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# **ATNI's Investors in Nutrition and Health – Collaborative Investors Engagement with global F&B Manufacturers**

Engagement Analysis Report

# Executive summary



- **About this report:** This report analyzes the collaborative investors engagement facilitated by ATNI with the 20 publicly listed manufacturers included in the Global Index 2021
- **Contents:** This report includes an introduction, results (investors and companies), insights and recommendations, and a conclusion
- **Investor participation:** 53 of ATNI's 81 Investors in Nutrition and Health (\$15 of total 19.9 trillion AUM) took part in the engagement – this represents a 275% increase compared to 2018/19
- **Target companies:** Of the 20 companies targeted, investors engaged with 19, through 34 meetings over a 20-month period
- **Topics most covered:** Investor made 351 asks, the majority of which pertained to products (27%) and lobbying (21%); The topics discussed most often with companies were transparency (discussed in 100% of meetings) and products (discussed in 94% of meetings)
- **Statements made by companies:** Companies made 80 statements to investors, of which 56 (70%) represent confirmed updates. Of these, (54%) are linked to a specific investor ask
- **Improvement since last engagement:** There was a 211% increase in the number of confirmed updates made by companies to investors
- **Impact:** ATNI research and engagement – coupled with investors' collaborative engagement – has shifted practice in the majority of food and beverage companies within the Indexes. For example, this engagement has led to 23 confirmed updates from the companies in three critical areas that will improve the availability of healthy foods: 1) defining healthy: several companies committed to review and publish their definition of 'healthy' and benchmark that definition against existing and government-endorsed Nutrient Profiling Models; 2) portfolio healthiness disclosure: several companies committed to publicly disclose the % of revenue / products / volume derived from healthy products; and 3) targets to reduce negative nutrients: several companies will now update and/or publish progress against their targets to reduce sugar/salt/fat in their products.

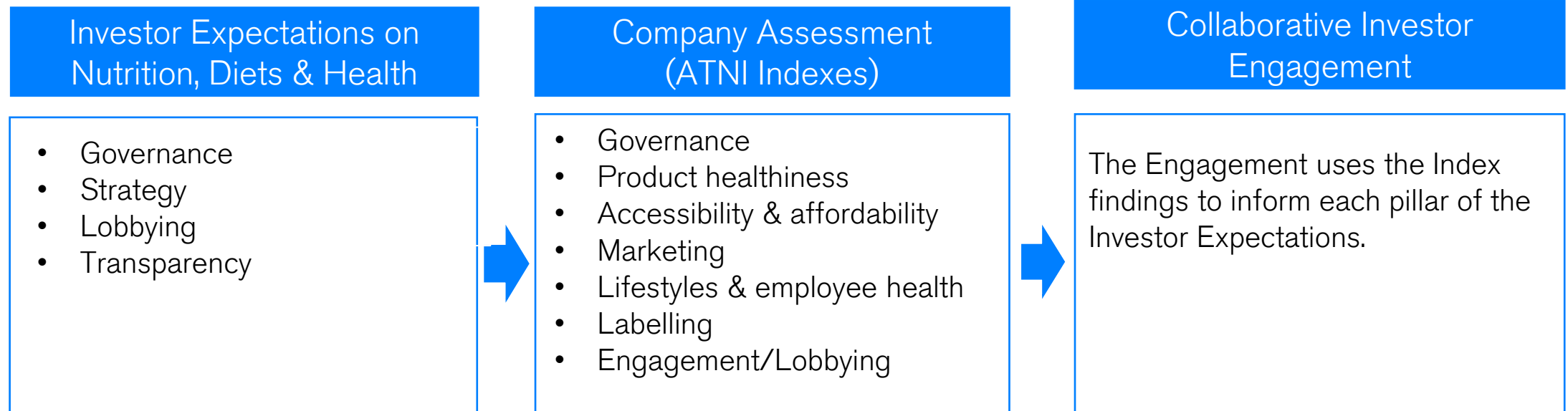


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# Introduction & overview



## Investors are a key lever of change within ATNI's strategy



- Following the Global Index 2016 and 2018, ATNI facilitated collaborative investor engagements
- In 2020, ATNI received funding from FCDO to create a Secretariat function for ATNI's Investors in Nutrition and Health, which allowed it to allocate more resources to investors and the collaborative investor engagement
- This report analyses the collaborative investor engagement which followed the Global Index 2021 (and US Index 2022), and also compares results to the previous engagement results
- Whilst this report focuses on the collaborative investor engagement facilitated by the ATNI Investor Support team, it is important to stress that this complements the direct engagement ATNI has with companies during the research and in follow-up calls after Indexes are launched



