrition are more often philanthropic initiatives than efforts implemented through their core business functions, though some companies are engaging in a wide range of approaches, from public-private partnerships to social businesses. However, all of these efforts have generally been at a limited scale.

Many companies are not very transparent about their nutrition practices.

This lack of disclosure limits the ability to understand the full scope of companies' nutrition-related efforts. In particular, the lowest-ranked companies on the Index do not disclose sufficient information on their policies and practices to evaluate any approaches they may have to nutrition.

Key recommendations

An essential first step for companies to address the challenges of obesity and undernutrition is to integrate nutrition into their corporate strategies

and to demonstrate action to deliver on these priorities. This is central to ensuring that nutrition considerations are included in companies' core business activities such as product development, pricing, distribution and marketing.

- To advance this strategic integration, companies should develop clear and measurable corporate objectives and targets on nutrition.
- They should also create robust incentive and accountability structures, such as linking CEO compensation to the achievement of nutrition objectives and assigning day-to-day responsibility for delivering on their nutrition strategy to senior executives. Nutrition issues are then more likely to be prioritized in all relevant business functions.

Stronger mechanisms are needed to track companies' performance on their commitments and targets in order to improve consumers' access to nutrition.

Companies and other relevant actors should prioritize on developing and implementing these mechanisms, which include:

- *External mechanisms*, such as independent audits, third-party evaluations, and incorporation of input from experts or other stakeholders. More companies should follow the lead of those that commission independent verification of their reporting, external audits of their compliance with marketing pledges, and third-party impact assessments of their initiatives to promote healthy diets and active lifestyles.
- *Internal mechanisms*, such as Board and executive-level oversight of the company's performance against its nutrition commitments.

Companies' priorities for improving their approach to nutrition should include:

- Ensuring product formulation, marketing and labeling efforts are in line with recommendations from norm-setting bodies such as the World Health Organization and the Food and Agriculture Organization of the United Nations.
- Setting product formulation targets for all relevant ingredients and across their entire product portfolios and articulating these targets in a format that allows for a clearer understanding of the scope of such efforts.
- Identifying and applying approaches to make products of high nutritional quality more affordable and widely available, especially to lower-income consumers.
- Implementing a strict and comprehensive policy on marketing to children that applies to all media channels and all countries in which a company operates.
- **For all companies that manufacture breast-milk substitutes, taking immediate action to ensure that their practices are in full compliance with the International Code in all countries.**

Companies should increase their efforts to address undernutrition and scale up those approaches that are the most successful.

- Companies should leverage the experience, skills and scale of their core business functions to address undernutrition. They should implement a range of approaches – including philanthropic efforts, public-private partnerships, social businesses and core business initiatives – in consultation with local stakeholders and in alignment with any national strategies for addressing undernutrition.
- Products formulated to meet the needs of lower-income consumers at risk for, or suffering from, undernutrition should be culturally appropriate and not associated with an increased risk for obesity and diet-related chronic diseases.

Companies should increase public disclosure of their nutrition activities.

Such disclosure by companies underpins credibility, strengthens any evaluation of their nutrition practices, and heightens accountability.

- Companies that currently disclose little or no information can begin by reporting on the nutrition-related commitments they have made, as well as any objectives and targets that support these commitments.
- Companies that already provide significant amounts of information about their nutrition-related practices can further improve by increasing disclosure on their performance against targets and by broadening the geographic scope of their reporting.



Categories

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 approach. Key findings, recommendations and detailed results are also presented.

Contents

A Governance	Corporate strategy, governance and management	52
B Products	Formulation of appropriate products	62
C Accessibility	Delivery of affordable, available products	74
D Marketing	Responsible marketing policies, compliance and spending	84
E Lifestyles	Support for healthy diets and active lifestyles	102
F Labeling	Informative labeling and responsible use of health and nutrition claims	112
G Engagement	Engagement with policymakers and other stakeholders	122

A Governance

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

A company can better sustain and scale up nutrition activities when a commitment to the issue 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

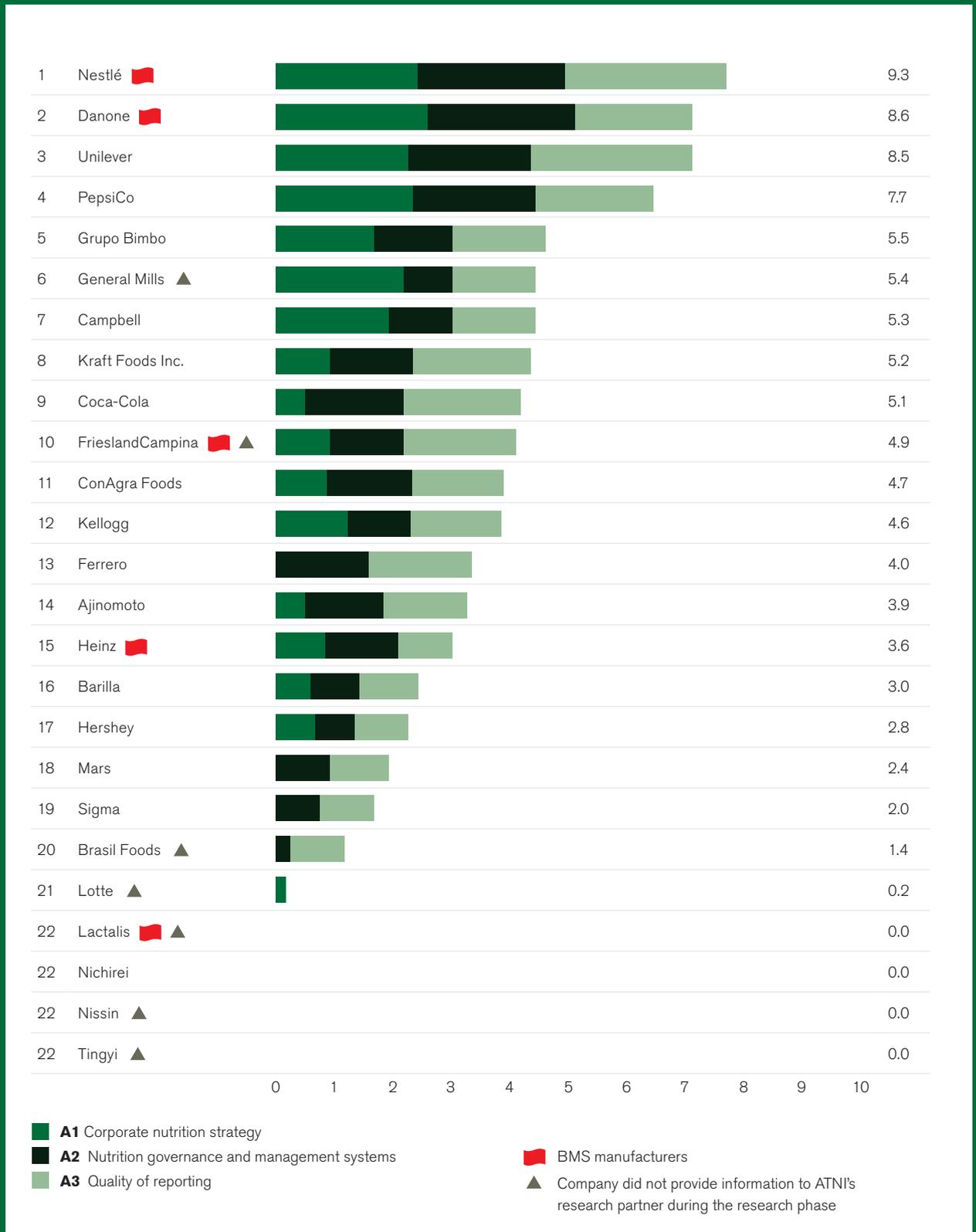
A2 Nutrition governance and management systems

A3 Quality of reporting

To perform well in this Category, companies should:

- Integrate specific considerations on nutrition into mission statements and/or growth strategies
- Commit to addressing both obesity and diet-related chronic diseases **and** undernutrition
- Establish and apply incentive and accountability structures at the senior management level for implementation of their nutrition strategies
- Clearly and comprehensively report on nutrition activities
- Commission independent verification of their reporting on nutrition

Results



Key findings

- Overall, companies score better in this Category than in any other, which indicates that many companies have taken an essential first step towards improving their nutrition practices. Integrating nutrition into their core businesses and governance structures sets the stage for improved company performance. As a strategic focus on nutrition filters down through core business practices, it should lead, over time, to improving consumers' access to better nutrition.
- The top performing companies take a strategic and structured approach to nutrition. Their core business focus on nutrition includes Board- or CEO-level oversight of their nutrition strategies, clear corporate commitments to addressing nutrition issues, and accountability frameworks to incentivize senior executives to achieve related objectives.
- Only about half of the companies assessed by ATNI include nutrition in their mission statements and/or growth strategies.
- While many companies have stated commitments to address undernutrition, fewer have detailed targets to drive the implementation of their commitments within their core business strategy. In general, corporate actions to address undernutrition are more philanthropically oriented than an integral part of core business strategies.
- Many companies are not transparent about what they do with respect to nutrition.
- Only five companies subject their nutrition-related reporting to external verification.

Key recommendations

- Companies that have not already integrated explicit nutrition considerations into their corporate strategies and core business models should do so. This type of integration is essential for improving nutrition-related policies, practices, and performance across a company's various activities.
- Companies should develop clear and measurable corporate objectives and targets on nutrition. They should also create incentive and accountability structures at the senior management level that encourage improved nutrition practices throughout their business.
- In their efforts to address undernutrition, companies should leverage the experience, skill and scale of their core business functions. They should continue to implement a range of approaches – including philanthropic efforts, public-private partnerships, social businesses, and core business initiatives – in consultation with local stakeholders and in alignment with any national strategies on undernutrition. They should then scale up those that are the most successful.
- Companies should increase public disclosure of their nutrition activities, as this underpins credibility, strengthens any evaluation of their nutrition practices, and heightens accountability.
- All companies should have their reporting on nutrition practices externally verified by independent third parties.

A1 Corporate nutrition strategy

Companies that include nutrition as part of their core business activities, rather than only within their corporate responsibility and/or philanthropic programs, can have a greater and more sustainable impact on improving access to nutrition. When nutrition is integrated into corporate strategy, it is more likely to be acted upon through the company's core business functions.

Basis for company assessment

The company assessment approach in this Category is similar to that used by other indexes in evaluating the quality of companies' strategies on a range of key issues. It is also based on input from the ATNI Expert Group.

Companies are assessed on their commitments, performance, and disclosure in this area, 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 for acquisitions and divestments; and
- Can demonstrate an increase in their offerings and/or sales of healthy products.

Detailed results

Commitments

While many companies make broad or general statements related to nutrition, ATNI found that only thirteen stated a clear commitment to delivering nutrition as part of their mission statements and/or growth strategies. Examples of companies demonstrating that nutrition is central to their mission statement include:

- **Danone:** "To bring health through food to as many people as possible."¹
- **General Mills:** "Our mission is to make lives healthier, easier and richer."²
- **Group Bimbo:** "To nourish, delight and serve our world."³

An example of a company demonstrating that nutrition is central to its growth strategy is **PepsiCo**. As part of its growth strategy, it projects that its "good for you" products will grow from 20% of its net revenues in 2011 to 30% of its net revenues in 2021.⁴

Performance

Over half of the companies recognize the nutrition-related business risks they face with respect to changes in consumer preferences and behavior, as well as the need to respond to those risks.

Seven companies provided evidence of taking nutrition issues into account in their mergers and acquisitions decision-making processes. **Hershey**, for instance, explicitly reported doing so and provided the example of acquiring Mix1, a line of natural nutritional shakes that are high in proteins, vitamins and minerals.

The provision of data that demonstrate an increase in their offerings and/or sales of healthy products in recent years was employed as a measure of the degree to which nutrition is fully integrated into companies' strategic commitments. Seven companies provided such quantitative data. Examples include:

- **Campbell** reported that, "Since 2009, U.S. sales of Campbell healthy products have increased by more than \$530 million [$> 30\%$]."⁵
- **General Mills** reported that, "...from fiscal 2005 to the end of fiscal 2011, 64 percent of our U.S. Retail product sales volume has been nutritionally improved."⁶

Disclosure

Most companies publish information on some aspects of their strategic approach to nutrition, but, for almost all companies, this disclosure is not very comprehensive.

A2 Nutrition governance and management systems

This Criterion assesses the extent to which companies have integrated approaches to delivery of 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 in evaluating the quality of companies' governance and management systems on a range of key issues. It is also based on 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 this approach;
- Link the remuneration of their CEO with performance on nutrition objectives;
- Subject their nutrition strategy to standard internal audits and regular management review;
- Seek the advice of external experts on nutrition; and
- 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 for or suffering from undernutrition), companies are evaluated on additional actions targeted at addressing undernutrition, including through product fortification in lower-income countries. Given that there is much less corporate activity focused on addressing undernutrition, and the business case for doing so is less well developed than that for addressing obesity and diet-related chronic diseases, credit is given for a wider range of company activities, including philanthropic approaches, public-private partnerships, social businesses and core business initiatives. Companies are assessed in a variety of areas, including whether they:

- Have a commitment to addressing undernutrition and set out objectives and targets as part of their core business and/or philanthropic programs;
- Take a well-structured approach to addressing undernutrition in multiple countries;
- 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 executives;
- Provide evidence of their level of support for philanthropic programs to address undernutrition; and
- Publish information on their commitments, objectives and targets, as well as performance against them.

Detailed results: Obesity and diet-related chronic diseases

Commitments

The majority of companies recognize the global challenge of obesity and reference the WHO Global Strategy on Diet, Physical Activity and Health either directly in their reporting and/or demonstrate their recognition of it through membership in an industry association such as the International Food and Beverage Alliance (an association of food and beverage companies that was created in part to provide support to the industry in implementing the WHO Global Strategy).

Many of the assessed companies define objectives related to delivering better nutrition, including on reformulation of their products, responsible marketing practices, and education of consumers. More specifically:

- Nine companies define a clear set of nutrition-related objectives, while an additional ten define their objectives more broadly.
- Over two-thirds of companies have Board-level oversight of nutrition issues.
- Over two-thirds of companies have appointed a manager or senior executive to implement their nutrition strategies on a day-to-day basis.
- Seventeen companies seek external expert advice on nutrition through a formal panel or on an ad-hoc basis, and one third of companies seek advice from a wider range of external stakeholders.
- Fourteen companies report that the implementation of their nutrition strategy is subject to internal audit and regular management review.

Examples of companies that demonstrate a clear commitment and have a set of objectives for delivering more healthy food with explicit reference to low-income consumers include Campbell and Danone:

- **Campbell** states: “Millions remain without access to nutritious food choices, while obesity continues to increase. We seek to change that by promoting sound, healthy and affordable choices.”⁷
- **Danone** states that one of its commitments to consumers is to “Develop new products with good nutritional value and affordable by low-income populations.”⁸

Performance

Six companies stated that they link their CEO's compensation to the delivery of nutrition objectives. For instance, **Nestlé's** CEO is ultimately responsible for the company's nutrition strategy, and the CEO's remuneration is linked to performance on nutrition objectives. **Sigma** reports that, “The yearly sustainability plan [of which nutrition is a part] is part of our CEO's and VP's objectives (including nutrition objectives) and is part of their bonus pay.”⁹

Eight companies seek advice from a formal panel of nutrition experts with a broad range of expertise. Examples include:

- **Kraft** has established an advisory council comprising specialists on obesity, physical activity, public health, human behavior, nutrient fortification and lifestyle education to provide the company with advice on science, policies, measures and timetables and to help guide its efforts. The council meets on a regular basis throughout the year and provides advice to Kraft outside of meetings as needed.¹⁰

- **Kellogg** has established an advisory council comprising seven independent experts, including a pediatrician and experts in child and school nutrition, food security, weight management and public health. The council, whose members are listed on Kellogg's website, provides advice on nutrition information and healthy diets.¹¹

Disclosure

While the majority of companies disclose some information on their commitments, objectives and targets, only three also provide information on their performance.

Detailed results: Undernutrition

Commitments

Danone, Nestlé and **PepsiCo** demonstrated that they address undernutrition through their core businesses and have commercial objectives around undernutrition. For example, **Danone** has set an objective to develop new products (including fortified products) that have good nutritional value and are affordable for low-income consumers. It also has objectives for developing additional similar projects through its social incubator, Danone Communities.¹²

Twelve companies state clear commitments to play a role in addressing undernutrition through their own philanthropic foundations. Such programs tend to focus more on hunger and food security than on addressing micronutrient deficiencies in lower income countries, and they are generally implemented on a responsive basis. Six companies, however, have a structured approach towards addressing undernutrition through philanthropy that is global and implemented in a variety of lower income countries (**Coca-Cola, Danone, Heinz, Nestlé, PepsiCo, Unilever**).

About a third of companies pledge to work in support of regional or national goals to address specific fortification needs. Five companies provided data on the level of financial investment made through these programs.

Performance

Only three companies provided evidence of having Board-level oversight of their commercial efforts to address undernutrition.

Disclosure

Twelve companies have not published information regarding any approach they might have to undernutrition.

A3 Quality of reporting

This Criterion 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 Criterion looks at the regularity, scope, and quality of companies' overall reporting on nutrition.

Basis for company assessment

The company assessment approach in this Criterion is similar to that used by other indexes in evaluating the quality of companies' reporting on a range of key issues. It is also based on input from the ATNI Expert Group.

There are no Indicators in this Criterion on commitments or performance; rather, all Indicators are related to companies' disclosure. 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; and
- Subject their reporting to verification or external review.

Detailed results

Commitments

There are no commitment Indicators in this Criterion.

Performance

There are no performance Indicators in this Criterion.

Disclosure

Twelve companies report annually on nutrition issues. The largest companies are generally more transparent and expansive in the geographic scope of their reporting, while relatively smaller companies focus on their key markets. Four companies publish reports for specific markets in addition to their global reports (**Coca-Cola, Nestlé, PepsiCo, Unilever**).

Three companies provide clear and comprehensive commentary on their progress against nutrition-related targets (**Danone, Nestlé, Unilever**). For example, in its 2011 Sustainable Living Plan Progress Report, **Unilever** reports on its progress in meeting targets related to the reduction of sugar, salt, and other nutrients in its products and in providing full nutrition information on its products globally.¹³ **Danone** reports on its progress in its 2011 Sustainability Report by using a dashboard that includes its commitments to stakeholders, its objectives, its performance in 2010 and 2011, and its 2012 commitments and outlook.¹⁴

A third of companies mention some of the challenges they face when implementing their nutrition programs. For example, **FrieslandCampina** reports on specific challenges it has encountered as it has sought to reformulate its products: “Consumers often experience products containing less sugar or salt as less tasty, which can hinder sales of the products. Experience has, however, taught that by reducing the amount of such additives gradually, and by providing good information, these disadvantages can be overcome.”¹⁵

Coca-Cola, Ferrero, Kraft, Nestlé, and Unilever disclose that they have engaged external agencies to conduct verification of the accuracy of their sustainability or corporate responsibility reports that include commentary on nutrition. This is a leading practice in this area.

NOTES

- ¹ Danone SA (n.d.) *Health Issues and Our Core Businesses* [online] Available at: <http://www.danone.com/en/axes-strategiques/good-health-through-a-good-diet.html>
- ² General Mills, Inc. (n.d.) *Mission* [online] Available at: <http://www.generalmills.com/en/Company/Mission.aspx>
- ³ Grupo Bimbo (n.d.) *Mission, Vision and Values* [online] Available at: <http://www.grupobimbo.com/en/our-group/mission-vision-and-values>
- ⁴ PepsiCo Inc. (2012) *Investing for Growth* (Presentation to CAGNY), slide 4. Available at: http://www.pepsico.com/Download/CAGNY_02_23_2012_FINAL_Web.pdf
- ⁵ Campbell Soup Company (n.d.) *Healthy and Nutrition Products* [online] Available at: <http://www.campbellsoupcompany.com/csr/pages/consumers/healthy-and-nutritious-products.asp>
- ⁶ General Mills, Inc. (2012) *Global Responsibility*, p. 9. Available at: http://www.generalmills.com/~/_media/Files/CSR/csr_2012_rev2.ashx
- ⁷ Campbell Soup Company (2012) *Corporate Social Responsibility Report*, p. 10. Available at: <http://www.campbellsoupcompany.com/csr/>
- ⁸ Danone SA (2011) *Sustainability Report*, p. 62. Available at: http://www.danone.com/images/pdf/sustainable_report_2011.pdf
- ⁹ Information provided by Sigma to MSCI ESG Research during the company research phase.
- ¹⁰ Information provided by Kraft to MSCI ESG Research during the company research phase.
- ¹¹ The Kellogg Company (n.d.) *Kellogg's Breakfast Council* [online] Available at: http://www.kelloggs.com/en_US/our-commitment-to-nutrition/kelloggs-breakfast-council.html
- ¹² Danone Communities (n.d.) *Danone Communities* [online] Available at: <http://www.danonecommunities.com/en/home>
- ¹³ Unilever (2011) *Sustainability Living Plan Progress Report*, p. 14-17. Available at: http://www.unilever.com/images/uslp-Unilever_Sustainable_Living_Plan_Progress_Report_2011_tcm13-284779.pdf
- ¹⁴ Danone SA (2011) *Sustainability Report*, p. 58-63. Available at: http://www.danone.com/images/pdf/sustainable_report_2011.pdf
- ¹⁵ FrieslandCampina (2011) *Corporate Social Responsibility Report*, p. 26. Available at: <http://www.frieslandcampina.com/english/responsibility/responsibility-reports.aspx>

All links accessed early February 2013.

B Products

Formulation of appropriate products (25% of overall score)

Companies can help consumers make healthier choices by improving the nutritional quality of foods made available to them. This Category addresses companies' efforts to do so through research and development (R&D), new product formulation and reformulation of existing products. It also assesses the quality of the nutrient profiling system that a company may use to guide its product formulation efforts.

This Category consists of two Criteria:

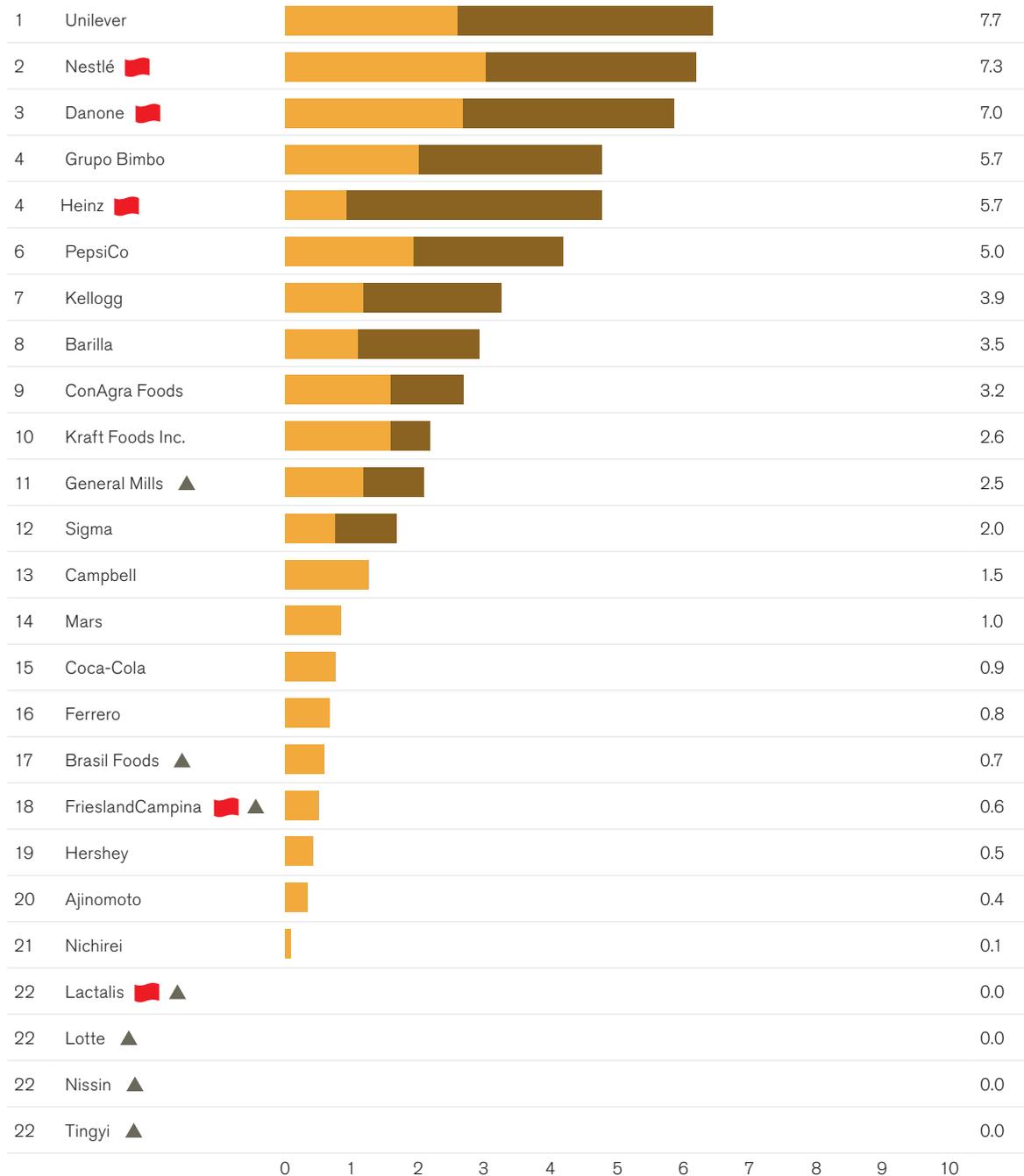
B1 Product formulation

B2 Nutrient profiling

To perform well in this Category, companies should:

- Set targets to improve the formulation of products across their entire portfolio
- Disclose targets and performance in a consistent way that is easy to understand
- Provide healthy and appropriately fortified foods that help address undernutrition
- Adopt and disclose details of a nutrient profiling system to guide their approach to product formulation

Results



B1 Product formulation
B2 Nutrient profiling

BMS manufacturers
 Company did not provide information to ATNI's research partner during the research phase

Key findings

- The leading companies in this area have set quantitative targets for improving the nutritional quality of a significant portion of their product portfolio. The best of these company targets take a comprehensive and global approach to reductions in salt, sugar and fats, as well as increases in fruits, vegetables, fiber and whole grains in companies' products.
- Fewer than half of the assessed companies provided evidence of targets to reduce the levels of salt, fat, sugar and calories when relevant to their product portfolios.
- Product formulation targets are expressed in a variety of ways (e.g., total weight of ingredient removed in a particular market, percent of ingredient decreased across entire portfolio, percent or number of products reformulated), which can limit comparisons across companies and often do not provide a meaningful sense of scale of the targets.
- Only eight companies state commitments to address undernutrition through producing fortified products.
- Fewer than half of the assessed companies have adopted nutrient profiling systems.

Key recommendations

- Consumers would benefit greatly from more consistent and systematic action by companies to improve the nutritional quality of products. In addition, product formulation targets should be reported in a format that allows for a clearer understanding of the scope of company actions in this area.
- Companies operating in product categories with relatively less scope for improvements (such as beverage and confectionary) can contribute by creating healthier options within the scope of their product portfolios.
- As companies increase their presence in markets with significant burdens of undernutrition, they should take demonstrable steps to play a larger role in delivering healthy and appropriately fortified foods. These efforts should be aligned with national strategies, where available, and otherwise conducted in consultation with local stakeholders.
- Companies that have not adopted a nutrient profiling system should do so in order to facilitate a more systematic approach to improving product formulation. Companies that have already adopted such a system should disclose sufficient information (e.g., whether it was developed through an independent multi-stakeholder process, which products it covers, and which nutrients are included) to permit assessment of its robustness.
- Companies should be proactive in any multi-stakeholder efforts to build consensus on standards and mechanisms for nutrient profiling.

B1 Product formulation

Companies invest significant resources in developing new products and in reformulating existing products. Product reformulation may take several forms, including reducing the levels of fat, sugar, salt and calories, or increasing the levels of ingredients such as fruits, vegetables, whole grains and fiber. Companies may also sell their products in reduced sizes with the aim of helping consumers better understand and limit their portion sizes.¹

The potential 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, while others are focused on foods designed for convenience or occasional indulgence. For example, beverage companies have more limited scope for product reformulation, and they are focused on low- or no-calorie options (and on the development of alternative sweeteners²), smaller portion sizes, and expansion of their product range, to include beverages such as juices and yogurt-based drinks. Similarly, companies selling confectionary products have a relatively smaller scope for product reformulation.

Companies can also play a significant role in helping to address undernutrition by making products formulated with, or naturally high in, micronutrients that are deficient in the diet and otherwise 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 national governments' strategies and programs, and/or through fortification alliances, in order to appropriately target their efforts. In addition, the growing prevalence of obesity and diet-related chronic diseases in populations with existing burdens of undernutrition suggests that these products not associated with an increased risk for obesity and diet-related chronic diseases.

Basis for company assessment: Obesity and diet-related chronic diseases

The United Nations' Political Declaration on Non-Communicable Diseases 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 "work towards reducing the use of salt in the food industry."³ 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 FAO:⁴

- *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.*⁵

BOX 1

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 and on how well they are meeting these targets.

The commitments from the Global Strategy inform the scope of this Criterion, which assesses companies both on their efforts to limit specific ingredients and on their actions to develop new healthy products through research and product reformulation.

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

- State commitments and targets on research and development related to nutrition;
- Have introduced new healthy products onto the market over the past three years;
- State commitments and targets for reformulating products to increase their nutritional quality;
- Make healthier options available in all of their product categories; and
- Make smaller package sizes available to help consumers limit portion size.

Basis for company assessment: Undernutrition

In addition to the above assessment on what companies are doing to improve the overall nutritional quality of their product portfolios, they are assessed on targeted actions that they are taking to address undernutrition, including the fortification of foods. This assessment is based on the following documents:

- Codex Alimentarius: General Principles for the Addition of Essential Nutrients to Foods. World Health Organization and Food and Agriculture Organization of the United Nations 1991.⁶
- Guidelines on Food Fortification with Micronutrients. World Health Organization and Food and Agriculture Organization of the United Nations, 2006.⁷

Companies are assessed on whether they:

- State a clear commitment to address undernutrition, including through fortification;
- Set targets for increasing investments in R&D related to developing fortified products and/or for the number of fortified products they plan to introduce;
- Commit to align their approach to fortification with international guidance;
- Commit to fortify only products of high nutritional quality; and
- Provide evidence of having introduced fortified products targeted at populations at risk of undernutrition in the last three years.

Detailed results: Obesity and diet-related chronic diseases

Commitments

Sixteen out of 25 companies state clear commitments to improve the nutritional quality of their product portfolios through product innovation and reformulation. Seven of these companies specify that they align their commitments on product formulation to the recommendations of the WHO Strategy on Diet, Physical Activity and Health.

Only five companies define targets for the number of new healthy products they intend to launch. For example, **Grupo Bimbo** aims to launch two products in healthier categories in each brand/region every year, and **Heinz** has set a target for 100% of its new products to be healthier.

Comparing companies' targets for reducing the content of salt, sugar, fat and calories in existing products is challenging due to differences in:

- The way they are reported.
- The existing quantity of ingredients in various products from different companies that would determine the potential scope for product reformulation (see Box 1 for more detail).
- The scope of reduction possible for different types of products.
- Clarity about what proportion of a company's entire product portfolio the targets refer to, either by market or product category.

As a result, it was not possible to compare the relative quality of companies' targets. ATNI's assessment was therefore focused on whether companies have set targets to reduce the content of salt, sugar, fat and trans fats, and whether they have met these targets. The table below summarizes targets that companies have set and disclosed and that are relevant to their product portfolios:

TABLE 4 Published targets on product reformulation relevant to companies' product portfolios*

	Salt	Sugar	Fat**	Trans fats***
Ajinomoto	N	N	N	N
Barilla	N	N	N	Y
Brasil Foods	N	N	N	N
Campbell	N	N	N	N
Coca-Cola	NA	N	NA	NA
ConAgra Foods	Y	N	N	N
Danone	N	N	N	NA
Ferrero	Y	N	N	Y
FrieslandCampina	N	N	N	NA
General Mills	Y	N	N	Y
Grupo Bimbo	Y	Y	Y	Y
Heinz	N	N	N	N
Hershey	N	N	N	Y
Kellogg	Y	Y	N	Y
Kraft Foods Inc.	Y	N	N	N
Lactalis	N	N	N	NA
Lotte	N	N	N	N
Mars	Y	N	N	Y
Nestlé	Y	Y	Y	Y
Nichirei	N	N	N	N
Nissin	N	N	N	N
PepsiCo	Y	Y	Y	N
Sigma	Y	Y	N	Y
Tingyi	N	N	N	N
Unilever	Y	Y	Y	Y
Total	11/24	6/25	4/24	9/20

N No
 Y Yes
 NA Not Amenable
 (Company's product portfolio is not amenable to reduction of this particular ingredient)

* Six companies (Brasil Foods, FrieslandCampina, Lactalis, Lotte, Nissin and Tingyi) do not publish any targets related to the reduction of these ingredients and did not respond to requests for additional information during the research phase.

** Companies often do not specify whether their targets are for total fat or saturated fat; therefore, if they have a target for either, they are indicated as 'Y' in this table.

*** These are commitments to remove trans fats that are industrially produced rather than those that are naturally occurring.

Overall, thirteen companies have targets to reduce the content of at least one relevant ingredient in their products. Targets to reduce salt content and remove trans fats are more common than for reducing fat (total fat or saturated fat) and sugar, and a third of companies have had targets for more than five years to reduce salt content. Twelve companies did not provide evidence of any targets to reduce salt, sugar, fat or trans fats.

Only three companies demonstrated targets for reducing salt, sugar, fat and trans fats (**Grupo Bimbo, Nestlé, Unilever**).

In addition, **Unilever** has instituted a particularly comprehensive program to optimize the nutritional quality of its products. This program was created in 2003 in direct response to the WHO call to reduce levels of salt, sugar, saturated fats and trans fats and is published in a peer reviewed journal.⁹ It assessed over 30,000 products in its portfolio and increased the proportion of its products meeting its benchmarks by more than one third between 2005 and 2010.⁹ In 2010, the company updated its standards 'against strictest global recommendations' and has set a target to double the proportion of its portfolio meeting these higher standards.

Nearly half of the companies assessed have stated commitments to increasing either fiber, whole grains, fruits or vegetables in their products where relevant. **Danone, General Mills** and **Nestlé** provided evidence of commitments to increasing all of these ingredients. In addition, General Mills has a target for increasing whole grain and fiber content in its products by 10%.¹⁰

Performance

None of the companies have yet met their targets with regard to salt, saturated fat and sugar reduction, though some have gone further than others (particularly those that set their targets some years ago). **Barilla, Ferrero** and **Hershey** demonstrated that they have removed trans fats from all of their products.

Fifteen companies disclose examples of increasing fiber, whole grains, fruits and/or vegetables in various products. For instance:

- **General Mills:** In 2005 the company started converting all of its Big G cereals to whole grain. All Big G cereals currently contain at least 9 grams of whole grain per serving.¹¹
- **Grupo Bimbo:** "The use of whole grains in our products is tremendously important... For this reason, we continue to work together with the Whole Grains Council (WGC), and today, 304 of our products globally are registered with this organization and may use the Whole Grain stamp on package labels..."¹²
- **Kellogg:** "We also are focused on increasing the fiber content in many of our snack foods, to help consumers increase their fiber intake beyond just breakfast foods. Recent efforts include All-Bran® cereal bars sold in Canada (providing 16 percent of recommended fiber intake per bar) and FiberPlus® cereal bars sold in the U.S (providing 35 percent of recommended fiber intake per serving). We have also reformulated our Special K® Protein Meal and Nutri-Grain® bars to provide our consumers with a good source of fiber."¹³
- Only five companies demonstrated that they have at least one product in each of their product categories that meets their own classification for "healthy" products. This demonstrates a strong effort by these companies to provide consumers with healthier options across their entire product portfolios.

Only seven companies report the number of healthy products they have launched over the last three years. For instance, **Nestlé** reports that 4,270 of its new products over the last three years meet its internal standards to be considered healthy "or (have)

a factual and consumer-relevant nutritional competitive advantage against competitor products”; these products generated over CHF 3.3 billion in sales in 2011.¹⁴ **ConAgra** reports that 80% of its new products in 2011 focused on health and nutrition. One-third of **Heinz’s** new products in 2010 met its own criteria for “healthy nutrition innovation”.

Twelve companies provide examples of having reduced product sizes and packaging to help consumers limit their calorie intake. For example:

- **Coca-Cola** provides “portion-controlled” options for regular calorie beverages, which when taken together with its low- and no-calorie beverages, represented one-fifth of its more than 500 new products launched in 2011.
- **ConAgra** offers more than 60 different snacks in portion-controlled servings containing 150 calories or less.
- **Hershey** offers products in sizes containing 100 calories or less.

Disclosure

Companies’ targets and progress on reducing levels of salt, sugar, fat and trans fats are expressed in a variety of ways. For example:

- **Grupo Bimbo** has reduced salt by 20-30% in its breads in Brazil, Chile, Mexico, Peru and the United States. It also increased the number of reduced sodium products it offers by 123% from 2010 to 2011 and is halfway to its goal of reducing sodium content in all its products by 30% by 2015.
- **FrieslandCampina** reduced the salt content in its cheese products by 500 tons in 2010, but did not say whether this relates to a specific market or was achieved across all of its products.
- **Kraft** has reduced salt by more than 6,125 metric tons in 1,000 of its North American products since 2010 and will have reduced sodium on average by 10% by the end of 2012. In addition, the company has decreased sodium across its entire biscuit and cheese portfolio in Latin America. More detail about such efforts in other markets would help stakeholders understand the scale of their efforts.
- **Nestlé** has reduced the use of salt across its entire product portfolio by more than 12,000 metric tons in the last 10 years.

Detailed results: Undernutrition

Commitments

Eight companies state a clear commitment to address undernutrition through product reformulation, though companies generally disclose few details about their activities related to undernutrition. Six companies state that they base their fortification approach on guidance from recognized bodies, and five companies state commitments not to fortify products that are unhealthy.

For example, **Nestlé** provides evidence of incorporating these elements into its approach to addressing undernutrition:

*“Through its Popularly Positioned Products (PPP) strategy, **Nestlé** aims to offer tasty, affordable foods and beverages of high nutritional quality to meet the needs of emerging consumers.*

Nestlé is building on its micronutrient fortification efforts in order to most efficiently target the known micronutrient deficiencies across the globe. Working with local health and regulatory experts, Nestlé is analysing local nutrition landscapes – the nutritional status, nutrient intakes and dietary habits of different populations.

