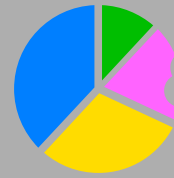


October 2024



ACCESS TO
NUTRITION
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Post-Event Report

Healthiness of Food Portfolios
Towards Standardized Reporting

October 2024



1.1 Introduction

Poor diet is linked to one in five deaths globally, highlighting the critical need for healthier food environments. As awareness grows among health experts, investors, and consumers, the investor community is increasingly recognizing the importance of integrating healthy diets into sustainable investment strategies. However, the lack of a globally accepted method to define and measure the healthiness of food portfolios presents a significant challenge to assessing and comparing food companies' commitments to healthier products.

To address this, the Access to Nutrition Initiative (ATNI) launched a research series in 2023-2024 aimed at harmonizing the approach to defining and measuring healthy foods. This initiative employed a three-round Delphi process, involving over 80 experts, to achieve cross-sectoral alignment on the use of Nutrient Profile Models (NPMs) for evaluating food industry portfolios.

At the event on 10th September 2024 hosted at City University London, ATNI presented the results of this year-long Delphi process, including a comparative analysis of NPMs and proposed Reporting Guidelines for improved reporting and disclosure of food portfolio healthiness. The purpose of the event was to bring together key voices from the investment community, food industry, academia, civil society, and government to discuss the next steps in measuring and reporting on companies' contributions to health and nutrition using the NPMs and best practices identified in the research.

In his opening remarks, **ATNI Executive Director Greg Garrett** emphasized that this research represents a crucial step in transforming markets to prioritize healthier food products and environments. He highlighted the need for investors and the food industry to make product healthiness a priority. To date, as per ATNI's and Planet Tracker's June 2024 Materiality of Nutrition Assessment, nutrition is generally not currently a material issue for most food companies and has not been a significant part of formal discussions with investors, nor is it seen as a major risk factor. A first step towards ensuring nutrition is material is to use defined metrics and standards. These will enable regular disclosures of progress companies are making toward building healthier food portfolios.

Research project results

Lucy Cosenza, ATNI Researcher, presented the results from the Delphi research, which identified three NPMs as most appropriate for future reporting by companies: Health Star Rating, Nutri-Score, and the UK NPM. Participants rated elements that should be part of a standardized framework for reporting, which culminated in a set of proposed Reporting Guidelines that provide clear direction for nutrition-focused reporting and investment.

Elizabeth Dunford, The George Institute for Global Health, followed by presenting the results of a comparative analysis to evaluate and compare the performance of the selected NPMs across different product categories and types of company portfolios.

Full results and the **Reporting Guidelines** can be found in the report published on ATNI's webpage at this [link](#).

1.2 Highlights from Expert Panelists

An introduction from **Professor Christina Vogel, Centre for Food Policy at City St George's University of London**, highlighted the rising public demand for healthier food offerings in the context of consumer trust. She believes the food industry can support the reshaping of food



environments to benefit society by prioritizing health and sustainability over profit, and recognizes the leadership of multinationals in the reformulation and development of healthier products to date. While policymakers value NPMs for informing responsible marketing and product development, a lack of transparency in the development of NPMs that are not government-approved or publicly available has hindered progress. Prof Vogel stressed that implementing industry-wide guidelines for the reporting of the healthiness of food portfolios could drive large-scale change and ensure policy coherence, and called for regular NPM updates to be aligned with scientific evidence and dietary guidelines.

The panel discussion was moderated by **Dr. Christian Reynolds, Centre for Food Policy, City St George's, University of London**. Panelists were asked to reflect on the research findings and explain why standardized reporting on the healthiness of food portfolios using NPMs is important for their respective organizations. Four panelists represented different stakeholder groups; investors, industry, academia, and civil society.

Maria Ortino, Legal & General Investment Management Ltd: Explained how nutrition impacts risk for investors and outlined key investor expectations from companies: transparent nutrition strategies, disclosing sales of healthy products, and setting targets for healthy portfolios. She advocated for the consistent use of NPMs to facilitate better comparison between companies.

Victoria Crawford, WBCSD: Emphasized the need for standardized metrics to track progress on SDGS goals, which enhances accountability and action. She highlighted the increasing pressure from regulators and investors and stressed the importance of prioritizing nutrition in corporate agendas.