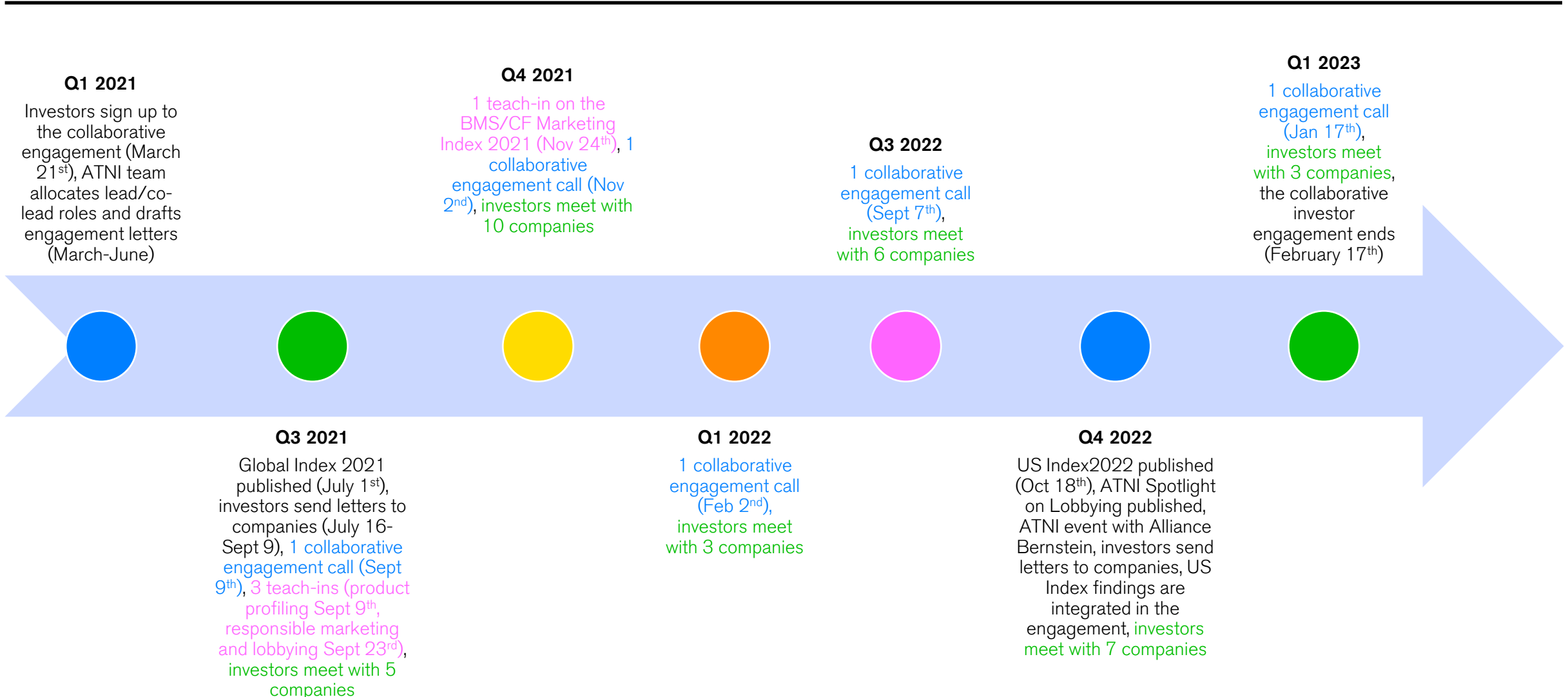
- In March 2021, investors signed up to the collaborative engagement
- Following the publication of the Global Index 2021, between July-September 2021, investors sent engagement letters to the companies
- Following the publication of the US Index 2022, findings of this Index were incorporated into the ongoing engagement for the 10 companies included both in the Global Index 2021 and the US Index 2022
- The engagement officially ended on February 17, 2023 (a few more meetings took place after this date, but they were not analyzed in this report)
- Between August 2021 and February 2023, investors engaged with 19 companies (of which, 2 only via written correspondence)
- 1 company was not responsive

- 25 Global Index 2021 companies

- 20 publicly listed companies

- 19 companies engaged with by investors

# ATNI collaborative investors engagement timeline



- Quarterly collaborative engagement calls organized by ATNI
- Teach-ins organized by ATNI
- Investors meetings with companies

# Investors targeted 20 publicly listed companies, engaged with 19



\*5 of the Global Index 2021 companies are not listed and were not targeted by investors



Companies engaged through meetings



(General Mills)

