NPM Alignment Initiative

ACCESS TO **NUTRITION**

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.

The aims of this initiative

- 1. Adress the importance of establishing alignment in the use of NPMs for reporting purposes and value creation by the food industry
- 2. Facilitate discussions and collaboration among different stakeholders in the alignment of NPMs
- 3. Agree on principles and components of a NPM to fairly compare portfolios;
- 4. Develop a reporting framework with guiding principles:
 - Enhance transparency
 - Allow comparisons across companies and countries
 - Monitor company progress on advancing healthfulness of portfolios

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.

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.

Round 1

Delphi approach

Begins with a mix of open-ended and ranking questions to generate ideas, identify the most important opinions, and find areas of agreement and disagreement.

Each participant receives a 2nd questionnaire with items summarized by the researchers based on the information provided in round 1. Participants are asked to re-rate their answers based on seeing

Round 2

Each participant receives a 3rd questionnaire that includes the items and ratings summarized by the researchers in the previous round and is asked to revise his/her judgments.

Round 3

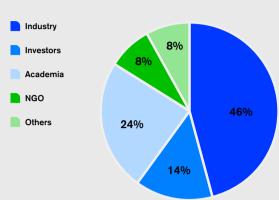
Final report

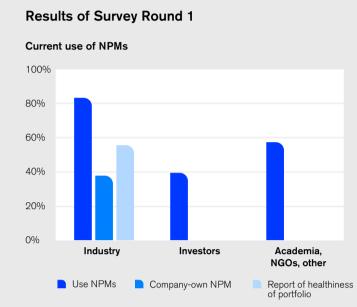
the average of all ratings.

Final report/guidelines based on consensus, generally defined as >70% of participants agreeing/ strongly agreeing or disagreeing/strongly disagreeing with a statement in the last round.

NPM Alignment Delphi Panel

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





Headquarters' / respondent's country (n) 21

of investor respondents with over \$100 billion of assets under management

Investor

Reasons to use NPMs by different stakeholders

investment strategy, such as:

Data source as part of responsible

 ESG integration Positive/best-in-class screening

Engagement and voting

- Negative/exclusionary screening
- Sustainability-themed investing

Product reformulation

Industry

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

international organisations Research

Academia, NGO, other

- Benchmarking companies
- Responsible marketing policies

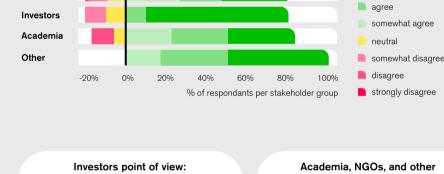
Need, feasibility, and benefits of NPM alignment

Need to align To what extent do you agree there is a <u>need</u> to align on one or more

Industry

NPM(s) for assessing and comparing the healthiness of portfolios?

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



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

international organizations: "To support alignment and compare portfolios, NPM methodology must

strongly agree

be clear and transparent."

To what extent do you agree that aligning on one or more NPM(s) is

Feasible to align

feasible for assessing and comparing the healthiness of portfolios?

5 (3-6) on a scale from 1-7 Industry

Median overall score:



"Alignment Is Feasible but there are notable challenges."

Industry point of view:

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

Industry point of view:

strongly agree

Benefits of alignment **Investor**

Fair assessment and comparison of portfolios.

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

Standardization of reporting on product portfolios.

Industry

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

international organisations Uniformity and transparency in port-

Tracking nutritional quality over time.

Academia, NGO, other

folio assessments globally.

Top 10

Clear metrics for 'healthiness'.

NPM Underlying Principles Agreed Principles (>70% of all participants strongly agreed / agreed) of a

Towards alignment

Transparency and governance

The rationale and process followed to develop the NPM is publicly

NPM relevant to assess and compare the healthiness of portfolios of Round 1:

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 nutrient thresholds and/or underpinning algorithm are regularly

The NPM includes nutrient thresholds which are based on (inter-) national dietary guidelines

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

Investors

Level of support to develop standard reporting guidelines Industry



4. Fiber 5. Saturated fats

Food components and nutrients

considered essential:

1. Fruits and vegetables

3. Vitamins and minerals

6. Protein 7. Energy content

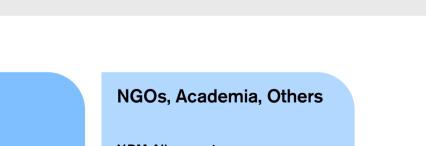
2. Sodium

- 8. Added sugars 9. Whole grains 10. Legumes; total fat
- Reasons for including certain food components/nutrients: Negative / positive health outcomes

Nutrient to decrease / increase Dietary guidelines (e.g., by WHO) Scientific evidence

- Other
- Level of feasibility for developing standard reporting guidelines

40% 60% 80% strongly disagree % of respondants per stakeholder group



In favor of a universally accepted 'gold standard' NPM for global reporting to allow comparability.

Emphasis on establishing consensus on fundamental

measures, avoiding complexity.

NPM Alignment

- **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

strongly agree

somewhat agree

neutral

disagree

- **NPM** alignment Advocacy for multiple NPMs, not limited to one.

emphasized.

on healthiness and encourage reformulation, considering limitations in measuring small changes.

User-friendly and simplicity

- 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.

NPM Alignment Avoiding a single NPM approach;

suggesting alignment on 3-5 recognized NPMs.

- **NPM Features and Functionality** Prioritizing agreement on purpose and principles. General principles of regional Need for NPMs to reflect progress models are generally the same.
 - **Publicly Accessible Tools and Formats** Advocacy for a standardized,

Alignment for company reporting is

of diverse company portfolios.

feasible, including acknowledgment

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!



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strongly agree

somewhat agree

neutral