The company is then in a position to add low-cost micronutrients to its PPP products to help address the most prevalent deficiencies with affordably priced products.”¹⁵

Kraft also provides evidence of such a strategic approach: *“To help address malnutrition in developing markets, we offer foods fortified with micronutrients. We don’t simply add the nutrients people need. We invest in technology that helps ensure that the nutrients we use can effectively and efficiently be absorbed by the body. And we price these products affordably so they are well within reach for millions of consumers with limited disposable income.”¹⁶*

Performance

Nine companies provided examples of having recently launched new fortified products. Among these, **Danone** and **Nestlé** are the only companies that provided consolidated data on these products. For instance, **Danone** publicly discloses that it fortified 40% of its dairy products from 2009 and 2011. **Nestlé** provided an estimated 154 billion servings of foods (excluding infant formulas and healthcare nutrition products) fortified with one or more of iron, vitamin A, iodine and zinc in 2011.

Disclosure

Danone and **Unilever** are the only companies to publicly disclose data on their performance with regard to product formulation efforts focused on undernutrition. Six other companies publish information about their commitments.

B2 Nutrient profiling

Nutrient profiling is “the science of classifying or ranking foods according to their nutritional composition for reasons related to preventing disease and promoting health.”¹⁷ The first nutrient profiling systems were developed over 20 years ago to guide 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 recently been used or proposed for use, by governments to regulate the advertising of foods to children.

More than 100 nutrient profiling systems are known to be in use around the world.¹⁸ Retailers,¹⁹ media outlets,²⁰ and others²¹ 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 nutrient profiling systems with the objective of harmonizing their development.²²

While some food and beverage companies have created and/or adopted nutrient profiling systems for their internal use, others do not acknowledge nutrient profiling of individual foods as a valid methodology, pointing instead to the importance of a balanced overall diet. When used by a company, the relative rigor of its nutrient profiling system used has ramifications for decisions across its business.

Basis for company assessment

The nutrient profiling algorithms that most companies use for specifying nutritional standards for specific product categories or products are proprietary and therefore cannot be assessed directly. As a result, the systems that companies use were evaluated against a set of qualitative criteria based on those used to catalogue existing nutrient profiling systems in a manual for the WHO.²³

Companies are assessed on whether they:

- Used a multi-stakeholder process to developing their nutrient profiling system (as such systems are likely to be more robust when they reflect the input of various groups);
- Take both positive and negative ingredients into account in their system;
- Apply the system to the company’s entire product portfolio (to encourage a standard global approach); and
- Publish details of the system they use (to ensure transparency and facilitate scrutiny of their approach).

BOX 2

Defining what 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 Indicators in the ATNI methodology (e.g., product formulation, marketing, product labeling) rely on companies’ own definitions of “healthy” products, but those definitions can vary significantly. Because many companies do not publish their standards, it is not possible to assess directly each company’s definition of “healthy”. Therefore, as a proxy, the quality of the nutrient profiling system that each company uses will be used to weight the score for each Indicator that depends on a definition of “healthy” products. In other words, companies with relatively stronger nutrient profiling systems will receive a higher score for Indicators that rely on a definition of “healthy” products.

Detailed results

Commitments

There are no commitment Indicators in this Criterion.

Performance

Twelve out of 25 companies provided evidence that they use a nutrient profiling systems:

- Two companies adopted or adapted an existing nutrient profiling system and 10 developed their own.
- Six companies incorporated external input in the process of developing their own system. For example, **Heinz** adopted and **Unilever** adapted nutrient profiling systems that were developed through an independent multi-stakeholder process.
- Seven companies have systems applicable to all their products.
- Seven companies have systems that take account of both positive and negative ingredients.
- No companies use systems that meet all three of the criteria noted in the points above.

Disclosure

Four companies publicly disclose information on their nutrient profiling systems. For example, **Danone** and **Nestlé** make their nutrient profiling systems publicly available, while the systems **Heinz** adopted²⁴ and **Unilever** adapted²⁵ are published in peer reviewed journals.

NOTES

- ¹ Some debate exists about whether smaller package sizes do 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/aep/pps028.
- ² 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.
- ³ 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.
- ⁴ 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
- ⁵ 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
- ⁶ 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
- ⁷ 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
- ⁸ Nijman C et al. (2007) 'A method to improve the nutritional quality of foods and beverages based on dietary recommendations'. *European Journal of Clinical Nutrition* 61, 461-471.
- ⁹ Unilever (n.d.) *Nutrition Enhancement Programme* [online] Available at: <http://www.unilever.com/aboutus/Nutritionandhealth/Makingourfoodhealthier/>
- ¹⁰ General Mills, Inc. (2012) *Global Responsibility*, p. 9. Available at: http://www.generalmills.com/~/_media/Files/CSR/csr_2012_rev2.ashx
- ¹¹ General Mills, Inc. (2012) *Global Responsibility*, p. 10. Available at: http://www.generalmills.com/~/_media/Files/CSR/csr_2012_rev2.ashx
- ¹² Information provided by Grupo Bimbo to MSCI ESG Research during the company research phase.
- ¹³ Information provided by Kellogg to MSCI ESG Research during the company research phase.
- ¹⁴ Information provided by Nestlé to MSCI ESG Research during the company research phase.
- ¹⁵ Nestlé SA (n.d.) *Nestlé and micronutrient fortification* [online] Available at: <http://prodv3.nestle.com/csv/CreatingSharedValueCaseStudies/AllCaseStudies/Pages/Nestle%C3%A9-micronutrient-fortification.aspx?SearchText=nutrition>
- ¹⁶ Kraft Foods, Inc. (2010) *Responsibility Report*, p. 12. Available at: http://www.kraftfoodscompany.com/SiteCollectionDocuments/pdf/kraftfoods_responsibility_report.pdf
- ¹⁷ World Health Organization (In Press) *Guiding Principles and Framework Manual for the Development or Adaptation of Nutrient Profile Models* (First Edition).
- ¹⁸ Ibid.
- ¹⁹ For example, WalMart (n.d.) *Great for You* [online] Available at: <http://corporate.walmart.com/global-responsibility/hunger-nutrition/great-for-you>; and Hannaford (n.d.) *Guiding Stars* [online] Available at: <http://www.hannaford.com/content.jsp?pageName=GuidingStars&leftNavArea=HealthLeftNav>
- ²⁰ For example, The Walt Disney Company (2012) *Disney Nutrition Guideline Criteria*. Available at: http://thewaltdisneycompany.com/sites/default/files/MOHL_Nutrition_Criteria_2012.pdf
- ²¹ For example, NuVal (n.d.) *NuVal* [online] Available at: <http://www.nuval.com/>; and Choices International Foundation (n.d.) *Choices Programme* [online] Available at: <http://www.choicesprogramme.org/>
- ²² World Health Organization (n.d.) *Nutrient Profiling* [online] Available at: <http://www.who.int/nutrition/topics/profiling/en/>
- ²³ World Health Organization (In Press) *Guiding Principles and Framework Manual for the Development or Adaptation of Nutrient Profile Models* (First Edition).
- ²⁴ Fulgoni V, Keast D, Drewnowski A (2009) 'Development and Validation of the Nutrient-Rich Food Index: A Tool to Measure the Nutritional Quality of Foods'. *Journal of Nutrition* 139(8), 1549-1554.
- ²⁵ Nijman C et al. (2007) 'A method to improve the nutritional quality of foods and beverages based on dietary recommendations'. *European Journal of Clinical Nutrition* 61, 461-471.

All links accessed early February 2013.

C Accessibility

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

Producing healthier options is a necessary but insufficient condition to improve consumer access to nutritious foods and beverages. Consumers also need to have access to these products. Companies should offer them at competitive prices and distribute them widely to offer consumers a “level playing field” between healthy and less healthy options.

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

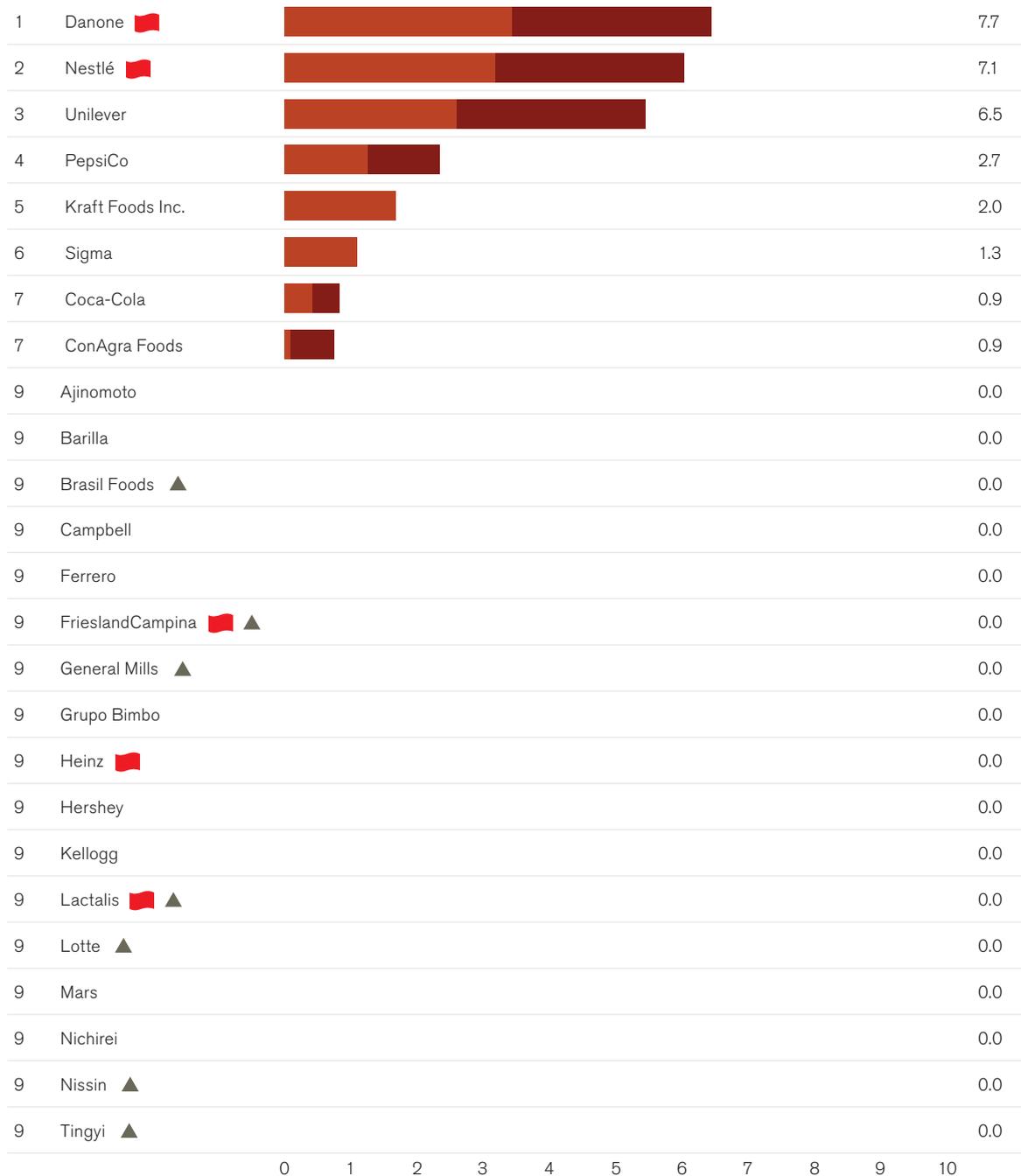
C1 Product pricing

C2 Product distribution

To perform well in this Category, companies should:

- State a clear commitment, with measurable objectives and targets, to improve the affordability and availability of their healthy products
- Publicly disclose their commitments, objectives and targets
- Apply their approach to affordability and availability to all of the markets in which they operate
- Provide evidence of ways in which they are delivering on their commitment

Results



C1 Product pricing
C2 Product distribution

BMS manufacturers
 Company did not provide information to ATNI's research partner during the research phase

Key findings

- Very few companies have set out a clear or systematic approach to making healthy products more affordable and available to consumers, and seventeen companies do not disclose any evidence of strategies for doing so.
- The average of all companies' scores in this Category is the lowest among all of the areas assessed by ATNI. The low level of performance of most companies may be due in part to a lack of public disclosure because of proprietary considerations (e.g., the commercial sensitivity of pricing strategies). Nevertheless, the leading companies still provide evidence of taking a structured approach to improving accessibility.
- The better-performing companies in this area have broad commitments to improve the affordability and availability of their healthy products in all of the markets in which they operate, but have not disclosed targets that illustrate how they plan to make good on their commitments. This is the case both for their healthy products designed for general consumption and for fortified products they may offer. They also do not provide sufficient evidence to demonstrate that they are implementing their commitments, though several companies provide examples of innovative approaches to improve accessibility.

Key recommendations

- A first step for the many companies that scored poorly on this Criterion is to develop and disclose strategies for improving the accessibility of their healthy products. These strategies should include clear and measurable objectives and targets.
- Improvements in establishing measurable targets, and disclosure of information about performance under these targets, is required even for the companies that demonstrate that they have adopted structured approaches to improving the availability and affordability of their healthy products.
- As it can be particularly challenging to develop commercially viable approaches to serving consumers at risk of undernutrition, companies should implement a range of approaches to improve the accessibility of products of high nutritional value for these consumers, including philanthropic efforts, public-private partnerships, and social businesses. Such approaches could help reduce the risk of undertaking activities to address undernutrition, while generating new knowledge about the best ways of doing so. Companies should scale up those initiatives that are the most successful.

C1 Product pricing

Price is one of the most important factors in consumers' purchasing decisions. While there is some debate over whether fresh, unprocessed foods and beverages are more expensive than processed foods and beverages,^{1,2,3} healthier packaged products are often more expensive than their corresponding less-healthy versions.⁴ Low-income consumers are particularly sensitive to differences in price, since food purchases make up a larger share of their budgets. As a result, companies' pricing practices can have a significant impact on access to nutritious packaged foods and beverages, particularly among this population.

In addition, as companies continue to expand their footprint in lower-income countries, their increasing consumer base will include those suffering from or at risk of undernutrition. Making products high in nutritional value available to these consumers requires pricing strategies to improve affordability.

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 over these alternatives.⁵ The report went on to suggest potential explanations for the wide variance, including the following:

- The cost of R&D.
- Marketing investments required for new products.
- Cost of ingredients.
 - Higher cost ingredients are sometimes used to improve nutritional quality.
 - Lower-calorie versions of products such as mayonnaise and ice cream can be reformulated with lower manufacturing costs.
- Category of food. In categories for which a strong and unique health claim can be made and a higher price may be acceptable to consumers, healthier options may be priced at a premium of 15% to 380% compared to the corresponding "regular" products.
- Package size. While many companies have introduced smaller package sizes (e.g., 100-calorie packs), these options are generally considerably more expensive per serving.⁶

Basis for company assessment

The pricing of healthy products is not an aspect of companies' activities governed by international norms. Therefore, the Indicators used to assess companies were established in 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 clear commitments, objectives and targets related to improving the affordability of their healthier products and that are applied to all the markets in which they operate;
- Provide examples of having reduced the price of their healthier products in order to make them more affordable; and
- Disclose details of their commitments, objectives, targets and performance on affordability.

Companies are assessed in a similar way with respect to fortified products relevant to undernourished populations. Results related to undernutrition are presented separately below.

Detailed results: Obesity and diet-related chronic diseases

Commitments

While many companies have a stated commitment to increase the affordability of their products in general, only eight were found to have such a commitment specifically for their healthy products. No companies were found to have set objectives or specific targets to improve the affordability of their healthy products.

Danone and **Nestlé** have made clear commitments to address the affordability of their healthy products with particular reference to low-income consumers:

- **Danone** states: “We are committed to continuously bringing our products to more and more people, by making them affordable to low- and very low-income groups – while never stinting on nutritional value, quality, safety or taste.”⁷
- **Nestlé** states that it is committed to improving access to nutrition through pricing and distribution as part of its bottom of the pyramid strategy called PPP. The company places special emphasis on healthy products as part of this initiative, with a large proportion of PPP sales achieving the company’s healthy standards.

Performance

Five companies provided examples of pricing their healthy products with the purpose of making them more affordable. For instance:

- During the ATNI research process, **Sigma** provided evidence that it has developed an affordable line of products that is also nutritious. It has done so both through developing new products and improving the formulation of existing products.
- **Danone** provided the following example: “In Mexico, the entry-level yogurts offer was relaunched in 2009 in order to make it more accessible to consumers with low- and very-low incomes, who constitute 67% of the population. Consequently, Danone 90 años was launched, which has a price 30% lower than the previous range (14 euro cents per 125g pot), whilst at the same time offering yogurt’s nutritional qualities. The result is that over 20 million Mexicans enjoy the benefits of yogurt on a daily basis.”⁸

Disclosure

Only three companies disclose partial information on their commitments and performance in this area.

Detailed results: Undernutrition

Commitments

Only six companies have stated commitments to improving the affordability of their fortified products. These six companies also provided examples of having set low prices and/or reduced package sizes to make fortified products more affordable.

No companies provided evidence that they have established targets for following through on their commitments across all relevant markets.

Performance

Danone, Kraft, Nestlé and **Unilever** have the most comprehensive approaches to making fortified foods more affordable for low-income consumers, including several examples of pricing programs in numerous countries. These examples include:

- In Indonesia, **Kraft** sells a biscuit (branded as Biskuat) that is fortified with nine vitamins and six minerals. These biscuits are sold for approximately USD four cents for a serving of five biscuits.
- **Nestlé** has developed iodine-enriched bouillons, seasonings, and noodles (under the Maggi brand) using iodized salt. It has also developed Maggi seasonings fortified with iron, vitamin A and iodine in South Asia and Maggi bouillon fortified with iron and iodine in the Caribbean and Central America.⁹
- In 1996, **Unilever** launched its own brand of iodized salt (Annapurna) in India. This was followed by a launch of its salt in Ghana in 2000 to address iodine deficiencies.¹⁰ In order to make its iodized salt accessible and affordable, the company outsourced its production, created new distribution channels, and sold it in 100g sachets.¹¹ Such smaller package sizes can be more affordable for low-income consumers.

Other companies have provided examples of making specific fortified foods more affordable. For instance, **Coca-Cola** has developed a low-priced, fortified drink for the India market called Vitingo that aims at addressing iron deficiency and iron deficiency anemia.¹²

Disclosure

Five companies disclose information on their commitments and performance, including several case studies on fortified products and the approaches used to make them more accessible.

C2 Product distribution

In light of the challenges that consumers around the world can face in accessing healthier food, companies should introduce distribution strategies that make their healthier products more available to consumers, particularly to those who currently lack such options.

In high-income countries, packaged foods and beverages make up an increasing proportion of consumers' purchases and diets.¹³ This trend has been particularly evident in "food deserts," which are defined in the U.S. as low-income areas "where a substantial number or share of residents has low access to a supermarket or large grocery store".¹⁴ This has been associated with increased consumption of less healthy foods sold in convenience stores. While this concept has received widespread attention, some recent research has raised questions about the food desert concept.^{15 16}

In lower-income countries, less information is available in the public domain about the purchasing and consumption patterns of low-income consumers, especially for branded food products. Thus, 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.¹⁷

Reaching consumers at risk of undernutrition with appropriate products that are high in nutritional value also requires effective distribution strategies to improve product availability. Given their broad geographic scope, companies' distribution systems could 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 such distribution efforts.

Basis for company assessment

The approach in this Criterion to assessing companies' distribution strategies for their healthy products parallels that used for assessing their pricing strategies in Criterion C1. With respect to undernutrition, the Indicators focus specifically on the availability of fortified products relevant to undernourished populations. The Indicators in this Criterion were formulated in consultation with the ATNI Expert Group.

Specifically, companies are assessed on whether they:

- Have clear commitments, objectives and targets related to improving the availability of their healthy products and that are applied to all the markets in which they operate;
- Provide evidence of working with retailers and distributors to expand the availability of their healthy products; and
- Disclose details on 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. Results related to undernutrition are presented separately below.

Detailed results: Obesity and diet-related chronic diseases

Commitments

While some companies have a stated commitment to increase the availability of their products in general, most were not found to make explicit reference to the availability of their healthy products. In addition, no companies were found to have set objectives and targets to improve the availability of their healthy products.

Danone and **Nestlé** have made clear commitments to address the availability of their healthier products, with particular reference to low-income consumers.

Performance

Five companies provided examples of having developed innovative distribution practices. For instance:

- **ConAgra** provided an example of making its healthier products more accessible through school food programs in the U.S.A. The products for these programs meet the National School Lunch Program standards. For instance, it makes a brand of pizza (The Max®) with a 51% wholegrain crust and 3-7 grams of fiber per serving; these pizzas have more protein and fiber and less sodium and fat than previous versions.¹⁸
- Guten is a product sold by **Sigma** to address low-protein, high-sodium diets among low-income Mexican families. DuPont developed Solacina, a hybrid vegetable-animal protein product with relatively low sodium targeted at low-income families that were underserved by food companies and which could be sold for 40% less than the cheapest beef. Sigma branded the product Guten and developed innovative distribution mechanisms to reach low-income consumers.
- In Mexico, **Danone** distributes various products that do not require refrigeration through street vendors.¹⁹

Disclosure

Only three companies disclose partial information on their approaches to product availability.

Detailed results: Undernutrition

Commitments

Although five companies demonstrated that they have commitments related to improving the availability of fortified products that are relevant to undernourished populations, no companies set specific corporate targets.

Performance

Five companies provided some evidence of improving the availability of their fortified products, often through innovation in their distribution practices. Examples include:

- **PepsiCo** has stated that it is “developing locally relevant fortified products and will use our supply chain to distribute them to hard-to-reach communities in such countries as Nigeria and India.”²⁰
- **Danone** has introduced a fortified yogurt in Bangladesh through Grameen Danone Food, Ltd. The “Shokti Doi” yogurt is fortified with vitamin A, zinc, iodine and iron, with the aim of combatting child undernutrition. It is distributed in part by over 800 “Shokti Ladies” in rural areas of the country.²¹ In South Africa, 10% of its sales of Danimal (“a yogurt that fulfils local nutritional needs”) are made by women who sell the product door-to-door in townships.²²

Disclosure

Three companies disclose partial information on their approaches to making their fortified products more available.

NOTES

- ¹ Drewnowski A (2004) 'Obesity and the food environment: dietary energy density and diet costs'. *American Journal of Preventive Medicine* 27 (3 Supplement), 154-62.
- ² USDA Economic Research Service (2008) *Price Trends Are Similar for Fruits, Vegetables, and Snack Foods*. Available at: <http://www.ers.usda.gov/publications/err-economic-research-report/err55.aspx>
- ³ Yale Rudd Center for Food Policy and Obesity (n.d.) *Food Prices* [online] Available at: http://www.yaleruddcenter.org/what_we_do.aspx?id=85
- ⁴ JP Morgan (2006) *Obesity: Re-Shaping the Food Industry*. Available at: http://www.unepfi.org/fileadmin/documents/materiality2/obesity_jpmorgan_2006.pdf
- ⁵ Ibid.
- ⁶ On the other hand, such options might be more affordable to many low-income consumers due to the lower cost of an individual package.
- ⁷ Danone SA (2009) *Food, Nutrition and Health Charter*, p. 7. Available at: <http://research.danone.com/pdf/FNH+Charter+November+2009+UK+-+BDef.pdf>
- ⁸ Danone SA (n.d.) *Accessible products with local adaptation, a societal stake* [online] Available at: <http://www.danone.com/en/axes-strategiques/accessible-products-with-local-adaptation-a-societal-stake.html>
- ⁹ Nestlé SA (n.d.) *Popularly Positioned Products* [online] Available at: <http://www.nestle.com/csv/nutrition/positionedproducts/Pages/positionedProducts.aspx>
- ¹⁰ Universal salt iodization is recognized as a simple, safe, and cost-effective method to address iodine deficiency.
- ¹¹ Unilever (n.d.) *Fortified foods improve health in Ghana*. Available at: http://www.unilever.com/images/es_Fortified_foods_improve_health_in_Ghana_tcm13-5527.pdf
- ¹² The Coca-Cola Company (n.d.) *Innovation* [online] Available at: <http://www.coca-colaindia.com/sustainability/innovation.html>
- ¹³ 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>
- ¹⁴ 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>
- ¹⁵ An R and Sturm R (2012) 'School and Residential Neighborhood Food Environment and Diet Among California Youth'. *American Journal of Preventive Medicine* 42(2), 129-35.
- ¹⁶ Lee H (2012) 'The role of local food availability in explaining obesity risk among young school-aged children'. *Social Science and Medicine* 74(8), 1193-203.
- ¹⁷ USDA Economic Research Service (2008) *Convergence in Global Food Demand and Delivery*. Available at: http://ers.usda.gov/media/216744/err56_reportsummary_1_.pdf
- ¹⁸ Information provided by ConAgra to MSCI ESG Research during the company research phase.
- ¹⁹ Danone SA (n.d.) *Inventing new distribution models* [online] Available at: <http://www.danone.com/en/axes-strategiques/inventing-new-distribution-models.html>
- ²⁰ PepsiCo, Inc. (2009) *Annual Report*, p. 14. Available at: http://www.pepsico.com/annual09/downloads/PEPSICO_ANNUAL_REPORT2009_human_sustainability.pdf
- ²¹ Danone SA (2011) *Sustainability Report*, p. 65. Available at: http://www.danone.com/images/pdf/sustainable_report_2011.pdf
- ²² Danone SA (n.d.) *Inventing new distribution models* [online] Available at: <http://www.danone.com/en/axes-strategiques/inventing-new-distribution-models.html>

All links accessed early February 2013.

D Marketing

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

This Category captures the extent to which companies support consumers in making healthy choices by adopting responsible marketing practices and prioritizing the marketing of healthier products. The Category consists of two parallel groups of three Criteria:

ALL CONSUMERS

- D1** Responsible marketing policy
- D2** Auditing and compliance with policy
- D3** Advertising focus

CHILDREN

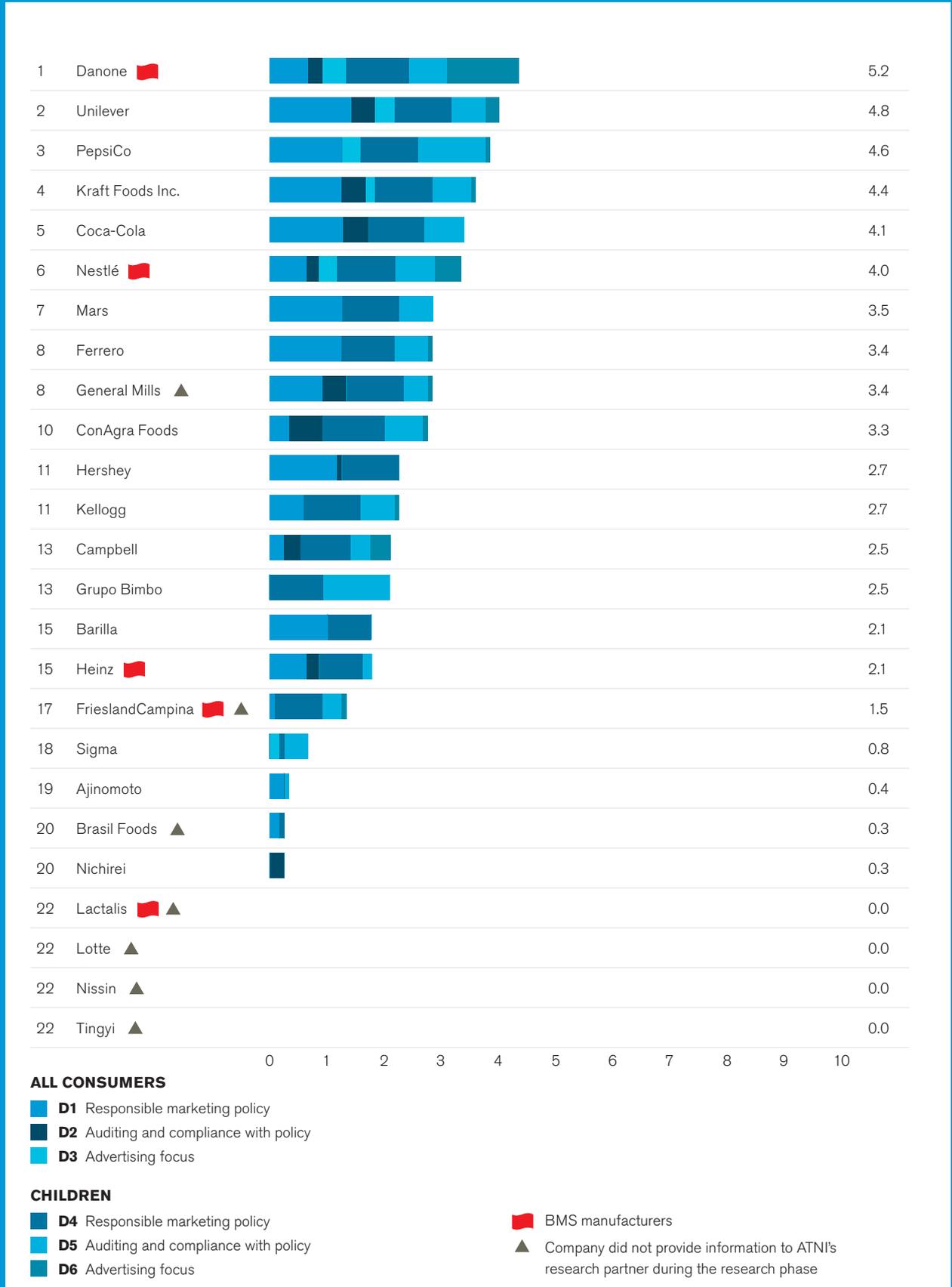
- D4** Responsible marketing policy
- D5** Auditing and compliance with policy
- D6** Advertising focus

These two groups of Criteria are treated separately in the following discussion.

To perform well in this Category, companies should:

- Establish and implement a policy on **marketing to all consumers** that is comprehensive in its scope of guidance and applies to all media channels and markets in which they operate
- Establish and implement a policy on **marketing to children** that is comprehensive in its scope of guidance and applied to all media channels and markets in which they operate
- Demonstrate concrete actions that prioritize marketing investments in their healthier products and make consumers aware of the benefits of consuming products high in micronutrients that are otherwise deficient in the diet
- Commission independent audits of compliance with their own policies and disclose these results, as well as disclose their individual results from audits conducted as part of any industry-led marketing pledges¹ to which they adhere

Results



Key findings

- Despite the considerable pressure on companies to market responsibly, much remains to be done in this area, as indicated by the low scores in this Category relative to other areas assessed by ATNI. For example, seven companies provide no evidence that they have a policy on marketing directed to all consumers.
- Many companies have adopted policies and/or signed on to industry-led pledges that serve to guide their marketing to children, but the geographic scope of application of these is often unclear. In addition, these policies and pledges vary with regard to the scope of marketing practices to which they apply.
- While many companies commission (or are subject to) independent audits of their performance against marketing policies and/or pledges, only two publicly disclose their individual results from these audits.
- Very few companies provide documentary or otherwise convincing evidence of commitments or objectives to emphasize healthier products in their marketing efforts to all consumers. While more companies do so with regard to their marketing to children, only a small number provide examples or quantitative data to substantiate the implementation of these commitments.
- Five companies that manufacture breast-milk substitutes are reported not to be in compliance with the International Code.²

Key recommendations

- All companies that have not yet adopted a global policy on marketing to all consumers, that applies to all media, should do so.
- Each company should adopt a single policy on marketing to children that applies to its practices in all markets in which it operates and covers all media channels.
- The large number of companies that have not committed to prioritizing healthier products in their marketing to all consumers should do so. Companies should also provide quantitative substantiation of such efforts in the context of all consumers and specifically with regard to children.
- Companies can help to address undernutrition by developing and/or supporting campaigns which raise consumer awareness of the benefits of consuming foods that are high in nutritional value.
- Companies that have their own policies or commitments on marketing to children should commission an independent, external audit of their practices on a regular basis. Companies that are subject to audits as part of industry pledges to which they adhere should disclose their individual results from these audits.
- Companies which manufacture breast-milk substitutes should take immediate action to ensure that their practices are in full compliance with the International Code, including those that fall within the scope of this Category as well as within other relevant Categories.³

D1-D3 Marketing to all consumers

Consumers' purchasing decisions are guided not only by personal preferences, but are also influenced by a host of external factors, including companies' marketing practices. As such, companies can play a constructive role by emphasizing healthier products in their marketing, rather than more energy dense, nutrient-poor foods and beverages.

In many countries, governments regulate companies' marketing to protect consumers from false and misleading claims. Companies can further demonstrate their commitment to responsible marketing by adopting their own policies or adhering to codes developed by industry associations, especially in countries where there is little or no government regulation.

BOX 3

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."⁴ The activities assessed under this Category fall within this broad definition.

D1 Responsible marketing policy (all consumers)

This Criterion assesses whether companies have a responsible marketing policy aimed at all consumers and the nature and scope of that policy.

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 created in 1937. The ICC Code provides guidance to a wide range of stakeholders and is also the foundation of most national self-regulatory marketing codes.⁵ 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 a framework to provide more specific guidance on how these principles should be applied in the food and beverage sector. This Framework for Responsible Food and Beverage Marketing Communications (ICC Framework) was updated in 2012 to align with the 2011 (and most recent) revision of the overarching ICC Code.⁶

This Criterion assesses companies based on relevant guidelines drawn from the ICC Framework, examples of existing company policies that go beyond the ICC Framework, and input from the ATNI Expert Group.

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

- Have a marketing policy that applies to all consumers, to all types of media, and to all markets in which they operate.⁷
- Adhere to the following guidelines drawn 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 present products in the context of a balanced diet.
 - To present products in the appropriate portion size and context (and not condone or encourage excess 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.⁹
- Publish their policies or follow a publicly available industry code; and
- Are in compliance with the International Code (for companies that manufacture breast-milk substitutes).⁹

Detailed results

Commitments

Eighteen out of the 25 companies assessed demonstrated that they have policies on marketing to all consumers, although details of these policies are not always made public. Eleven companies have a policy that applies to all media (e.g., print, broadcast, online, mobile). Of these, six companies adhere to the ICC Framework commitments. Examples from companies with policies that apply to all media include:

- **Heinz:** “Consumer education, communication, public relations, marketing and advertising are defined as any activity undertaken on behalf of any Company brands, products or businesses to communicate with consumers (of any age), customers, the media or other publics. This encompasses communications in the forms of: paid advertising (in any media, including, but not limited to, television, radio, newspapers, periodicals, billboards or the internet), news releases, public service announcements, public relations campaigns, brochures, books, booklets, videos and films, Web sites, on-pack promotions, interactive software, sweepstakes and premiums.”¹⁰
- **Kellogg:** “Our Worldwide Marketing and Communication Guidelines (WWMCG) provide a consistent global framework for responsible marketing practices, including our advertising and marketing approach for digital and traditional media, in-school activities, licensed property use, contests and promotions. They also include rules related to privacy protection, e-commerce and other media.”¹¹
- Among other elements of its policy, **Mars** makes the following commitments on marketing to general populations:
 - *Our communications will not undermine the pursuit of a healthy, balanced diet and active lifestyle.*
 - *Our communications will not encourage or condone excessive consumption of any food or drink.*
 - *Our communications will not promote compulsive snacking.*
 - *We will not associate our products with people who are excessively underweight or overweight.*

- *We will not use a celebrity in a way that might mislead consumers about the benefits of our brands.*
- *We endorse initiatives to encourage active lifestyles including the sponsorship of sports events.*
- *We will direct our marketing communications in all media to adults who make household purchasing decisions (gatekeepers) and young people 12 and over, both in terms of ad content and media purchasing.*
- *We will continue to offer responsible and creative advertising featuring our products, trademarks, brands and spokescharacters suitable for our intended audiences.¹²*

In addition to its compliance with the ICC Framework on marketing, **Unilever** has a commitment to use models and actors with a body mass index (BMI) of between 18.5 and 25. This range is aligned with the World Health Organization's definition of a 'healthy' BMI and is intended to prevent use of "size zero models or actors" so as not to "promote 'unhealthy' slimness".¹³

Performance

There are no performance Indicators in this Criterion.

Disclosure

Twelve companies disclose their policies on marketing to all consumers and/or state their adherence to the ICC Framework.

D2 Auditing and compliance with policy (all consumers)

This Criterion assesses whether companies audit compliance with their marketing policies as they relate to general consumer audiences.

Basis for company assessment

This assessment approach was developed in consultation with the ATNI Expert Group due to the absence of consensus guidelines or statements from norm-setting bodies on auditing of marketing policies that apply to all consumers. Auditing is a practice encouraged by other similar indexes as an effective means of determining whether policies are appropriately implemented.

Companies are assessed on whether they:

- Conduct internal audits, commission external audits, or are subject to an aggregate audit as part of an industry pledge.
- Disclose details about the results of these audits; and
- Are in compliance with the International Code (for companies that manufacture breast-milk substitutes).

Detailed results

Commitments

There are no commitment Indicators in this Criterion, as the key issue is whether companies actually conduct audits and disclose their results, rather than whether they only commit to doing so.

Performance

Seven companies conduct internal audits (or carry out ongoing monitoring) of all of their marketing activities. No companies were found to use external agencies or industry associations to assess compliance with their policies on marketing to general audiences (though some companies do use external auditors for their policies related to marketing to children, as discussed later in this Category section).

Disclosure

No companies publicly disclose details on the findings of their audits of marketing policies as they relate to all consumer audiences.

D3 Advertising focus (all consumers)

This Criterion assesses the extent to which companies have prioritized their healthier products in their marketing strategies. Such actions could increase the likelihood that consumers will be influenced to choose healthier products.

With respect to consumers who are at risk for or suffering from undernutrition, a key challenge to increasing their consumption of products that are high in nutritional value is to ensure that they are aware of the availability of these products and their health benefits. Companies can play a constructive role by marketing these products in a way that helps address this knowledge gap.

Basis for company assessment

In the absence of consensus guidelines or statements from norm-setting bodies prescribing an approach to the commercial marketing of fortified products as well as on the marketing of healthier products for general consumer audiences, this part of the assessment was developed in consultation with the ATNI Expert Group.

Companies are assessed on whether they:

- Have set commitments, objectives and targets with respect to placing greater emphasis on marketing their healthier products to all consumers, and provide evidence of doing so, ideally by providing data demonstrating an increase in the proportion of advertising spending allocated to such products¹⁴
- Have committed to place a substantial emphasis on marketing their fortified products, and can provide evidence of having done so;
- Publish details on their commitments, objectives, targets and performance; and
- Are in compliance with the International Code (for companies that manufacture breast-milk substitutes)

Detailed results: Obesity and diet-related chronic diseases

Commitments

Very few companies currently articulate relevant commitments in this area.

Danone, **Nestlé** and **PepsiCo** state that they have a commitment to place greater emphasis on marketing healthy products to all consumers. **Danone** also has an objective to “maintain or increase the share of advertising expenditures on products for daily consumption and products contributing to improved overall nutrition intake.”¹⁵ No companies provided evidence of setting targets along these lines.