Companies engaged through written correspondence



Non-responsive company - Tingyi

# Countries included in the Product Profile discussed during the collaborative investor engagement



Company	Countries	% of global sales represented
Ajinomoto (JP)	Brazil, Japan, Thailand, US	75-80
BRF (BR)	Brazil	90-95
Campbell's (US)	Canada, Mexico, US	75-80
China Mengniu (CN)	China, Hong Kong	95-100
Coca-Cola (US)	Australia, China, Hong Kong, India, Japan, Mexico, New Zealand, South Africa, UK, US	50-55
ConAgra (US)	Hong Kong, India, Mexico, New Zealand, US	75-80
Danone (FR)	Australia, Brazil, China, France, Hong Kong, Mexico, Russia, South Africa , UK, US	55-60
General Mills (US)	Australia, Canada, China, India, Hong Kong, Mexico, New Zealand, South Africa , UK, US	65-70
Grupo Bimbo (MX)	Brazil, Canada, China, Mexico, UK, US	80-85
Kellogg's (US)	Australia, Canada, Hong Kong, India, Mexico, New Zealand, South Africa , UK, US	70-75
Keurig Dr Pepper (US)	Hong Kong, Mexico, US	90-95
Kraft Heinz (US)	Australia, China, Hong Kong, India, Mexico, New Zealand, South Africa, UK, US	70-75
Meiji (JP)	China, Hong Kong, Japan	90-95
Mondelez (US)	Australia, Brazil, China, Hong Kong, India, Mexico, New Zealand, South Africa , UK, US	50-55
Nestlé (CH)	Australia, Brazil, China, France, Hong Kong, India, Mexico, South Africa , UK, US	45-50
PepsiCo (US)	Australia, China, Hong Kong, India, Mexico, New Zealand, Russia, South Africa , UK, US	60-65
Suntory (JP)	Australia, China, France, Germany, Hong Kong, Japan, New Zealand, South Africa, UK	80-85
Tingyi (CN)	China	95-100
Unilever (UK/NL)	Australia, Brazil, China, France, Germany, India, Mexico, South Africa , UK, US	50-55
Yili (CN)	China	95-100

Companies were engaged with by investors on their global and, where possible, US-specific nutrition performance.

They were engaged also on the results of the **product profile**, which **included products sold in all countries included in this slide**.

Companies could thus have an impact in all countries included in this slide (as well as other countries they are active in that were not included in ATNI's product profile assessments).



# Investor participation in the engagement



## Investors in the engagement program

- 53 of ATNI's 80 Investors in Nutrition and Health (\$15 of total 19.9 trn AUM) are taking part in the engagement
- This represents 66% of ATNI's Signatories and 75% of the AUM
- It also represents 12% of total global AUM (estimated at \$128 trn)\*

\* [McKinsey report](#)

## ATNI teach-ins on material topics

- ATNI organized 4 teach-ins for investors, on product profiling, responsible marketing, lobbying, and on the BMS/CF Marketing Index)
- ATNI organized 5 quarterly collaborative engagement calls

## Attendance to engagement calls with companies

- Average attendance of the 34 engagement calls analyzed was 9 investors (min 3, max 26) and 4 company representatives (min 2, max 9)

# Evaluation process



- Between January and March 2023, the ATNI Investor Support Team analysed the notes from the 34 engagement meetings between investors and companies
- The **asks** made by investors in the engagement letters and the **statements** made by the companies were categorized according to the **topics** and sub-topics of the Investor Expectations on Nutrition, Diets and Health (and equivalent ATNI research categories), namely:
  - Governance
  - Strategy: products, accessibility and affordability, responsible marketing, labelling
  - Lobbying
  - Transparency
- The team checked the statements made by companies against the information found in the Global Index 2021 and US Index 2022 to determine whether these were new activities (or whether companies provided to investors the same information that had already been assessed as part of the research for the Global Index 2021 and US Index 2022)
- Throughout this report, the term “statement” refers to statements made by companies to investors (e.g., a statement about a new policy/updated target/new activity). **“Confirmed updates”** are statements which ATNI verified as new since the last research phase for the Global Index 2021 and US Index 2022 (note that research for the Global Index 2021 ended at the end of September 2020, and for the US Index 2022 at the end of March 2022)
- Evidence to support the disclosure and/or implementation of the confirmed updates will emerge from the next iteration of the Global Index, expected in Q2 2024
- The team also provided, where possible, analysis and comparison of results to the [previous engagement analysis report](#) (which analysed the collaborative investors engagement following the Global and US 2018 indices)



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# Results - investors

# Number of ATNI's Investors in Nutrition and Health



	Total	EU + UK	US + CA	JP	Rest of the World (ROW)
ATNI's Investors in Nutrition and Health (\$19.9 trn AUM)	80	47	23	4	6
GI 2021 Engaging investors (\$15 trn AUM)	53	30	16	4	3
Lead or co-lead role investors (\$10.8 trn AUM)	17	8	8	1	0
Active investors, i.e. attended at least one meeting (\$13 trn AUM)	35	22	11	2	0

