

NPM Alignment Initiative



ATNI in partnership with the Pictet Foundation

January 2024

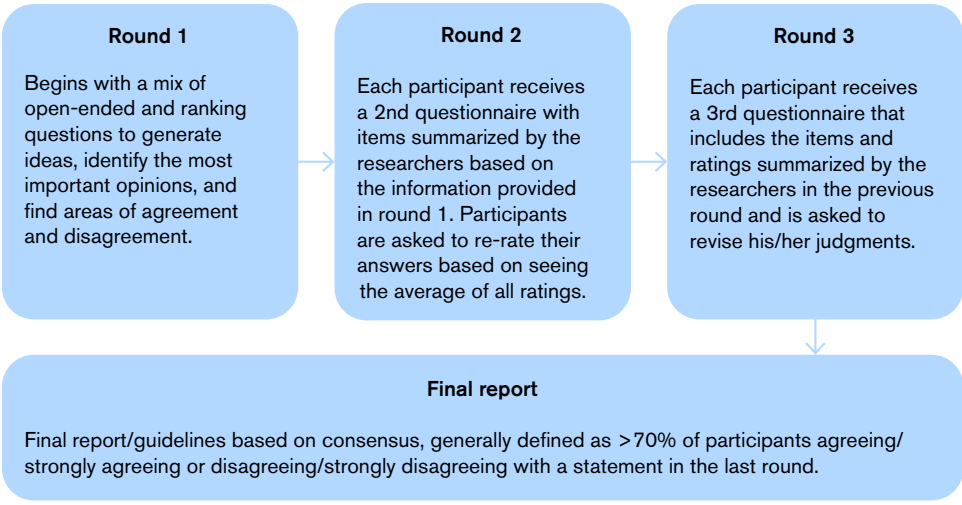
The objective of this NPM Alignment Initiative is to help develop widely accepted reporting standards that use evidence-based Nutrient Profile Models (NPMs) to measure and compare the healthiness of product portfolios for investors and other stakeholders.

This initiative is not designed for the following:

- Develop, design, or combine NPMs.
- Influence front-of-pack labeling, health claims, or consumer behaviour.
- Direct the use of NPMs at the country-level.