Performance

These same three companies provided evidence of prioritizing the advertising of their healthier products to all consumers. For example, **Danone** reports that in 2011, “56% of advertising expenditures for Dairy products [were] dedicated to promoting the healthiest products (meeting internal nutrition standards for daily consumption).”¹⁶

Disclosure

Danone and **Nestlé** publish their commitments to place greater emphasis on marketing healthy products to all consumers, but no companies publish objectives or targets.

Detailed results: Undernutrition

Commitments

While **Danone**, **Nestlé** and **Unilever** provide *examples* of marketing fortified products, no companies currently articulate explicit commitments to place a substantial emphasis on fortified products within their advertising efforts.

Performance

No companies provide quantitative evidence of having placed an emphasis on the advertising of fortified products.

Disclosure

No companies publish a commentary on their approaches to the advertising of fortified products.

D4-D6 Marketing to children

In efforts to reduce childhood obesity, significant attention has focused on the association between the marketing of foods and beverages and children's preferences and consumption patterns. It is widely agreed that children need special consideration with respect to marketing because of their relative inability to discern the persuasive intent of advertisements. 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 fat, sugar or salt. Evidence also shows that television advertising influences children's food preferences, purchase requests and consumption patterns."¹⁷

In recognition of the power of marketing practices, WHO's Global 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.¹⁸ WHO has subsequently issued a framework including recommendations for its member states on marketing to children, as well as a step-by-step guide for implementation.^{19 20 21}

A range of countries have introduced restrictions on television advertising of foods and beverages, ranging 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.²²

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.²³ These include:

- Codes or pledges developed by food and beverage industry associations and/or advertising or media associations; examples of such codes include the International Food and Beverage Alliance's Global Policy on Advertising and Marketing Communications to Children,²⁴ the EU Pledge,²⁵ and the Children's Food and Beverage Advertising Initiative²⁶
- Individual policies developed unilaterally by a company to guide its own marketing practices

When companies sign up to industry self-regulatory codes or pledges, they commit 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 (see Table 7 in Annex 4 for more details on how the elements of self-regulatory codes differ). Some companies go beyond these pledges by adding their own commitments that apply more stringent standards to their marketing practices with respect to children.

A key aspect of self-regulatory codes, pledges and policies is that they generally restrict companies' marketing activities to children to only the companies' "healthy" products. The definition used by each initiative of what constitutes a healthy product is therefore of central importance to the impact that each code can have.²⁷ Industry codes typically allow companies to establish their own definitions of what constitutes a healthy product, and these definitions can vary significantly among companies.²⁸ However, one code (the EU Pledge) has recently developed its own nutrition criteria for some product categories, though companies do not have to adhere to these criteria until December 2014.²⁹

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 that have proposed their own standards for responsible marketing to children are:

- **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.”³⁰
- **Consumers International (CI)** and the **International Obesity Task Force (IOTF)**, which published their proposals in 2008 for how the WHO Recommendations should be put into practice.³¹

D4 Responsible marketing policy (children)

This Criterion 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.

Basis for company assessment

The Indicators used to assess companies’ policies on marketing to children are drawn from the wide range of voluntary marketing codes, policies and pledges that currently exist, as described above. They also reflect the views of other 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 a company’s policy is, in terms of both content and geographic coverage.

Among other issues, companies are assessed on whether they:

- Adopt comprehensive policies that restrict the marketing of less-healthy foods and beverages to children and apply these policies to all markets in which they operate;
- Have policies that:
 - Apply to multiple forms of media (e.g., print media, internet communications);
 - Prohibit all advertising to children, or allow the advertising of only healthy products
 - Strictly define what constitutes a child audience;
 - Commit to support healthy diets and active lifestyles, to use responsible advertising techniques (including related to the use of celebrities, animation, toys and games), not to undermine the role of parents, and to fairly represent foods with the use of objective claims;
- Commit to responsible marketing in and near primary schools, secondary schools and other places where children gather; and
- Publish their policies or follow industry codes that are publicly available.

Detailed results

Commitments

Twenty companies demonstrated that they have their own policies to guide their marketing practices with respect to children or that they have committed to one or more industry pledges on responsible marketing (and in some cases they do both). The scope or extent of application of companies' commitments or policies is not always clear, however, as companies often sign on to several pledges that include different principles in different countries.

- The top-scoring companies (**Danone** and **ConAgra**) adhere to strict policies on marketing to children. **Danone** has its own policy on marketing to children and it also supports multiple industry-led marketing codes and pledges. It has the most comprehensive commitments to restrict marketing in and near schools, and it would achieve an even higher score if its commitments extended to all of the markets in which it operates. **ConAgra** also scores well, as it is a signatory of two industry pledges in North America that set strict standards and cover all of the markets in which it operates.
- The next-highest-scoring companies on this Criterion are the ten companies assessed by ATNI that are members of the International Food and Beverage Alliance (IFBA) (**Coca-Cola**, **Ferrero**, **General Mills**, **Grupo Bimbo**, **Kellogg**, **Kraft**, **Mars**, **Nestlé**, **PepsiCo**, and **Unilever**). Each of these companies supports the IFBA's Global Policy on Advertising and Marketing Communications to Children.³² In addition, some of these companies support other codes and pledges that have varying commitments and geographic scope, which accounts for some variation among these companies' total scores.
- The next-highest-ranking companies have their own policies on marketing to children (**Campbell**, **FrieslandCampina**, and **Hershey**). **Campbell** states that it adheres to several other pledges, but the geographic scope of its commitments is unclear. In addition to having their own policies, **FrieslandCampina** and **Hershey** support several industry pledges. However, these policies and pledges together do not cover all of the aspects of marketing assessed in this Criterion.
- Further down the rankings are two companies (**Brasil Foods** and **Sigma**) that support local marketing codes or commitments. **Brasil Foods** signed a joint letter with other companies operating in Brazil that makes a series of commitments, while **Sigma** has signed on to Código PABI, a Mexican pledge on marketing to children. Neither of these pledges covers the full scope of Indicators in this Criterion.
- Two other companies (**Barilla** and **Heinz**) have their own policies but do not provide any evidence that they have signed on to any industry codes or pledges.
- One company (**Ajinomoto**) states that it has its own policy on marketing to children but does not provide any details on the content of this policy.
- Five companies did not provide any evidence of adhering to industry codes or of having their own commitments.

Table 6 in Annex 4 provides a summary of the industry codes to which each company has committed.

With respect to the specific components of companies' policies on responsible marketing to children, a series of trends emerged:

- **Forms of media covered:** Only five companies either have their own policy that applies to all media or have committed to an industry pledge that applies to all media. An additional eight companies have policies (and/or adhere to industry pledges) that apply to all forms of media except in-store marketing and point-of-sales.

- **Age of child:** Fourteen companies commit to not advertising any of their products (healthy or not) to children under six years of age. In addition, thirteen companies set an age threshold of 12 under which they will only advertise their healthy products. No company extends such a commitment to children under 16 years of age.
- **Definition of a child audience:** Many companies adhere to commitments to only advertise their healthy products on television programs when the percent of children watching that program exceeds a certain threshold. In this context, a lower threshold represents a stronger policy. Twelve companies define this threshold as 35% or more of the audience consisting of children (as defined by the company's pledge regarding the age threshold for children, which is generally 12 years old), while one company sets this threshold at 50% or more of the audience. Three companies go further: **FrieslandCampina** and **Hershey** set a threshold of 30% and **Mars** sets a threshold of 25% of the audience.
- Of note, **Coca-Cola**, **Hershey**, and **Mars** do not distinguish between healthy and less-healthy products in their portfolio. These companies, therefore, commit to not advertise at all to children under 12 during programs when more than a defined percentage of the audience consists of children.
- **Danone** is a clear leader with respect to commitments not to advertise in schools, as it is the only company assessed by ATNI that publicly pledges to extend its commitments to include no advertising for any of its products in and near secondary schools and in and near places where children gather.

Table 7 in Annex 4 provides details on individual companies' commitments on these components of marketing policies.

Results of the assessment of other aspects of companies' marketing policies to children include:

- Fifteen companies make some commitments not to create an inappropriate sense of urgency and/or not to use inappropriate price minimization in their advertising and marketing.
- Nineteen companies make some commitment to support healthy diets and lifestyles and to reinforce the role of parents in guiding such choices, though the scope of these commitments varies. Only three companies have comprehensive approaches and achieved the maximum score on these Indicators, however.
- The responsible use of celebrities and animation in marketing of products is covered by three industry codes and pledges (CFBAI, CARU and the ICC Code). Fourteen companies assessed by ATNI support one or more of these codes and pledges and, therefore, score on some of the indicators addressing this topic. **Mars** has the most comprehensive approach in this area, as its commitments go beyond the codes to which it adheres.
- In addition, twelve companies make commitments relating to the appropriate use of toys, games, vouchers and competitions in their marketing.

Performance

There are no performance Indicators for this Criterion.

Disclosure

Eighteen companies publish their policy on marketing to children.

D5 Auditing and compliance with policy (children)

Though adopting a policy or signing a pledge regarding responsible marketing to children is an important first step, a key area of assessment is whether companies follow through in implementing their policies. Independent auditing of companies' compliance with their commitments is an effective means of ensuring that such commitments are appropriately implemented.

Basis for company assessment

Auditing of commitments on responsible marketing to children is a practice 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 Criterion builds on these recommendations and requirements and was developed in consultation with the ATNI Expert Group.

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 that cover all types of media.
- Disclose details about the results of any audits.
- Commit to any needed corrective actions.

Detailed results

Commitments

There are no commitment Indicators in this Criterion, as the key issue is whether companies actually conduct audits and disclose their results rather than whether they only commit to doing so.

Performance

The majority of companies have an internal audit system in place to evaluate compliance with policies on marketing to children. These internal systems often include continuous monitoring of a company's marketing practices in addition to a periodic audit. Many companies are also audited as a condition of their participation in industry pledges that require an external audit of all signatories (see Table 8 in Annex 4 for details on the auditing requirements of such pledges). Such audits cover the forms of media that the pledge addresses and are conducted on an annual basis.

Disclosure

A company that publishes audit data on its compliance with its marketing policy is following good practice. Very few companies do this voluntarily. Instead, more companies report the aggregate compliance level of a group of companies with the industry code to which they adhere. Upon request during the research phase, six companies disclosed their individual compliance levels with the marketing codes to which they adhere.

Only three companies publish their individual compliance levels on one or more of the audits that were conducted on their practices. Of these, only **Grupo Bimbo's** audit results demonstrated that it is fully compliant with its marketing policy.³³

D6 Advertising focus (children)

Companies allocate significant resources towards marketing to children. Though public data on how much companies spend on these efforts is limited, several reports in recent years have collated figures for such spending. In 2008, for instance, the U.S. Federal Trade Commission reported to Congress that in 2006 over US \$1.7 billion was spent by 44 companies on the marketing of foods and beverages to children and adolescents in the U.S.A.³⁴

Several of the marketing codes and pledges described under Criterion D4 appear to be having a modest impact on reducing marketing of unhealthy food to children:

- In the U.S.A., sixteen food and beverage companies support the Children's Food and Beverage Advertising Initiative. According to the Center for Science in the Public Interest (CSPI), this program "has led to a modest decrease in unhealthy food marketing to children. From 2003 to 2009, the percentage of ads aimed at kids that were for unhealthy food decreased from 94 to 86."³⁵
- The IFBA states that, "Monitoring of television food advertising in the EU by companies participating in the EU Pledge, including IFBA members, over the past three years, confirms a downward trend in children's exposure to television food advertising since 2009."³⁶

It is clear that companies should do much more to reduce their advertising, especially of unhealthy products, to children. This Criterion assesses whether companies provide credible evidence that they are following through on their commitments in this area.

Basis for company assessment

The assessment approach in this Criterion was developed in consultation with the ATNI Expert Group and is in line with international recommendations on responsible marketing to children, including the UN General Assembly's "Political declaration of the High-level Meeting of the General Assembly on the Prevention and Control of Non-communicable Diseases."

Companies are assessed on whether they:

- State clear commitments to prioritize their healthy products when advertising to children, supported by objectives and targets;³⁷
- Provide evidence of prioritizing only their healthy products in their advertising; and
- Publish commentary on having made such changes in the past three years.

Detailed results

Commitments

Most companies have a commitment to prioritize their healthy products when advertising to children under the age of 12 years. No company, however, has defined objectives and targets to back up its commitment on prioritizing its healthier products, including for directing more of its advertising spending to healthy products when marketing to children.

Performance

Danone and **Campbell** are the only companies that provided evidence, upon request, of the level of advertising expenses related to marketing their healthy products to children.

Disclosure

Very few companies publish any information on their performance against their commitments to limit their advertising spending to children to healthy products.

NOTES

- ¹ For more details on industry-led marketing pledges, see the “D4-D6 Marketing to children” section below.
- ² Determinations on companies’ compliance with the International Code are based on IBFAN’s assessments of their practices. More details on this assessment approach are provided in the “Methodology” section of this report.
- ³ Categories E and F also include Indicators related to companies’ compliance with the International Code.
- ⁴ American Marketing Association (n.d.) Definition of Marketing [online] Available at: <http://www.marketingpower.com/aboutama/pages/definitionofmarketing.aspx>
- ⁵ 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/>
- ⁶ 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/>
- ⁷ 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.
- ⁸ 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/>
- ⁹ World Health Organization (1981) *International Code of Marketing of Breast-Milk Substitutes*. Available at: <http://www.who.int/nutrition/publications/infantfeeding/9241541601/en/> Article 5 (p. 10-11) pertains to advertising and promotion of products within the scope of the Code and is therefore relevant to Criteria D1-D3 (both undernutrition and obesity and diet-related chronic diseases). Given the significant public health benefits of optimal breastfeeding, an Indicator assessing companies’ compliance with the International Code was assigned a value equal to 50% of the points available for this Criterion. The same approach was taken for these Indicators in Criteria D2 and D3. More details on this approach and how the assessment was conducted can be found in the “Methodology” section of this report.
- ¹⁰ HJ Heinz Company (n.d.) *Ethics and Compliance: Communication Guidelines* [online] Available at: <http://www.heinz.com/our-company/ethics-and-compliance/communication-guidelines.aspx>
- ¹¹ Information provided by the Kellogg Company to MSCI ESG Research during the company research phase.
- ¹² Mars, Incorporated (2009) *Mars Marketing Commitments*. Available at: http://www.mars.com/global/assets/documents/Mars_Marketing_Commitments_March_2009.pdf
- ¹³ Unilever (2007) *Unilever strengthens its global commitment to responsible marketing* [online] Available at: <http://www.unilever.com/mediacentre/pressreleases/2007/unileverresponsiblemarketing.aspx>
- ¹⁴ Marketing comprises many activities beyond advertising, such as sponsorship and promotion. ATNI’s assessment is focused on companies’ advertising spending, however, as companies are more likely to be able to provide this figure than one for marketing more broadly.
- ¹⁵ Danone SA (2011) *Sustainability Report*, p. 61. Available at: http://www.danone.com/images/pdf/sustainable_report_2011.pdf
- ¹⁶ *Ibid.*, p. 61.
- ¹⁷ 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
- ¹⁸ 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
- ¹⁹ 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>
- ²⁰ World Health Organization (2010) *Set of Recommendations on the Marketing of Foods and Non-Alcoholic Beverages to Children*, p. 5.
- ²¹ 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/
- ²² Center for Science in the Public Interest (2007) *Food Marketing in Other Countries*. Available at http://www.cspinet.org/nutritionpolicy/foodmarketing_abroad.pdf
- ²³ See Annex 4 for more information about the components of these pledges.
- ²⁴ 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>
- ²⁵ European Union (n.d.) *EU Pledge* [online] Available at: <http://www.eu-pledge.eu/>



- ²⁶ The Better Business Bureau (n.d.) *Childrens Food and Beverage Advertising Initiative* [online] Available at: <http://www.bbb.org/us/childrens-food-and-beverage-advertising-initiative/>
- ²⁷ 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.
- ²⁸ International Association for the Study of Obesity (2011) *A junk-free childhood: Responsible standards for marketing foods and beverages to children*, A briefing paper from the StanMark Project, p. 7. Available at: http://www.iaso.org/site_media/uploads/IASO_food_marketing_report_30_June_2011.pdf
- ²⁹ European Union (2012) *EU Pledge Nutrition Criteria White Paper*. Available at: http://www.eu-pledge.eu/sites/eu-pledge.eu/files/releases/EU_Pledge_Nutrition_White_Paper_Nov_2012.pdf
- ³⁰ 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>
- ³¹ Consumers International and International Obesity Task Force (2008) *Recommendations for an International Code on Marketing of Foods and Non-Alcoholic Beverages to Children*. Available at: <http://www.consumersinternational.org/media/314595/recommendations%20for%20an%20international%20code%20on%20marketing%20of%20foods%20and%20non-alcoholic%20beverages%20to%20children.pdf>
- ³² International Food and Beverage Alliance (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>
- ³³ Grupo Bimbo (2011) *Integrated Annual Report 2011*, 'Responsible communications and nutrition labeling' [online]. Available at: <http://www.grupobimbo.com/informe/Bimbo-Informe-Anual-2011/en/communication-and-labeling.php>
- ³⁴ Federal Trade Commission (2008) *Marketing Food to Children and Adolescents: A Review of Industry Expenditures, Activities, and Self-Regulation*, pp. ES1-ES2. Available at: <http://www.ftc.gov/os/2008/07/P064504foodmktgreport.pdf>
- ³⁵ Center for Science in the Public Interest (2012) 'Disney to Cut Junk Food Ads on Kids' Television' [online]. Available at: <http://www.cspinet.org/new/201206051.html>
- ³⁶ International Food and Beverage Alliance (2011) *Five Commitments to Action in support of the World Health Organization's 2004 Global Strategy on Diet, Physical Activity and Health, 2011 Progress Report*, p. 19. Available at: <https://www.ifballiance.org/sites/default/files/IFBA%20Progress%20Report%202011%20%28FINAL%2029%204%202012%29.pdf>
- ³⁷ Marketing comprises many activities beyond advertising, such as sponsorship and promotion. As in Criterion D3, the assessment in this Criterion is focused on companies' advertising spending, as companies are more likely to be able to provide this figure than one for marketing more broadly.

All links accessed early February 2013.

E Lifestyles

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

Companies can support healthy diets and active lifestyles for their own staff by providing 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 can also help a broader audience to adopt healthy diets and active lifestyles through support for education programs geared towards consumers.

This Category assesses the extent to which companies support such efforts through two Criteria:

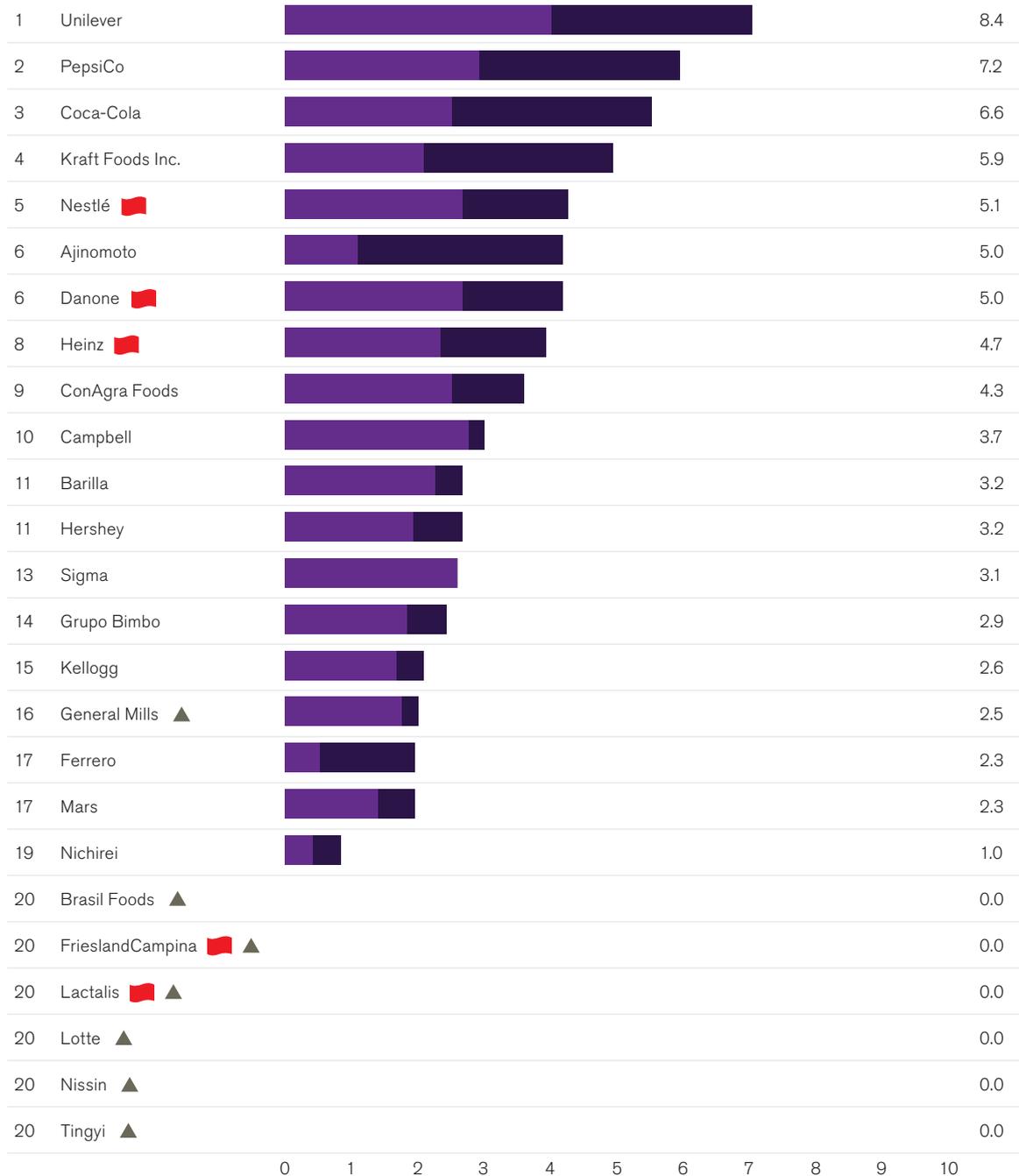
E1 Supporting staff healthy and wellness

E2 Supporting consumer-oriented healthy diet and active lifestyle programs

To perform well in this Category, companies should:

- Offer comprehensive staff health and wellness programs to all employees and commission independent evaluations of their health and/or business impact
- Commit to supporting consumer-oriented healthy diet and active lifestyle programs developed and implemented by independent organizations with relevant expertise (e.g., EPODE International Network). These programs, or any that companies themselves develop, should also be independently evaluated for impact
- Support third-party social marketing campaigns aimed at helping consumers (particularly those at risk of undernutrition) understand the benefits of consuming foods that are high in nutritional value

Results



■ **E1** Supporting staff healthy and wellness
■ **E2** Supporting consumer-oriented healthy diet and active lifestyle programs

■ BMS manufacturers
▲ Company did not provide information to ATNI's research partner during the research phase

Key findings

- The relatively strong performance by companies overall in this Category is largely driven by the widespread provision of staff health and wellness programs. The leading companies also support consumer-oriented education programs, including social marketing campaigns targeted at the undernourished.
- While the majority of companies have a staff health and wellness program, leading companies make multi-faceted programs¹ available to their employees globally and commission independent evaluations of their impact.
- Although many companies are engaged in various efforts to educate consumers on healthy diets and active lifestyles, very few commission independent evaluations of the impact of such programs.
- Nearly half of the companies assessed demonstrate a commitment to, and support for, social marketing or consumer nutrition education programs aimed at the undernourished.
- All five companies that manufacture breast-milk substitutes are reported not to be in compliance with the International Code.²

Key recommendations

- Companies that do not currently have a comprehensive staff health and wellness program should introduce one and make it available to all employees.
- Companies should commission independent evaluations of their staff health and wellness programs, disclose the results of such evaluations, and articulate the health and business impacts of these programs.
- With regard to efforts to educate consumers on healthy diets and active lifestyles, companies should disclose details on whether they develop or administer their own programs or support independent parties with relevant expertise to do so (along with their role in such programs) and whether independent evaluations are conducted. When companies do commission independent evaluations of their programs, they should make the results public.
- Companies should also disclose more information on consumer education efforts and social marketing campaigns that they have undertaken around the benefits of consuming foods that are high in nutritional value in the context of undernutrition.
- Companies that manufacture breast-milk substitutes should take immediate action to ensure that their practices are in full compliance with the International Code, including those that fall within the scope of this Category as well as within other relevant Categories³

E1 Supporting staff health and wellness

Many leading companies across all sectors understand the importance of supporting their staff's efforts to engage in healthy diets and active lifestyles. Among the steps they have taken is the development of corporate health and wellness programs for their employees. By offering such programs, companies can contribute to improved health for their own staff, while facilitating a corporate culture that can lead to better consumer-facing nutrition practices.

Workplace health and wellness programs have also been shown to yield financial benefits for the companies that implement them. A publication of the World Business Council for Sustainable Development and the International Business Leaders Forum notes that: "Health concerns burden corporate competitiveness through absenteeism, decreased '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 US 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 US\$3 for each US\$1 invested."⁴

Not only can companies benefit financially from implementing effective staff and health and wellness programs, but the companies assessed in the ATNI Global Index can have a positive impact on the health of the more than 2.2 million staff that they collectively employ.⁵

Basis for company assessment

This assessment is based on input from the ATNI Expert Group and the 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.⁶
- "What's the Hard Return on Employee Wellness Programs?," Harvard Business Review 2010.⁷
- Workwell Campaign, Business in the Community.⁸

Companies are assessed on whether they:

- Offer comprehensive staff health and wellness programs (including components from each of the areas shown in Table 5 below);
- Make these programs available to all of their employees globally and to their employees' families; and
- Commission independent evaluations of the health and/or business impacts of these programs.

TABLE 5 Components of workplace health and wellness programs

Healthy diet	Active living	Support and incentives
<ol style="list-style-type: none"> 1. Seminars on nutrition or diet 2. Online materials and support for staff on nutrition and diet 3. Healthy options/diet plans in cafes and restaurants on work sites 4. Dietary information on menus 5. Subsidized fruit/healthy snacks 6. No subsidies on high sugar/fat/salt products 7. Cooking master classes focused on healthy options 8. Links to local fresh food markets or similar 9. Personalized nutrition plans 	<ol style="list-style-type: none"> 1. Gyms on work sites 2. Personalized exercise plans 3. Subsidies for gym memberships offsite 4. Lunchtime/worktime walking or exercise clubs 5. On-site sports teams 6. Active participation in offsite sports activities 7. Encouragement to use stairs 8. Encouragement/facilities to walk/bike to work 9. Online resources about healthy living/exercise 	<ol style="list-style-type: none"> 1. Senior staff model good behavior, publicize their efforts 2. Health-focused welcome pack for new employees 3. Healthy living/nutrition campaigns regularly throughout work sites 4. Awards for staff making good progress 5. Other: counseling sessions, work-life balance sessions, etc.

Detailed results

Commitments

Nineteen companies state a commitment to support staff health and wellness through nutrition, diet and physical activity programs. Many companies provide comprehensive programs at both their corporate headquarters and throughout their global operations.

Nine companies state broad objectives with regard to reaching all of their employees in all locations with their health and wellness programs, but only **Unilever** provided information showing that it has set quantitative targets for the reach of its program. The company demonstrated that it has set clear targets related to the scope and expansion of its staff health and wellness program (known as “Lamplighter”), stating, “We will implement Lamplighter in an additional 30 countries between 2012 and 2015. Our longer-term goal is to extend it to all the countries where we operate.”⁹

Performance

Eight companies provided evidence of health and wellness programs that contain at least one component in each of the three areas listed above (healthy diet, active living, and support and incentives), while seven companies have programs that contain at least one component in two of these areas.

Nine companies provided examples of programs that extend to employees’ families. One such program is **PepsiCo’s** “Healthy Living” program:

“In the U.S. and Canada, Healthy Living encourages associates and their families to focus on healthy lifestyles at home, at work and at play, and includes access to preventive screenings and rewards for participating in personal health assessments and for completing health improvement programs.... Healthy Living encourages associates and their families to seek routine, preventive care, make behavioral changes to reduce health risks and work one-on-one with a health coach to manage ongoing health conditions.... In the U.S., about two-thirds of our associates and their spouses/partners have registered for Healthy Living and 49 percent of them have completed the personal health assessment.”¹⁰

Seven companies have a broad statement articulating the expected health and business outcomes for their health and wellness programs such as enhancing nutrition knowledge, reducing employee absence due to illness, reducing employee turnover, and positive lifestyle changes. These statements, however, generally do not provide quantitative details on expected health outcomes.

Seven companies disclosed that they have commissioned independent evaluations of the impact of their health and wellness programs. Some of these evaluations were still in progress when the ATNI research phase concluded, while other companies have not publicly disclosed the results of their completed evaluations. Only **Unilever** demonstrated that it had published results of an independent evaluation of the health outcomes of its health and wellness program, as described in the “Disclosure” section below.

Disclosure

While the majority of companies publish commentary on their health and wellness programs, only a few disclose details on the outcomes of these programs. Examples of company disclosure on these programs and their results include:

- **Unilever** commissioned Lancaster University’s Centre for Organisational Health and Well-Being to conduct and publish an independent evaluation of its health and wellness program, including quantitative outcomes. The evaluation reported an 18% increase in the number of employees who exercise and a 13% decrease in the number of employees with high blood pressure.¹¹
- **Barilla’s** “Si.Mediterraneo” program is an example of the “healthy diet” aspect of staff health and wellness programs. This pilot project was developed in 2011 in collaboration with the Department of Clinical and Experimental Medicine of the Federico II University of Naples and the Barilla Nutrition Advisory Board. The project aimed at increasing awareness among Barilla’s employees of the benefits of the Mediterranean diet and improving their eating habits. Nutrition information and healthy products were offered at the company’s restaurants and their consumption monitored as part of the impact assessment process. The results showed an increase in consumption of those foods more in line with the Mediterranean diet (e.g., whole grain bread and pasta, white meat, pulses) and a decrease in consumption of those foods less in line with such a diet. The company is planning on extending the project to other Barilla locations.¹²
- **Sigma** reported that it measures cholesterol, lipid and blood pressure levels of its staff on an annual basis as part of its health and wellness program and that in two months 272 kilos were lost.

E2 Supporting consumer-oriented healthy diet and active lifestyle programs

Many companies develop and promote their own educational programs focused on healthy diets and active lifestyles for consumers. The content of these programs may be generated by the companies themselves, or companies 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 non-governmental organizations (NGOs).¹³ In some cases, companies provide input into 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 such 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 objectivity of companies' own programs is compromised by their commercial interests 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 from stakeholders that they play a more active role in promoting healthy diets and active lifestyles. Still others agree with a role for companies in supporting or administering programs, as long as they do not serve as platforms for corporate, brand or product advertising.

One limiting factor in efforts to address undernutrition has been limited consumer awareness of the benefits of foods that are high in nutritional value. Companies can play a constructive role by supporting social marketing campaigns, which are one effective way of delivering such messages to undernourished consumers. These campaigns can include activities such as posters, radio spots, theatre plays, use of local musicians, and the development of a special logo that can be used to brand fortified products. Many international organizations, NGOs, governments, and others are active supporters of such campaigns.¹⁴ WHO has outlined some keys to success for these programs.¹⁵

This divergence of views and the lack of guidelines for company practice made developing this part of the methodology particularly challenging. As a result, this area is highlighted as one among others requiring further knowledge and consensus-building (see the "Agenda for future development of ATNI" section of this report for more details).

Basis for company assessment

Because no formal guidance was identified from normative agencies regarding private sector activities in this area, ATNI's limited assessment is drawn from the experience of a few highly successful and well-regarded programs (such as EPODE¹⁶) and on input from the ATNI Expert Group.

Companies are assessed on whether they:

- Commit to support programs developed and implemented by independent organizations with relevant expertise;
- Publish descriptions of the programs they support that make clear the companies' role in them;
- Provide nutrition information for their products on their websites;
- 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); and
- Are in compliance with the International Code (if they manufacture breast-milk substitutes).¹⁷

Detailed results: Obesity and diet-related chronic diseases

Commitments

While no companies made a commitment to exclusively supporting programs developed and implemented by independent groups with relevant expertise, most of the companies assessed do commit to supporting some of these programs. For example, **Heinz** supports We Can!¹⁸ and America on the Move,¹⁹ and **Mars**, **Ferrero**, and **Nestlé** noted that they provide support to EPODE.²⁰

Performance

There are no performance Indicators for this Criterion.

Disclosure

Although some companies provided examples of their own nutrition education programs, they did not provide sufficient information for reliable assessment of the role that they play in these programs.

Two companies provided evidence of having conducted evaluations of their programs, but they have not publicly disclosed details on these evaluations or on their results. No companies demonstrated an explicit commitment to independent evaluation of all their programs and/or those they support.

No company provides online nutrition information for all of its products, but the majority of companies do provide such information for some of their products.

Detailed results: Undernutrition

Commitments

The data provided demonstrate that eight companies have made commitments (though of varying strength) to promote the benefits of fortification.

Performance

The same eight companies provided examples of consumer education programs they have supported that are focused on fortification to address micronutrient deficiencies. For example, **Ajinomoto** (through its Ghana Nutrition Improvement Project) is conducting a nutrition education program in cooperation with the Ghana Health Service that aims to provide information on the benefits of good nutrition and fortified foods.

Disclosure

Only three companies have published commentaries or details on the outcomes of their efforts to promote the benefits of fortified foods.

Most company information for this Criterion was not available publicly and was provided on request during the research process.

NOTES

- ¹ As described in the “Basis for company assessment” section of E1 and in Table 5 in that section.
- ² Determinations on companies’ compliance with the International Code are based on IBFAN’s assessments of their practices. More details on this assessment approach are provided in the “Methodology” section of this report.
- ³ Categories D and F also include Indicators related to companies’ compliance with the International Code.
- ⁴ 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.ch/DocRoot/4xr8EZThRA3Ck4HMgK6D/business-of-health.pdf>
- ⁵ Estimate based on companies’ public disclosures.
- ⁶ 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.ch/DocRoot/4xr8EZThRA3Ck4HMgK6D/business-of-health.pdf>
- ⁷ 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
- ⁸ Business in the Community, ‘Workwell Campaign’ [online]. Available at: <http://www.bitc.org.uk/programmes/workwell>
- ⁹ Unilever (2011) *Sustainable Living Plan Progress Report 2011*, p. 36. Available at: http://www.unilever.com/images/uslp-Unilever_Sustainable_Living_Plan_Progress_Report_2011_tcm13-284779.pdf
- ¹⁰ PepsiCo, Inc. (n.d.) *Health & Safety* [online] Available at: <http://www.pepsico.com/Purpose/Talent-Sustainability/Health-and-Safety.html>
- ¹¹ World Heart Federation (n.d.) *Unilever – LampLighter* [online] Available at: http://www.world-heart-federation.org/fileadmin/user_upload/images/world-heart-day/2010/WHD_Employers_resource_guide/case_studies/WHDCSUnileverLampLighter.pdf
- ¹² Barilla (2012) *Sustainable Business Report 2012: Good for You, Sustainable for the Planet*, pp. 78-79. Available at: http://www.barillagroup.com/mediaObject/corporate/our-responsibilities/sostenibilit-/BCSR_report_2011_long_2pages_eng/original/BCSR_report_2011_long_2pages_eng.pdf
- ¹³ 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.) *What is Heart Age?* [online] Available at: <http://www.world-heart-federation.org/about-us/support-us/corporate/strategic-partners/what-is-heart-age/>
National Heart Lung and Blood Institute (n.d.) *We Can!* [online] Available at: <http://www.nhlbi.nih.gov/health/public/heart/obesity/wecan/>
- ¹⁴ 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.
- ¹⁵ 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
- ¹⁶ EPODE International Network (n.d.) *EPODE International Network* [online] Available at: <http://www.epode-international-network.com/>
- ¹⁷ World Health Organization (1981) *International Code of Marketing of Breast-Milk Substitutes*. Available at: <http://www.who.int/nutrition/publications/infantfeeding/9241541601/en/> (Accessed 7 February 2013). Article 4 (p. 15-16) pertains in part to educational and informational material and is therefore relevant to Criterion E2 (both undernutrition and obesity and diet-related chronic diseases). Given the significant public health benefits of optimal breastfeeding, an Indicator assessing companies’ compliance with the International Code was assigned a value equal to 50% of the points available for this Criterion. More details on this approach and how the assessment was conducted can be found in the “Methodology” section of this report.
- ¹⁸ National Heart Lung and Blood Institute (n.d.) *We Can!* [online] Available at: <http://www.nhlbi.nih.gov/health/public/heart/obesity/wecan/>
- ¹⁹ America on the Move Foundation (n.d.) *America on the Move* [online] Available at: <https://aom3.americaonthemove.org/>
- ²⁰ EPODE International Network (n.d.) *EPODE International Network* [online] Available at: <http://www.epode-international-network.com/>

All links accessed early February 2013.

F Labeling

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

One important means of addressing obesity and undernutrition is to provide consumers with accurate, comprehensive and readily understandable information about the nutritional composition and potential health benefits of what they eat. This can promote better nutrition by helping consumers choose appropriate products to manage their weight and help to prevent or address diet-related chronic disease, as well as raise awareness of products that will address micronutrient deficiencies.