# Companies and Investors (I)



\* Meeting took place after the collaborative engagement ended and was therefore not analyzed in this report, [blue text indicates US Index letters and meetings](#)

Company	Number of times company included in Global Index	Leads and Co-leads geographical region	Engagement letter sent to company	Meeting dates	Active & passive participants	Supporting Signatories	Statements	Confirmed updates
Ajinomoto (JP)	4	FR, JP	July 19, 2021	October 10, 2021 October 20, 2022	5	23	5	5
BRF (BR)	4	NL, UK	July 28, 2021	October 27, 2021 December 9, 2021 December 7, 2022	7	20	3	3
Campbell's (US)	4	US (x2)	July 20, 2021 <a href="#">November 21, 2022</a>	October 4, 2021 August 11, 2022	10	21	4	4
China Mengniu (CN)	1	US, CH	July 23, 2021	September 15, 2021 September 26, 2022	9	24	6	6
Coca-Cola (US)	4	NL, US (x2)	July 23, 2021 <a href="#">October 27, 2022</a>	October 27, 2021 <a href="#">November 4, 2022</a> March 14, 2023*	13	21	4	0
ConAgra (US)	4	NL, US	July 28, 2021 <a href="#">November 14, 2022</a>	January 19, 2022 <a href="#">December 1, 2022</a>	7	22	1	1
Danone (FR)	4	FR (x2), UK (x3)	July 21, 2021	September 27, 2021 February 1, 2023	15	17	10	4

# Companies and Investors (II)



\* Meeting took place after the collaborative engagement ended and was therefore not analyzed in this report, [blue text indicates US Index letters and meetings](#)

Company	Number of times company included in Global Index	Leads and Co-leads geographical region	Engagement letter sent to company	Meeting dates	Active & passive participants	Supporting Signatories	Statements	Confirmed updates
General Mills (US)	4	US (x2)	July 20, 2021 <a href="#">November 28, 2022</a>	No meetings, no response. Emails between Sept 2021-Feb 2023	10	22	0	0
Grupo Bimbo (MX)	4	NL, UK	September 9, 2021	December 14, 2021 September 13, 2022	5	22	6	6
Kellogg's (US)	4	US (x2), UK	July 20, 2021 <a href="#">November 22, 2022</a>	February 16, 2022 August 23, 2022	8	22	7	6
Keurig Dr Pepper (US)	1	US (x3)	July 20, 2021 <a href="#">November 17, 2022</a>	October 7, 2021 August 29, 2022 <a href="#">January 12, 2023</a>	5	24	3	0
Kraft Heinz (US)	2	US (x2)	July 20, 2021 <a href="#">November 10, 2022</a>	November 18, 2021 <a href="#">March 9, 2023*</a>	14	19	1	0
Meiji (JP)	2	NL	August 30, 2021 (delayed as ATNI was waiting for MUFG to join and possibly co-lead)	September 27, 2021 November 25, 2022	6	23	6	3

# Companies and Investors (III)



\* Meeting took place after the collaborative engagement ended and was therefore not analyzed in this report, [blue text indicates US Index letters and meetings](#)

Company	Number of times company included in Global Index	Leads and Co-leads geographical region	Engagement letter sent to company	Meeting dates	Active & passive participants	Supporting Signatories	Statements	Confirmed updates
Mondelez (US)	4	US (x2)	July 26, 2021	November 9, 2021	13	19	3	2
Nestlé (CH)	4	US (x2), CA, CH	July 22, 2021 <a href="#">November 10, 2022</a>	September 8, 2021 <a href="#">November 10, 2022</a>	22	12	4	3
PepsiCo (US)	4	CA, US	July 22, 2021 <a href="#">February 10, 2023</a>	October 3, 2021	12	22	7	3
Suntory (JP)	2	NL	August 30, 2021 (delayed as ATNI was waiting for MUFG to join and possibly co-lead)	No meetings. Emails between Sept 2021-March 2022	5	23	5	5
Tingyi (CN)	3	US	July 16, 2021	No response, no meetings (over 4 emails sent)	5	21	0	0
Unilever (UK/NL)	4	NL, US, FR, UK	July 28, 2021 <a href="#">December 7, 2022</a>	September 27, 2021 March 31, 2022 <a href="#">December 16, 2022</a>	15	16	3	2
Yili (CN)	1	US, CH	July 16, 2021	December 22, 2021 September 6, 2022	4	21	1	0

# 37 investors mention use of ATNI data & engagement\*

\* as of March 2023 (not all of these 37 are part of the collaborative investors engagement)



## Access to nutrition LGIM

In February 2021, LGIM signed up to the [Access to Nutrition Initiative \(ATNI\)](#). ATNI aims to drive change by tracking and guiding the food industry's attempts to tackle undernutrition, obesity and diet-related chronic diseases at local and global levels.