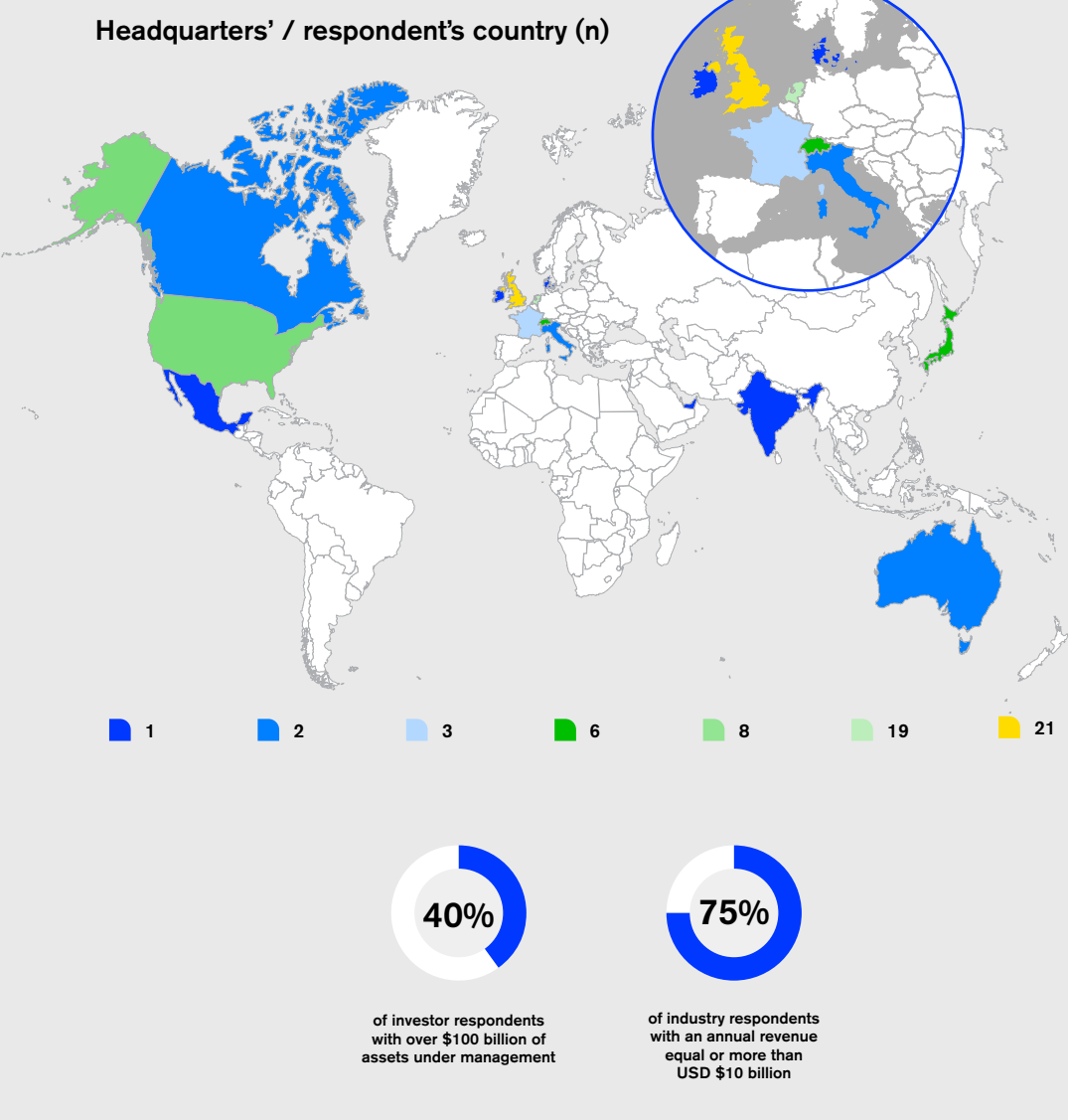
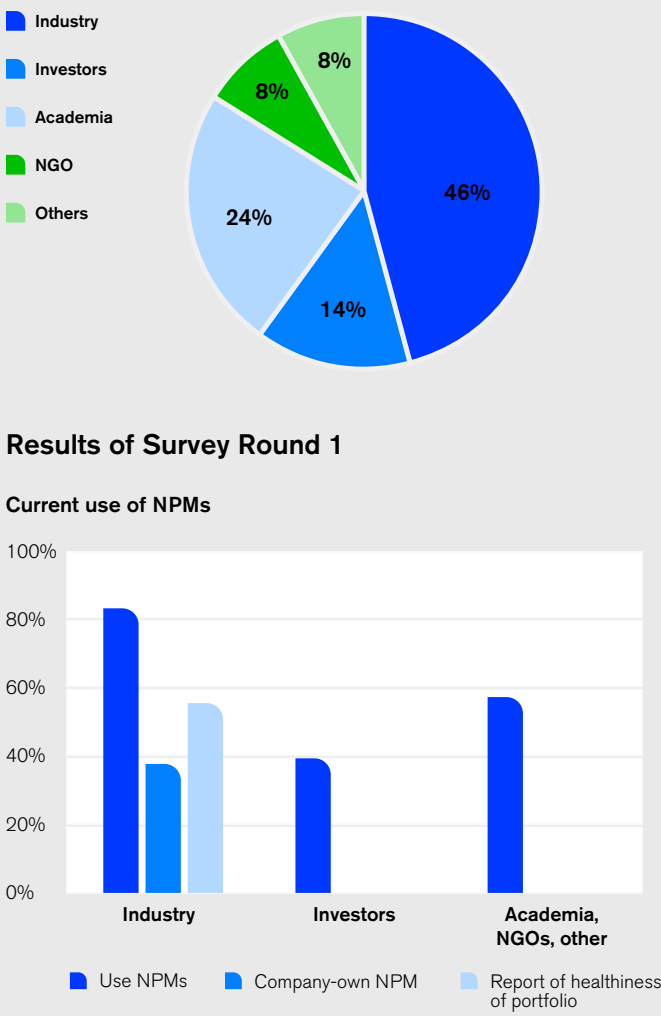
Delphi approach