This Category assesses companies' approaches to product labeling and use of health and nutrition claims, particularly with respect to the consistency of their application across product portfolios and in different markets and their accordance with international standards. This assessment is divided into two Criteria:

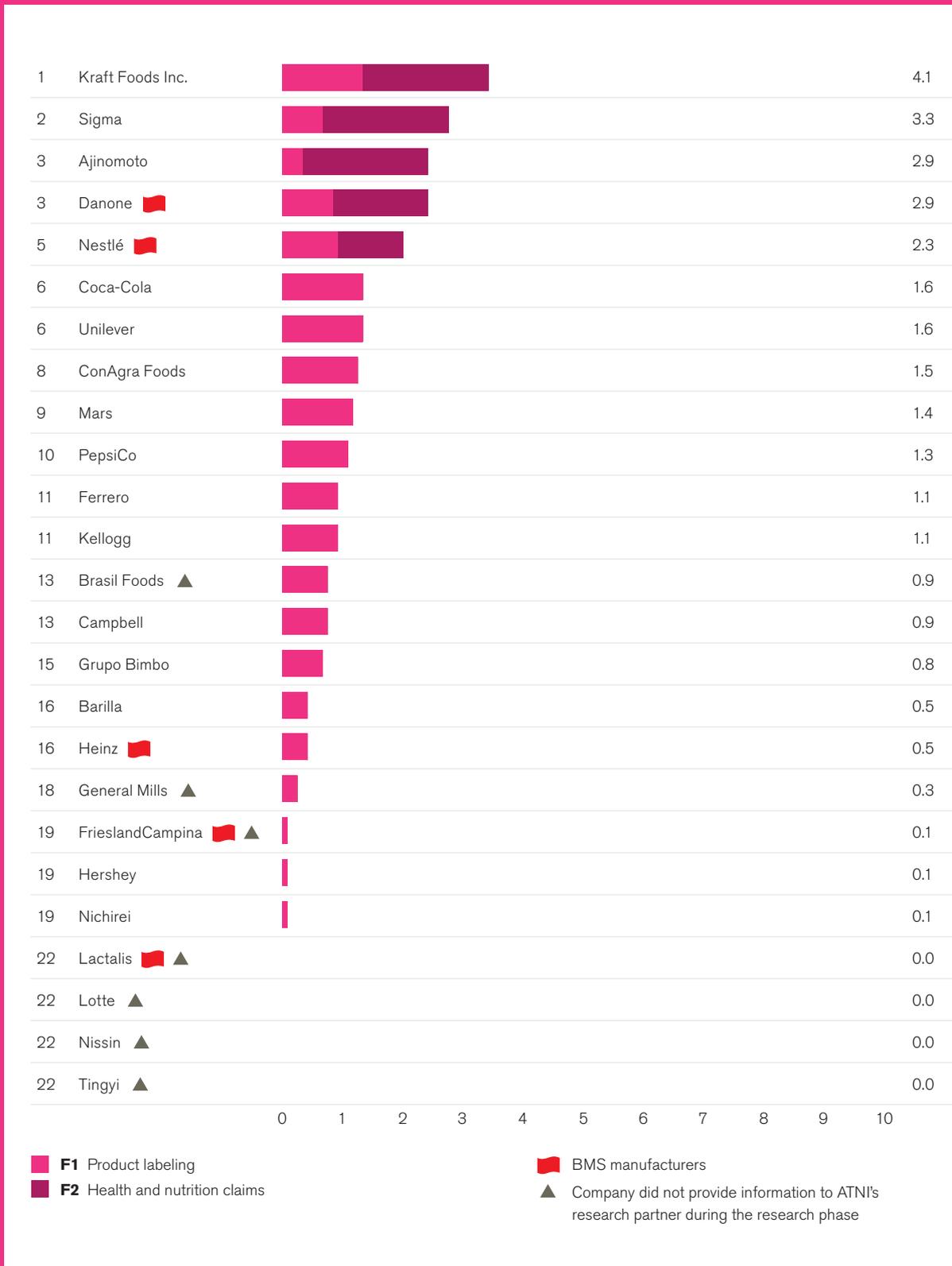
F1 Product labeling

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; (2) presents this information as a percentage of guideline daily amounts or daily values; (3) commits to providing nutritional information on the front of packs; and (4) with respect to undernutrition, commits to label all products that are fortified with micronutrients
- Adopt and publish a global policy on the use of health and nutrition claims that states that, for countries where no national regulatory system exists, all health or nutrition claims made on a product will be in full compliance with Codex guidelines.

Results



Key findings

- The top scores in this Category are the lowest compared to top scores in all other Categories assessed by ATNI; in addition, the scores of the other companies are very low. This relatively low level of performance is largely driven by three factors:
 - Companies do not disclose sufficient detail about their policies on labeling or on health and nutrition claims.
 - Few companies commit to follow Codex guidance on the use of health and nutrition claims in markets where the use of such claims is not regulated.
 - Many companies with international operations do not apply their policies globally.
- Most companies commit to labeling the nutritional content of their products, but few companies commit to including all key nutrients as recommended by Codex (as well as trans fats and fiber) on their labels.
- All five companies that manufacture breast-milk substitutes are reported not to be in compliance with the International Code.¹

Key recommendations

- With respect to back-of-pack nutrition labels, companies should:
 - Commit to applying the same labeling policy across their global operations (while not contravening national regulations);
 - Present information relative to guideline daily amounts and/or daily values;
 - Follow Codex guidance to provide information on a per serving or per portion basis. Companies should also commit to stating the number of portions or servings contained in each package; and
 - Include a commitment to label not only those nutrients covered by Codex, but also trans fats and fiber in all markets (where legally permissible).
- In countries where health and nutrition claims are not regulated, companies should commit to follow Codex guidance on the use of such claims.
- Companies should disclose more details on their labeling policies and their approaches to making health and nutrition claims. This will facilitate a better understanding of what companies do beyond complying with regulations.
- Companies that manufacture breast-milk substitutes should take immediate action to ensure that their practices are in full compliance with the International Code, including those that fall within the scope of this Category as well as within other relevant Categories.²

F1 Product labeling

One recent study on the use of product labels stated, “there is sufficient evidence from a range of study designs to conclude that providing nutrition information on packages has a positive impact on diet.”³ Nutrition information is generally 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 can take the form of summary quantitative information about the content of the products (generally based on what is provided on the back of packages). This information is sometimes also provided in a graphical rather than numerical format.

In addition, some companies use symbols, logos or icons on the front of packs that have been developed by independent organizations or governments to denote products that meet certain health or nutrition standards established by those bodies.

Back-of-pack labels in the U.S.A., Europe, and many other markets tend to be comprehensive, though national requirements may vary. In general, these labels are fairly detailed and 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 research has indicated that putting summary nutritional information on the front of packages can be more helpful to consumers than BOP labeling.⁴

Front-of-pack labels have become increasingly common, but differences of opinion exist on what information companies should be allowed or encouraged to place on the front of packages. Questions have been raised about which format is most easily understood by consumers and most effective in helping them make appropriate choices, as well as which systems allow quick and easy comparison of the most important nutrients from a health perspective. In addition, some governments are interested in reducing the wide variety of FOP label formats used by manufacturers and retailers so as to minimize consumer confusion.

In addition to FOP nutrition information labels, many logos have been developed in recent years by companies and other entities, in many markets, that designate whether a product is “healthy” or benefits health in certain ways.

Examples include the “heart-check mark” developed by the American Heart Association,⁵ the Nordic Keyhole system,⁶ the Healthy Choice logo developed by Choices International,⁷ and the Heart Foundation Tick logo in Australia.⁸

These logos present consumers with a series of challenges, as it can be difficult for them to:

- Distinguish which ones have been developed by a food and beverage company and which ones have been developed by an independent organization;
- Understand the definition of “healthy” used by different organizations;
- Understand the precise nutritional or health message conveyed by the logo; and
- Understand that the absence of a logo on a packet does not necessarily mean that the product is any less healthy than a product with a logo.

The UK,⁹ the U.S.,¹⁰ Australia, Thailand and the EU have all addressed FOP labeling in recent years, often through extensive expert review and public consultations. When governments mandate certain labeling formats, companies are compelled to comply. Many governments tend to make recommendations only, however. In these situations, compliance is voluntary and companies can determine their own approach to FOP labeling.

In parallel, some American companies, through a joint initiative of the Grocery Manufacturers Association and the Food Marketing Institute, collaborated through the Facts up Front initiative to design their own FOP labeling system. This system was rolled out during 2012.¹¹

In addition, it is important that companies label any products that are high in micronutrients and that are targeted at populations at risk of undernutrition. 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 to which fortificants have been added.

Basis for company assessment

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, fat saturated fat, sodium and total sugars).¹²

Companies are assessed on whether they:

- State commitments to disclose nutritional information on both front- and back-of-pack labels, and the geographic scope of these commitments;
- Commit to provide information on BOP labels on all key nutrients as recommended by Codex,¹³ as well as on trans fats¹⁴ and fiber,¹⁵ and to state this information on a per serving or per portion size basis and relative to daily values¹⁶ or guideline daily amounts;¹⁷
- Commit to provide nutrition data on the front of packs, and to use FOP symbols or labeling schemes. Though no particular label format is prescribed, credit is provided only for the use of FOP labeling, symbols, logos or icons developed by independent third parties or governments rather than by the companies themselves;
- 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; and
- Are in compliance with the International Code (for companies that manufacture breast-milk substitutes).¹⁸

Detailed results: Obesity and diet-related chronic diseases

Commitments

It is common for companies to have commitments to disclose nutritional information on their products either through BOP or FOP labels (20 out of 25 companies demonstrated commitments to BOP and/or FOP labeling, and 17 demonstrated commitments to both).

In addition, twelve companies demonstrated that they have a global commitment to provide nutrient information as a percentage of guideline daily amounts or of daily values on their product labels. Most companies also have a commitment to comply with Codex guidelines on the nutrients to include on their BOP labels.¹⁹

It is common for companies to have commitments to provide nutritional information in a simple non-numerical manner on the front of packages in some countries. Only five companies provided evidence of a global commitment to doing so, however.

Only seven companies provided evidence of using an independent FOP labeling scheme such as those developed by the Choices Foundation or the American Heart Foundation. **Barilla**, **Brasil Foods**, **FrieslandCampina**, and **Unilever** use Choices, while **Campbell** and **Heinz** use the American Heart Association's Heart-Check mark and **Nestlé** uses various schemes in different markets. This is a leading practice among companies assessed under this Criterion.

Performance

There are no performance Indicators in this Criterion as it was not feasible to analyze a sufficient cross-section of labels on each company's products in multiple markets to determine how labeling policies are being implemented.

Disclosure

Very few companies publish their commitments or policies on nutrition labeling.

**Detailed results:
Undernutrition**

Commitments

Companies generally provide little information on any commitments they have to labeling of fortified and other foods that would be particularly appropriate for populations at risk of undernutrition. Only a handful of companies clarified upon request that their general labeling commitments include listing the micronutrients added to fortified foods targeted at these populations.

Performance

For the same reasons as noted in the above "Results" section, there are no performance Indicators related to undernutrition.

Disclosure

No companies publish their policies on labeling micronutrients in products that are targeted at consumers at risk of undernutrition.

F2 Health and nutrition claims

Health and nutrition claims are designed to help consumers choose foods and beverages that have (or do not have) specific levels of nutrients or ingredients in them or that can help consumers manage certain health conditions such as high cholesterol or diabetes. This requires that companies 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 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 or a specific vitamin (or a better source relative to other foods within the category). These claims are also used to highlight products that have low or lower levels of nutrients 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.”²⁰ 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.²¹ 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 a new regulation on health and nutrition claims²² that, for the first time, creates a set of harmonized rules across the region. In the U.S.A., the Food and Drug Administration (FDA) is responsible for regulating health and nutrition claims. 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.²³

Basis for company assessment

Where regulatory regimes exist, governments require that companies use health and nutrition claims responsibly in those markets. The assessment in this Criterion is therefore concerned primarily with the use of such claims outside of regulated markets, and is 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;
- Disclose their commitments on their use of health and nutrition claims;
- Disclose if complaints have been upheld against them on the misuse of health or nutrition claims in any market; and
- Are in compliance with the International Code (for companies that are breast-milk substitute manufacturers).²⁴

Detailed results

Commitments

Companies provide little information on their commitments regarding the use of health and nutrition claims in countries with no regulations on the use of such claims. Only five companies, when asked during the research process, mentioned that they rely on Codex to guide their use of health and nutrition claims in countries with no relevant regulations.

The majority of companies drew attention to their compliance with regulations or their use of an internal scientific review process to determine whether to put a claim on a particular product.

Performance

There are no performance Indicators in this Criterion because it is not within the current scope of ATNI to assess the validity of claims (including the scientific validity of health claims) made on the extremely large number of products sold globally by the companies assessed.

Disclosure

There is very poor disclosure around companies' practices with regard to health and nutrition claims. No companies publish their commitments on the use of these claims in countries where no relevant regulatory system exists. In addition, almost no companies publicly disclose information on whether complaints have been upheld against their use of health and nutrition claims.

NOTES

- ¹ Determinations on companies' compliance with the International Code are based on IBFAN's assessments of their practices. More details on this assessment approach are provided in the "Methodology" section of this report.
- ² Categories D and E also include Indicators related to companies' compliance with the International Code.
- ³ Campos S, Doxey J and Hammond D (2011) 'Nutrition labels on prepackaged foods: a systematic review'. *Public Health Nutrition* 14(8),1496-1506.
- ⁴ Ibid.
- ⁵ American Heart Association (n.d.) *Heart-Check Mark Nutritional Guidelines* [online] Available at: http://www.heart.org/HEARTORG/GettingHealthy/NutritionCenter/HeartSmartShopping/Heart-Check-Mark-Nutritional-Guidelines_UCM_300914_Article.jsp
- ⁶ National Food Agency, Sweden (n.d.) *The Keyhole symbol* [online] Available at: <http://www.slv.se/en-gb/group1/food-and-nutrition/keyhole-symbol/>
- ⁷ Choices International Foundation (n.d.) Choices Programme [online] Available at: <http://www.choicesprogramme.org/>
- ⁸ Heart Foundation, Australia (n.d.) *Heart Foundation Tick* [online] Available at: <http://www.heartfoundation.org.au/healthy-eating/heart-foundation-tick/Pages/default.aspx>
- ⁹ Department of Health, UK (n.d.) *Single system for nutrition labelling announced* [online] Available at: <http://www.dh.gov.uk/health/2012/10/nutrition-labelling/>
- ¹⁰ Institute of Medicine, US (2011) *Front-of-Package Nutrition Rating Systems and Symbols: Promoting Healthier Choices*. Available at: <http://www.iom.edu/Reports/2011/Front-of-Package-Nutrition-Rating-Systems-and-Symbols-Promoting-Healthier-Choices.aspx>
- ¹¹ Grocery Manufacturers Association and Food Marketing Institute (n.d.) *Facts up Front* [online] Available at: <http://factsupfront.org/>
- ¹² 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/download/standards/34/CXG_002e.pdf
- ¹³ Ibid., p. 2.
- ¹⁴ 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.
- ¹⁵ Not currently recommended by Codex, but recommended for inclusion in ATNI's assessment by the ATNI Expert Group.
- ¹⁶ National Institutes of Health, US (n.d.) *Daily Values* [online] Available at: <http://ods.od.nih.gov/HealthInformation/dailyvalues.aspx>
- ¹⁷ Food and Drink Federation, UK (n.d.) *GDA's explained* [online] Available at: <http://www.gdalabel.org.uk/gda/explained.aspx>
- ¹⁸ World Health Organization (1981) *International Code of Marketing of Breast-milk Substitutes*. Available at: <http://www.who.int/nutrition/publications/infantfeeding/9241541601/en/>
Article 9 (p. 20-21) pertains to product labeling practices and is therefore relevant to Criterion F1 (both undernutrition and obesity and diet-related chronic diseases). Given the significant public health benefits of optimal breastfeeding, this Indicator was assigned a value equal to 50% of the points available for this Criterion. More details on this approach and how the assessment was conducted can be found in the "Methodology" section of this report.
- ¹⁹ Energy, protein, total carbohydrates, total or added/free sugars, sodium (or salt), total fat and saturated fat.
- ²⁰ 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/download/standards/351/CXG_023e.pdf
- ²¹ Ibid.
- ²² European Commission (n.d.) *Health and Nutrition Claims* [online] Available at: http://ec.europa.eu/food/food/labelingnutrition/claims/index_en.htm
- ²³ 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
- ²⁴ Ibid. WHA Resolution 63.23 pertains in part to health and nutrition claims for foods for infants and young children and is therefore relevant to Criterion F2. Given the significant public health benefits of optimal breastfeeding, this Indicator was assigned a value equal to 50% of the points available for this Criterion. More details on this approach and how the assessment was conducted can be found in the "Methodology" section of this report.

All links accessed early February 2013.

G Engagement

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

Companies can have an impact on consumer access to nutrition by influencing governments and policymakers through lobbying activities, political contributions and positions on nutrition policies. In addition, constructive engagement by companies with a wide range of other stakeholders (including international organizations, civil society, and academics) can help to inform companies' approaches to nutrition.

This Category focuses on companies' engagement with stakeholders on corporate nutrition practices and nutrition-related issues. Companies are assessed under two Criteria:

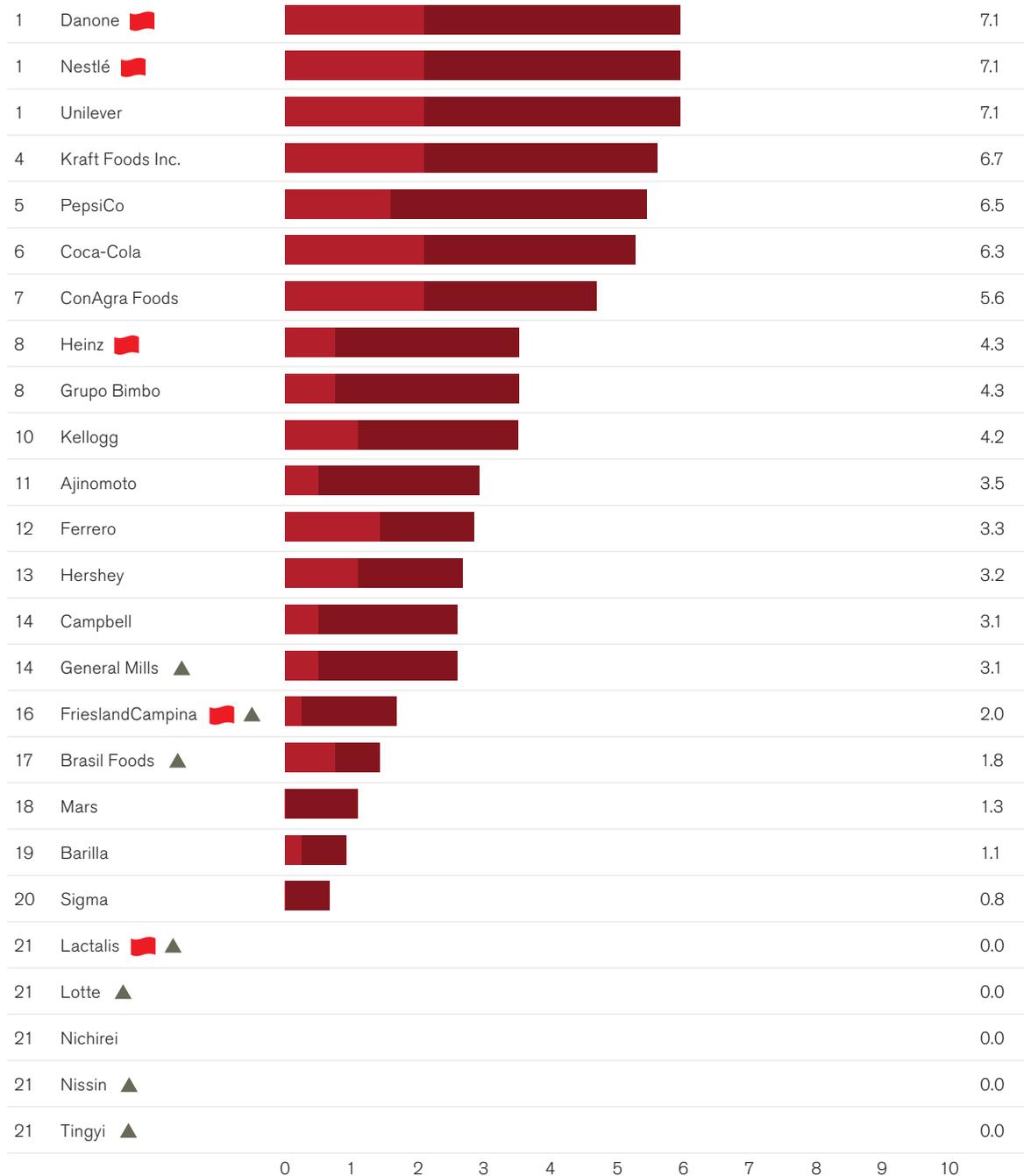
G1 Lobbying and influencing governments and policymakers

G2 Stakeholder engagement

To perform well in this Category, companies should:

- Disclose their lobbying activities, including their positions on nutrition issues and their use of lobbyists
- Provide evidence of playing an active role in multi-stakeholder efforts to address obesity and undernutrition
- Report on how input received through stakeholder engagement is incorporated into their policies and/or practices

Results



 **G1** Lobbying and influencing governments and policymakers
 **G2** Stakeholder engagement
 BMS manufacturers
 Company did not provide information to ATNI's research partner during the research phase

Key findings

- Companies consistently demonstrate stronger performance on their engagement with stakeholders than on their activities related to lobbying on nutrition policy issues.
- While many companies state that they have a policy guiding their lobbying activities, and some disclose their memberships in industry organizations, very few provide information about their positions on key nutrition policy issues.
- Many companies have a structured approach to stakeholder engagement and provide examples of these interactions, but very few disclose clear information on how stakeholder input is used to improve their nutrition practices.
- Twelve companies demonstrated engagement with international agencies and NGOs on efforts to address undernutrition.

Key recommendations

- Companies should be more transparent about their lobbying activities and undertake more voluntary disclosure efforts, including through any mechanisms similar to the European Transparency Register that may exist in other countries or regions.
- Companies that are expanding their presence in lower-income countries should, among other efforts, consider taking part in public-private partnerships to help address undernutrition.
- Companies should design and implement their stakeholder engagement activities in line with the AA1000ES Standard and report more detail on how stakeholder input is used to improve their nutrition practices.

G1 Lobbying governments and policymakers

Assessing companies' 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.¹ 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 guiding lobbying activity, this assessment approach was developed in consultation with the ATNI Expert Group, incorporates existing good corporate practices and parallels the approach used by other other indexes and rating systems that assess company lobbying efforts in other sectors.²

Companies are assessed on whether they:

- Have a policy to guide their engagement with governments and policymakers;
- Disclose their policy positions on key nutrition issues and their memberships in industry associations and lobbying groups;
- Commit to support governments' efforts to address undernutrition; and
- Provide information about their lobbying efforts related to undernutrition.

Detailed results: Obesity and diet-related chronic diseases

Commitments

A majority of the companies have a policy guiding their lobbying practices. In some cases this policy is part of the company's "code of conduct". For example, **ConAgra's** policy reads: "We welcome the opportunity to engage with our public servants and elected officials to discuss issues relevant to our stakeholders (employees, shareholders, consumers, customers, suppliers, etc.), share perspectives and data to help inform decisions, align priorities and approaches, and identify sustainable solutions. We participate in election funding through the use of our Political Action Fund, the ConAgra Foods Good Government Association, and we do not fund super political action committees (PACs)."³

Performance

There are no performance Indicators in this Criterion.

Disclosure

A majority of companies assessed by ATNI disclose at least some of their memberships in industry associations and/or their engagement with lobbyists. Many of the companies assessed disclose their memberships on a voluntary basis via the European Transparency Register.⁴

Disclosure is very poor on specific lobbying positions taken by companies. Companies do not publicly disclose much, if any, information on their lobbying positions on key nutrition issues such as marketing to children or FOP labeling.

Detailed results:
Undernutrition

Commitments

Six companies provide evidence of commitments to play an active and constructive role in supporting governments' efforts to address undernutrition.

Performance

There are no performance Indicators for this Criterion.

Disclosure

No company provides a narrative about its lobbying activities related to undernutrition.

G2 Stakeholder engagement

Companies have numerous relevant stakeholders, so engaging with and responding to them presents a challenge. The AA1000ES Stakeholder Engagement Standard developed by AccountAbility outlines good practices in this area. To effectively engage 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.⁵

Basis for company assessment

The approach to company assessment for this Criterion is based on the AA1000ES Standard. It also incorporates existing good corporate practices 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;
- Provide examples of engagement with international organizations or major national/international civil society organizations in the last two years on nutrition issues;
- Provide support for formal academic training in nutrition through funding of university chairs, departments, post-docs, PhD or Masters students; and
- Provide information about any engagement with relevant international organizations, national fortification alliances or international NGOs such as the United Nations Children's Fund and the World Food Programme (WFP).

Detailed results: Obesity and diet-related chronic diseases

Commitments

There are no commitment Indicators for this Criterion.

Performance

Twenty companies provided evidence of engaging with stakeholders, but only eight companies appear to have a structured approach to stakeholder engagement. In particular, sixteen companies demonstrate engagement with international or national NGOs. Examples of the types of engagement include one-to-one meetings, joint conferences and/or multi-stakeholder collaborations.

Eleven companies provide funding for formal academic training in nutrition, though only a few companies provide details on whether this funding is unrestricted.

Disclosure

While twelve companies publish at least some information on how they use stakeholder input to improve their nutrition practices, **Campbell** provides the most detailed description.

It notes that, “Our team at Campbell recognizes the competitive advantage we achieve from engaging our diverse spectrum of stakeholders.” It received a range of feedback from a series of surveys it conducted with consumers and other stakeholders, such as, “Improving the nutritional content of food should also be a focus area, including a focus on using all-natural ingredients.” Campbell states that it is acting on such feedback by, in part, using a Scientific Advisory Panel that includes nutrition experts to provide advice on how to formulate products to optimize health benefits.⁶

Detailed results: Undernutrition

Commitments

There are no commitment Indicators for this Criterion.

Performance

Twelve companies demonstrate a range of engagement with key international agencies on undernutrition issues sometime during the last three years. Examples include:

- **Kraft** developed Tiger and Biskuat biscuits in collaboration with the WFP and The Indonesian Association of Nutritionists. These products are fortified with nine vitamins and six minerals, and sold in Indonesia.
- **Coca-Cola** works with national fortification alliances to inform the proper fortification of their products.
- **PepsiCo** partnered with the United States Agency for International Development and WFP on increased chickpea production and the development of a chickpea-based food, both aimed at addressing undernutrition in Ethiopia.
- **Heinz** works with many organizations in countries where they distribute micronutrient packs, including the United Nations Children’s Fund (UNICEF).
- **Unilever** partnered with WFP to provide over 60 million school meals from 2007 - 2010, and continued the collaboration with WFP under Project Laser Beam, providing 95,000 school children with micronutrient enriched school meals in 2011. WFP is one of the five organizations (Oxfam, PSI, Save the Children, and UNICEF) that the Unilever Foundation, launched 2012, is partnering with.

Disclosure

Ten companies provide a narrative on their stakeholder engagement activities regarding undernutrition.

NOTES

- ¹ 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).
- ² For example: SustainAbility and World Wildlife Federation (2005) *Influencing Power*. Available at: <http://www.wwf.org.uk/filelibrary/pdf/influencingpower.pdf>
 Access to Medicine Foundation (2012) *Access to Medicine Index*. [online] Available at: <http://www.accesstomedicineindex.org/methodology-1>
- ³ Information provided to MSCI ESG Research during the company research phase.
- ⁴ European Union (n.d.) *Transparency Register* [online] Available at: <http://europa.eu/transparency-register/>
- ⁵ AccountAbility (2011) *AA1000 Stakeholder Engagement Standard*. Available at: <http://www.accountability.org/images/content/3/6/362/AA1000SES%202010%20PRINT.PDF>
- ⁶ Campbell Soup Company (n.d.) *Stakeholder Engagement* [online] Available at: <http://www.campbellsoupcompany.com/csr/pages/success/stakeholder-engagement.asp>

All links accessed early February 2013.



Company Scorecards

Contents

Ajinomoto Co., Inc.	133
Barilla SpA	134
Brasil Foods SA	135
Campbell Soup Company	136
The Coca-Cola Company	137
ConAgra Foods	138
Danone SA	139
Ferrero SpA	140
FrieslandCampina	141
General Mills, Inc.	142
Groupe Lactalis	143
Grupo Bimbo SAB de CV	144
H. J. Heinz Company	145
The Hershey Company	146
The Kellogg Company	147
Kraft Foods, Inc.	148
Lotte Co. Ltd.	149
Mars, Incorporated	150
Nestlé SA	151
Nichirei Corporation	152
Nissin Foods Holdings Co., Ltd.	153
PepsiCo Inc.	154
Sigma Alimentos	155
Tingyi (Cayman Islands) Holding Corporation	156
Unilever	157

The following pages contain one-page summaries about each company, including Areas of Strength and Areas for Improvement. More information on the research and analysis underlying each company's final score can be found at www.accesstonutrition.org.

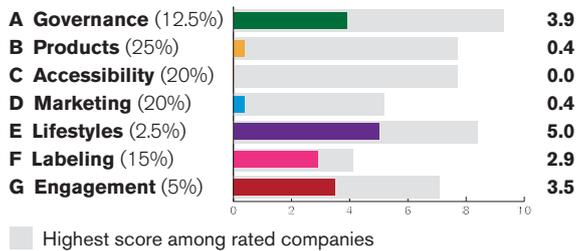
Ajinomoto Co., Inc.

Company Overview

OBESITY 17 1.3

UNDERNUTRITION 7 2.1

Rank
17
Score
1.4



Headquarters
Japan

Market capitalization
USD 10.47 bn (JPY 814.77 bn)
as of December 2011

of employees
28,084 (as of December 2011)

Revenues
USD 15.53 bn (JPY 1,207.7 bn)
in FY 2011

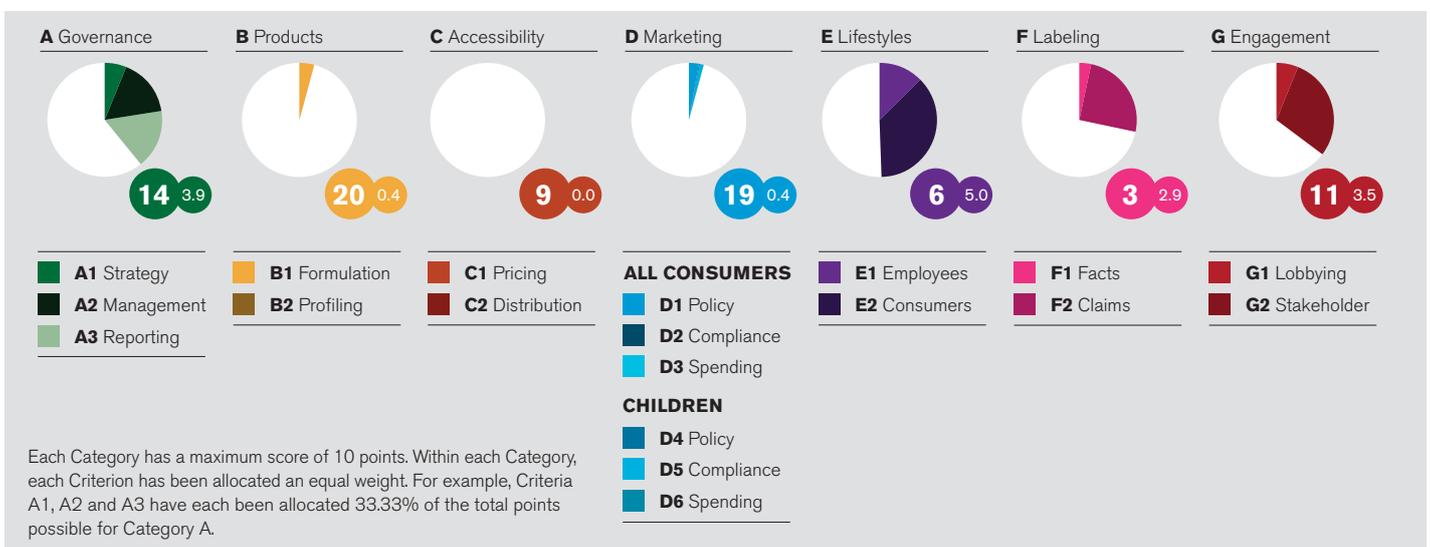
Reported product categories

Domestic food products 36%, Overseas food products 19%, Bioscience products 16%, Business tie ups 15%, Pharmaceuticals 7%, and Others 6%

Reported revenue by geography

Japan 68%, Asia 15%, America 10%, and Europe 7%

Assessment Results



Areas of Strength

- Ajinomoto makes a broad global commitment to improving consumers' access to good nutrition and has in place some elements of a management system for its nutrition strategy.
- Ajinomoto addresses undernutrition by supporting consumer education initiatives on the benefits of consuming fortified foods. It does so in partnership with stakeholders and publishes information about this work.
- In countries with no regulations on health or nutrition claims, the company will only make such claims if they comply with Codex.

Areas for Improvement

- Ajinomoto did not provide evidence of incorporating nutrition into its management and governance systems or of having clear targets, objectives or audit mechanisms. The company could improve its disclosure on many aspects of its activities to better enable stakeholders to understand what it is doing to contribute to addressing poor nutrition and to facilitate comparison with its peers.
- Ajinomoto's approach to addressing undernutrition is implemented through a few philanthropic projects but does not appear to be embedded into the company's core business or to be guided by a fully developed strategy. Its reporting on its work related to undernutrition could be more detailed and comprehensive.
- The company could improve its product formulation activities by setting targets for launching new healthier products and reformulating existing ones. Adopting or developing a robust nutrient profiling system would help provide systematic guidance for those efforts.
- The company does not have a strategy to improve access to its healthier products for low-income consumers in any markets. It should consider developing one that sets out clear objectives and targets.
- Adopting a policy on marketing to children would provide the basis for broader efforts by Ajinomoto to positively influence consumer choice and behavior. Strengthening its policies and disclosure on its marketing policies and practices across the board would also enhance its performance.
- The company could strengthen its reporting on its lobbying practices, including by disclosing its membership in industry associations and its positions on key nutrition policy issues.

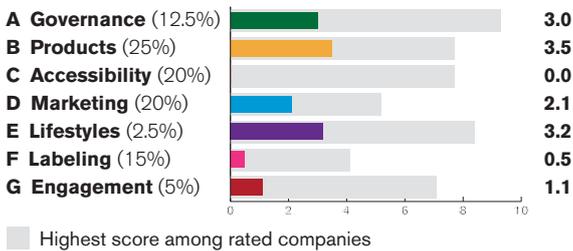
Barilla SpA

Company Overview

OBESITY 13 2.1

UNDERNUTRITION 14 0.0

Rank **12** Score **1.9**



Headquarters
Italy

Reported product categories
Not disclosed

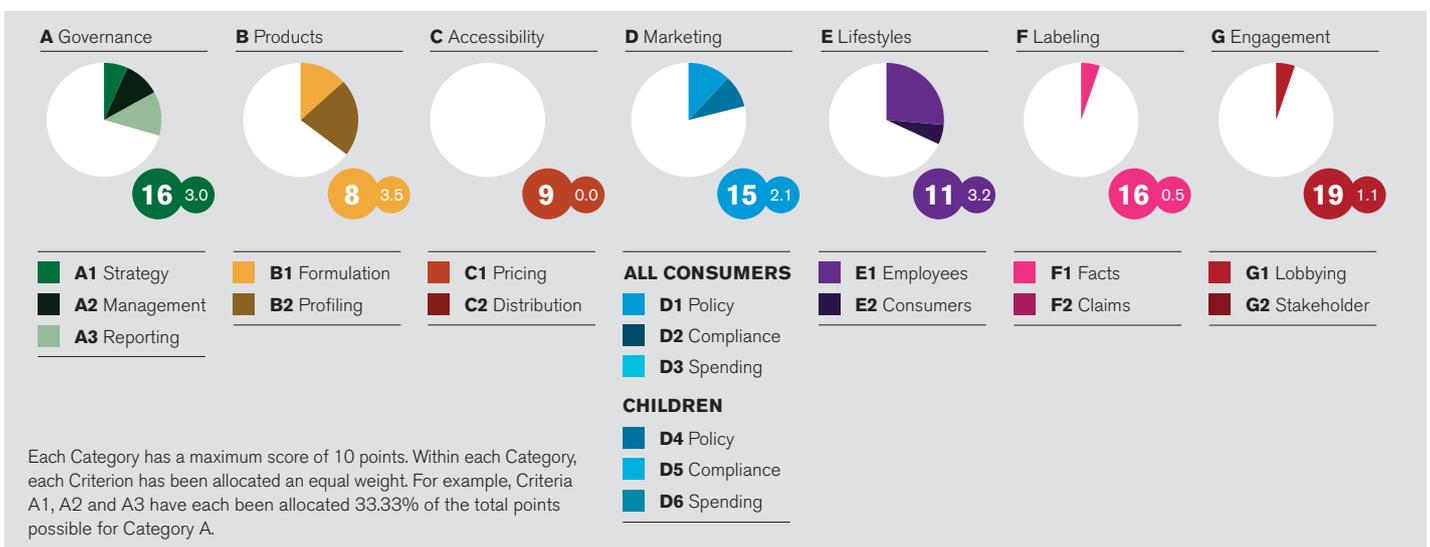
Market capitalization
Privately Owned

Reported revenue by geography
ITALY: Dry Pasta 40.1%, Sauces 28.8%, Breakfast 30.1%, Bread 28.2%, Out of Meal 24.5%, GERMANY: Dry Pasta 12.7%, Sauces 25.4%, Wasa crispbread 50.2%, USA: Dry Pasta 27.7%, FRANCE: Dry Pasta 19.9%, Sauces 13.4%, Wasa crispbread 3.8%, Soft bread 35.1%, morning goods 15.3%, SWEDEN: Dry Pasta 25.5%, Sauces 15.8%, Wasa crispbread 58.8%, GREECE: Dry Pasta 42.6%

of employees
8,766 (as of December 2011)

Revenues
USD 5.1 bn (€3.9bn) in FY2011

Assessment Results



Areas of Strength

- 1 Barilla states that nutrition issues are core to its growth strategy. Its board has responsibility for the company's nutrition strategy.
- 2 The company is committed to developing new healthy products and has defined a target for the number of such products it intends to launch in the future.
- 3 Barilla has developed its own nutrient profiling system. It has committed to reformulating its products in line with international guidelines and has defined product reformulation targets (80 existing products by 2014).
- 4 Barilla has piloted an employee healthy diet and active lifestyle program that has resulted in better eating patterns among participating staff.

Areas for Improvement

- 1 Barilla could expand on its stated commitments and objectives to improve the nutritional quality of its products by setting clear and specific global targets for reducing levels of salt, fat and sugar in its products. The company also does not publish information about the percentage of products that meets its own healthy standard or the extent to which healthy products are offered across all product categories.
- 2 Barilla does not appear to have policies or programs in place to improve the accessibility and affordability of its healthy products through pricing and distribution initiatives.
- 3 Barilla has only a limited commitment on responsible marketing to children and does not adhere to any industry pledges supported by many of its peers.
- 4 The company could publish more information about its approach to nutrition labeling and its use of health and nutrition claims.
- 5 Barilla could improve its reporting about its approach to lobbying and advocacy. It could also include written information in its public reports about the level of its stakeholder engagement and how that engagement contributes to improving its nutrition practices.
- 6 To the extent that Barilla expands its business in lower income countries, it should develop a structured approach to addressing undernutrition.

