



US Index 2022

Custom Report

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ATNI is pleased to present the US Access to Nutrition Index 2022, four years after the first Index was published in 2018.

The US Index is a benchmark comparing the commitments and performance of the eleven largest food manufacturers active in the US to deliver healthy, affordable food and beverages enabling consumers to reach healthier diets and to prevent hunger.

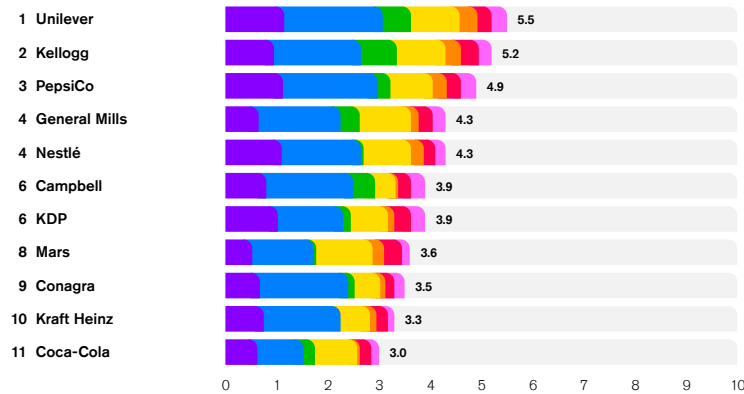
All companies assessed have now placed a greater focus on nutrition in their corporate strategies, and ten manufacturers in some way define what they consider “healthy”. Companies are making explicit commitments to reduce diet related diseases. However, companies must now turn these commitments and policies into action. Despite the introduction of healthier varieties in some product categories by some companies, the combined product portfolios of all eleven companies – representing a sales value of around \$170 billion in 2021 and accounting for approximately 30 percent of all US food and beverage sales – have not become healthier.¹

The opportunity and urgent need is for all companies to produce and market more healthy products and spend less money marketing unhealthy products.

The food and beverage industry has an important and prominent role to play in addressing key nutrition challenges in the US food system, including food and nutrition insecurity, hunger, high rates of obesity and diet-related chronic diseases, and related nutrition and health inequities. The US Index is intended to be used by companies and by other actors in nutrition and health – including policymakers, investors, and international and non-governmental organizations – to help the food and beverage industry deliver on commitments to address these nutrition challenges. The Index can act as a catalyst to bring about further change in the country’s food and beverage sector. It can help inform and further the US Government’s agenda for hunger, nutrition and health with metrics, data, and recommendations to drive private sector contributions on food access and affordability and the healthiness of packaged food and beverages on the US market.

Read the [Executive Summary](#), or [Report In Brief](#) for this Index.

Ranking



Most companies scored marginally higher than in 2018. The top score of 5.6 and average score of 4.2 represent limited performance across all companies. Higher scores are primarily a result of more comprehensive and specific nutrition commitments, somehow defining “healthy”, setting reformulation targets, and better transparency regarding companies’ nutrition strategies and performance.

A Governance
 B Products
 C Accessibility
 D Marketing
 E Workforce
 F Labeling
 G Engagement

Methodology

The methodology assesses companies against US-specific and international guidelines, standards and norms, and accepted industry best practices. There are seven categories (topic areas) within the methodology, each carrying a specific weight used to calculate the total Index score on a scale of 0 to 10 with 10 being the highest: A. Nutrition governance and management (12.5%), B. Product portfolio healthiness score, reformulation targets and healthiness criteria (35%), C. Access and affordability of healthy foods (17.5%), Responsible marketing (20%), E. Workforce nutrition (5%), F. Labeling (5%), and G. Lobbying in support of public health interests and engaging external stakeholders to improve companies’ nutrition strategies (5%). A total of 127 indicators are distributed between the different categories.

Read the US Index 2022 methodology: <https://accesstonutrition.org/index/us-index-2022/methodology/>

Company Scorecards

Based on estimated sales values of packaged foods and beverages in the US, the 11 leading manufacturers included in the US Index 2022 are:



Campbell



Coca-Cola



Conagra



General Mills



Kellogg



KDP



Kraft Heinz



Mars



Nestlé



PepsiCo



Unilever

The US Context

Nutrition challenges in the US

This chapter sets out the state of nutrition in the US, the causes of underlying major diet-related diseases, and the role the private sector can play in improving the food environment.

