



Product Profile

An assessment of the nutritional quality of packaged foods and beverages sold in nine major markets.

The purpose of this Product Profile is to begin to build a picture of the role that products of companies in the Global Index play in consumers' diets. It is designed to assess how healthy companies' products are. In other words, to establish the nutritional quality of the products they sell, which is determined by the levels of fat, salt, sugar, fruit, vegetables and other ingredients. The Product Profile also provides an overview of the 'healthiness' of companies' portfolios across the selected countries, as well as within categories and between countries.

This is the first time that a multi-country study of this nature has been published. It provides a baseline against which to measure any improvements companies make to the formulation of their products – which many have committed to make – and offers a range of valuable insights into which companies are best-positioned in terms of offering healthy products and which have the most work to do.

Setting the results of the Product Profile alongside the results of the Corporate Profile illustrates the extent to which they are delivering on such promises; particularly for Category B which assesses companies' commitments and targets to improve their products and invest in improving the healthiness of their portfolios. Future Product Profiles will track these improvements, again based on analysis carried out by independent experts.

The Product Profile assesses the nutritional quality of the products of the Index companies in nine markets

It analyzes the level of several positive ingredients (e.g. fruits, vegetables and fibers) and several negative ingredients (e.g. salt, sugar and saturated fat) in products

Geographic scope of assessment

The nine countries included in this study were selected based on the availability of pre-existing TGI nutrition content databases. The George Institute has built such datasets for eight countries – Australia, China, Hong Kong, India, New Zealand, South Africa, the U.K. and the U.S. – and was able to gain free access to one other compiled by Mexico's Institute for Public Health (INSP).

Categories and products included in the study

For each of the 22 Global Index companies ATNF first identified all categories in which the companies sold products in each of the nine countries using Euromonitor International data. Products eligible for inclusion were defined as 'all packaged foods and non-alcoholic beverages manufactured by the included companies available for purchase in the nine countries.' The companies' best-selling categories in each country were included, up to a maximum of five per country. This means that for some companies more than five categories were assessed across the nine countries, e.g. 13 for Nestlé. However, fewer than 10 products were found for BRF in total in the nine selected countries; this company was therefore dropped from the study.

How products' nutritional quality was determined

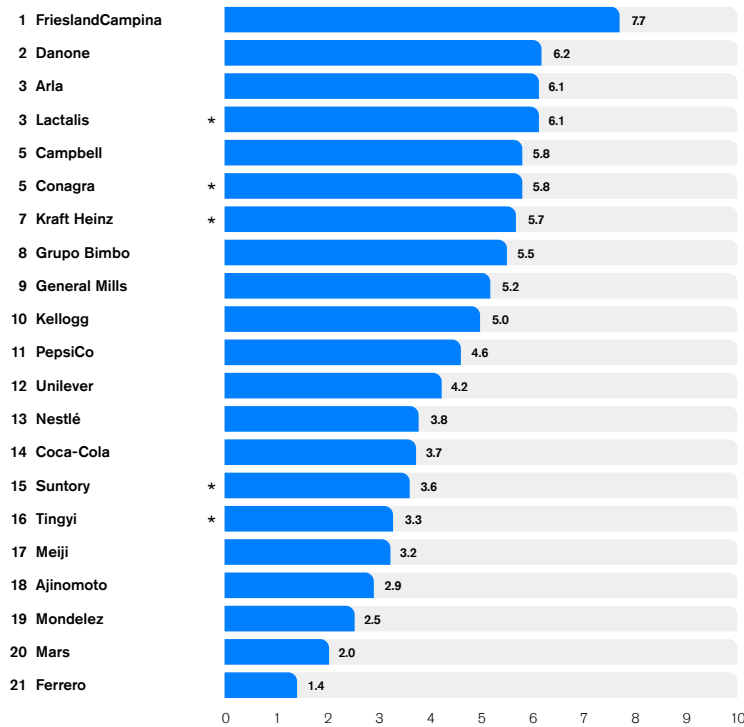
Two nutrient profiling systems were used that met the qualitative criteria developed by ATNI's Expert Group, from research done for the WHO:

- Health Star Rating (HSR) nutrient profiling system used in Australia, but applicable in any market, to determine how healthy each product is. Products are rated between 0.5 stars (least healthy) to 5 stars (most healthy). Any product that scores 3.5 or above is considered healthy.
- The WHO Regional Office for Europe Nutrient Profile Model (WHO EURO), relevant to any market, to identify which products are suitable to be marketed to children.