ATNI publishes a global Access to Nutrition Index every two years, with the purpose of tracking the contribution of the world's largest food and beverage manufacturers to address these interrelated global nutrition challenges.

The companies included in the index are assessed on their commitments, practices and disclosures on governance and management; the production and distribution of healthy, affordable, accessible products; and how they influence consumer choices and behaviour.

Following the launch of ATNI's 2021 Global Index we are now actively involved in the 2021-2022 collaborative investor engagement programme that works with the 20 global food and beverages companies covered by the index. We are already seeing progress made by some of these companies.

As part of a large group of investors, LGIM presented the [Investor Pledge](#) at the Nutrition for Growth (N4G) Summit hosted by the Japanese government. This is the first time that institutional investors have been part of a multilateral nutrition summit. LGIM also participated in one of the side events to the summit, discussing our engagement work with the largest food and beverage companies under the auspices of the ATNI.

**Social Initiatives**

- Access to Medicine Index
- Access to Nutrition Index
- ICMA - Social Bonds Principles
- PRI Human Rights Engagement
- WDI - Workforce Disclosure Initiative
- FAIR - Financer Accompagner Impacter Rassembler
- PLWF - The Platform Living Wage Financials
- Investors for a Just Transition
- Investor Action on Antimicrobial Resistance
- The 30% Club France Investor Group

**We are now actively involved in the ATNI Global Index 2021-2022 collaborative investor engagement programme.**

### Cooperation with Initiatives

Report published every two years

3

Access to Nutrition Initiative

In May 2021, Nomura Asset Management became the first Japanese asset management firm to sign the Investor Expectations on Nutrition, Diets and Health developed by Access to Nutrition Initiative (ATNI).

About one in 10 people in the world are exposed to severe food insecurity, while at the same time, one in three people are overweight or obese. The "double burden of malnutrition" comprising undernutrition that hinders growth and overnutrition that causes lifestyle-related diseases is an issue the entire world is facing. Malnutrition is a serious problem that not only affects human life and health, but also has a major impact on the economy and society, including a decline in productivity and an increase in medical expenses. Although Goal 2 and Goal 3 of the SDGs aim to eliminate all forms of malnutrition and ensure healthy lives for all by 2030, progress towards achieving nutrition-related goals has been slow. Further cooperation in the nutrition domain is needed.

ATNI is an independent non-profit organization, and performs globally-consistent analyses of initiatives related to improving accessibility to highly-nutritious foods and beverages in the food and beverage industry. Financial institutions are expected to play a growing role in the effort to solve nutritional issues, and the total assets of asset management firms that support the ATNI Investor Pledge are rapidly increasing. As of December 2021, 76 asset managers with total investment assets of US\$16.6 trillion utilize ATNI's index reports to jointly engage with food and beverage companies to urge them to enhance their governance, strategy and disclosure with respect to nutrition, with the aim of solving malnutrition, obesity and chronic disease problems related to diets, as well as utilize such information in making investment decisions. Nomura Asset Management decided to serve as co-chair for engagement with one Japanese food company. At the first meeting held in the third quarter of 2021, constructive discussions about company's nutrition strategy took place.

Food companies and their supply chains are not only involved with nutritional issues, but also environmental issues such as biodiversity as well as human rights issues. By working with international initiatives such as ATNI and FAIR, and engaging with food companies and companies in their supply chain on a wide range of social and environmental issues, we aim to realize a society with a healthy longevity and a sustainable food system, as well as to support the sustainable improvement in value of our portfolio companies.

Nomura AM

Companies that are globally applying strong nutrition policies and practices are in a better position to reduce risks of increasing food and beverage industry regulation and to take full advantage of changing consumer trends towards healthier living habits. The Access to Nutrition Foundation concludes that while some companies have taken positive steps since the last ranking in 2013, the food and beverage industry is moving far too slowly. Good nutrition policies and practices are integral to food & beverage companies' overall business and financial performance as well as long-term sustainability. The objective of this engagement is to determine with the companies how they integrate findings and recommendations of the ATNI into strategic performance on nutrition practices.

**Resona's actions**

Engagement with global companies  
September 2021: Commenced first round engagement with global companies

June 2021: Participated in Access to Nutrition Initiative

ACCESS TO NUTRITION INITIATIVE

In the 2021 Global Index, ATNI assessed twenty five leading food and beverage manufacturers on their commitments, practices, and disclosure for seven categories: governance, products, accessibility, marketing, lifestyles, labeling, and engagement. The assessment included product profile assessment and a marketing index regarding breast-milk substitutes and complementary foods.