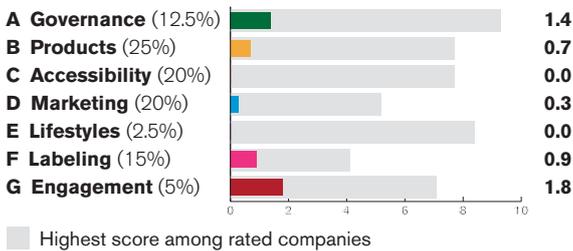
Brasil Foods SA ▲

Company Overview

OBESITY 20 0.8

UNDERNUTRITION 14 0.0

Rank
20
Score
0.6



Headquarters
Brazil

Market capitalization
USD 15.45 bn (BRL 31.8 bn)
as of December 2011

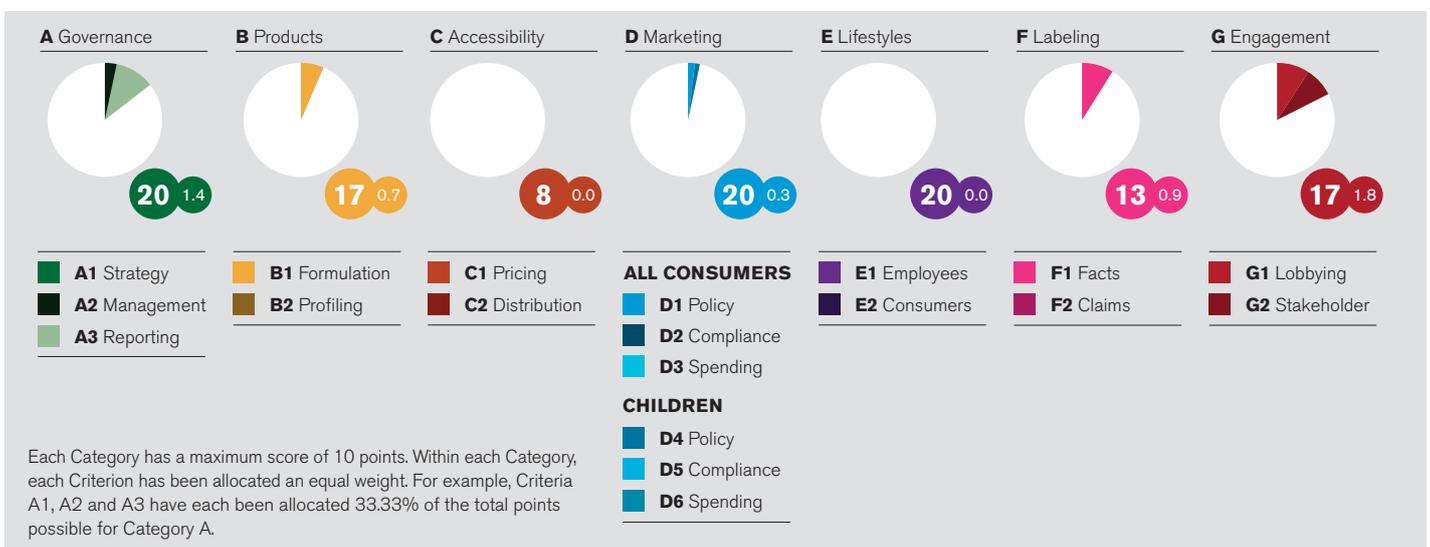
of employees
132,696 (as of December 2011)

Revenues
USD 13.8.bn (BRL 25.7 bn) in FY 2011

Reported product categories
Processed foods 34.6%, Poultry 29.9%,
Pork/beef 9.1%, Other processed foods 8.6%,
Milk 6.7%, Food service 5.6%, and Dairy
products 3.2%

Reported revenue by geography
Middle east 30%, Far East 22.4%,
Other countries 21.9%, Europe 18.3%,
and Eurasia 7.4%

Assessment Results



Areas of Strength

1 Due to Brasil Foods' limited level of disclosure, no areas of strength were identified.

Areas for Improvement

- 1 Brasil Foods' approach to nutrition could be substantially strengthened by integrating it into the company's core business strategy and establishing clear Board oversight for the delivery of a comprehensive nutrition strategy.
- 2 The company could improve its reformulation efforts by setting clear and comprehensive targets to reduce levels of salt, fat, trans fat and sugar in all products where relevant, as well as to increase levels of fruit, vegetables, fiber and whole grains. It could also make a specific measurable commitment to introduce new healthy products. Its product formulation programs should be guided by a robust nutrient profiling system.
- 3 The company does not provide evidence of efforts to improve the affordability or availability of its healthy products through pricing and distribution initiatives.
- 4 While Brasil Foods adheres to the Brazil Pledge in guiding its approach to marketing to children, the company does not have a policy for responsible marketing to all consumers, and its commitments to restricting advertising to children are not as robust as those of many other companies assessed by the Index.
- 5 Brasil Foods does not provide any evidence that it offers a health and wellness program to its employees.
- 6 Greater transparency on lobbying and advocacy practices, as well as on how stakeholders' input is used to improve the company's nutrition policies and practices, would allow stakeholders to better understand how Brasil Foods' activities affect access to better nutrition.

▲ **did not provide information to MSCI ESG Research**
Brasil Foods publishes little information on its nutrition practices, apart from a few broad commitments and programs that address a limited set of nutrition issues. It did not provide any additional information upon request during the company research phase. Due to this lack of information, it is difficult to assess the company's nutrition-related policies, practices and performance. As a result, it is among the lowest ranked companies in the ATNI Global Index.

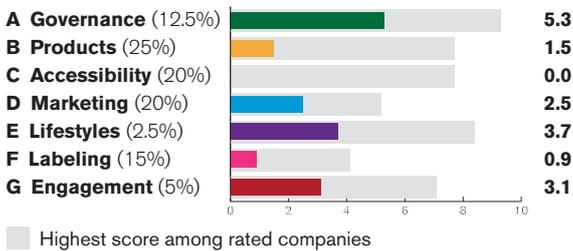
Campbell Soup Company

Company Overview

OBESITY 12 2.2

UNDERNUTRITION 14 0.0

Rank **12**
Score 1.9



Headquarters
USA

Market capitalization
USD 10.98 bn (as of September 2012)

of employees
17,500 as of 2011

Revenues
USD 7.7 bn as of 2011

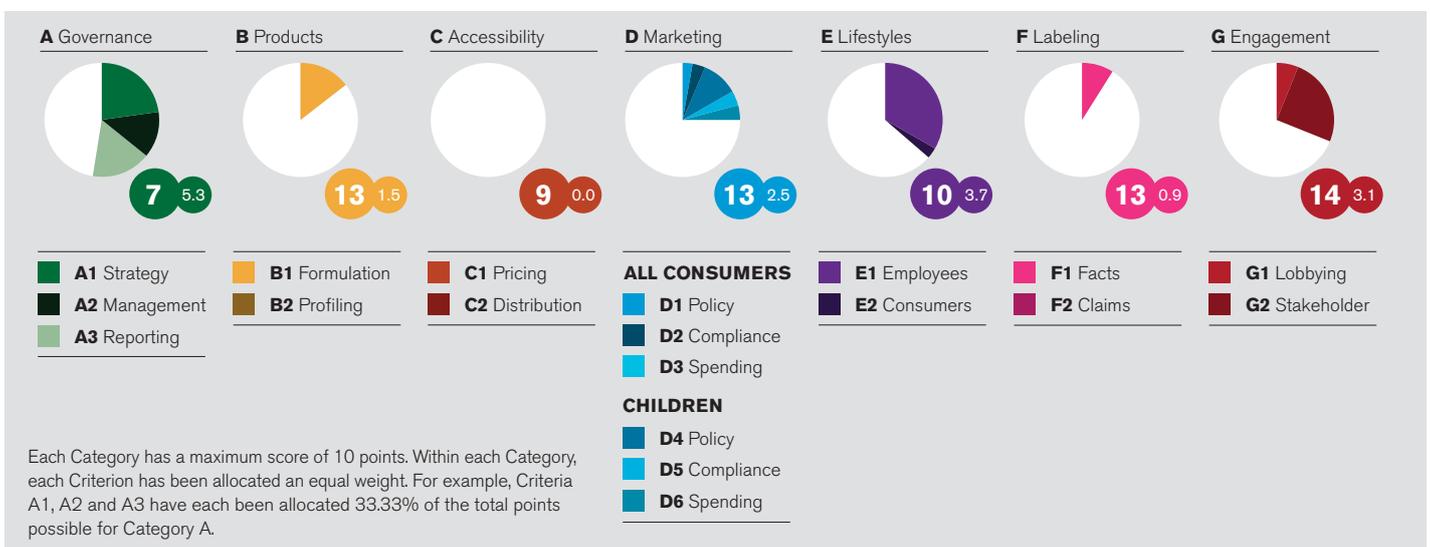
Reported product categories

U.S. Simple Meals 45%, Global Baking and Snacking 24.3%, International Simple Meals & Beverages 12.7%, U.S. Beverages 12.5%, North America Food Service 5.6%

Reported revenue by geography

United States 69%, Australia/Asia Pacific 15%, Other 9%, Europe 7%

Assessment Results



Areas of Strength

- Campbell states that providing a range of affordable and nutritious food products is part of its corporate mission, and that its growth strategy focuses on developing the company's healthy beverage business.
- Campbell's progress against its nutrition objectives is subject to Board oversight and management review. Campbell is one of a handful of companies assessed by ATNI to link its CEO's remuneration to nutrition objectives.
- The company has developed a comprehensive employee health and wellness program and is one of only a few companies assessed by the Index that evaluates both the health and business outcomes of this program.
- Campbell discloses some information about how it engages with stakeholders and provides examples of how stakeholder feedback has influenced the company's priorities related to improving the nutritional quality of its product portfolio and enhancing the affordability of its products.

Areas for Improvement

- There is room for improvement in the company's policy on marketing to children. In particular, it applies stronger commitments in the U.S. which should be extended to its global operations. It could also place restrictions on its marketing in and near secondary schools and places where children gather.
- Campbell has not set clear product reformulation targets. The company's reporting includes a commentary on its efforts to reduce less healthy ingredients and increase healthier ingredients, and they have committed to product reformulation as part of the Children's Food and Beverage Advertising Initiative (CFBAI), but more information about the details and scope of these efforts would be helpful.
- The company's reporting on nutrition is mainly focused on its activities within the U.S., which makes it difficult to determine its level of commitment to addressing global nutrition challenges.
- Campbell does not have a commercial strategy to address undernutrition. To the extent that the company expands its business in lower income countries, it should develop a structured approach to addressing this issue.
- Campbell states that it makes an effort to provide healthy and affordable food to all consumers but does not provide more information on its approach to doing so.
- Campbell makes some commitments to product labeling but they do not appear to be applied globally.

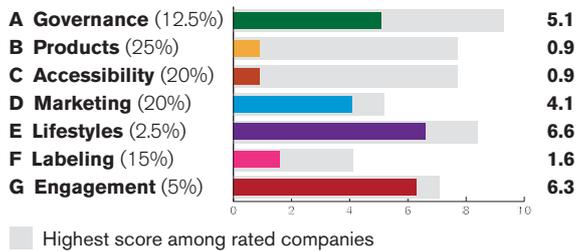
The Coca-Cola Company

Company Overview

OBESITY 11 2.3

UNDERNUTRITION 6 2.9

Rank **9** Score **2.6**



Headquarters
US

Market capitalization
USD 164.91 bn (as of May 2012)

of employees
146,200 (as of December 2011)

Revenues
USD 46.5 bn in FY 2011

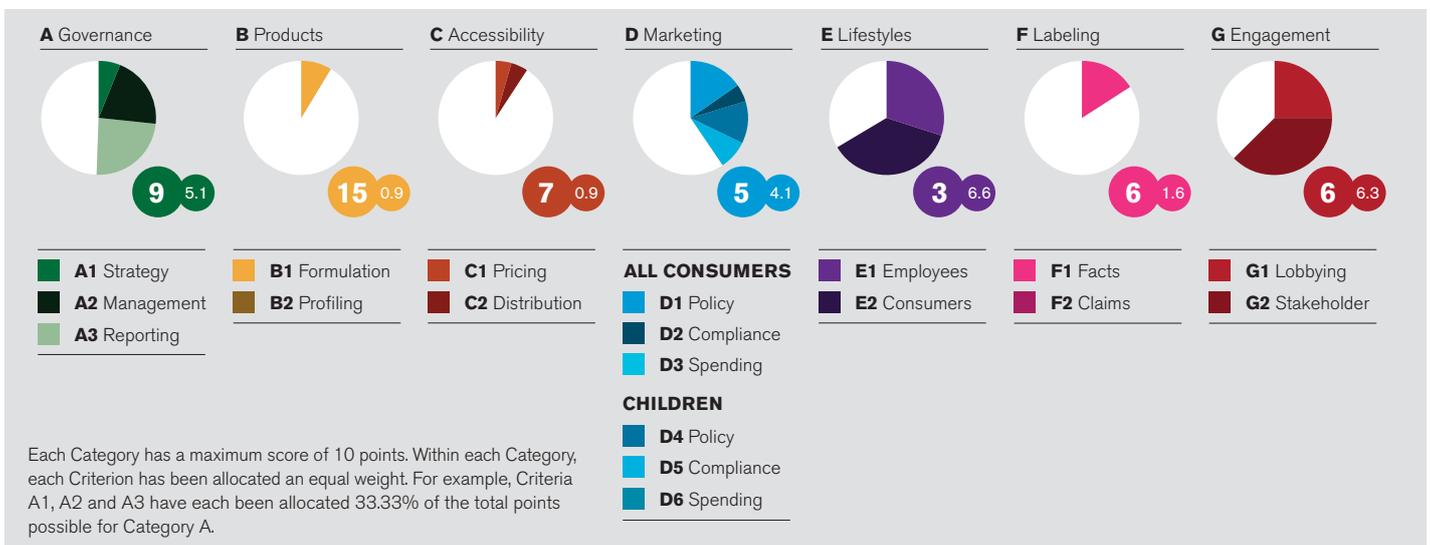
Reported product categories

Sparkling beverages, juices and juice drinks, coffees, teas, waters, flavored waters, sport drinks, energy drinks and other still beverages. The revenue breakdown for each category is not publicly disclosed.

Reported revenue by geography

North America 44.2%, Bottling Investments 18.3%, Pacific 11.7%, Europe 10.3%, Latin America 9.4%, Eurasia & Africa 5.8% and Corporate 0.3%

Assessment Results



Areas of Strength

- The Coca-Cola Company has robust governance and management systems relating to nutrition, with its global commitments and programs overseen at the Board level and with the Chairman's and CEO's compensation linked to the company's sustainability agenda, which includes nutrition.
- The company has a comprehensive marketing policy that includes commitments related to all consumers, including children. It also adheres to numerous pledges regarding marketing to children. The Coca-Cola Company is one of the few assessed by ATNI to commit not to advertise any products to children under 12 (when children of that age make up more than 35% of the audience).
- The Coca-Cola Company is one of the leaders among those assessed by ATNI in offering a comprehensive health and wellness program to its employees worldwide, articulating expected outcomes and using third parties to measure the program's impacts.
- The company publishes its policy on lobbying and engaging with policymakers in the U.S. and its membership in industry associations in some major markets.

Areas for Improvement

- While the company focuses on innovating in the area of natural sweeteners, it does not disclose any measurable targets to reduce sugar and calorie levels in its products globally or to increase levels of fruits, vegetables, or fiber in its products. Given the significant reach of its products, doing so could lead to a substantial impact, particularly on sugar and calorie intake.
- The Coca-Cola Company does not support the use of nutrient profiling to guide its formulation of products nor to focus its marketing efforts on healthier products. Doing so would bring the company in line with leading performers on ATNI.
- While The Coca-Cola Company has extensive distribution systems and pricing practices that provide global access to its products, these could be more fully leveraged to deliver products of high nutritional quality to consumers.
- The Coca-Cola Company should consider ways to extend its initiatives related to undernutrition, principally by embedding them in its core business strategy rather than relying on philanthropic programs. It could also publicly disclose more information on its efforts to help address undernutrition.

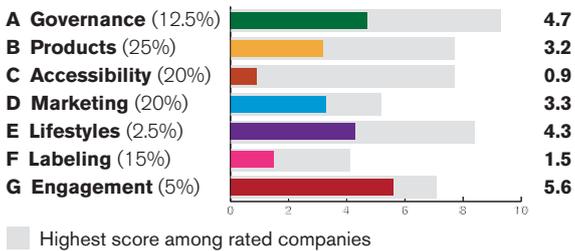
ConAgra Foods

Company Overview

OBESITY 7 2.8

UNDERNUTRITION *

Rank 7
Score 2.8



Headquarters
US

Market capitalization
USD 10.695 bn (as of December 2011)

of employees
23,200 (as of December 2011)

Revenues
USD 12.30 bn in FY2011

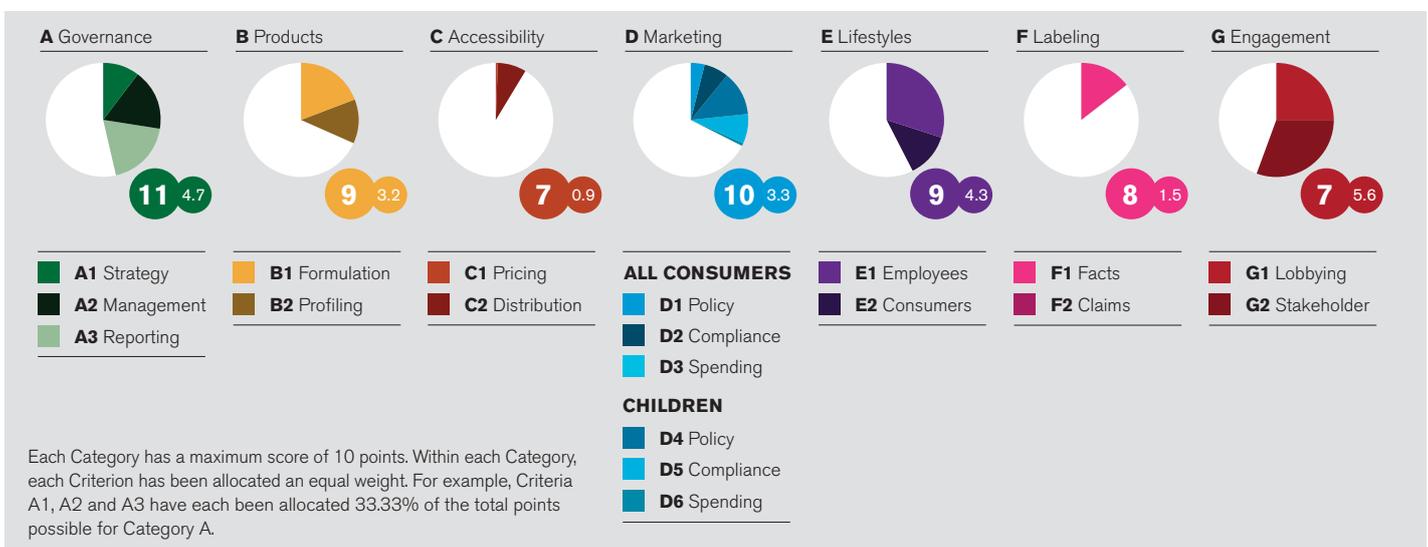
Reported product categories

Consumer foods 65% (Convenient meals 35%, Snacks 22%, Specialty foods 21%, Meal enhancers 13%, Specialty international 9%); Commercial foods 35% (Specialty potatoes 19%, Milled products 13%, Seasonings and flavors 3%)

Reported revenue by geography

U.S. 90%, International 10%

Assessment Results



Areas of Strength

- 1 ConAgra addresses nutrition issues as a part of its core business strategy, with several comprehensive programs subject to oversight by the CEO and senior executives.
- 2 The company's reformulation policy has three areas of focus: portion and calorie control (ensuring that products have no more than 450 calories per serving for meals and 150 calories per serving for snacks and desserts); dietary variety (products with healthier ingredients recommended by public health agencies); and heart health (products which meet or exceed the U.S. Food and Drug Administration's criteria for foods considered to reduce the risk of heart disease).

Areas for Improvement

- 1 While the company states an aim to improve the availability and affordability of its products, its strategy does not place particular emphasis on its healthy products.
- 2 In order to offer stakeholders greater confidence that it applies its policy on marketing to children properly, ConAgra should commission an independent audit to verify its compliance.
- 3 ConAgra could provide more information on its role in the consumer-oriented healthy eating and active lifestyle programs it supports. It should also commission and publish independent evaluations of the outcomes generated by those programs.
- 4 ConAgra's public reporting could be improved by more clearly setting out nutrition-related objectives and targets and its performance against them. External verification would also enhance the credibility of its reporting.
- 5 The company makes some commitments related to nutrition labeling but does not publish a comprehensive policy.

* At the time of research, ConAgra indicated that nearly all of its business was in the U.S.A. and Canada. As a result, it has not been assessed on the undernutrition aspects of the Global Index.

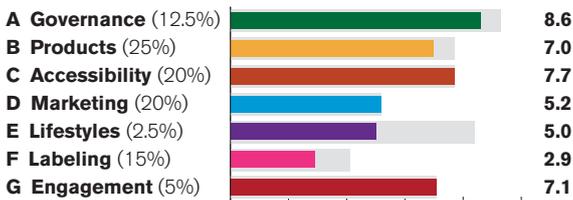
Danone SA

Company Overview

OBESITY 1 6.3

UNDERNUTRITION 2 5.3

Rank **1**
Score **6.3**



Headquarters
France

Market capitalization
USD 40.45 bn (EUR 31.19 bn)
as of December 2011

of employees
101,885 (as of December 2011)

Reported product categories

Fresh dairy products 58%, Baby foods 19%,
Bottled waters 16%, Medical nutrition 6%

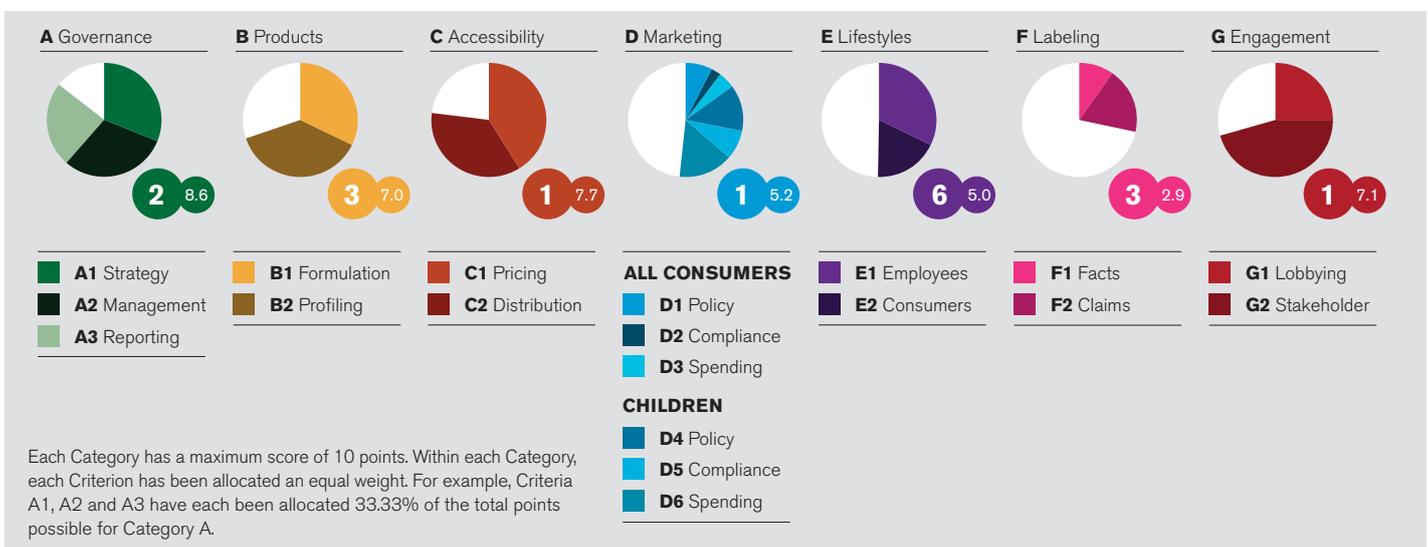
Reported revenue by geography

Europe 56%, Rest of the world 29%, Asia 15%

 **MANUFACTURER OF BREAST-MILK SUBSTITUTES**

Revenues
USD 25.04 bn (EUR 19.31 bn)
in FY2011

Assessment Results



Areas of Strength

- Danone is the top performer on the ATNI Global Index and it performs well in almost all areas assessed by ATNI with the exception of its marketing practices related to breast-milk substitutes (see "Areas for Improvement" for more detail).
- Improving nutrition is central to the company's business model and is embedded in its growth strategy. The company has a well-structured approach to understanding the dietary needs of different consumer groups and then formulating and marketing products that fulfill those needs.
- The company demonstrates a commitment to address undernutrition by developing fortified products and delivering them to vulnerable populations. It commits to using appropriate labeling practices for such products and it supports social marketing campaigns to broaden their uptake.
- Danone has comprehensive commitments to develop new healthy products and to reformulate existing products to improve their nutritional quality. The company has developed a nutrient profiling system based on internationally recognized standards and reviewed by external experts.
- The company is one of the few assessed by ATNI that states a commitment to making its healthy (and fortified) products more affordable and available for low-income consumers. It also provides examples of pricing and distribution practices aimed at improving the accessibility of these products, with a particular focus on low-income consumers.
- Danone's guiding principles for marketing to children are comprehensive and go further than those of other companies assessed by ATNI by including a commitment not to advertise in and near secondary schools and places where children gather, per WHO recommendations. In addition, Danone provides evidence of putting greater emphasis on its healthy products when advertising to all consumers, including children.

Areas for Improvement

- Danone could set measurable targets for implementation of its nutrition objectives in some key areas. These include global targets for reducing the levels of fat and sugar in its products, increasing its research and development efforts related to nutrition, and making its healthy products, including its fortified products, more affordable and available.
- The International Baby Food Action Network (IBFAN) has published evidence that Danone is not in full compliance with the International Code of Marketing of Breast-milk Substitutes (International Code). Given the importance of optimal breastfeeding, the company should take immediate action to ensure that its practices are in full compliance with the International Code in all countries.
- The company could improve its disclosure in several ways: by increasing its reporting on how it is implementing its global commitments in local markets; by publishing its policy on nutrition labeling for fortified foods, and its use of health and nutrition claims globally; by reporting on the scope and scale of its reformulation practices; and by commissioning independent verification of its nutrition reporting.
- The company should commission an audit of its compliance with its policy on marketing related to all consumers. It should also commission independent evaluations of the impact of its employee health and wellness program and of the nutrition education and active lifestyle programs it supports. Such steps would help the company improve these programs.
- While the company has a comprehensive employee health and wellness program, it should continue to support the roll-out of this program across all of its business units globally.

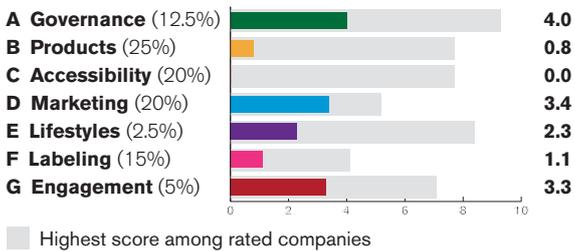
Ferrero SpA

Company Overview

OBESITY 15 1.8

UNDERNUTRITION *

Rank
14
Score
1.8



Headquarters
Italy

Market capitalization
Privately Owned

of employees
21,500 as of December 2011

Revenues
USD 9.02bn (EUR 7.2bn)

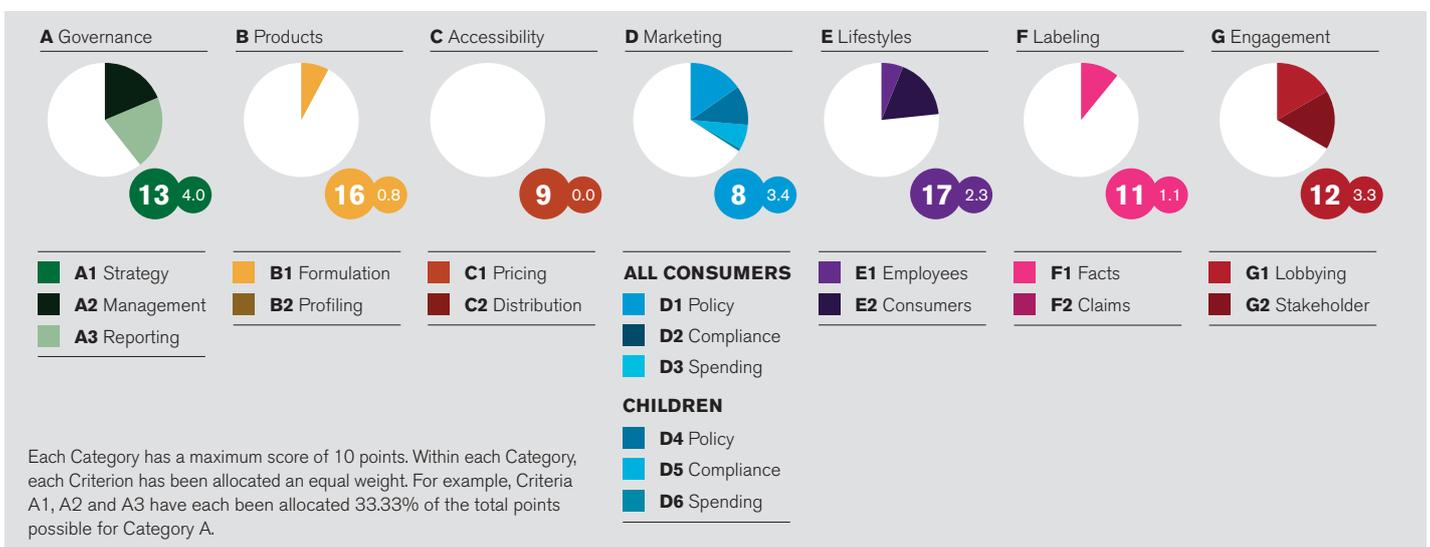
Reported product categories

Bakery products, sugar, confectionary, chocolate, chocolate spreads, beverages

Reported revenue by geography

Europe 82%, North America 5%, Central and South America 5%, Asia 4%, Africa and Middle East 3%, Australia 1%

Assessment Results



Areas of Strength

- 1 Ferrero's annual sustainability report covers its global nutrition-related initiatives and is subject to external verification, which is a leading practice.
- 2 Ferrero is one of a handful of companies assessed by ATNI to follow the International Chambers of Commerce's Framework for Responsible Food and Beverage Marketing Communications with respect to its marketing to all audiences.
- 3 The company is committed to providing comprehensive front- and back-of-pack labeling globally.

Areas for Improvement

- 1 Ferrero should extend its policy on marketing to children beyond the commitments made through its support of the industry-led marketing pledge to which it adheres. Stronger commitments should be made relating to, among other things, extending its coverage to all media, not advertising any of its products to children under 6, and extending the scope of application to include areas in and near secondary schools and places where children gather.
- 2 The company could strengthen its approach to consumer education by providing greater information on its role in the programs it supports and by commissioning and publishing independent evaluations of the outcomes generated by those programs.
- 3 Ferrero's health and wellness initiatives for its employees are limited in scope and scale and could be extended to increase its contribution to improving its employees' health.
- 4 Enhanced reporting on lobbying and advocacy practices, as well as greater detail about the results of its stakeholder engagement, would allow stakeholders to better track the company's nutrition-related activities.

* As predominantly a confectionary business, the company's ability to address undernutrition is very limited. As a result, it has not been assessed on the undernutrition aspects of the Global Index.

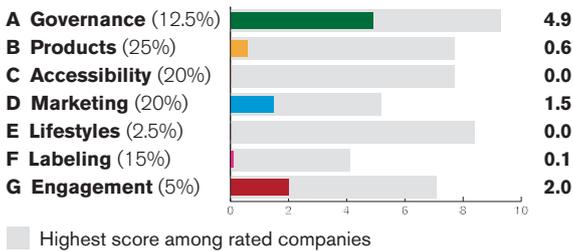
FrieslandCampina

Company Overview

OBESITY 17 1.3

UNDERNUTRITION 11 0.7

Rank **19** Score 1.2



Headquarters
The Netherlands

Market capitalization
N/A (Cooperative structure)

of employees
19,000 as of March 2011

Revenues
USD 11.92bn (EUR 9.6bn)

Reported product categories

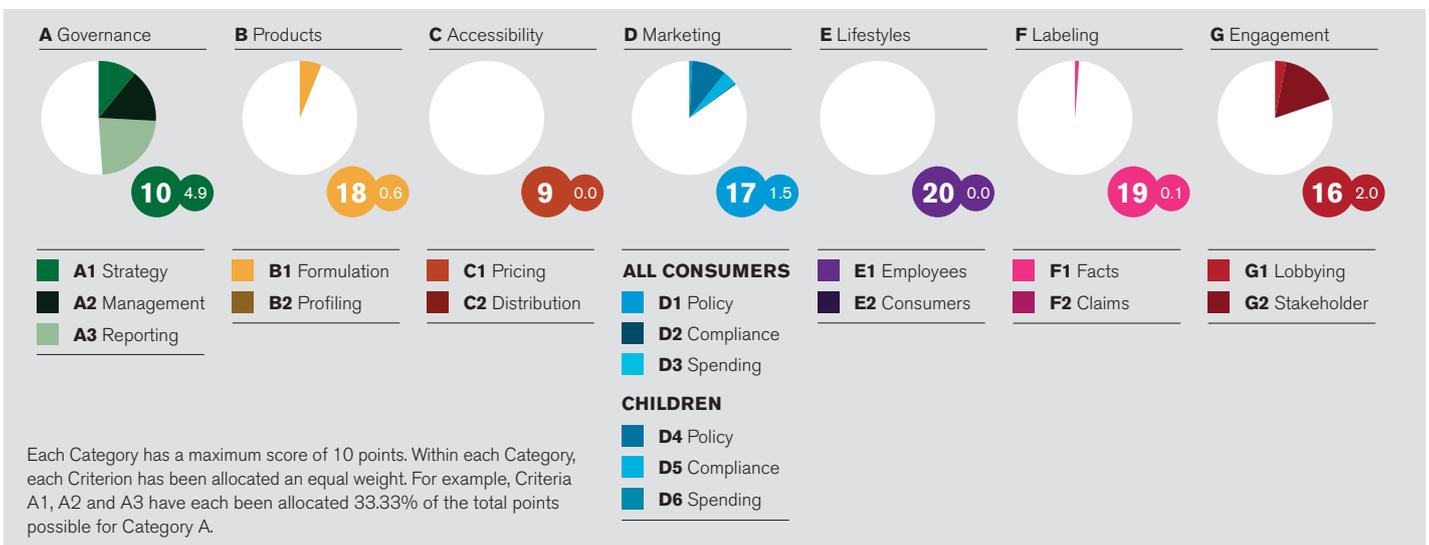
Dairy-based beverages, infant and toddler nutrition, cheese, butter, cream, desserts and functional dairy-based ingredients

Reported revenue by geography

More than 100 countries; Key regions are Europe, Asia and Africa

MANUFACTURER OF BREAST-MILK SUBSTITUTES

Assessment Results



Areas of Strength

- 1 FrieslandCampina has broad commitments and programs in place to address nutrition as part of its business strategy and has defined a set of goals to guide implementation.
- 2 The company is one of the founders of the Choices Programme, an independent front-of-pack logo scheme based on a strict nutrient profiling system.

Areas for Improvement

- 1 The company could improve its approach to product reformulation, in particular by defining global targets for all relevant ingredients and reporting progress on achieving those targets. Also, it is unclear whether the company uses a nutrient profiling system to guide its reformulation work.
- 2 FrieslandCampina does not provide evidence of a structured approach to addressing undernutrition in lower income countries.
- 3 The company does not appear to have a commitment to improve the accessibility of its healthy products, either through pricing or distribution approaches.
- 4 The company's policy on marketing to children is limited with regard to the scope of marketing techniques to which it is applied. Its scope could be expanded to cover marketing in and near schools and places where children gather.
- 5 The International Baby Food Action Network (IBFAN) has published evidence that FrieslandCampina is not in full compliance with the International Code of Marketing of Breast-milk Substitutes (International Code). Given the importance of optimal breastfeeding, the company should take immediate action to ensure that its practices are in full compliance with the International Code in all countries.
- 6 Greater transparency by the company on many issues would allow stakeholders to better track the company's nutrition-related activities.

did not provide information to MSCI ESG Research
FrieslandCampina publishes little information on its nutrition practices, apart from a few broad commitments and programs that address a limited set of nutrition issues. It did not provide any additional information upon request during the company research phase. Due to this lack of information, it is difficult to assess the company's nutrition-related policies, practices and performance. As a result, it is among the lowest ranked companies in the ATNI Global Index.

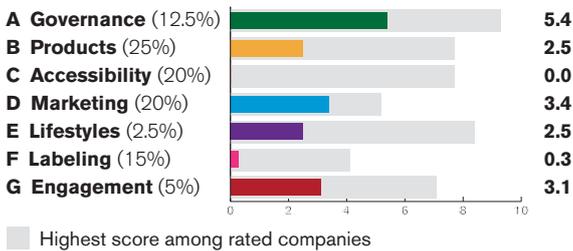
General Mills, Inc.▲

Company Overview

OBESITY 10 2.4

UNDERNUTRITION 12 0.5

Rank
11
Score
2.2



■ Highest score among rated companies

Headquarters

US

Market capitalization

USD 24 bn as of December 2011

of employees

35,000 as of December 2011

Revenues

USD 13.03 bn in FY 2011

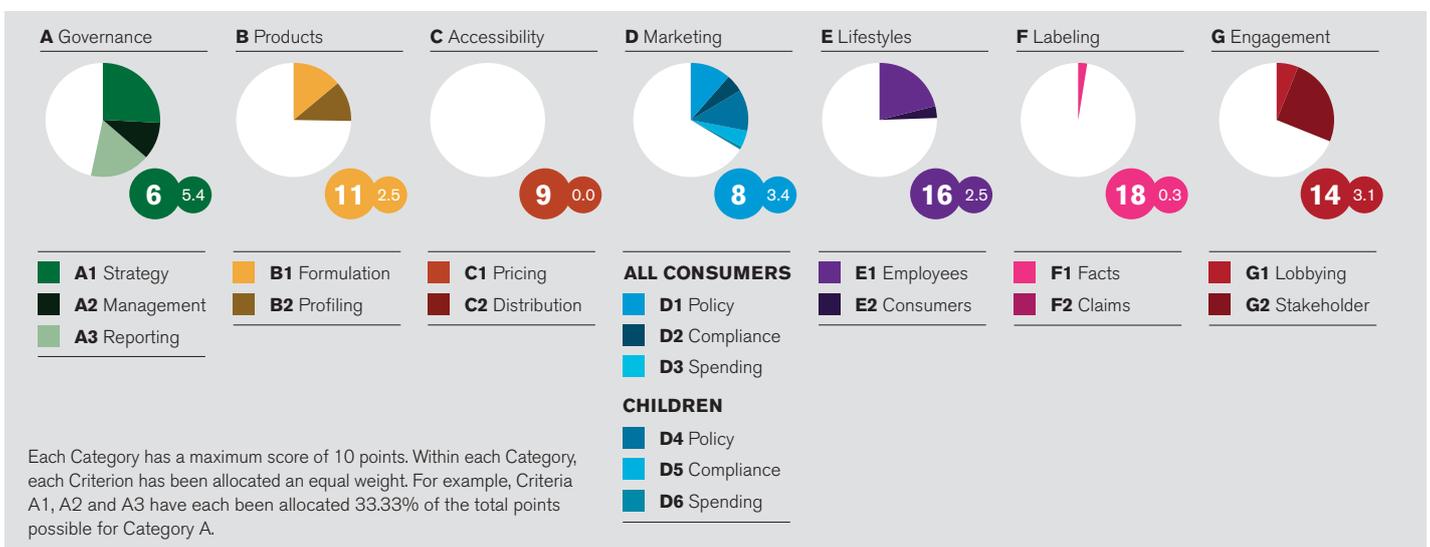
Reported product categories

Ready-to-eat cereals, refrigerated yogurt, ready-to-serve soup, dry dinners, shelf stable and frozen vegetables, refrigerated and frozen dough products, dessert and baking mixes, frozen pizza and pizza snacks, grain, fruit and savory snacks, and super-premium ice cream and frozen desserts

Reported revenue by geography

US Retail 68%, Bakeries and Foodservice 12%, Europe 6%, Canada 5%, Asia/Pacific 6%, Latin America 3%

Assessment Results



Areas of Strength

- General Mills has integrated nutrition into its growth strategy and has put in place Board-level oversight of its nutrition programs.
- The company has set some targets and made demonstrable progress in improving the nutritional quality of its portfolio. It is one of a few companies to be able to demonstrate the contribution to revenues of products with improved nutrition profiles: as of 2011, 64% of the company's retail sales comprised such products (measured using an internal nutrient profiling system), up from 16% in 2005.
- The company has also implemented a comprehensive health and wellness program for its employees.