A Delphi approach is a well-established research method that uses a structured, iterative approach for achieving consensus among experts on complex topics. The approach uses a series of surveys and roundtable discussions to facilitate knowledge sharing and participatory dialogues.



NPM Alignment Delphi Panel

A total of **74** respondents completed the first survey, and 44 respondents participated in the first online roundtable.



Reasons to use NPMs by different stakeholders

Investor

Data source as part of responsible investment strategy, such as:

- Engagement and voting
- ESG integration
- Positive/best-in-class screening
- Negative/exclusionary screening
- Sustainability-themed investing

Industry

- Product reformulation
- Reporting on the healthiness of portfolio
- Front-of-pack labeling

Academia, NGO, other international organisations

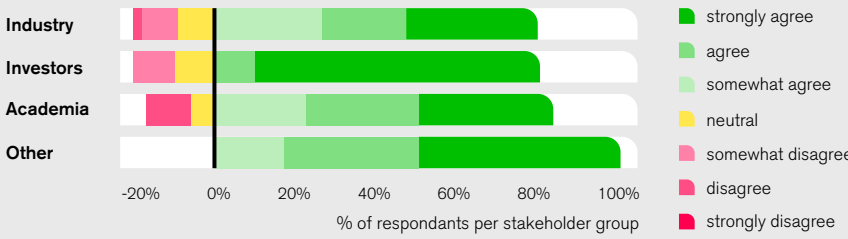
- Research
- Benchmarking companies
- Responsible marketing policies

Need, feasibility, and benefits of NPM alignment

Need to align

To what extent do you agree there is a need to align on one or more NPM(s) for assessing and comparing the healthiness of portfolios?

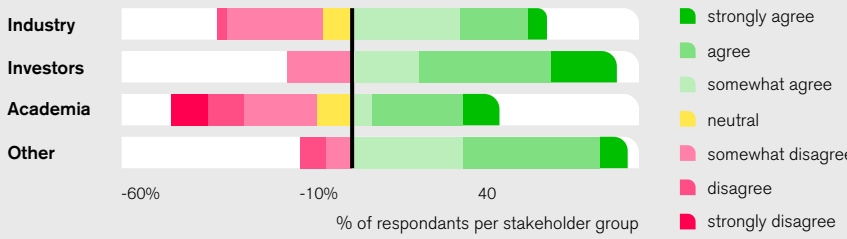
Overall median score:
6 (5-7) on a scale from 1-7



Feasible to align

To what extent do you agree that aligning on one or more NPM(s) is feasible for assessing and comparing the healthiness of portfolios?

Median overall score:
5 (3-6) on a scale from 1-7



Investors point of view:

"Alignment is needed for fair and true comparisons between and across companies."

Academia, NGOs, and other international organizations:

"To support alignment and compare portfolios, NPM methodology must be clear and transparent."

Industry point of view:

"Alignment Is Feasible – but there are notable challenges."

Industry point of view:

"Consensus on several NPMs would potentially be an easier approach."

Benefits of alignment

Investor

- Fair assessment and comparison of portfolios.
- Global reporting consistency on the 'healthiness' of portfolios and product categories.

Industry

- Standardization of reporting on product portfolios.
- Better comparability among companies.
- Investment decision-making on the 'healthiness' of portfolios.

Academia, NGO, other international organisations

- Uniformity and transparency in portfolio assessments globally.
- Clear metrics for 'healthiness'.
- Tracking nutritional quality over time.