Collaborative engagement

Assessment

Investor Expectations on Nutrition, Diets and Health

- Governance
- Strategy
- Lobbying
- Transparency

Investee companies

Using the assessment results, identify specific requests and conduct engagement.

**Tokyo Nutrition for Growth Summit 2021**

Food, Health, & Prosperity for All

At the Tokyo Nutrition for Growth Summit 2021 (N4G), held on December 7-8, 2021, Resona Asset Management President Akihiko Nishioka announced the N4G Investor Pledge on behalf of signatory investors.

Resona AM

Access to Nutrition Initiative

Access to Nutrition

Mirova

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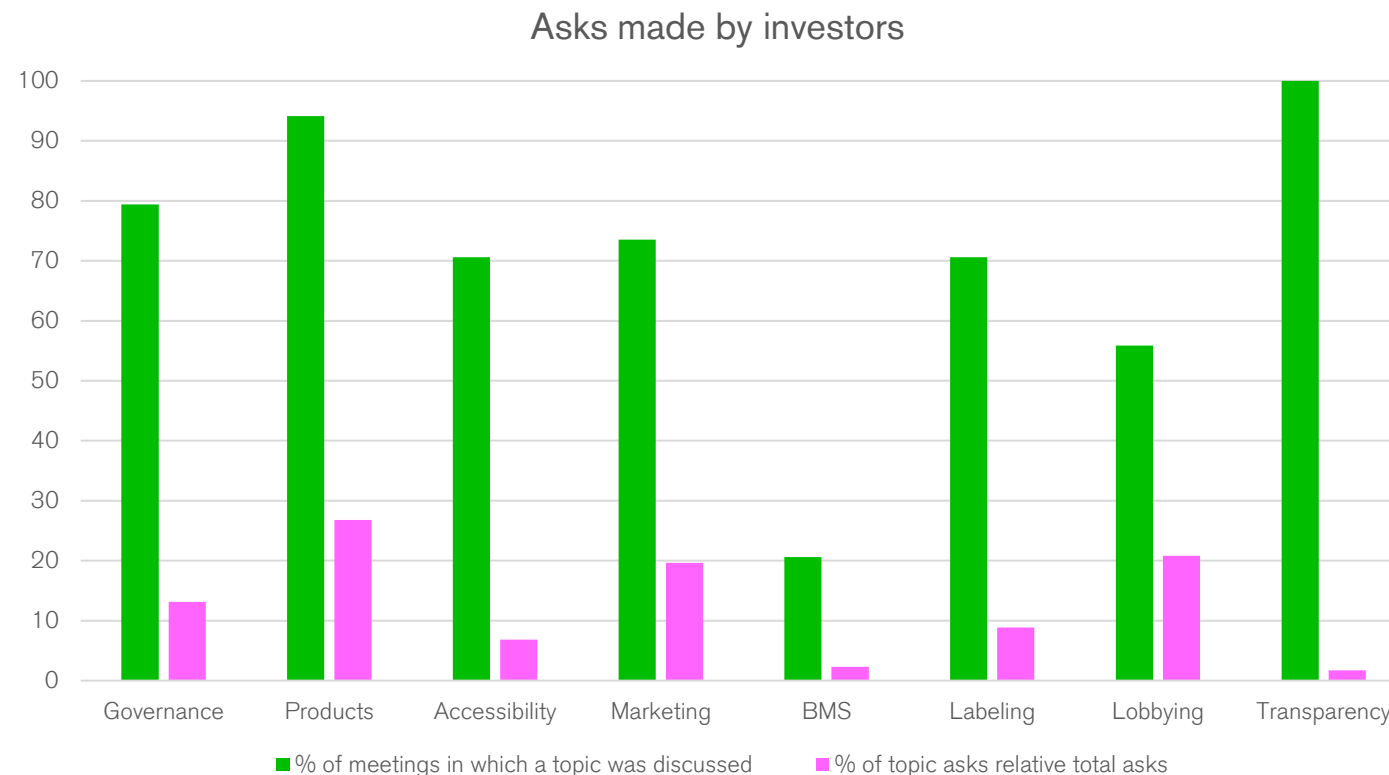


# Results - companies

# Asks by category – Global Index 2021 and US Index 2022



- Companies targeted: 20
- Total asks made by investors through engagement letters: 351 (of which 72% were Global Index-related asks and 28% were US Index-related asks)
- Transparency was discussed in 100% of meetings
- Products was discussed most often (94% of meetings), whilst Lobbying was only discussed in 55% of meetings
- The topic of breastmilk substitutes (BMS) marketing was discussed in 7 meetings, with 4 out of 5 BMS-producing companies targeted