Areas for Improvement

- While General Mills states a commitment to improving the nutritional quality of its portfolio through new product development and reformulation of existing products, the company has not disclosed consistent global targets for reducing ingredients such as fat, trans fat, sugar and salt or for increasing fruit, vegetables, fiber and whole grains (but rather has different targets in different regions and categories). Doing so would help stakeholders better understand the extent of its commitments and to track its progress.
- General Mills does not provide evidence of commitments and programs to enhance the accessibility and affordability of its healthier products through pricing and distribution practices.
- The company could improve disclosure of its lobbying and advocacy practices outside the U.S. Also, greater transparency on how input from dialogue with stakeholders is used to improve the company's practices would demonstrate how external consultations contribute to its decision-making processes.
- The company's approach to addressing undernutrition appears to focus mostly on addressing hunger through philanthropic programs. To the extent that General Mills expands its business in lower income countries, it should develop a structured approach to addressing undernutrition.

▲ did not provide information to MSCI ESG Research
General Mills did not provide any additional information upon request during the company research phase. As a result, its assessment is based solely on publicly available information.

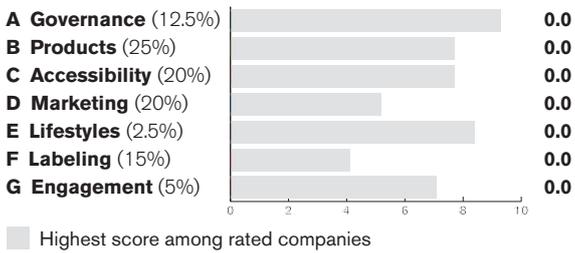
Groupe Lactalis

Company Overview

OBESITY 22 0.0

UNDERNUTRITION 14 0.0

Rank
22
Score
0.0



Headquarters
France

Market capitalization
Private company

of employees
54,000 (as of December 2011)

Revenues
USD 19.3 bn (EUR 15 bn) in FY 2011

Reported product categories

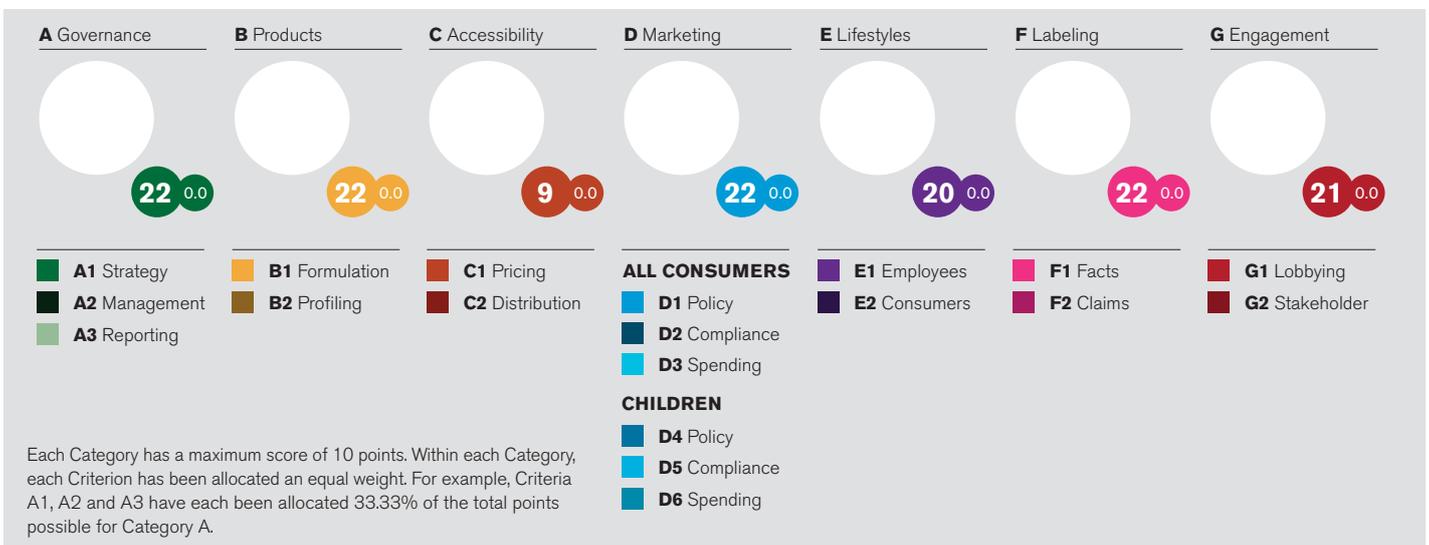
Cheeses 35%, Chilled dairy 13%,
Butters and creams 10%, Ingredients 11%,
Other business 6%, Liquid milk 2%

Reported revenue by geography

Europe 48%, France 27%, Americas 14%,
Africa 6%, Asia/Oceania 5%

 **MANUFACTURER OF BREAST-MILK SUBSTITUTES**

Assessment Results



Areas of Strength

1 Due to Groupe Lactalis' limited level of disclosure, no clear areas of strengths were identified.

Areas for Improvement

- 1 While Groupe Lactalis is a privately owned company and not subject to the same regulatory requirements for disclosure as publicly listed firms, increased disclosure on its approach to nutrition would allow for a more complete assessment and identification of specific areas for improvement.
- 2 The International Baby Food Action Network (IBFAN) has published evidence that Groupe Lactalis is not in full compliance with the International Code of Marketing of Breast-milk Substitutes (International Code). Given the importance of optimal breastfeeding, the company should take immediate action to ensure that its practices are in full compliance with the International Code in all countries.

 **did not provide information to MSCI ESG Research**
Groupe Lactalis does not publish information pertaining to its nutrition practices and it did not provide any information upon request during the company research phase. Due to this lack of information, it is difficult to assess the company's nutrition-related policies, practices and performance. As a result, it is among the lowest ranked companies in the ATNI Global Index.

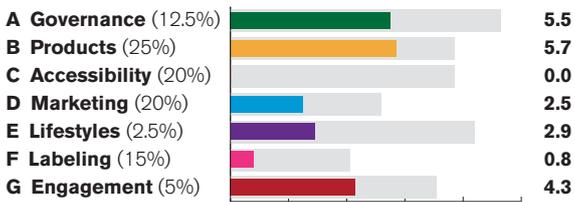
Grupo Bimbo SAB de CV



Company Overview

OBESITY 6 3.2

UNDERNUTRITION 8 1.8



■ Highest score among rated companies

Headquarters
Mexico

Reported product categories
Baking, salty snacks and confectionary

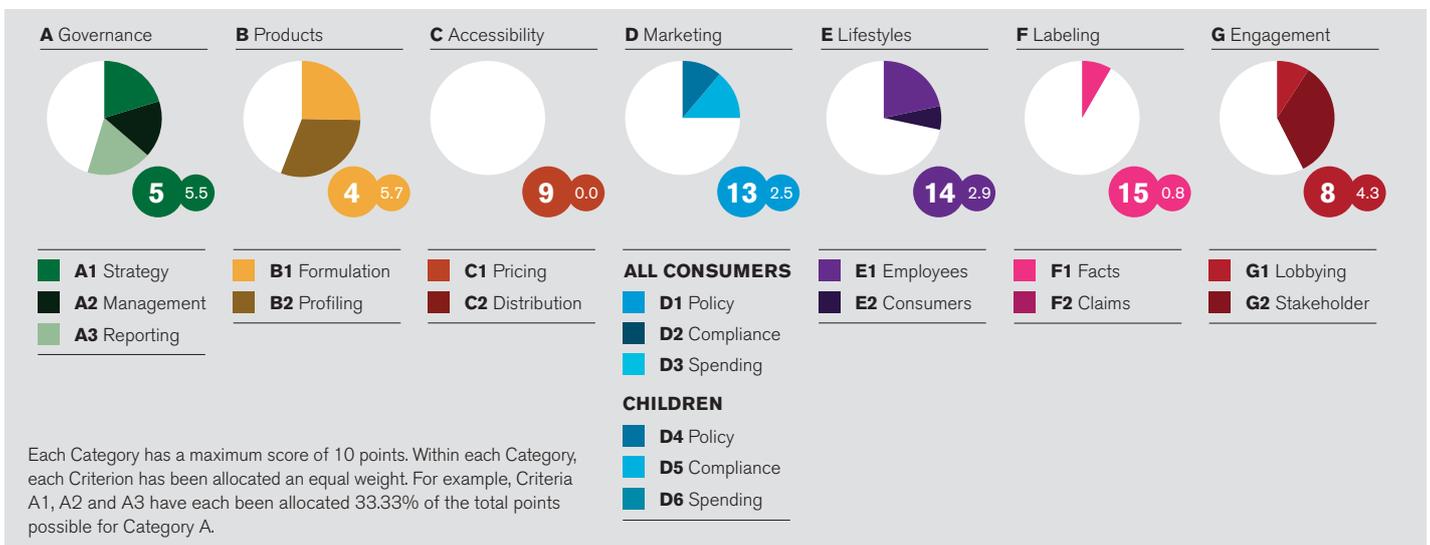
Market capitalization
USD 9.83 bn (MXN 137.4 bn)
as of 2011

Reported revenue by geography
Mexico 46%, USA 40%, Latin America 14%

of employees
127,000 as of December 2011

Revenues
USD 9.56 bn (MXN 133.7 bn)
in FY2011

Assessment Results



Areas of Strength

- 1 Grupo Bimbo has developed sound governance and management systems for nutrition, including Board oversight of its sustainability initiatives that include nutrition.
- 2 The company has created six Innovation and Nutrition Institutes whose objectives include developing healthy and high-quality products. It is one of a handful of companies in the Global Index that has a target for the number of new healthy products it intends to introduce.
- 3 The company has developed a nutrient profiling system that guides its reformulation efforts and defines the company's standard for designating a product as "healthy".
- 4 Grupo Bimbo's approach to addressing undernutrition is integrated into the company's core business. In addition, the company provides philanthropic support (cash and in-kind donations) to address undernutrition in lower income communities.

Areas for Improvement

- 1 Grupo Bimbo does not disclose information about how the implementation of its nutrition strategy adds value to its business. The company could improve by disclosing quantitative data on the increase in sales due to healthy products.
- 2 Grupo Bimbo does not provide evidence of having a commitment or approach to improve the accessibility of its healthy products for lower income consumers through pricing and distribution strategies or initiatives.
- 3 The company does not disclose any strategy to place greater emphasis on marketing its healthy options.
- 4 The company's policy on marketing to children could be improved by, among other things, extending its coverage to secondary schools and other places where children gather.
- 5 While Grupo Bimbo's reporting on its efforts to help address obesity is relatively detailed, richer disclosure about its approach to addressing undernutrition would be valuable.

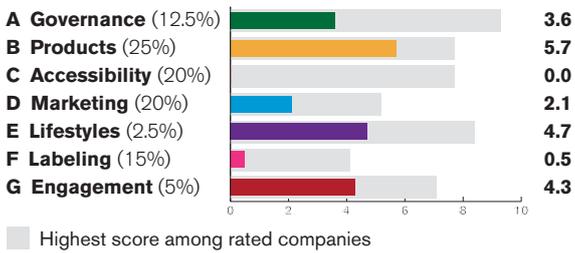
H. J. Heinz Company

Company Overview

OBESITY 9 2.7

UNDERNUTRITION 9 1.4

Rank **8**
Score **2.7**



Headquarters
US

Market capitalization
USD 17 bn (as of April 2012)

of employees
34,800 (as of August 2012)

Revenues
USD 11.7 bn (FY 2012)

Reported product categories

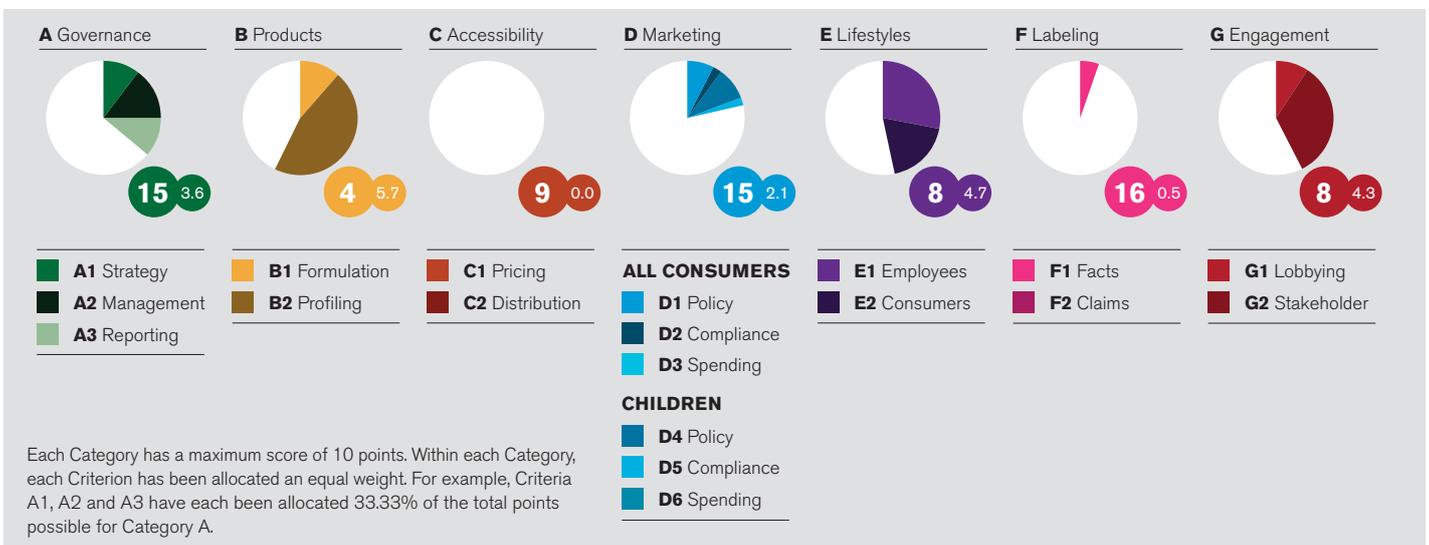
Sauces, Dressings, Beans, Condiments, Soups, Ready Meals, Pasta & Noodles, Frozen Foods, Canned Foods, and Baby Foods

Reported revenue by geography

North America Consumer Products 31%, Europe 30%, Asia/Pacific 22%, US Foodservice 13%, Rest of World 4%

 **MANUFACTURER OF BREAST-MILK SUBSTITUTES**

Assessment Results



Areas of Strength

- 1 Heinz works with multiple stakeholders to address undernutrition mostly through its philanthropic arm, the Heinz Foundation. Its flagship program, the Heinz Micronutrient Campaign, aims to prevent and address micronutrient deficiencies in lower income countries.
- 2 Heinz's reporting and activities show a clear intention to deliver more healthy foods. The company has made broad commitments to reducing less healthy ingredients and increasing healthier ingredients in its products. In addition, its target is for 100% of its new products marketed in North America to meet its criteria for healthy nutrition.
- 3 The company has adopted a nutrient profiling system that was developed through an independent multi-stakeholder process and is published in a peer reviewed journal, which is a leading practice.
- 4 Heinz provides health and wellness programs to its global workforce. While the programs vary by location, within the US the company offers gym subsidies, health screening, fitness challenges and health and wellness education.

Areas for Improvement

- 1 Heinz discloses a limited set of objectives and targets related to nutrition. Setting comprehensive objectives and targets for all its nutrition programs would help to improve its future performance.
- 2 The International Baby Food Action Network (IBFAN) has published evidence that Heinz is not in full compliance with the International Code of Marketing of Breast-milk Substitutes (International Code). Given the importance of optimal breastfeeding, the company should take immediate action to ensure that its practices are in full compliance with the International Code in all countries.
- 3 In addition to its primarily philanthropic approach to addressing undernutrition, the company should also implement initiatives through its core business in consultation with local stakeholders.
- 4 The company does not provide evidence of having a strategy to make its healthier products affordable and available through pricing and distribution practices.
- 5 Its approach to marketing to children is particularly weak and requires strengthening in almost every aspect. Heinz has an internal audit system to ensure compliance with its marketing policies but does not commission independent audits.

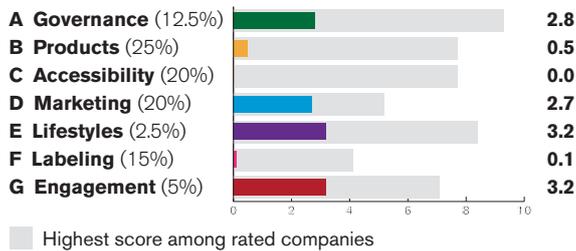
The Hershey Company

Company Overview

OBESITY 17 1.3

UNDERNUTRITION *

Rank
18
Score
1.3



Headquarters
US

Reported product categories
Not Disclosed

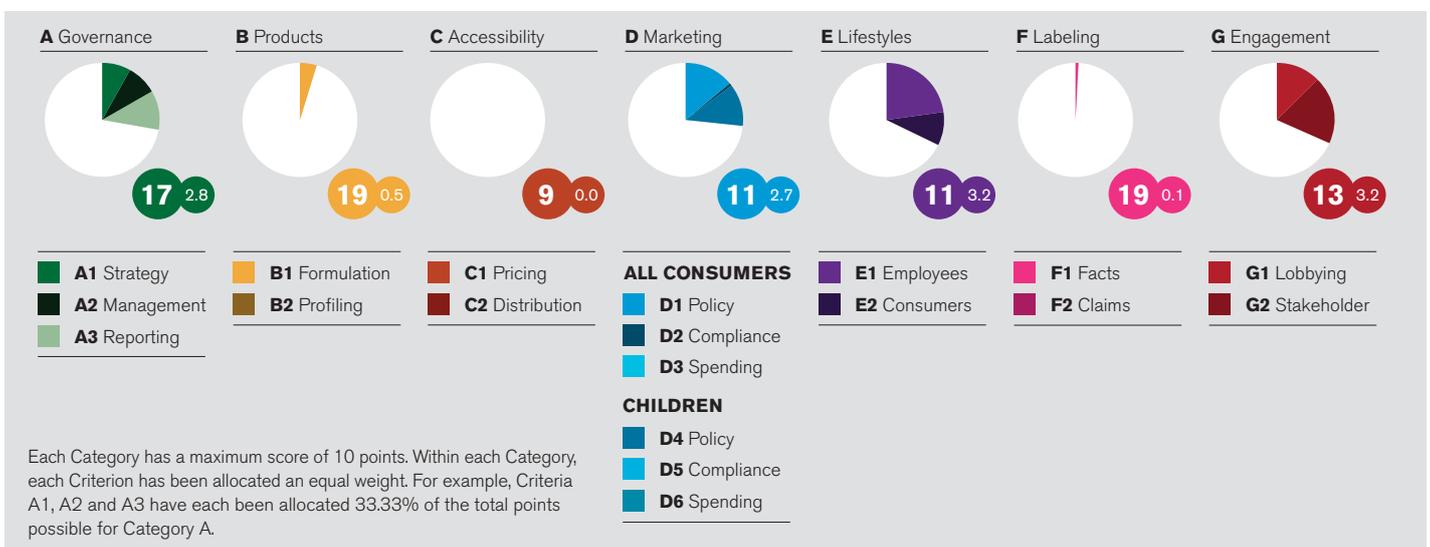
Market capitalization
USD 15.86 bn (as of December 2011)

Reported revenue by geography
US 85%, Rest of the world 15%

of employees
13,800 (as of December 2011)

Revenues
USD 6.08 bn in FY2011

Assessment Results



Areas of Strength

- Hershey's has developed comprehensive health and wellness programs for its employees. The impact of these programs is assessed by an independent organization, which is a leading practice.
- The company provides evidence of a structured approach to stakeholder engagement and discloses a commitment to incorporating feedback into its business practices

Areas for Improvement

- Hershey's provides qualitative information relating to some of its nutrition commitments but does not provide quantitative data in the form of targets, performance metrics or audit results for its nutrition policies and programs.
- While Hershey's has a policy on marketing to all consumers, its policy on marketing to children could be strengthened by extending its commitments to secondary schools and places where children gather, and by extending its commitments made through industry pledges to apply beyond the U.S. Commissioning external audits of its compliance with these policies would allow stakeholders to better understand how the company is performing in this area.
- Greater transparency on its labeling practices and its use of health and nutrition claims in countries with no related regulations would allow stakeholders to better understand its performance in this area.
- Hershey's public disclosure on its lobbying and advocacy practices outside the U.S. is limited. The company could also improve its disclosure on how engagement with stakeholders has led to changes in the company's nutrition policies and practices.

* As predominantly a confectionary business, Hershey's ability to address undernutrition is very limited. As a result, it has not been assessed on the undernutrition aspects of the Global Index.

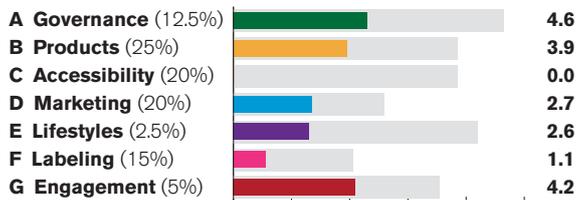
The Kellogg Company

Company Overview

OBESITY **7** 2.8

UNDERNUTRITION **10** 0.8

Rank **10**
Score **2.5**



■ Highest score among rated companies

Headquarters

US

Market capitalization

USD 18.41 bn (as of December 2011)

of employees

30,700 (as of December 2011)

Revenues

USD 13.20 bn in FY2011

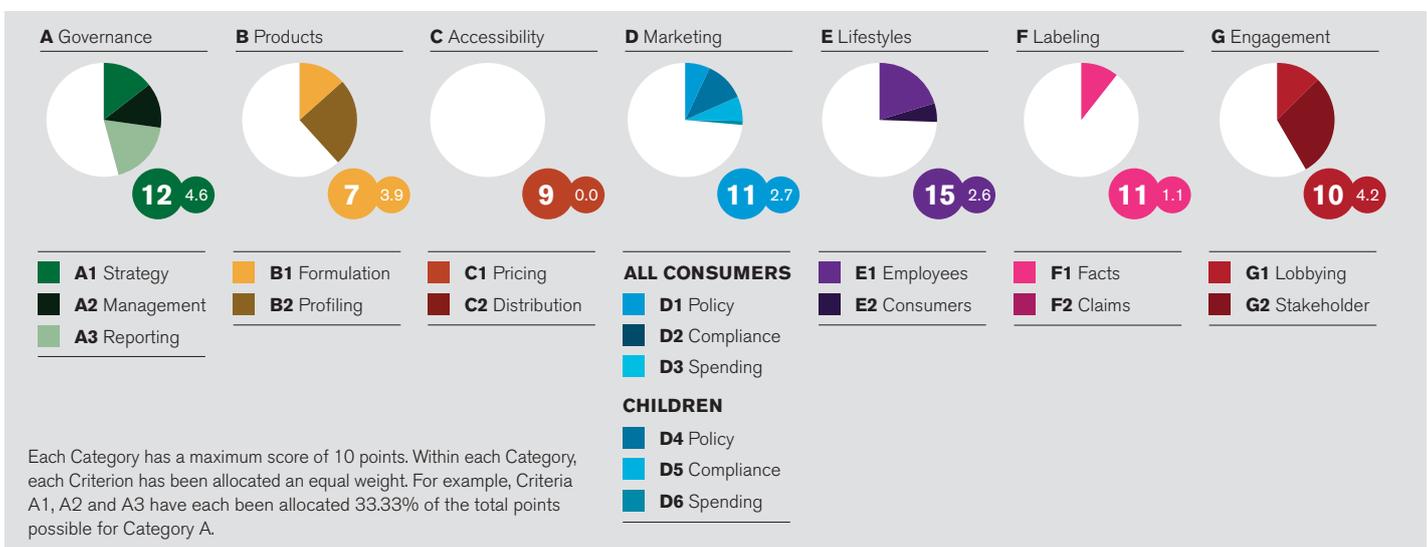
Reported product categories

Not Disclosed

Reported revenue by geography

Americas 75%, Europe 18%, Asia Pacific 7%

Assessment Results



Areas of Strength

- 1 Kellogg has integrated a consideration of nutrition issues, particularly those relevant to obesity and diet-related chronic diseases, into its business strategy. Its nutrition-related programs are overseen at the Board level.
- 2 The company aligns its product formulation approach to WHO recommendations.
- 3 Kellogg is among the minority of companies assessed by ATNI to have a policy guiding its approach to marketing to all consumers that is applicable to all media types.
- 4 Kellogg has developed its own nutrient profiling system based on internationally recognized dietary guidelines. This system applies globally and is used to determine which products the company can advertise to children under 12.

Areas for Improvement

- 1 Kellogg discloses a limited set of objectives and targets for its nutrition-related programs. Setting comprehensive objectives and targets for all of its nutrition initiatives (such as product formulation and marketing of healthy products) would enable stakeholders to better understand its approach and progress.
- 2 Kellogg did not provide any evidence of having a commitment or approach to making its healthy products more affordable and available. The company should adopt an approach to improving the accessibility of its healthy products through pricing and distribution strategies.
- 3 Kellogg should report its individual results from the independent audits conducted on its policy on marketing to children.
- 4 The company should disclose any policy that it may have to guide its approach to the use of health and nutrition claims and also its approach to labeling in countries without relevant regulation.
- 5 While Kellogg provided examples of cereals fortified for the needs of Mexican consumers, it should develop a more structured and collaborative approach to addressing undernutrition.
- 6 The company should disclose how it incorporates input received from its council of independent nutrition advisors to help improve its practices.

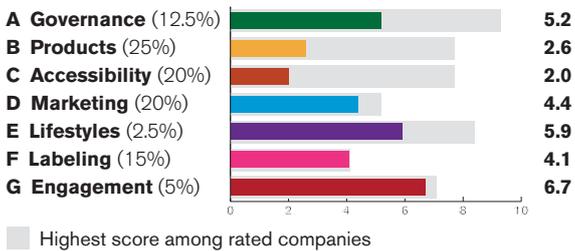
Kraft Foods, Inc.

Company Overview

OBESITY 5 3.5

UNDERNUTRITION 5 3.1

Rank **5** Score **3.7**



Headquarters
US

Market capitalization
USD 67.9 bn as of May 2012

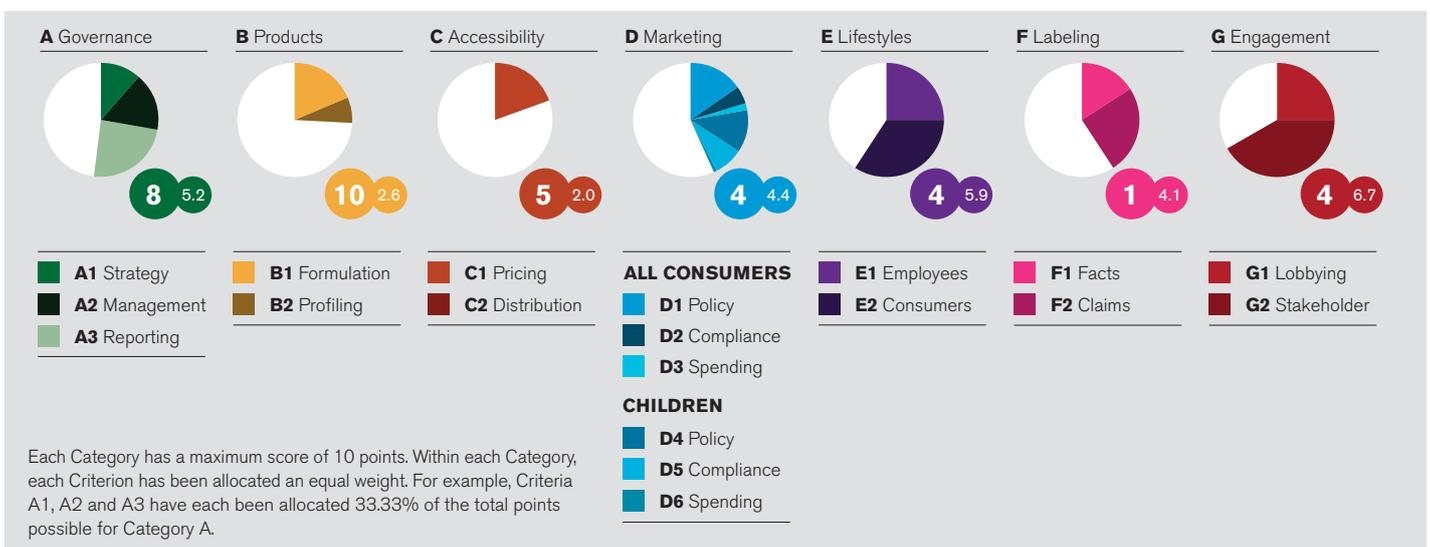
of employees
127,000 as of December 2011

Revenues
USD 54.4 bn in FY 2011

Reported product categories
Confectionary, Biscuits, Beverages, Cheese, Convenient Meals, and Grocery

Reported revenue by geography
Americas 50.3%, Developing Markets 28%, Europe 21.7%

Assessment Results



Areas of Strength

- 1 Kraft is one of only a handful of companies assessed by ATNI that states a commitment to increasing the affordability of its healthy products and provided examples of having done so.
- 2 The company has developed product fortification initiatives to help address undernutrition in developing countries as part of both its core business and through its philanthropic activities, and states commitments to only fortifying its healthy products and to enhancing low-income consumers' access to its fortified products.
- 3 Kraft is one of the few companies assessed by ATNI to align its approach to marketing to all consumers with the ICC Framework. The company also demonstrates leading practice by stating a commitment not to advertise in primary and secondary schools.
- 4 Kraft was the leading performer among companies assessed by ATNI in the area of product labeling and use of health and nutrition claims. For example, it is one of the few companies assessed by ATNI to state a commitment to using Codex to guide its use of health and nutrition claims in countries without relevant regulations.
- 5 The company demonstrates leading practice by subjecting its annual reporting to external verification.

Areas for Improvement

- 1 The majority of information used as the basis for Kraft's ranking was provided upon request and not available publicly. More comprehensive public disclosure would allow stakeholders to more readily understand Kraft's approach to nutrition.
- 2 Kraft discloses a limited set of objectives and targets for its nutrition-related programs. Setting comprehensive objectives and targets for all of its nutrition initiatives (such as product formulation, pricing, distribution, and marketing of healthy products) would enable stakeholders to better understand its approach and progress. In addition, Board oversight of these initiatives would demonstrate the priority Kraft places on them.
- 3 The company should complement its efforts at making its healthy products more affordable by increasing its efforts and disclosure on any approach it may have to making its healthy products more available through its distribution strategy.

Note On October 1, 2012, Kraft Foods split into two separate companies, Mondelez International and Kraft Foods Group. As this occurred after the end of the research phase, neither of these two companies is ranked. Instead, the predecessor company, Kraft Foods, is ranked based on its nutrition-related practices prior to its split.

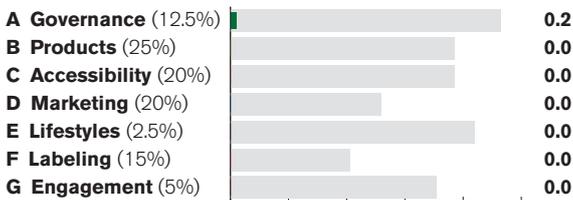
Lotte Co. Ltd.▲

Rank **22** Score **0.0**

Company Overview

OBESITY **22** 0.0

UNDERNUTRITION **14** 0.0



■ Highest score among rated companies

Headquarters
Japan/South Korea

Market capitalization
Privately Owned

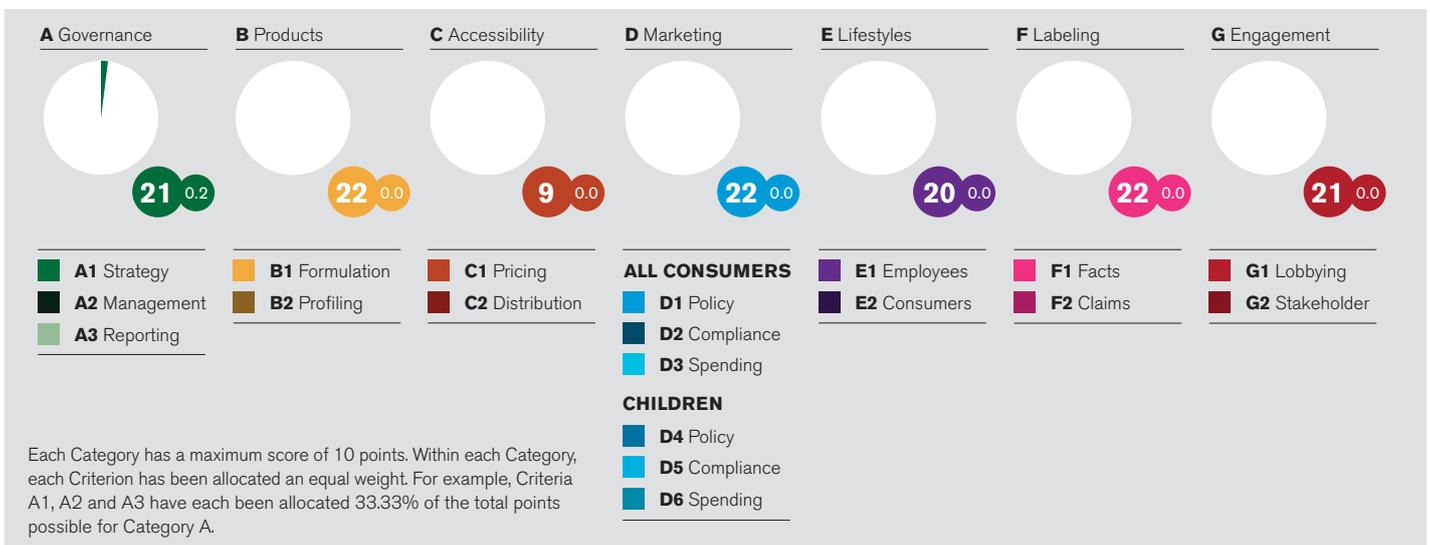
of employees
4,700 (Lotte Group Total)
as of March 2012

Revenues
USD 4.76 bn (JPY 439.57 bn) for FY
2011 (only for the product categories
listed here)

Reported product categories
Beverages 24%, Confectionaries 48%,
Frozen desserts 27%

Reported revenue by geography
Seventy countries, Including China, Indonesia,
Japan, Taiwan, Thailand, US, Vietnam

Assessment Results



Areas of Strength

1 Due to Lotte's lack of disclosure, no clear areas of strengths were identified.

Areas for Improvement

1 While Lotte is a privately owned company and not subject to the same regulatory requirements for disclosure as publicly listed firms, increased disclosure on its approach to nutrition would allow for a more complete assessment and identification of specific areas for improvement.

▲ **did not provide information to MSCI ESG Research**
Lotte does not publish information pertaining to its nutrition practices and it did not provide any information upon request during the company research phase. Due to this lack of information, it is difficult to assess the company's nutrition-related policies, practices and performance. As a result, it is among the lowest ranked companies in the ATNI Global Index.

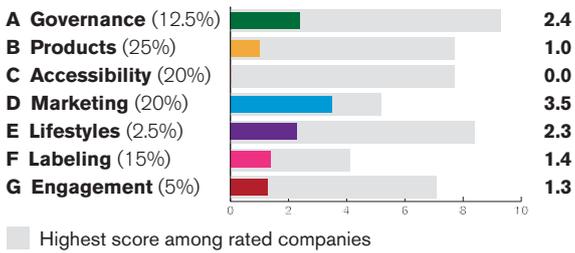
Mars, Incorporated

Company Overview

OBESITY 16 1.7

UNDERNUTRITION 13 0.3

Rank
16
Score
1.6



Headquarters
US

Market capitalization
Private Company

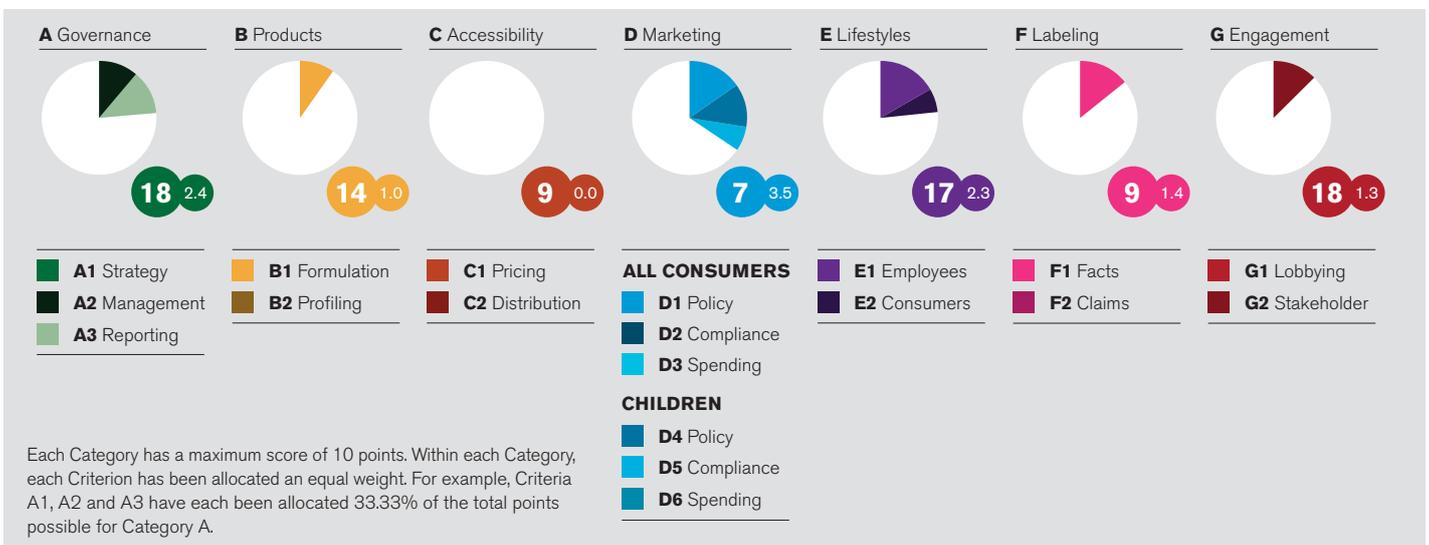
of employees
70,000

Revenues
USD 30 bn in FY 2012

Reported product categories
Chocolate, confections, food, drinks, pet care, and life sciences (revenue data not available)

Reported revenue by geography
Markets include North America, Europe, Russia & CIS, Asia-Pacific, Latin America, Africa, India and Middle East (revenue data not available)

Assessment Results



Areas of Strength

- Mars has a strong marketing policy that prohibits all advertising to children under the age of 12. In addition, the company's threshold for the definition of a child audience (when 25% or more of an audience consists of children) is the strictest among companies assessed by ATNI.
- Mars has demonstrated a strong commitment to providing clear and consistent nutrition information worldwide. As of 2012, the company publishes Guideline Daily Amounts on front- and back-of-pack labels on all its chocolate and confectionary products globally.
- Mars offers health and wellness programs to its employees in North America to promote well-being. Programs include on-site fitness centers and health specialists, online engagement programs, and resources for employees and their families to improve eating habits, increase physical activity and manage stress.