Mike Rayner, University of Oxford: Celebrated the progress made in the past decade regarding increasing consensus on the need and feasibility to measure the healthiness of food portfolios, and praised these research results for their utility in progressing towards alignment. He advocated for the approach identified by the research that favors continuous scoring systems for NPMs, rather than a binary classification of 'healthy' vs. 'unhealthy'.

Katharine Jenner, Obesity Health Alliance: Asserted that the public demands transparency from companies regarding the healthiness of their products. She called for policy coherence, data-driven accountability, and collective action to ensure healthier food options are made available to consumers.

1.3 Insights Gathered During Roundtable Conversations

During the event, participants from the investment community, food industry, academia, civil society, and government were assigned to small, interdisciplinary groups of 10 to 14 for roundtable conversations to gather their insights and opinions about the future of voluntary reporting. The hour-long conversations were organized around three domains: defining voluntary reporting, planning for implementation, and exploring forward-thinking perspectives.

Below we have highlighted some of the significant findings and observations noted from the roundtable conversations, each including representatives from industry, investors, and others (academia, NGOs, CSOs).



Discussing and defining voluntary reporting

Transparency was flagged by all stakeholder groups as a significant benefit of voluntary reporting because transparency promotes accountability, builds trust, and encourages progress toward healthy food targets. These findings echo those obtained during the early rounds of the Delphi process.

Another area where there was broad agreement both among stakeholder groups and with the earlier results from the Delphi process was in company portfolio comparability and benchmarking. Applying a standardized NPM and reporting framework enables direct comparison among companies and allows investors to compare portfolios side-by-side, both at a single point in time and over time. In addition to comparability and measurement of progress in portfolio healthiness, standardization also supports research efforts.

Industry participants highlighted that voluntary reporting provides an important opportunity for leadership and responsibility to address public health challenges. They also discussed that voluntary reporting would allow nutrition team members to engage senior leaders in nutrition-focused discussions. Multiple participants noted that nutrition is not discussed within companies without reporting requirements, and voluntary reporting will only drive change if it is well integrated into investment policies for both investors and internal resource allocation. However, industry participants also noted that investor pressure on companies is inconsistent, and some companies will not be asked to participate in voluntary reporting by investors.

Investor participants noted that voluntary reporting supports risk assessment and opportunity evaluation within company portfolios and supports the evaluation of sustainability and nutrition performance. They also highlighted that voluntary reporting provides an opportunity for dialogue with companies on portfolio healthiness and helps inform both engagement and objectives. It also supports further conversations about nutrition at the corporate brand level and among investors.

Academic, NGO, and other participants endorsed the need for measurement of portfolio healthiness, sales, and food consumed by the population and noted that voluntary reporting provides an opportunity to work with companies to improve population health. They underscored the need for transparency and comparability alongside the need for simplified decision-making and additional data to help society shift away from unhealthy food.

Planning for implementation and learning

Publicly accessible, annual reporting alongside other reporting activities (e.g., financial reporting, ESG reporting) was broadly supported across participant groups. Participants endorsed publishing reports on the company website and supported the integration of NPM reporting into the company's annual reports. There was agreement across stakeholder groups that reporting should create as little additional burden as possible for companies and supported using existing reports (e.g., sustainability, ESG, CSR) and mechanisms to disseminate information. They also recommended a consistent and transparent approach should be agreed upon for all companies participating in voluntary reporting to ensure clarity and coordination.

Some industry participants suggested portfolio reporting on a less frequent basis because portfolio changes year to year may not be sensitive to multi-year innovation cycles. For example, they noted that some companies operate on a three-to-five-year innovation cycle when working on product reformulation and suggested reporting every five years would show more meaningful portfolio changes. However, other industry participants noted that products and product categories are often reformulated on different timelines (both in terms of pace of change and duration of innovation); these participants supported annual reporting to capture changes over time.



Participant groups expressed support for third-party, independent auditors to validate the NPM reports and ensure accuracy of the reported values. There was agreement that external auditors should be pre-approved and act independently, free from conflicts of interest. It was noted that, though existing external auditors (e.g., financial auditors) may be able to perform validation, they are unlikely to have the technical capacity to validate NPM reporting currently and may need to hire trained and certified professionals (e.g., nutritionists, experts trained in NPM reporting) for this work. Industry representatives also noted that confidentiality is an important consideration in the validation process.