# Company statements and confirmed updates



\*Statements are statements made by companies to investors. Confirmed updates are statements which ATNI verified as new since the last research phase

Topics	EU (3 companies, 15% of total)				US (9 companies, 45% of total)				ASIAPAC (6 companies, 30% of total)				LATAM (2 companies (10% of total)			
	Asks	State- ments	Confirme- d updates	Confirme- d updates linked to letter ask	Asks	State- ments	Confirme- d updates	Confirme- d updates linked to letter ask	Asks	State- ments	Confirme- d updates	Confirme- d updates linked to letter ask	Asks	State- ments	Confirme- d updates	Confirme- d updates linked to letter ask
<b>Governance</b>	2	0	0	0	29	6	4	2	11	3	2	2	4	2	2	1
<b>Products</b>	15	5	3	2	57	12	8	5	17	11	10	7	5	2	2	0
<b>Accessibility &amp; Affordability</b>	6	3	2	0	10	7	3	0	6	1	0	0	2	1	1	0
<b>Responsible Marketing</b>	10	4	3	3	43	5	3	1	13	4	4	2	3	2	2	1
<b>BMS/CF Marketing</b>	4	2	0	0	2	0	0	0	2	1	1	1	0	0	0	0
<b>Workforce nutrition</b>	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0
<b>Labelling</b>	4	1	0	0	17	1	0	1	6	0	0	0	4	2	2	1
<b>Lobbying</b>	14	2	1	0	47	0	0	0	8	2	2	1	4	0	0	0
<b>Transparenc- y</b>	0	0	0	0	2	0	0	0	4	0	0	0	0	0	0	0
<b>Total</b>	<b>55</b>	<b>17</b>	<b>9</b>	<b>5</b>	<b>207</b>	<b>31</b>	<b>18</b>	<b>9</b>	<b>67</b>	<b>23</b>	<b>20</b>	<b>13</b>	<b>22</b>	<b>9</b>	<b>9</b>	<b>3</b>

Total statements: 80, of which 56 (70%) confirmed updates, of which 30 (54%) linked to letter ask

# Confirmed updates by topic



- Most confirmed updates made by companies to investors regard Products, followed by Responsible Marketing and Governance – indicating these are the most discussed by and most relevant for investors



- Governance (14%)
- Products (41%)
- Affordability & Accessibility (11%)
- Responsible Marketing (21%)
- BMS/CF Marketing (2%)
- Workforce nutrition (2%)
- Labelling (4%)
- Lobbying (5%)