In total, 23,013 products were analyzed. Of these, 20,865 had sufficient nutrition information to be assessed using the HSR model and 22,137 had sufficient information for the WHO EURO model to be applied.

Overall Results

The Product Profile scores companies out of ten to provide comparability with the Corporate Profile.



The sales-weighted scores from the results from the TGI study (shown in Figure) are out of a total maximum of five (the maximum possible score on the HSR). These scores are therefore simply doubled to generate the Product Profile score. A score of ten out of ten on the Product Profile would indicate that a company's whole portfolio comprise products and/or sales of products with the maximum HSR of 5. The companies are then ranked based on these scores.

* Did not provide information to ATNI

How healthy are the companies' portfolios overall?

- FrieslandCampina has the healthiest portfolio and so tops the Product Profile with a score of 7.7 out of 10. It generates 100% of its sales in the nine countries assessed from dairy products which tend to score well on the HSR.
- It is followed by three other companies whose sales are also generated exclusively or predominately from dairy products in the nine countries assessed: Danone ranks second, (53% sales from dairy, 46% from bottled water), Lactalis (94% sales from dairy) and Arla (100% sales from dairy) share the third rank.
- Conversely, the three companies whose sales in the nine countries assessed are made up predominantly of confectionery rank lowest: Mondelez ranks at 19; it generates 49% of its sales in the nine countries from that category. Mars ranks at 20 and Ferrero at 21, with 89% and 85% of sales respectively generated from confectionery in the nine countries.

What percentage of the 21 companies' products analyzed are healthy?

- The Product Profile found that only 31% of the products met the healthy threshold (HSR score of 3.5 or higher).
- The percentage of healthy products in individual company's portfolios ranges from 75% for FrieslandCampina and 64% for ConAgra, to 0% for Ferrero.
- Only two companies are estimated to generate more than 50% of their sales from healthy products in the categories assessed, for all nine markets: FrieslandCampina (89%) and Lactalis (56%).

To what extent are the companies' products suitable to be marketed to children?

- Only 14% of the products analyzed met the nutritional standards to be marketed to children according to the WHO EURO criteria.
- Two companies had no products eligible for marketing to children at all – Ferrero and Meiji, while General Mills, Kellogg, Mars, Mondelez, PepsiCo, Suntory and Tingyi have less than 10% of eligible products.
- The WHO EURO Nutrient Profiling Model deems certain categories as prima facie not suitable to market to children, including, for example, confectionery, many spreads and sweet biscuits, and most savory snacks. This affects those companies that make a large number of these products such as Ferrero, Meiji and Mondelez.

To what extent do companies generate their sales from healthy products?

- Overall, most companies' portfolios and their sales are made up of products that do not meet the healthy standard.

Recommendations

The Product Profile results highlight five key ways in which companies could improve their impact on public health.

Reformulate products

- Improve the nutritional composition of all products and products categories, particularly those that are high-sales volume products and those marketed to children.
- Adopt and publish own SMART targets for reformulation focusing on each key nutrient, such as sugar and salt.
- Adopt Nutrient profiling system (NPS) or ensure own NPS is aligned with current knowledge

Improve the product mix

- Increase proportion of healthy products in the portfolio, or healthy categories.
- Invest in marketing healthier products or acquiring companies with healthier portfolios.

Stop marketing unhealthy products to children

- Stop marketing products to children that do not meet a healthy threshold
- Use appropriate WHO nutrient profiling model or equivalent

Shift marketing investment

- Companies should redirect marketing investment towards healthier products

Adopt comprehensive labeling for all markets

- Support a global policy to include all Codex-recommended nutrients on product labels (some regulations do not mandatory require food manufacturers to disclose information on trans fats, free sugars, etc).