Areas for Improvement

- Mars does not disclose any comprehensive approach for how the company will address nutrition issues. Setting clear nutrition-related objectives and targets that are overseen by the Board and managed at the executive level would serve as a strong foundation for further nutrition-related efforts.
- The company should build on its philanthropic efforts and consider other ways it can help address undernutrition, including through public-private partnerships and core business approaches.
- Mars should expand its efforts on product formulation by investing in research and development, setting targets for all relevant ingredients and in all markets in which it operates, and adopting a robust nutrient profiling system to guide these efforts.
- The company's product formulation efforts can have a greater impact through efforts to enhance the affordability and availability of its healthier products.
- While Mars states a clear commitment to informative labeling, the company did not provide information on any approach it may have to the use of health and nutrition claims, particularly in markets where no national regulatory system on such claims exists. More disclosure would help stakeholders better understand the company's approach on this key issue.

Note Mars released a new report providing information on its progress against its sustainability principles, including nutrition, after the end of the ATNI research phase. As a result, this new set of data was not included in the company's assessment.

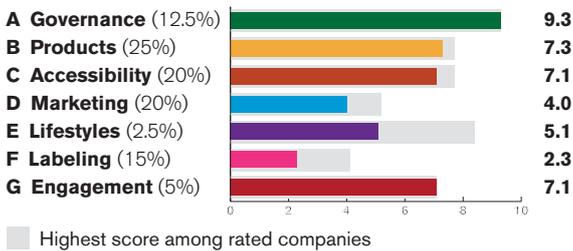
Nestlé SA

Company Overview

OBESITY 2 6.0

UNDERNUTRITION 2 5.3

Rank **3** Score **6.0**



Headquarters
Switzerland

Market capitalization
USD 182 bn (CHF 171 bn)
as of December 2011

of employees
328,000 as of December 2011

Revenues
USD 89.24bn (CHF 83.64 bn)
in FY2011

Reported product categories

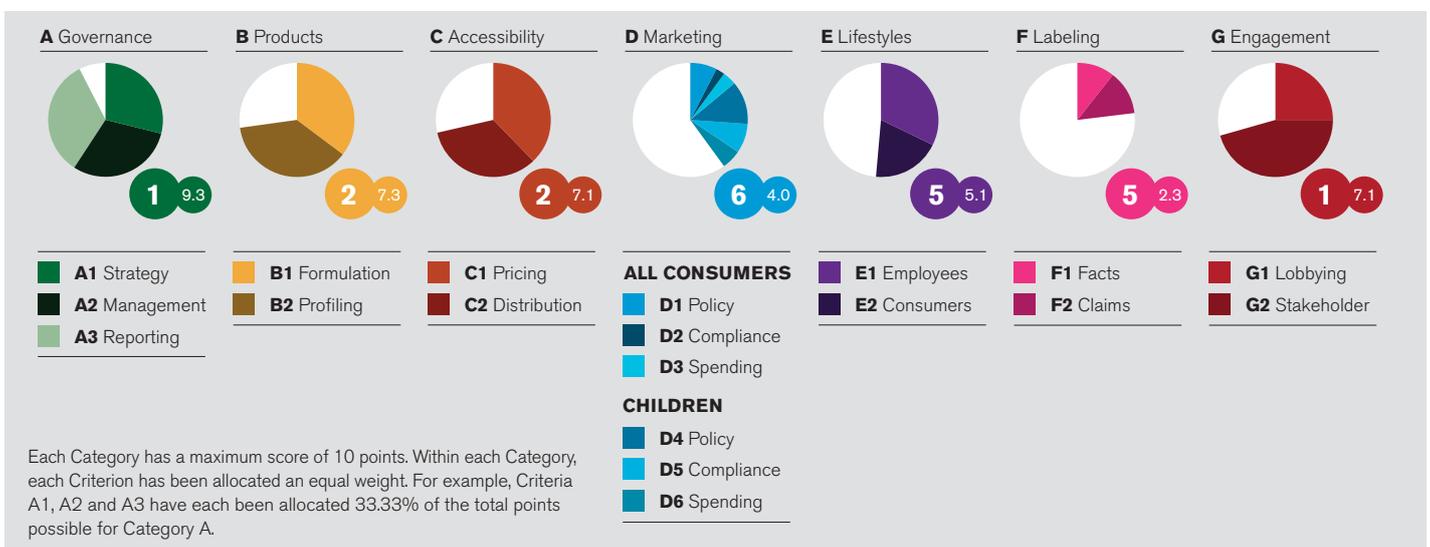
Powdered and liquid beverages 22.7%, Pet Care 20.6%, Nutrition and health care 18.7%, Confectionery 16.8%, Prepared dishes and cooking aids 14.5%, Milk products and ice cream 13.7%, Water 8%

Reported revenue by geography

Americas 45%, Europe 31%, Asia, Oceania and Africa 24%

 **MANUFACTURER OF BREAST-MILK SUBSTITUTES**

Assessment Results



Areas of Strength

- Nestlé is among the top three performers in the ATNI Global Index and it performs well in almost all areas assessed by ATNI with the exception of its marketing practices related to breast-milk substitutes (see "Areas for Improvement" for more detail).
- Nestlé has demonstrated that it has successfully integrated nutrition into its core business and growth strategies. It has improved the nutritional quality of its product portfolio over recent years through both product formulation and acquisitions.
- Nestlé is one of the few companies assessed by ATNI that addresses under-nutrition as part of both its core business and its philanthropic programs. It has well-structured, global programs to develop affordable and accessible fortified foods for low-income consumers.
- The company has a strong approach to improving the nutritional quality of its product portfolio through research, development, and reformulation programs. It is the only company assessed by ATNI that has both targets for reducing levels of sugar, salt, fat, and trans fat and commitments to increase levels of whole grains, fruits, vegetables, and fiber in its products.
- Nestlé is among a handful of companies that have defined a global approach to increasing the accessibility and affordability of their products for all consumers. The company puts some emphasis on its healthier options in its efforts to make products more accessible.
- The company has strong public reporting on its nutrition activities. It publicly discloses its global commitments, targets and performance indicators and demonstrates leading practice by having its reporting externally verified.

Areas for Improvement

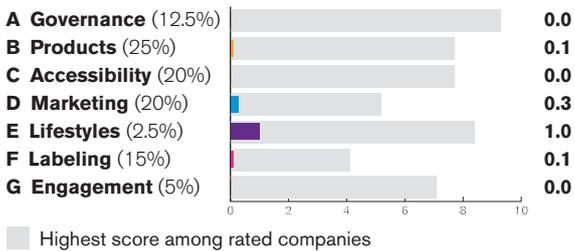
- While Nestlé has defined a limited set of objectives and targets for its nutrition activities, setting and publishing comprehensive objectives and targets for all such activities would allow stakeholders to better understand the operational priority it places on nutrition.
- The International Baby Food Action Network (IBFAN) has published evidence that Nestlé is not in full compliance with the International Code of Marketing of Breast-milk Substitutes (International Code). The company has published a detailed rebuttal of IBFAN's assessment. In addition, Nestlé's practices are subject to review through FTSE4Good's verification assessment process. Given the importance of optimal breastfeeding, the company should take immediate action to ensure that its practices are in full compliance with the International Code in all countries.
- Nestlé could strengthen its policy on marketing to children by, among other things: raising the definition of the age of a child to 16; not marketing any products to children under 12; raising the threshold for defining a child audience; and confirming that the definition of a child audience applies to new media. In addition, it could extend its policy to apply to secondary schools.
- While Nestlé has health and wellness programs in place for its employees, it should conduct independent evaluations of the business and health outcomes of these programs so that it will know how to improve them.
- There is room for improvement in the company's public disclosure of its lobbying and advocacy activities and its positions on nutrition-related issues. While Nestlé provides a fair amount of detail about feedback received through engagement with a wide range of stakeholders, more detail could be provided about how such feedback has been used to improve its nutrition practices.

Nichirei Corporation

Rank **21** Score **0.1**

Company Overview

OBESITY 21 0.2 **UNDERNUTRITION** 14 0.0



Headquarters
Japan

Market capitalization
USD 1.71 bn (JPY 132.7 bn)
as of September 2012

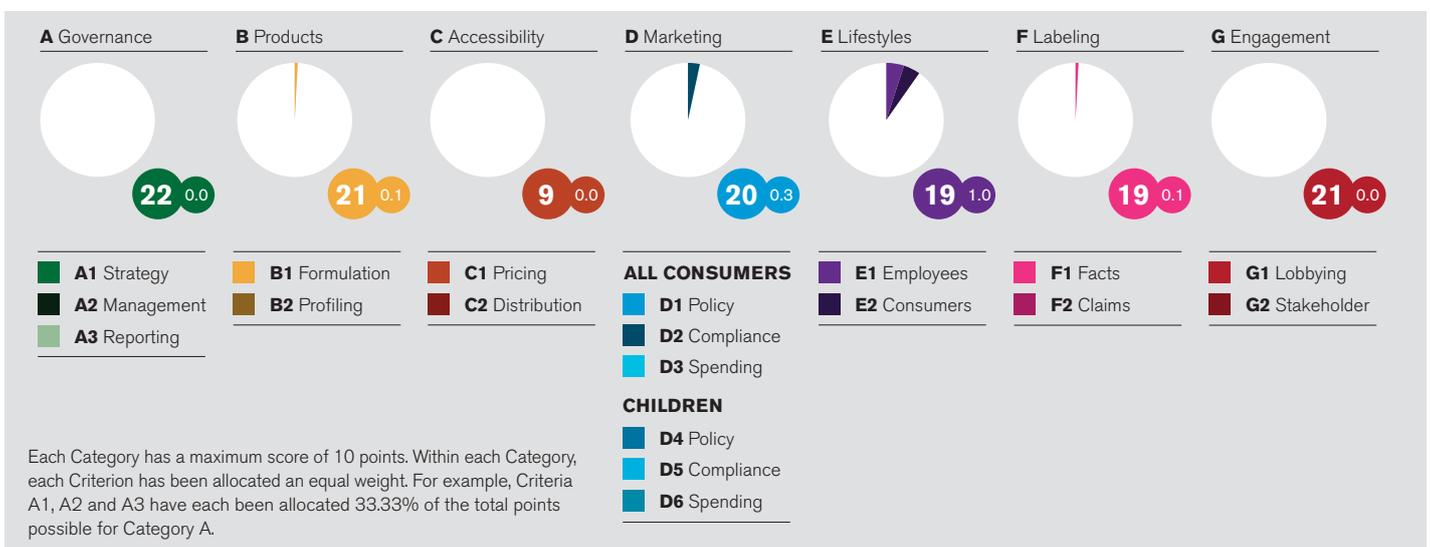
of employees
12,082 as of March 2012

Revenues
USD 5.41 bn (JPY 454.9 bn) in FY 2012

Reported product categories
Processed foods 35.2%, Logistics 30.4%, Meat and poultry products 17%, Marine products 14.6%, Real estate 1.4%, and Others 1.4%

Reported revenue by geography
Unknown

Assessment Results



Areas of Strength

1 Due to Nichirei's limited level of disclosure, no clear areas of strengths were identified.

Areas for Improvement

1 Nichirei's public reporting on its nutrition-related activities is very limited. Increased disclosure on its approach to nutrition would allow for a more complete assessment and identification of specific areas for improvement.

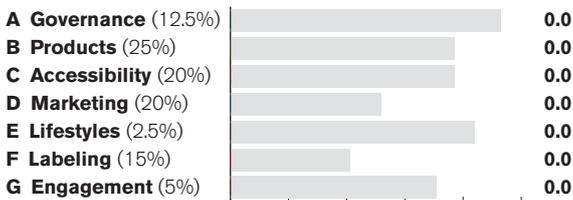
Nissin Foods Holdings Co., Ltd.▲

Rank **22** Score **0.0**

Company Overview

OBESITY 22 0.0

UNDERNUTRITION 14 0.0



■ Highest score among rated companies

Headquarters
Japan

Market capitalization
USD 4.6 bn (JPY 359.4 bn)
as of September 2012

of employees
7,505 as of March 2011

Revenues
USD 4.53 bn (JPY 380.7 bn)
as of March 2012

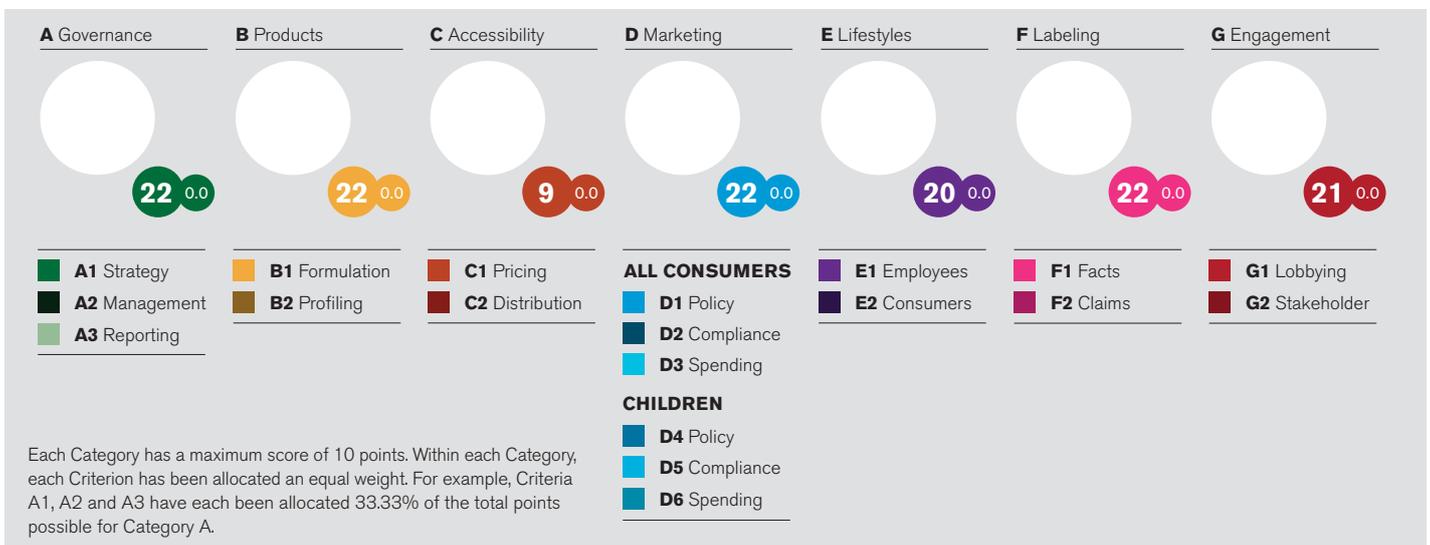
Reported product categories

Nissin Foods 52%, Chilled and frozen foods 14% and Myjojo foods 11%

Reported revenue by geography

Japan 77%, Other 11%, America 7%, and China 5%

Assessment Results



Areas of Strength

1 Due to Nissin's limited level of disclosure, no clear areas of strengths were identified.

Areas for Improvement

1 Increased disclosure on its approach to nutrition would allow for a more complete assessment and identification of specific areas for improvement.

▲ **did not provide information to MSCI ESG Research**
Nissin does not publish information pertaining to its nutrition practices and it did not provide any information upon request during the company research phase. Due to this lack of information, it is difficult to assess the company's nutrition-related policies, practices and performance. As a result, it is among the lowest ranked companies in the ATNI Global Index.

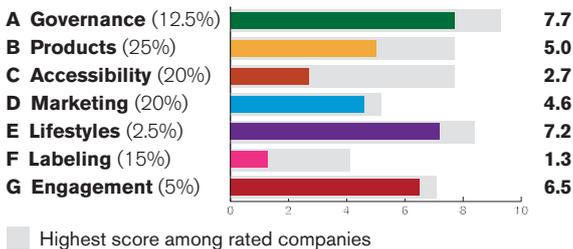
PepsiCo Inc.

Company Overview

OBESITY 4 4.2

UNDERNUTRITION 4 4.1

Rank
4
Score
4.4



Headquarters
US

Market capitalization
USD 110 bn as of September 2012

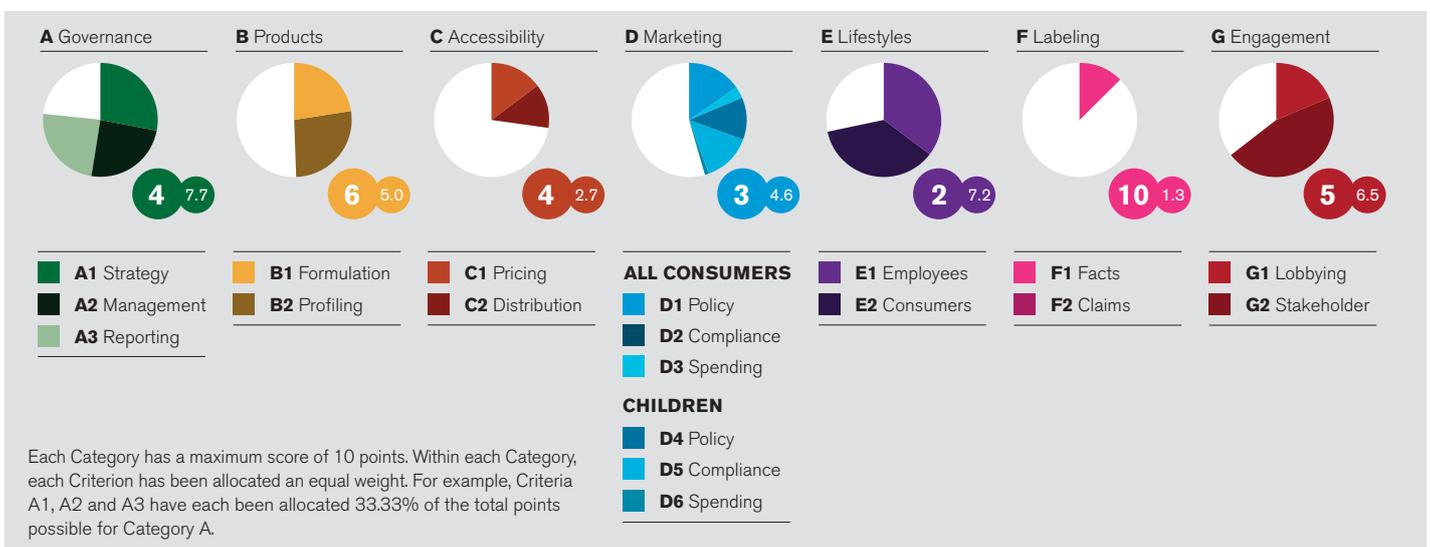
of employees
297,000 as of June 2012

Revenues
USD 65 bn in FY2011

Reported product categories
Beverages 52%, Snack foods 48%

Reported revenue by geography
PAB (PepsiCo Americas Beverages) 34%,
FLNA (Frito Lay North America) 20%, Europe
20%, AMEA (Asia Middle East & Africa) 11%,
LAF (Latin America Foods) 11%, QFNA
(Quaker Foods North America) 4%

Assessment Results



Areas of Strength

- PepsiCo has a clear focus on nutrition and health in its growth strategy and its Board has oversight of sustainability issues, including nutrition. While a significant portion of its product portfolio consists of soft drinks and snacks, the company has undertaken meaningful efforts to diversify its offerings and improve its nutrition practices.
- PepsiCo has stated a strong commitment to increase its research and development spending on improving the nutritional quality of its product portfolio and has established global targets to reformulate its products. Its work is guided by its own nutrient profiling system, which was developed with independent external input.
- PepsiCo is a signatory to the International Food and Beverage Alliance (IFBA) pledge on marketing to children. It prohibits any form of advertising to children under six years old and restricts advertising to children under 12 to only its healthy products. It is one of a handful of companies that publicly discloses its individual compliance level with a marketing pledge (98.5% compliance with the IFBA pledge in 2010).
- The company has developed a comprehensive health and wellness program for its employees and is one of a handful of companies that commissions and publishes an external evaluation of its program's health impact.
- PepsiCo addresses undernutrition through both its core business and its philanthropic foundation. The company states a commitment to work within regional and national frameworks to develop and deliver fortified products to those at risk of undernutrition.

Areas for Improvement

- While PepsiCo articulates strong commitments to the development of new healthy products and to product reformulation, disclosing data to demonstrate implementation of these commitments would allow stakeholders to better evaluate the scope and scale of these efforts.
- The company's policy on marketing to children could be strengthened by extending its application to include areas in and near secondary schools and places where children gather.
- PepsiCo does not articulate a strategy with clear objectives and targets to improve the accessibility of its healthy and fortified products through pricing and distribution strategies.
- The company can strengthen its approach to labeling by adhering to Codex recommendations. It can also strengthen its approach to the use of health and nutrition claims by publishing the details of any approach it may have in countries with no relevant regulations.
- While PepsiCo provided information about its lobbying positions on key nutrition issues upon request, there is limited public information on its lobbying and advocacy practices related to nutrition. In addition, the company should provide more detail about how stakeholder input is used to improve its nutrition practices.

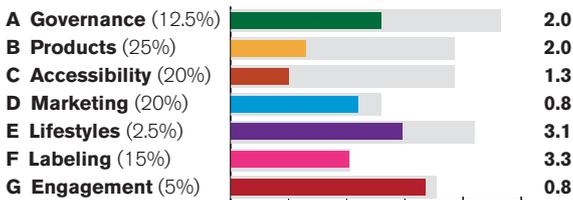
Sigma Alimentos

Company Overview

OBESITY 13 2.1

UNDERNUTRITION 14 0.0

Rank
14
Score
1.8



■ Highest score among rated companies

Headquarters

Mexico

Market capitalization

Private

of employees

29,226 as of December 2011

Revenues

USD 3.3 bn in FY2011

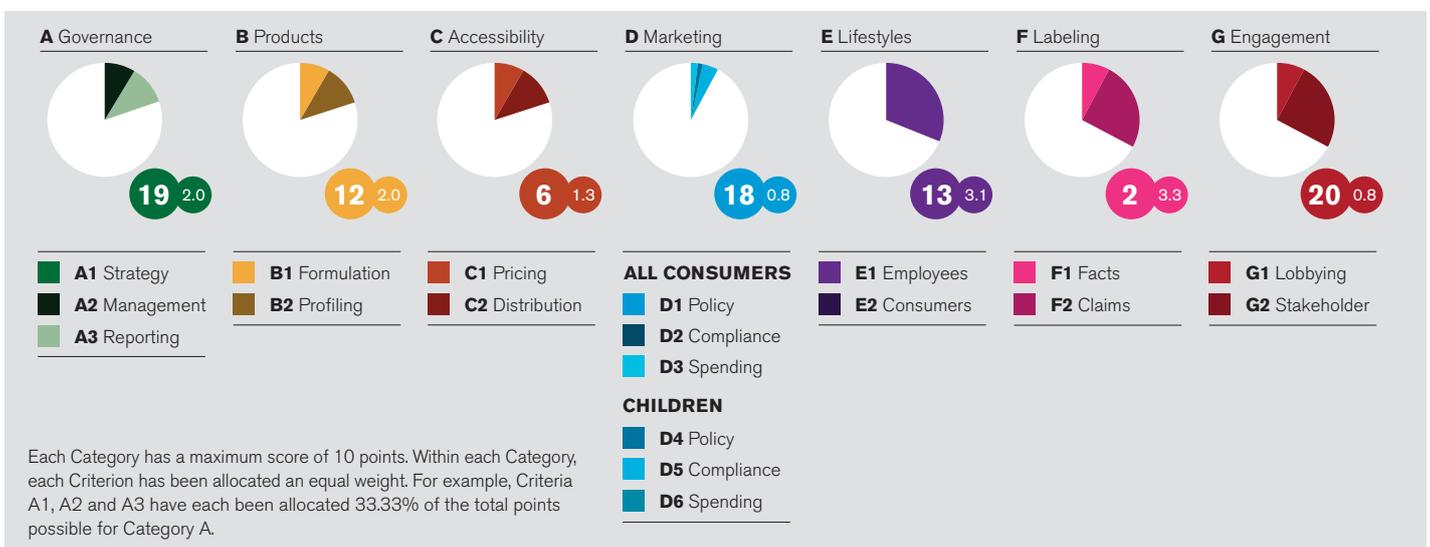
Reported product categories

Processed meats 67%, Dairy products 29%, Other refrigerated products (prepared meals, desserts, and beverages) 4%

Reported revenue by geography

Mexico 68%, US 24%, Central America and Caribbean 7%, Peru 1%

Assessment Results



Areas of Strength

- 1 Sigma is one of the few companies assessed by ATNI whose CEO receives a bonus linked to performance against nutrition objectives (as a part of its broader sustainability plan).
- 2 The company is one of only a few assessed by ATNI to publish a target for its research and development spending on nutrition. It has also developed its own nutrient profiling system, which guides its efforts to reduce levels of sodium, sugar and trans fat in its products.
- 3 Sigma has developed products in several markets in Latin America and Africa which aim to deliver higher nutritional quality in a more accessible fashion through innovations in pricing and distribution.
- 4 The company offers a comprehensive health and wellness program to employees in several of its locations and also discloses quantitative data on the health improvements resulting from the program.
- 5 Sigma is one of only a few companies in the Global Index to commit, in countries where no relevant national regulations exist, only to place a health claim on a product when it is in compliance with Codex guidelines.

Areas for Improvement

- 1 Sigma's approach to nutrition is part of its sustainability plan, but it would demonstrate a stronger commitment by integrating this approach into the company's core business strategy.
- 2 The company should commit to playing a more active role in addressing undernutrition and to explore options including through philanthropy, public-private partnerships, and core business approaches.
- 3 The company should build on its examples of making healthier products more accessible through pricing and distribution efforts by committing to a broader approach to increasing the affordability and availability of these products.
- 4 While Sigma adheres to the Código PABI to guide its marketing to children in Mexico, it could adopt stricter principles to guide its global practices on marketing to children.
- 5 Sigma should publish information about its lobbying activities, including its memberships in industry associations and positions on key nutrition issues. In addition, its broader stakeholder engagement efforts could be improved by adopting a more structured approach and through disclosure of how input received through these activities is incorporated into its nutrition-related practices.

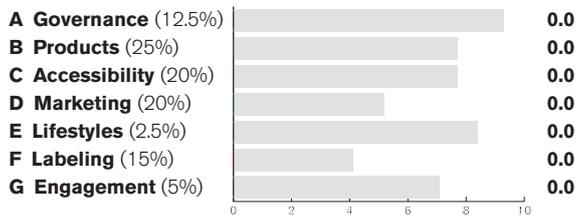
Tingyi (Cayman Islands) Holding Corporation ▲

Rank **22** Score **0.0**

Company Overview

OBSESITY 22 0.0

UNDERNUTRITION 14 0.0



■ Highest score among rated companies

Headquarters
China

Market capitalization
USD 16 bn (HKD) 130.58 bn as of September 2012

of employees
64,309 as of December 2011

Revenues
USD 7.9 bn in FY 2011

Reported product categories
Unknown

Reported revenue by geography
Unknown

Assessment Results

A Governance	B Products	C Accessibility	D Marketing	E Lifestyles	F Labeling	G Engagement
22 0.0	22 0.0	9 0.0	22 0.0	20 0.0	22 0.0	21 0.0
<ul style="list-style-type: none"> A1 Strategy A2 Management A3 Reporting 	<ul style="list-style-type: none"> B1 Formulation B2 Profiling 	<ul style="list-style-type: none"> C1 Pricing C2 Distribution 	<p>ALL CONSUMERS</p> <ul style="list-style-type: none"> D1 Policy D2 Compliance D3 Spending <p>CHILDREN</p> <ul style="list-style-type: none"> D4 Policy D5 Compliance D6 Spending 	<ul style="list-style-type: none"> E1 Employees E2 Consumers 	<ul style="list-style-type: none"> F1 Facts F2 Claims 	<ul style="list-style-type: none"> G1 Lobbying G2 Stakeholder

Each Category has a maximum score of 10 points. Within each Category, each Criterion has been allocated an equal weight. For example, Criteria A1, A2 and A3 have each been allocated 33.33% of the total points possible for Category A.

Areas of Strength

1 Due to Tingyi's limited level of disclosure, no clear areas of strengths were identified.

Areas for Improvement

1 Increased disclosure on its approach to nutrition would allow for a more complete assessment and identification of specific areas for improvement.

▲ **did not provide information to MSCI ESG Research**
Tingyi does not publish information pertaining to its nutrition practices and it did not provide any information upon request during the company research phase. Due to this lack of information, it is difficult to assess the company's nutrition-related policies, practices and performance. As a result, it is among the lowest ranked companies in the ATNI Global Index.

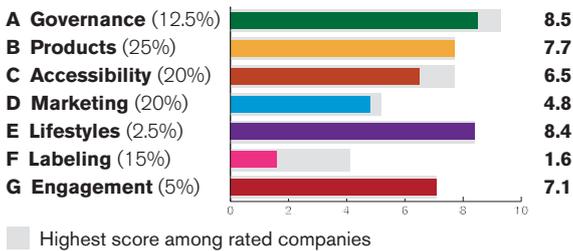
Unilever

Company Overview

OBESITY 3 5.9

UNDERNUTRITION 1 5.4

Rank **2**
Score **6.1**



Headquarters
UK and The Netherlands

Market capitalization
USD 95.6 bn (€73.9 bn)
as of December 2011

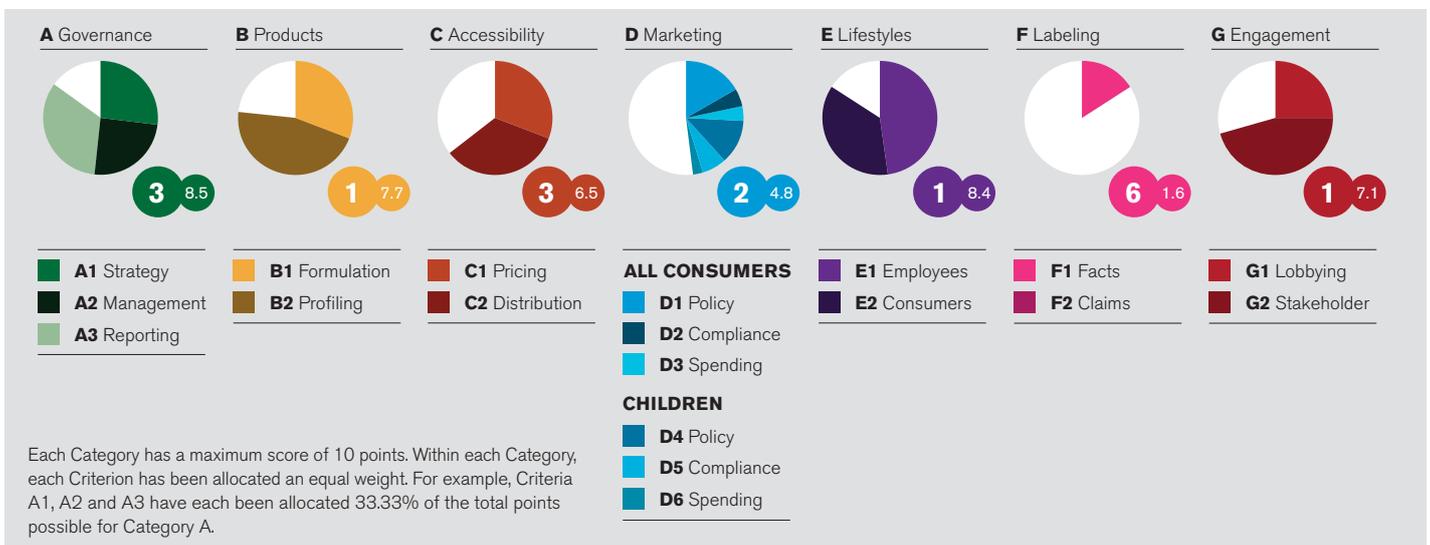
of employees
171,000 at the end of December 2011

Revenues
USD 29.41 billion (€22.8 bn) in FY2011
(food and beverages only)

Reported product categories
Turnover by category: Foods 30%, Refreshment 19% (remainder accounted for by personal and home care business)

Reported revenue by geography
Asia, Africa, and Central and Eastern Europe 41%, Americas 33%, Western Europe 26%. Emerging markets account for 54% of Unilever's turnover (FY 2011)

Assessment Results



Areas of Strength

- Unilever is among the top three performers in the ATNI Global Index, with strong nutrition policies and practices. It scores near the top in all seven Categories assessed by ATNI and is the top performer on the undernutrition ranking.
- Unilever has successfully integrated nutrition issues into its core business strategy, with strong commitments overseen at the Board level. The company's overall reporting on its nutrition-related activities is among the best of those assessed by ATNI.
- The company has committed to reformulate its whole product portfolio globally to make it healthier, and it has developed a robust nutrient profiling system (incorporating input from external experts) to guide those efforts. One of the company's objectives is to double by 2020 the proportion of its portfolio that meets its highest nutrition criteria (as defined by the company).
- Unilever's approach to undernutrition is comprehensive, with a focus on developing and delivering products that are fortified to address micronutrient deficiencies in low-income consumers in the developing world through innovative pricing and distribution practices. In addition, the company participates in public-private partnerships addressing micronutrient deficiencies.
- The company's employee health and wellness program is one of the strongest among the companies assessed by ATNI, with clear targets and objectives, numerous comprehensive initiatives and a commitment to independent evaluation of the program.

Areas for Improvement

- With regard to its pricing and distribution practices, Unilever could develop more robust commitments, objectives and targets to make its healthier products more accessible to consumers.
- The company's policy on marketing to children could be strengthened by including restrictions on marketing in and near secondary schools and places where children gather. In addition, reporting its compliance level with the various pledges the company adheres to would help stakeholders better understand how it is performing in this important area.
- While Unilever has made significant efforts to address undernutrition primarily through public-private partnerships, the company could strengthen its approach to undernutrition by (1) developing a strategy that includes objectives and targets, (2) exploring additional approaches, including through its core business, and scale up those that are the most promising, and (3) bringing its reporting on undernutrition in line with its level of disclosure on addressing obesity and diet-related chronic diseases.
- Unilever's public reporting on its lobbying activities is limited. Similarly, there is room for improvement in the company's reporting on how stakeholder feedback is used to improve its nutrition programs.



Annexes

Contents

1 Approach to selection of companies ranked by ATNI	160
2 Methodology development process	161
3 Company research and analysis	164
4 Marketing: additional results	165
5 ATNI advisory groups	170
6 Stakeholder engagement process	172
7 Selected bibliography	174
8 Acronyms	180
Disclaimer	181
Copyright	182

1 Approach to selection of companies ranked by ATNI

The ATNI Global Index ranks 25 of the world's largest food and non-alcoholic beverage manufacturers. These include companies that are publicly listed, privately owned, government-owned, and operated as cooperatives. They were selected for inclusion based on their level of retail sales.

Complete, comparable sales data are not publicly available for all company ownership types (e.g., privately owned companies). As a result, sales data were obtained from a proprietary global market research database in order to conduct a direct comparison of companies of varying ownership type. Retail sales data for 2010 (the most recent year available) from Datamonitor were used.¹ Like other market database products, Datamonitor tracks primarily organized sales channels (such as supermarkets) and does not include business-to-business sales (food service channels, for example).

Metrics

- Food sales data are reported on a monetary value basis.
- Beverage sales data are reported in two ways:
 - Liters for liquid products.
 - Kilograms for dry products (powders, tea leaves, etc.).

Inclusion/exclusion

- Sales data for all food and beverage categories, except for alcoholic beverages, were included in the analysis.
- Companies deriving the majority of their sales from a single category of non-value-added commodities (such as meat, poultry and fish) were excluded.
- The three companies with the greatest volume of liquid products (excluding alcoholic beverages) sold and the three companies with the greatest weight of dry products sold were selected. These companies, with the exception of Coca-Cola, were already among the top 25 food companies based solely on the value of their food sales.
- Coca-Cola is not among the 25 largest food companies because its portfolio consists entirely of beverages. However, Coca-Cola was included on the final list of companies to be rated because: (1) it has the highest levels of liquid beverage sales of any company globally and (2) its annual revenues (\$46.5 billion in 2011) would place it among the top three companies selling both foods and beverages in the world.

Changes in corporate structure

The food and beverage industry is dynamic, and mergers and sales of business units occur frequently. These can affect the size of companies as measured by their retail sales. As noted above, the companies ranked in this first edition of ATNI were selected based on 2010 data on their retail sales. In addition, any changes in corporate structure that occurred after the end of the research phase were not taken into account. For example, on October 1, 2012, Kraft Foods split into two separate companies, Mondelez International and Kraft Foods Group. As this occurred after the end of the research phase, neither of these two companies is ranked. Instead, the predecessor company, Kraft Foods, is ranked based on its nutrition-related practices prior to its split.