# Confirmed updates: products, affordability & accessibility



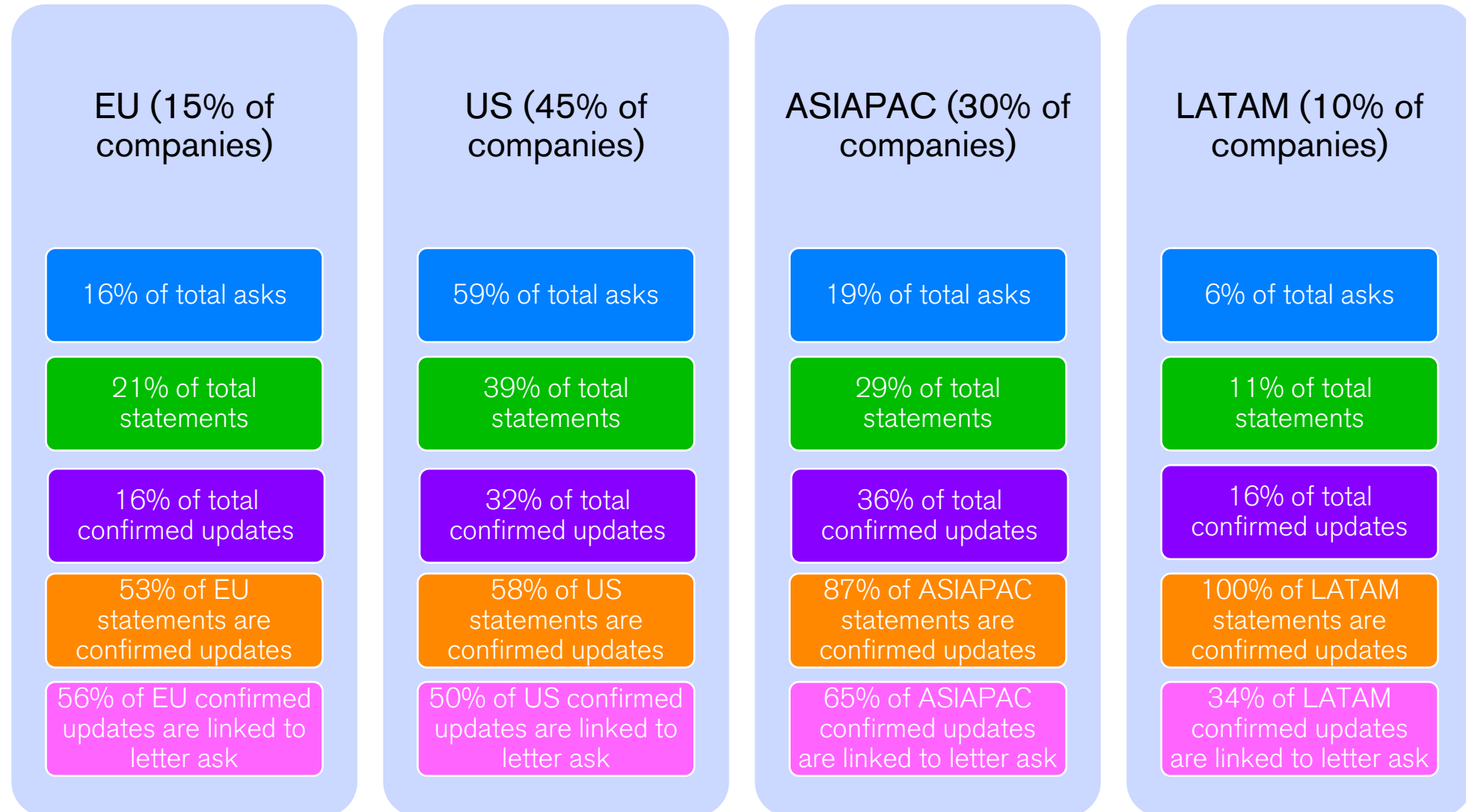
## Products

- 23 confirmed updates
- 94 asks made by investors in total (across companies and geographies – i.e., 27% of total)
- 30 statements, 23 confirmed updates, 14 confirmed updates linked to letter ask
- Most statements made by companies in this area refer to 3 broad categories:
  - Definitions of healthy: a number of companies have stated they will review their definition of 'healthy' and, in some cases, benchmark that definition against existing and government-endorsed Nutrient Profiling Models
  - Portfolio healthiness: a number of companies are considering publicly disclosing the % of revenue / products / volume derived from healthy products
  - Targets to reduce negative nutrients: some companies are in the process of updating and/or publishing progress against their targets to reduce sugar/salt/fat in their products

## Accessibility and affordability

- 6 confirmed updates
- 24 asks made by investors in total (across companies and geographies – i.e., 7% of total)
- 12 statements, 6 confirmed updates, 0 confirmed updates linked to letter ask
- Most statements made by companies in this area represent philanthropic rather than commercial activities, often in partnership with local initiatives and (in the case of the US companies) with federal assistance programs

# Statements made by companies to investors – summary



# Company statements and confirmed updates (II)

\*Statements are statements made by companies to investors. Confirmed updated are statements which ATNI verified as new since the last research phase



Companies made 80 statements, of which 56 (70%) were confirmed updates

	Number of statements	% of total	Number of confirmed updates	% of total
Governance	11	13.8%	8	14.3%
Products	30	37.5%	23	41.2%
Accessibility & Affordability	12	15%	6	10.7%
Responsible Marketing	15	18.8%	12	21.4%
BMS/CF Marketing	3	3.8%	1	1.8%
Workforce nutrition	1	1.3%	1	1.8%
Labelling	4	5%	2	3.6%
Lobbying	4	5%	3	5.4%
Transparency	0	0%	0	0%
Total	80	(100.2%)	56	(100.2%)

# Engagement KPIs comparison: 2018-19 vs 2021-23



## Collaborative engagement 2018-2019

- 18 companies targeted, 16 engaged with (88.9%)
- 31 investors, \$4 trn AUM
- 19 meetings over 20 months
- 95 asks
- 29 statements, of which 18 (62%) confirmed updates
- 7 companies include IR team in the calls with the ATNI group
- 32 investors publish use of ATNI data and engagement

## Collaborative engagement 2021-23

- 20 companies targeted, 19 engaged with
- 53 investors, \$15 trn AUM
- 34 meetings over 20 months
- 351 asks
- 80 statements, of which 56 (70%) confirmed updates
- 14 companies include IR team in the calls with the ATNI group
- 37 investors publish use of ATNI data and engagement





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## **Improving nutrition for all**

Driving the private sector's performance  
on healthy, affordable diets.

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