To support reporting, data management and quality systems are needed to ensure there is access to reliable sales and nutrition data. As was noted in the early rounds of the Delphi process, industry participants discussed concerns about voluntary reporting being resource intensive and complex, especially for organizations with poorly developed data systems. They further noted concerns about absorbing the costs associated with third-party validation and suggested that reporting may require resources be diverted from reformulation efforts.

Industry participants also discussed that there are many barriers and challenges to reporting on marketing and lobbying related to specific food products or categories. Multiple participants from industry noted that they would not move forward with reporting on marketing spend and lobbying activities as detailed in the proposed reporting framework. Additional research is likely warranted to further explore these barriers and challenges to determine what level of reporting on marketing and lobbying may be possible in the future.

Finally, while the timeline to initial reporting was explored in the Delphi research where 50% of participants indicated an implementation timeline of longer than one year, some participants discussed implementation timelines during the roundtables. Industry experience with adapting internal process to support NPM reporting has varied with participants suggesting initial reporting took between one and three years to establish. Timelines were dependent upon data collection (e.g., ingredients, nutrition information), developing new systems for reporting, and staff/resource allocation. After an acquisition, time is required to add new products to the company systems for reporting.

Forward-thinking perspectives

Participants agreed that NPM reporting should be one pillar of a broader strategic plan to attempt to deliver healthier foods to the public, not a standalone activity. Also, it was noted that broader government-driven nutrition education initiatives are required to complement this activity.

To begin reporting using the proposed reporting framework, industry participants highlighted the need for internal acceptance and consensus, including engagement with and sign-off from executive leadership on the benefits and necessity of applying NPMs for investor reporting. The value of reporting for industry needs to be clear with a demonstrable return on investment (e.g., via sales impact, other incentives). Additional internal decisions and processes include engagement with the data governance team, research and development, finance and development, and operations team members.

Opinions were divided as to whether mandatory reporting through regulation is required to truly drive change. Generally, it was noted that voluntary reporting is a good start but inadequate— with mandatory reporting being preferable as there is poor evidence that voluntary drives sufficient change. Counterarguments included the fact that the additional reporting creates disproportionate burden on small and medium sized businesses. For those in favour, particularly investors, they call upon policymakers to give greater attention to and act decisively on nutrition profiling.



1.4 Key Takeaways

- There was broad consensus that businesses are unlikely to see immediate financial or sales benefits from voluntary nutrition reporting. Therefore, the primary push for change must come from investors, who should set clear and consistent commitments, and reconsider investing in companies that do not adhere to nutritional guidelines. Increased prioritization of nutrition by major investors is expected to enhance the financial materiality of nutrition.
- The crucial role investors have played in raising the importance of nutrition was acknowledged, with a shared aspiration that, in the future, nutrition will become a regular part of C-suite discussions and decision-making
- Participants were positive about the opportunity to engage in open dialogue, share their perspectives across sectors, and hear from other stakeholders in a conducive forum. This exchange of ideas fostered a sense of motivation to collaborate further.

Several organizations have already made public commitments in support of the reporting guidelines [here](#).

1.5 Next Steps

Media attention

The research received attention from both the food trade press and the investor press. The Grocer magazine ran an article, having met with Mark Wjine and Lucy Cosenza for background information and Greg Garrett for quotes. ESG Investor ran a news item on the launch event and the program's findings and the project press release was picked up by 175 media outlets across Europe, the UK and the US.

What happens now?

ATNI considers the process and outcomes of this project a big step on the journey to standardized reporting on portfolio healthiness which will allow for more like-for-like comparisons. We are pleased to have achieved consensus among diverse stakeholder groups on the need for standardized reporting and its feasibility and successfully identifying three models suitable for reporting purposes.

Voluntary reporting using the same NPMs and other standards will also prepare companies for stricter mandatory reporting required by Governments and international bodies in the future. ATNI will follow up with any of the stakeholders who made commitments to use the outcomes of this project or that considering committing to start using standardized reporting against one of the NPMs identified.

Internationally, there appears to be growing support for incorporating nutrition into sustainability standards. ATNI will work with standards boards and regulators with the aim to embed a metric in sustainability reporting guidelines and even mandates related to corporate reporting on the healthiness of food portfolios.

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