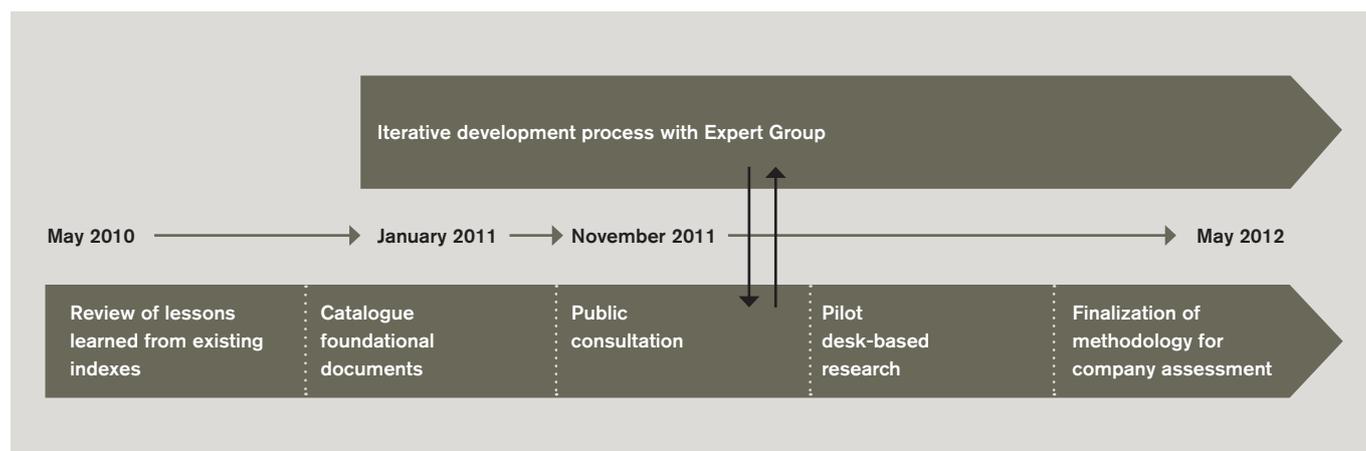
NOTES

¹ Datamonitor Consumer (n.d.) *Our Coverage: Food* [online] Available at: <http://www.datamonitorconsumer.com/our-coverage/food/> Link accessed early February 2013.

2 Methodology development process

An iterative and consultative process was used to develop the ATNI company assessment methodology. This process occurred through a series of phases described below. The ATNI Methodology Development Report provides more details on the development process and can be found on the ATNI website (www.accesstonutrition.org).

FIGURE 1 Overview of the methodology development process



1. Review of lessons learned from existing indexes

Before beginning the development of the ATNI methodology, an in-depth review of over 30 existing peer indexes, ratings, and ranking systems was conducted.¹ Among the elements reviewed were these initiatives' origins, rationale, structure, governance, communications strategies, approach to stakeholder engagement and consultation, and the structure and content of their methodologies. Key lessons learned were identified for incorporation into the design of ATNI. In addition, input from a series of multi-stakeholder consultations informed the structure of ATNI and its methodology.²

2. Catalogue foundational documents

The ATNI methodology is based largely on international policies, norms and guidelines developed by WHO, FAO, and others that provide guidance or recommendations on nutrition-related practices for the food and beverage industry. In areas where no such international guidance currently exists, ATNI's assessment approach is based on reports published by governments, NGOs, investors and industry associations, academic studies, recommendations drawn from stakeholder consultations, examples of strong corporate practices and advice from the ATNI Expert Group. Key documents are described throughout this report and listed in the Annex section entitled, 'Selected Bibliography'.

3. Iterative methodology development process with the Expert Group

Extensive and detailed discussion with the ATNI Expert Group began in January 2011.³ This group of experts in nutrition and the food and beverage industry met in full or in various topical sub-groups over 20 times during a two-year period. The group provided advice on the scope and content of the Index methodology and shared its expertise on a range of topics, including international policies and guidance on nutrition and how they are relevant to various business functions for food and beverage companies.

For some areas where the practices of food and beverage companies have an impact on nutrition, no clear guidelines were identified on what constitutes good practice by companies (for example, responsible commercial sports sponsorship). Those areas were not included in the methodology for the first edition of ATNI, but will be considered for inclusion in future versions, as guidelines and best practices are developed. More detail on these areas can be found in the "Agenda for future development of ATNI" section of this report. This intensive and iterative development process yielded a draft methodology that was put online for a stakeholder consultation in November 2011.

4. Stakeholder consultation

During November 2011, an extensive survey⁴ was posted on the ATNI website to solicit stakeholder views on the proposed structure and content of the methodology, with the goal of strengthening the final methodology. While open for comment from any interested individual, the project team reached out to a wide range of stakeholder groups, including representatives from governments, international organizations, civil society, academia, and the food and beverage industry along with investors and industry consultants. Experts from both high- and lower-income countries participated. Responses were analyzed in order to identify areas of consensus and elements that raised concern. The Expert Group was then convened to discuss the feedback received and to help guide the ensuing revision process, which took place from December 2011 through February 2012. A detailed account of how this input was used to revise the methodology is provided in the ATNI Methodology Development Report.⁵

5. Pilot desk-based research

Using this revised methodology, pilot research was conducted on publicly available materials from a sample of companies to test the feasibility and relevance of the methodology. The sample of companies was selected to test the methodology against variations in:

- Type of company (multinational, local subsidiary of multinational, regional)
- Form of company ownership (publicly listed, privately owned)
- Company product lines (food and/or beverage)
- Index (Core versus Spotlight)

This pilot research process led to additional revisions to the methodology, which are also detailed in the ATNI Methodology Development Report. The finalized methodology was then used to assess companies' practices.

NOTES

¹ For example:

- Access to Medicine Foundation (n.d.) *Access to Medicine Index* [online] Available at: <http://www.accesstomedicineindex.org/>
- Carbon Disclosure Project (n.d.) *Carbon Disclosure Project* [online] Available at: <https://www.cdproject.net/>
- Forest Footprint Disclosure Project (n.d.) *Forest Footprint Disclosure Project* [online] <http://www.forestdisclosure.com/>

² These stakeholder consultations are described in detail in the “Stakeholder engagement process” annex of this report.

³ Members of the Expert Group are listed in the Annex to this report entitled “ATNI Advisory Groups”.

⁴ A copy of this survey is available at www.accesstonutrition.org

⁵ A copy of this report is available at www.accesstonutrition.org

All links accessed early February 2013.

3 Company research and analysis

MSCI ESG Research, a leading provider of investment decision support tools, conducted research on each company to assess its performance using the final version of the methodology. An independent expert provided training to MSCI ESG Research's analysts on nutrition issues and the appropriate interpretation of companies' practices within the scope of the methodology. Its research process included the following steps:

- **Identify and review relevant publicly available documents:** These documents included companies' annual reports, corporate social responsibility/sustainability reports, websites, and press releases, among others. In addition, information reported by companies to their respective stock exchange regulators (such as 10-K and 8-K forms filed with the U.S. Securities and Exchange Commission) was studied. Documents that were publicly available prior to the end of the company research phase were taken into account.
- **Interview companies:** Companies were asked to provide information to fill in the gaps that remained after review of their publicly available documents. Some companies provided information, at least in part, on a confidential basis; such information was used as an input into their scores but is not directly quoted or referenced in this report. Of the 25 companies assessed in the Global Index, seven did not provide information during this stage and have been assessed solely on publicly available information.
- **Verify company facts:** Companies were provided an opportunity to review a fact base drawn from the first two phases of research to ensure accuracy and the exclusion of any confidential information prior to publication. This fact base included a subset of all the data collected by MSCI ESG Research; the individual company scorecards are based on this subset (see the "Company scorecards" section of this report and the ATNI website for these scorecards).
- **Analyze data and conduct quality assurance:** MSCI ESG Research used the data collected on companies to score them using the ATNI assessment methodology. A robust quality assurance process was then applied in order to ensure accurate data collection, interpretation and scoring. This process included cross-checking by multiple analysts to ensure consistency in scoring across companies, as well as another layer of quality assurance by the MSCI ESG Research project manager.

4 Marketing: additional results

Differences among self-regulatory codes

Codes and pledges vary in how they address a range of issues related to responsible marketing to children, including the following:

The age of a child: WHO defines the term “children” to mean all persons under 18 years of age, following the United Nations Convention on the Rights of the Child, but recognizes that children under the age of about 13 years are more vulnerable and may therefore require more stringent protections. Most industry codes and company policies, however, generally restrict marketing to children under 12. Several NGOs advocate that the age limit should be raised to 16.

Application to different media: The rapid development of new forms of media means that companies have many more channels through which to reach consumers, including children. These include social media, user-generated online content and “advergaming” (using video games to advertise products). Codes and pledges do not necessarily include all forms of media within their scope.

Use of toys, games and incentives: Some codes ban the use of these techniques to attract children’s interest, while others agree to restrict their use only to healthy products.

Use of celebrities and personalities: Many codes and pledges address some aspects of the use of celebrities, personalities and fantasy and animated characters (either their own or others’) on products and in marketing materials. However, the commitments about when and whether to use them differ considerably.

Application in and near schools and “places where children gather”: WHO recommends that “Settings where children gather should be free from all forms of marketing of foods high in saturated fats, trans-fatty acids, free sugars or salt. Such settings include, but are not limited to, nurseries, schools, school grounds and pre-school centres, playgrounds, family and child clinics and paediatric services and during any sporting and cultural activities that are held on these premises.”¹¹ Codes and pledges differ on the settings to which they extend their policies; for instance, some include both primary and secondary schools, while others only include primary schools.

Other issues addressed in codes and pledges on marketing to children include the use of a company’s brand name in sponsoring TV programs or games, the definition of what constitutes a child audience for various forms of media (such as television programming), and whether companies use age verification technology to restrict access to their websites.

TABLE 6 Companies' commitments to various industry pledges and codes

Summary of support of all codes in home or major market of all Global Index companies	HQ	IFBA Global Policy on Advertising and Marketing Communications to Children, 2011	ICC Framework for responsible food and beverage marketing communications	ICBA Guidelines on marketing to children	EU Pledge	UNESDA Commitments to act responsibly	CARU Self-regulatory program for children's advertising	BBB Children's Food and Beverage Advertising Initiative (CFBAI)	Codigo PABI:Codigo de autoregulacion de publicidad de alimentos y bebidas no alcoholicas dirigida al publico infantil	Brazil Public Commitment on Food and Beverage Advertising to Children
Host organisation		International Food and Beverage Alliance	International Chambers of Commerce	International Council of Beverages Associations	World Federation of Advertisers (EU Platform)	Union of European Soft Drinks Associations	Advertising self-regulatory council (ASRC) + Council of Better Business Bureaus (CBBB)	Council of Better Business Bureaus (CBBB)	ConMexico + 5 other national associations	Associacao Brasileira das industrias da alimentacao + Associacao Brasileira de Anunciantes
Product scope		Food and non-alcoholic beverages	Food and non-alcoholic beverages	Non-alcoholic beverages only	Food and non-alcoholic beverages	Non-alcoholic beverages only	All products, including but not limited to, food and non-alcoholic beverages	Food and non-alcoholic beverages	Food and non-alcoholic beverages	Food and non-alcoholic beverages
Geographic scope		Global	Global	Global	Europe	Europe	US	US	Mexico	Brazil
Source of information on membership/ support of codes etc		IFBA website	Companies' websites	ICBA and companies' websites	EU Pledge website	UNESDA website	ASRC website	CBBB website	Companies' websites	Joint letter on IFBA website
Ajinomoto	Japan									
Barilla	Europe									
Brasil Foods	Brazil									●
Campbell	U.S.A.						●	●		
Coca Cola	U.S.A.	●	●	●	●	●	●	●		
ConAgra Foods	U.S.A.						●	●		
Danone	Europe		●		●			●		
Ferrero	Europe	●	●		●		●			
Friesland-Campina	Europe				●					
General Mills	U.S.A.	●			●		●	●		
Grupo Bimbo	Mexico	●							●	
Heinz	U.S.A.									
Hershey	U.S.A.						●	●		
Kellogg	U.S.A.	●			●		●	●		
Kraft Foods Inc.	U.S.A.	●	●		●		●	●		
Lactalis										
Lotte										
Mars	U.S.A.	●			●		●	●		
Nestlé	Europe	●			●		●	●		
Nichirei										
Nissin										
PepsiCo	U.S.A.	●	●	●	●	●		●		
Sigma	Mexico								●	
Tingyi										
Unilever	Europe	●	●		●	○	●	●		

- Yes
- Unilever supports the original commitments that did not include the digisphere, but not the 2010 extension to include the digisphere

Note that the purpose of this table is to indicate whether companies have signed up to the most relevant code in their home or major market. Subsidiaries of some companies have also signed the Mexico and Brazil pledges, but this table is not intended to capture those commitments, as they are too numerous. However, sometimes the American subsidiary of a European company commits to a European Pledge and vice versa.

IFBA Policy	https://www.ifballiance.org/sites/default/files/IFBA%20Global%20Policy%20on%20Advertising%20and%20Marketing%20Communications%20to%20Children%28FINAL%2011%202011%29.pdf
ICC Framework	http://www.iccwbo.org/Advocacy-Codes-and-Rules/Document-centre/2012/Framework-for-Responsible-Food-and-Beverage-Marketing-Communications-2012/
ICBA Guidelines	http://www.icba-net.org/policies-guidelines/marketing-to-children/
EU Pledge	http://www.eu-pledge.eu/content/enhanced-2012-commitments
UNESDA	http://www.unesda.org/our-actions
CARU	http://www.caru.org/guidelines/guidelines.pdf
CFBAI	http://www.bbb.org/us/childrens-food-and-beverage-advertising-initiative/
Codigo PABI	http://www.promocion.salud.gob.mx/dgps/descargas1/programas/codigo_pabi.pdf
Brazil Commitment	https://www.ifballiance.org/sites/default/files/Combined%20Pledge.pdf

TABLE 7 Company commitments on various elements of responsible marketing codes

	Age threshold for prohibition of all advertising	Age threshold for advertising healthy products	Definition of child audience	Age verification	Schools and child gatherings
Brasil Foods		<12	≥ 50%		Primary schools prohibited
Campbell	<6	<12	≥ 35%	Yes	Primary schools prohibited
Coca-Cola	<12		≥ 35%	Yes	Primary schools prohibited
ConAgra Foods	<6	<12	≥ 35%	Yes	Primary schools prohibited
Danone		<12	≥50% ≥35% in EU	Yes	Primary, secondary schools and places where children gather prohibited
Ferrero	<12	<12	≥ 50% ≥ 35% from 2013	Yes	Primary schools prohibited
FrieslandCampina	<7	<12	≥ 30%		
General Mills	<6	<12	≥ 35%	Yes	Primary schools prohibited
Grupo Bimbo		<12	≥ 35%		Primary schools prohibited
Heinz	<6				Primary schools prohibited
Hershey	<12		≥ 30%	Yes	Primary schools prohibited
Kellogg	<6	<12	≥ 35%	Yes	Primary schools prohibited
Kraft Foods Inc.	<6	<12	≥ 35%	Yes	Primary and secondary schools prohibited
Mars	<12		≥ 25%	Yes	Primary schools prohibited
Nestlé	<6	<12	≥ 35%	Yes	Primary schools prohibited
PepsiCo	<6	<12	≥ 35%	Yes	Primary schools prohibited
Unilever	<6	<12	≥ 35%	Yes	Primary schools prohibited
Ajinomoto	These companies make a broad statement about responsible marketing to children, but do not provide details on these elements of their policies.				
Barilla					
Sigma					

The remaining five companies assessed by ATNI (Lactalis, Lotte, Nichirei, Nissin and Tingyi) do not provide any public information on their approaches to marketing to children.

TABLE 8 Auditing requirements in industry pledges and codes

Pledge or Code	Auditor	Independent?
IFBA Global Policy on Advertising and Marketing Communications to Children, 2011	Accenture Media Management	Y
ICC Framework for Responsible Food and Beverage Marketing Communications	None	N/A
ICBA Guidelines on Marketing to Children	Accenture Media Management	Y
EU Pledge	Accenture Media Management and BDRC Continental	Y
UNESDA Commitments to Act Responsibly	PWC + Xtreme Information	Y
CARU Self-regulatory Program for Children's Advertising	CARU staff	N
BBB Children's Food and Beverage Advertising Initiative (CFBAI)	CFBAI staff	N
Codigo PABI: Código de autoregulacion de publicidad de alimentos y bebidas no alcohólicas dirigida al público infantil	El Consejo de Autorregulación y Ética Publicitaria (CONAR)	N
Brazil Public Commitment on Food and Beverage Advertising to Children	None	N/A

Source: Websites of each initiative

N No
 Y Yes
 NA Not Amenable (Company's product portfolio is not amenable to reduction of this particular ingredient)

NOTES

¹ World Health Organization (2010) *Set of Recommendations on the Marketing of Foods and Non-Alcoholic Beverages to Children*, p. 9. Available at: http://whqlibdoc.who.int/publications/2010/9789241500210_eng.pdf

Link accessed early February 2013.

5 ATNI advisory groups

Two multi-stakeholder groups – the Expert Group and the Independent Advisory Panel – have provided advice on many aspects of Index’s development since January 2011. As ATNI’s intended impact will come in part through the active engagement of various stakeholder groups with food and beverage manufacturers, the Index needed to be designed as a useful tool for a range of interested parties. This led to the selection of Expert Group and International Advisory Panel members with varying areas of expertise, including representatives from academia, civil society, the investment sector, and the business community. In addition, the International Advisory Panel includes members with expertise on how to institutionalize ATNI and communicate about it with various groups. In order to ensure the independence of the Index development process, no current executives from food and beverage companies were members of either group. Each group has members with past experience in the industry, however, and their insights on how food and beverage companies address nutrition issues in their business practices were essential in developing an approach informed by the realities of the industry.

Members of each of these groups have served in their personal capacities and in an advisory role. As such, 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.

Expert Group

The mandate of the ATNI Expert Group is to provide input into the development of the company assessment methodology. This group consists of members with expertise in various aspects of nutrition (including both undernutrition and obesity and diet-related chronic diseases) and in the role that the food and beverage industry plays in the nutrition sector. Members of the Expert Group are listed below.

Expert Group	
<p>Shiriki Kumanyika, Chair <i>Professor of Epidemiology</i> Department of Biostatistics and Epidemiology Perelman School of Medicine, University of Pennsylvania</p>	<p>Lauren Compere <i>Managing Director</i> Boston Common Asset Management</p>
<p>Jean-Pierre Habicht, Vice-Chair <i>Professor Emeritus, Nutritional Epidemiology</i> Cornell University</p>	<p>Terry T-K Huang <i>Professor and Chair,</i> Department of Health Promotion, Social & Behavioral Health University of Nebraska Medical Centre</p>
<p>Lindsay H. Allen <i>Director</i> USDA ARS Western Human Nutrition Research Center <i>Research Professor</i> Department of Nutrition, UC Davis</p>	<p>CS Pandav <i>Professor and Head</i> Centre for Community Medicine All India Institute of Medical Sciences</p>
<p>Diederik Basch <i>Senior Equity Analyst</i> Sustainable Asset Management AG</p>	<p>Mike Rayner <i>Director,</i> British Heart Foundation Health Promotion Research Group</p>
<p>Olive Boles <i>Chief Executive</i> Leuka</p>	

The Expert Group first convened in January 2011 and met in full or in various topical sub-groups over 20 times during a two-year period. This group provided advice on the scope and content of the Index methodology and shared its expertise on a range of topics, including international policies and guidelines on nutrition and best practices by the private sector across various business functions that have an effect on nutrition. Final decisions on whether to incorporate input from the Expert Group into the company assessment methodology were taken by the ANTI development team, which remains responsible for the content of the methodology.

Independent Advisory Panel

The mandate of this group is to provide strategic, institutional, and governance advice on the design and development of ATNI, including issues such as communications, stakeholder engagement, and financial sustainability. 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 about ATNI's objectives and findings. With its multi-stakeholder membership, the Independent Advisory Panel brought a diversity of perspectives to its advisory work (its members are listed below).

Independent Advisory Panel	
<p>Keith Bezanson, Chair <i>Former President</i> International Development Research Centre <i>Former Director</i> Institute of Development Studies</p>	<p>Juan Rivera <i>Founding Director</i> Center for Research in Nutrition and Health National Institute of Public Health, Mexico</p>
<p>Kelly Brownell <i>Co-Founder and Director</i> Rudd Center for Food Policy and Obesity, Yale University</p>	<p>Marie Ruel <i>Division Director</i> Poverty, Health, and Nutrition IFPRI</p>
<p>Jean-Pierre Habicht <i>Professor Emeritus, Nutritional Epidemiology</i> Cornell University</p>	<p>Hannah Kettler <i>Senior Program Officer</i> Bill & Melinda Gates Foundation</p>
<p>Nihal Kaviratne CBE <i>Chairman</i> AkzoNobel India</p>	<p>David Lynn <i>Director, Strategic Planning & Policy</i> Wellcome Trust</p>
<p>Shiriki Kumanyika <i>Professor of Epidemiology</i> Department of Biostatistics and Epidemiology Perelman School of Medicine, University of Pennsylvania</p>	<p>Marc Van Ameringen <i>Executive Director</i> GAIN</p>
<p>Karina Litvack <i>Former Head of Governance and Sustainable Investment</i> F&C Asset Management</p>	<p>Observer: Francesco Branca <i>Director</i> Department of Nutrition for Health and Development World Health Organization</p>
<p>John Oliphant Government Employees Pension Fund, South Africa</p>	

The Independent Advisory Group began its work in January 2011 and has since met more than half a dozen times to advise on various stages of the Index's development. The Independent Advisory Panel members' broad range of knowledge and expertise and their diversity of views have enriched the development of the Index, leading to a more robust approach to addressing the role of the food and beverage industry in improving access to nutrition.

6 Stakeholder engagement process

ATNI was designed through an extensive, multi-stakeholder consultative process. This was done to ensure that the Index would be a useful tool for different stakeholder groups and that it would reflect the latest thinking and practices related to the private sector's role in nutrition. Input from a wide range of stakeholders has informed every step of the Index's design, beginning with an early feasibility assessment and extending through development of the methodology used to assess food and beverage manufacturers and creation of the strategic plan for the future direction of the Index.

Phase 1: feasibility assessment

Index development began in mid-2009 with a first phase of work to assess whether an index would be a useful tool to encourage companies to increase consumers' access to more nutritious foods and beverages. In this phase, a wide variety of stakeholders in high- and lower-income countries were consulted. A total of six group consultations were held from September to November 2009 in North America, Europe, Asia, and Africa to ensure input from a diversity of viewpoints. These were supplemented by a series of individual conversations with representatives of key stakeholder groups. Participants in these consultations included food and beverage companies, civil society groups, investors, company analysts, nutrition scientists and policymakers, among others. On the whole, the stakeholders consulted were receptive to the idea of an index, and they provided essential insights into challenges and opportunities in rating companies on their nutrition practices. These consultations also provided early indications of how different stakeholders might use an index.

Phase 2: index design

Intensive stakeholder engagement continued throughout the next phase of work, which focused on the design of the Access to Nutrition Index. Two formal multi-stakeholder bodies (the Expert Group and the Independent Advisory Panel) provided advice on all aspects of Index development over a period of two years. The mandates and memberships of these advisory bodies are described in more detail in Annex 5.

Multiple other engagements with a range of stakeholders provided additional input into the Index's design. For instance, a global network of stakeholders beyond the two formal advisory bodies described above played a key role in the development of the company assessment methodology. This is described in more detail in the "Methodology Development" section earlier in this report. In addition, the ATNI team has presented at a variety of meetings and conferences attended by a range of stakeholders throughout the Index development process. Comments, questions, and input from attendees at these presentations informed the Index development process.

Role of investors

The ATNI development team has also engaged extensively with the investment community to ensure that the Index will be a useful tool for investors as they engage with and invest in food and beverage companies. A core part of this engagement has been the development of the Access to Nutrition Index Investor Statement.¹ Various investment firms have signed this statement to express their support for ATNI and their view that health and nutrition are among the most important drivers of future growth in the food and beverage industry. Investor signatories have committed to factor food and beverage manufacturers' nutrition practices into their responsible ownership activities and their investment analysis.

Outreach in India, Mexico, and South Africa

The Index development team also conducted targeted outreach to stakeholders in India, Mexico, and South Africa. This outreach built on the stakeholder engagement that was conducted in various regions in the first stage of Index work (as described above). Multi-stakeholder consultations were held in each of these three countries early in the development process so that country-specific perspectives could be incorporated into the design of each Spotlight Index and into the approach of ATNI overall. These consultations were particularly helpful in providing local context for nutrition issues facing the food and beverage industry and how companies interact with various stakeholders in those countries.

South Africa: In May 2011, the Index development team held two roundtable discussions with multi-stakeholder groups and one session with investment community representatives in Cape Town. It also held a roundtable discussion with investment community representatives in Johannesburg, as well as a series of individual conversations with various stakeholders.

India: In June 2011, the Index development team held two roundtable discussions in New Delhi. One of these sessions was attended largely by representatives from NGOs, international organizations, civil society groups and bilateral donors, while the second session consisted primarily of food and beverage industry representatives, investors, and industry consultants. One roundtable discussion was also held in Mumbai with Indian stakeholders primarily from food and beverage companies.

Mexico: In July 2011, the Index development team three held multi-stakeholder meetings in Mexico City. Two of these sessions were attended by food and beverage companies, civil society representatives and academia, while the third session involved investors.

NOTES

¹ The ATNI Investor Statement is available on the ATNI website (www.accesstonutrition.org).

7 Selected bibliography

International organization publications

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
 Accessed 5 February 2013

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/download/standards/34/CXG_002e.pdf
 Accessed 7 February 2013

World Health Organization and Food and Agriculture Organization of the United Nations (2012)
Codex Alimentarius: Guidelines for Use of Nutrition and Health Claims.
 Available at http://www.codexalimentarius.org/download/standards/351/CXG_023e.pdf
 Accessed 7 February 2013

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
 Available at http://www.un.org/ga/search/view_doc.asp?symbol=A/66/L.1
 Accessed 11 January 2013

United Nations Children's Fund, the World Health Organization, and the World Bank (2012)
Joint Child Malnutrition Estimates.
 Available at http://www.who.int/nutgrowthdb/jme_unicef_who_wb.pdf
 Accessed 14 January 2013

World Health Organization (In press)
Guiding Principles and Framework Manual for the Development or Adaptation of Nutrient Profile Models (First Edition).

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

World Health Organization (2010)
Set of Recommendations on the Marketing of Foods and Non-Alcoholic Beverages to Children.
 Geneva: World Health Organization

World Health Organization (2004)
Global Strategy on Diet, Physical Activity and Health.
 Geneva: World Health Organization

World Health Organization (2003)
Diet, nutrition and the prevention of chronic diseases. Report of a Joint WHO/FAO Expert Consultation.
 Geneva: World Health Organization

World Health Organization (1981)
 International Code of Marketing of Breast-milk Substitutes.
 Available at: <http://whqlibdoc.who.int/publications/9241541601.pdf>
 Accessed 14 January 2013

Government publications

European Union (2009)

Nutrition Labeling.

Available at http://ec.europa.eu/food/food/labelingnutrition/nutritionlabel/index_en.htm

Accessed 11 January 2013

European Union (2012)

EU Pledge Enhanced 2012 Commitments.

Available at <http://www.eu-pledge.eu/content/enhanced-2012-commitments>

Accessed 17 January 2013

European Union (2010)

EU Pledge Monitoring Report 2010.

Available at http://www.eu-pledge.eu/sites/eu-pledge.eu/files/reports/EU_Pledge_2010_Monitoring_Report.pdf.

Accessed 11 January 2013

Interagency Working Group on Food Marketed to Children, US (Federal Trade Commission, Centers for Disease Control and Prevention, Food and Drug Administration) (2011)

Preliminary Proposed Nutrition Principles to Guide Industry Self-Regulatory Effects, Request for Comments.

Available at <http://www.ftc.gov/os/2011/04/110428foodmarketproposedguide.pdf>

Accessed 10 July 2012

Institute of Medicine, US (2005)

Food Marketing to Children and Youth: Threat or Opportunity?

Available at: http://books.nap.edu/openbook.php?record_id=11514

Accessed 30 January 2013

Food and Drug Administration, US (2009)

Guidance for Industry: A Food Labeling Guide

Available at <http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodLabelingNutrition/FoodLabelingGuide/default.htm>

Accessed 11 January 2013

Food and Drug Administration, US (2009)

Guidance for Industry: Evidence-based Review System for the Scientific Evaluation of Health Claims – Final.

Available at <http://www.fda.gov/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/FoodLabelingNutrition/ucm073332.htm>

Accessed 11 January 2013

Institute of Medicine, US (2010)

Front-of-Package Nutrition Rating Systems and Symbols: Phase I Report Committee on Examination of Front-of-Package Nutrition Ratings Systems and Symbols

Washington, D.C.: Institute of Medicine of the National Academy of Sciences, The National Academies Press

Journal articles

Alexander, E., Yach D., and Mensah, G.A. (2011)

'Major multinational food and beverage companies and informal sector contributions to global food consumption: implications for nutrition policy.'

Globalization and Health 7(26)

Various authors (2011)

'Global Health Series: *Obesity*.'

The Lancet 378(9793)

Available at <http://www.thelancet.com/series/obesity>

Accessed 16 January 2013

Various authors (2008)

'Global Health Series: *Maternal and child undernutrition*'

The Lancet 371(9608).

Available at <http://www.thelancet.com/series/maternal-and-child-undernutrition>

Accessed 17 January 2013

Not-for-profit sector publications

Accountability (2011)

AA1000 Stakeholder Engagement Standard.

Available at: <http://www.accountability.org/images/content/3/6/362/AA1000SES%202010%20PRINT.PDF>

Accessed 14 January 2013

Bekefi, T. (2006)

Micronutrient Deficiency and the Global Alliance for Improved Nutrition: Lessons in Multisectoral Partnership. Corporate Social Responsibility Initiative Report No. 7.

Cambridge: John F. Kennedy School of Government, Harvard University

Center for Science in the Public Interest (2010)

Report Card on Food-Marketing Policies: An analysis of food and entertainment company policies regarding food and beverage marketing to children.

Available at <http://cspinet.org/new/pdf/marketingreportcard.pdf>

Accessed 11 January 2014

Consumers International (2009)

Left Wanting More: Food company policies on marketing to children.

Available at http://www.consumersinternational.org/media/540105/left_wanting_more.pdf

Accessed 11 January 2013

Consumers International and International Obesity Task Force (March 2008)

Recommendations for an International Code on Marketing of Foods and Non-Alcoholic Beverages to Children.

Available at: <http://www.consumersinternational.org/media/314595/recommendations%20for%20an%20international%20code%20on%20marketing%20of%20foods%20and%20non-alcoholic%20beverages%20to%20children.pdf>

Accessed 14 January 2013

International Baby Food Action Network (2009)

State of the Code by Company 2009.

Penang: International Baby Food Action Network

International Baby Food Action Network (2010)

Executive Summary: Breaking the Rules, Stretching the Rules 2010.

Available at [http://www.ibfan.org/art/BTR_2010-ExecSummary\(final\).pdf](http://www.ibfan.org/art/BTR_2010-ExecSummary(final).pdf).

Accessed 16 January 2013

Lang, T., Rayner, G. & Kaelin, E. (2006)

The Food Industry, Diet, Physical Activity and Health: A Review of Reported Commitments and Practices of 25 of the world's largest food companies.

London: Centre for Food Policy, City University

MIYCN Working Group (2010)

Using the Code of Marketing of Breast-milk Substitutes to Guide the Marketing of Complementary Foods to Protect Optimal Infant Feeding Practices.

Available at <http://www.hki.org/research/GAIN%20Working%20Paper%20-%20Marketing%20Complementary%20Foods.pdf>

Accessed 14 January 2013

Yale Rudd Center for Food Policy and Obesity (2010)

Fast Food Facts: Evaluating Fast Food Nutrition and Marketing to Youth.

Available at http://www.fastfoodmarketing.org/media/FastFoodFACTS_Report.pdf

Accessed 11 January 2013

Private sector publications

Accenture (2011)

Compliance Monitoring Report For the International Council of Beverages Associations, On Global Advertising in Television, Print and Internet.

Available at <http://www.icba-net.org/files/resources/icba-2010-compliance-monitoring-final-report-2.pdf>

Accessed 11 January 2013

Bank of America Merrill Lynch ESG Equity | Global (2012)

Globesity – The Global Fight Against Obesity.

New York: Bank of America Merrill Lynch

The Children's Advertising Review Unit (2009)

Self-Regulatory Program for Children's Advertising (Ninth Edition).

Available at <http://www.caru.org/guidelines/guidelines.pdf>

Accessed 11 January 2013

Council of Better Business Bureaus (2010)

Children's Food and Beverage Advertising Initiative Program and Core Principles Statement 3rd Edition.

Available at <http://www.bbb.org/us/storage/0/Shared%20Documents/Enhanced%20Core%20Principles%20Third%20Edition%20-%20Letterhead.pdf>

Accessed 11 January 2013

Accessed 11 January 2013

Council of Better Business Bureaus (2011)

The Children's Food & Beverage Advertising Initiative In Action: A Report on Compliance and Implementation During 2010 and A Five Year Retrospective: 2006 - 2011.

Available at <http://www.bbb.org/us/storage/16/documents/cfbai/cfbai-2010-progress-report.pdf>

Accessed 11 January 2013

Council of Self-Regulation and Advertising Ethics (2011)

Self Regulatory Code of Food and Non-alcoholic Beverage Marketing to Infants (Código PABI).

Available at <https://www.ifballiance.org/sites/default/files/Mexican%20Marketing%20to%20Children%20Pledge.pdf>

Children%20Pledge.pdf

Accessed 30 January 2013

Crossley, R., and Langlois, A. (2008)

The Proof of the Pudding: Analysis of the responses of ten of the world's largest food companies to obesity and related health concerns.

London: Insight Investment (Global) Limited and J.P. Morgan Securities Ltd.

Food and Drink Association of Brazil and Association of Brazilian Advertisers (2009)

Brazil Public Commitment on Food and Beverage Advertising to Children.

Available at <https://www.ifballiance.org/sites/default/files/Combined%20Pledge.pdf>

Accessed 30 January 2013

Insight Investment and International Business Leaders Forum (2007)

A Recipe for Success: How food companies can profit from consumer health.

London: Insight Investment and IBLF

International Chambers of Commerce (2006)

Consolidated ICC Code of Advertising and Marketing Communication Practice.

Available at <http://www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/marketing-and-advertising/documents/>

Accessed 11 January 2013

International Chambers of Commerce (2006)***ICC Framework for Responsible Food and Beverage Marketing Communication.***Available at <http://www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/marketing-and-advertising/documents/>

Accessed 11 January 2013

International Council of Beverages Associations (2008)***Guidelines on Marketing to Children.***Available at <http://www.icba-net.org/policies-guidelines/marketing-to-children/>

Accessed 11 January 2013

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>

Accessed 7 February 2013

JPMorgan Global Equity Research (2006)***Obesity: Re-Shaping the Food Industry***Available at: http://www.unepfi.org/fileadmin/documents/materiality2/obesity_jpmorgan_2006.pdf

Accessed 14 January 2013

Union of European Soft Drinks Associations (n.d.)***Commitments to the EU Platform for Action on Diet, Physical Activity and Health [online]***Available at <http://www.unesda.org/our-actions>

Accessed 11 January 2013

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.ch/DocRoot/4xr8EZThRA3Ck4HMgK6D/business-of-health.pdf>

Accessed 7 February 2013

World Economic Forum: The Workplace Wellness Alliance in collaboration with the Boston Consulting Group (2012)***Delivering on Health and Productivity***Available at http://www3.weforum.org/docs/WEF_WorkplaceWellnessAlliance_Brochure_2011.pdf

Accessed 11 January 2013

World Economic Forum (2009)***The Next Billions: Business Strategies to Enhance Food Value Chains and Empower the Poor.***Available at <https://members.weforum.org/pdf/BSSFP/NextBillionsBusinessStrategiesEnhanceFoodValueChains.pdf>

Accessed 14 January 2013

8 Acronyms

ASRC	Advertising Self-Regulatory Council
ATNI	Access to Nutrition Index
BBB	Better Business Bureaus
BMI	Body mass index
BMS	Breast-milk substitute(s)
BOP	Back-of-pack
CAGNY	Consumer Analyst Group of New York
CARU	Children's Advertising Review Unit
CEO	Chief Executive Officer
CFBAI	Children's Food and Beverage Advertising Initiative
Codigo PABI	Codigo de Autoregulacion de Publicidad de Alimentos y Bebidas no Alcoholicas Dirigida al Publico Infantil
CHF	Swiss Franc
CI	Consumers International
CSPI	Center for Science in the Public Interest
EPODE	Ensemble Prévenons l'Obésité des Enfants
FDA	Food and Drug Administration
FAO	Food and Agriculture Organisation
FOP	Front-of-pack
FY	Financial Year
GAIN	Global Alliance for Improved Nutrition
IBFAN	International Baby Food Action Network
ICBA	International Council of Beverages Associations
ICC	International Chamber of Commerce
ICCIDD	International Council for Control of Iodine Deficiency Disorders
IOTF	International Obesity Task Force
IFBA	International Food and Beverage Alliance
NGO	Non-governmental organization
PAC	Political action fund
PPP	Popularly Positioned Products
R&D	Research and development
UN	United Nations
UNESDA	Union of European Soft Drinks Associations
UNICEF	United Nations Children's Fund
USD	US Dollar
VP	Vice President
WFP	World Food Programme
WGC	Whole Grains Council
WHA	World Health Assembly
WHO	World Health Organization
WWMCG	Worldwide Marketing and Communication Guidelines

General disclaimer

As a multi-stakeholder and collaborative project, the findings, interpretations and conclusions expressed herein may not necessarily reflect the views of all companies, members of the stakeholder groups or the organizations they represent or of the funders of the project. The report is intended to be for informational purposes only and is not intended as promotional material in any respect. The material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The report is not intended to provide accounting, legal or tax advice, or investment recommendations. Whilst based on information believed to be reliable, no guarantee can be given that it is accurate or complete.

Notice and disclaimer

This document and all of the information contained in it, including without limitation all text, data, graphs and charts (collectively, the "Information") may not be used to create derivative works or to verify or correct other data or information.

The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS ARE MADE WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION ARE EXPRESSLY EXCLUDED AND DISCLAIMED.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall Institutional Shareholder Services, Inc. ("ISS") or the Global Alliance for Improved Nutrition, nor any of their respective affiliates, have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages, even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee or give an indication of future results.

Copyright

© 2013 Global Alliance for Improved Nutrition - All rights reserved

The content of this report is protected under international copyright conventions. No part of this report may be reproduced in any manner without the prior express written permission of the Global Alliance for Improved Nutrition. Any permission granted to reproduce this report does not allow for incorporation of any substantial portion of the report in any work or publication, whether in hard copy, electronic or any other form or for commercial purposes. The information herein has been obtained from sources which we believe to be reliable, but we do not guarantee its accuracy or completeness. All opinions expressed herein are subject to change without notice.

Photocredits GAIN - Global Alliance for Improved Nutrition/Nadine Hutton,
GAIN - Global Alliance for Improved Nutrition, iStock, Thinkstock

Design & layout Ontwerpwerk, The Hague