Towards alignment

NPM Underlying Principles

Agreed Principles (>70% of all participants strongly agreed / agreed) of a NPM relevant to assess and compare the healthiness of portfolios of Round 1:

Transparency and governance

- The rationale and process followed to develop the NPM is publicly available
- The NPM's governance details (for example who oversees challenges, changes, or questions) are publicly available
- The NPM is endorsed by government or scientific institutions
- The nutrient thresholds are publicly available
- The underpinning algorithm is publicly available

Nutritional Information

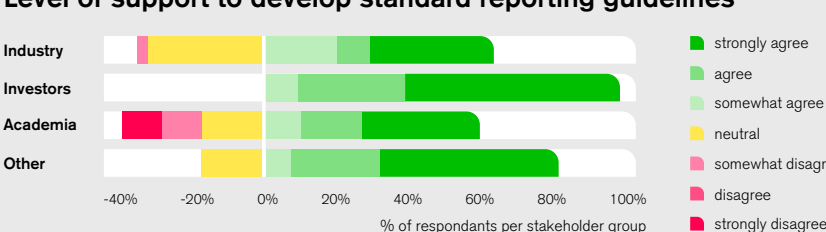
- The NPM includes nutrient thresholds which are based on (inter-) national dietary guidelines
- The nutrient thresholds and/or underpinning algorithm are regularly reviewed and updated

Peer-review

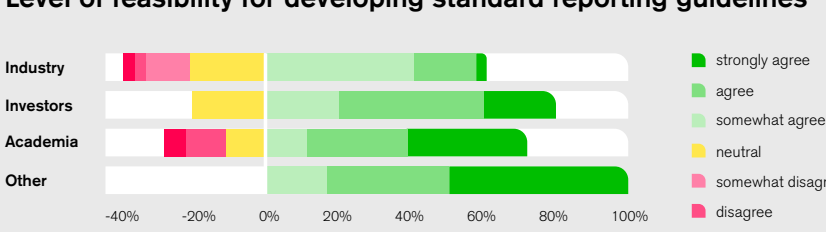
- The review process and updates are publicly available
- The NPM is peer-reviewed and published in an open access journal

Reporting

Level of support to develop standard reporting guidelines



Level of feasibility for developing standard reporting guidelines



Main discussion points from the online roundtable

Investor

NPM Alignment

- In favor of a universally accepted 'gold standard' NPM for global reporting to allow comparability.
- Emphasis on establishing consensus on fundamental measures, avoiding complexity.

Investor Influence

- Encouraging clear reporting by companies, showcasing leading examples through case studies.
- Disapproval of companies using their company-own NPMs, advocating for standardized reporting.

Industry

NPM alignment

- Advocacy for multiple NPMs, not limited to one.

NPM Features and Functionality

- User-friendly and simplicity emphasized.
- Need for NPMs to reflect progress on healthiness and encourage reformulation, considering limitations in measuring small changes.

Category-Specific NPMs

- Importance of category-specific NPMs for progress assessment.
- Challenges in comparing diversified companies; focus on category and brand ratings rather than overall scores.

NGOs, Academia, Others

NPM Alignment

- Avoiding a single NPM approach; suggesting alignment on 3-5 recognized NPMs.
- Prioritizing agreement on purpose and principles.
- General principles of regional models are generally the same.
- Alignment for company reporting is feasible, including acknowledgment of diverse company portfolios.

Publicly Accessible Tools and Formats

- Advocacy for a standardized, open-source food composition databases for portfolio access.
- Standardization of reporting and database formats, ensuring public accessibility.

Next Steps

The results of this first Delphi Round provided input to develop the second survey, which you are encouraged to fill in to continue our journey towards alignment. A second online roundtable is also planned for March 12, and you will receive an invitation to participate in discussions spanning across sectors. Thank you for your contributions in this joint effort!