The diet-driven health crisis in the US

Obesity is a critical and costly public health challenge that affects nearly 41.9% of adults² and 15.5% of children between the ages of 10 and 17³ in the US. Obesity prevalence has increased by 11% since 1999⁴. During the same time, the prevalence of severe obesity increased from 4.7% to 9.2%⁵, with half of US adults projected to experience obesity by 2030⁶. The latest Dietary Guidelines for Americans 2020-2025 (DGA) emphasize the fact that obesity puts people at risk for many serious chronic diseases, including high blood pressure and high cholesterol (which are risk factors for heart disease), Type 2 diabetes, many types of cancer, as well as higher risk of experiencing strokes, clinical depression and anxiety. It therefore recommends Americans limit foods and beverages higher in added sugars, saturated fat, and sodium. At the same time, the DGA recognize the potential for micronutrient deficiencies, considering calcium, potassium, dietary fiber, and vitamin D the dietary components of public health concern for the general US population because low intakes are associated with health concerns.

In this context, it is more important than ever that companies' nutrition commitments include a specific focus on addressing obesity and diet-related diseases.

Disparities in obesity prevalence

Not all racial, ethnic minority, and income groups are affected by obesity in the same way. It is important to take into account factors that perpetuate and cause obesity when considering solutions to combat obesity. According to the National Health and Nutrition Examination Survey (2021), obesity prevalence was found to be most common in non-Hispanic black adults and families with lower income.⁷ While the exact causes for these disparities are not known, they likely reflect the differences in social and economic advantage related to race, ethnicity, and income, where groups of people have systematically experienced greater social and economic obstacles to health.⁸ Underlying risks that may help explain disparities in obesity prevalence could include higher rates of unemployment, increased levels of food insecurity, greater access to poor quality foods, less access to convenient places for physical activity, targeted marketing of unhealthy foods, and poor access to health care.⁹

Obesity and COVID-19

Recent research suggests that obesity increases the risk of severe illness from COVID-19 among people of any age,¹⁰ including children.¹¹ People who are overweight may also be at increased risk. The Centers for Disease Control and Prevention (CDC) estimated that obesity may triple the risk of hospitalization due to COVID-19 infection.¹² In addition, with increasing BMI,¹³ the risk of intensive care unit admission, invasive mechanical ventilation, and death are higher.¹⁴ One study estimated that more than 900,000 adult COVID-19 hospitalizations occurred in the US between the beginning of the pandemic and November 18, 2020, and nearly 30% of these hospitalizations were attributed to obesity.¹⁵

Consequences of obesity

People who have obesity, compared to those with a healthy weight, are at increased risk for many serious diseases and health conditions. In addition, obesity and its associated health problems have a significant economic impact on the US health care system. Obesity in children and adults increases the risk for various health conditions, including high blood pressure and high cholesterol, which are risk factors for heart disease; Type 2 diabetes; breathing problems, such as asthma and sleep apnea; joint problems, such as osteoarthritis and musculoskeletal discomfort; and gallstones and gallbladder disease.^{16,17,18} Adults with obesity also have higher risks for stroke, many types of cancer, premature death, and mental illness such as clinical depression and anxiety.¹⁹

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Healthcare costs of obesity

Healthcare costs are especially higher for people who are overweight or living with severe obesity. Recent research found that health care expenditures are higher for those with excess weight across a wide range of ages and BMI levels, with especially high costs for people with severe obesity. Although childhood obesity contributes to a small proportion of total obesity-related medical costs, excess weight in childhood is a strong predictor of adult obesity. As such, policies to prevent excess weight gain at all ages are needed to mitigate the health and economic impact of the obesity epidemic, which accounts for over \$170 billion in excess medical costs per year in the United States.²⁰ Annual nationwide productivity costs of obesity-related absenteeism range between \$3.38 billion (\$79 per individual with obesity) and \$6.38 billion (\$132 per individual with obesity).²¹ Direct medical costs may include preventive, diagnostic, and treatment services. Indirect costs relate to sickness and death includes lost productivity – such as employees being absent from work for obesity-related health reasons, decreased productivity while at work, and premature death and disability.²²

Food and nutrition insecurity

When we think about the reasons why obesity impacts certain racial, ethnic, and income groups harder than others, it has a lot to do with opportunities to make healthy choices. With the economic devastation from the pandemic, food security is now more difficult to achieve. In 2020, an estimated one in eight Americans were food insecure, equating to over 38 million individuals, including almost 12 million children.²³ Extensive research reveals food insecurity is a complex problem. Many people do not have the resources to meet their basic needs; challenges which increase a family's risk of food insecurity. Food insecurity does not exist in isolation, as low-income families are affected by multiple, overlapping issues – like lack of affordable housing, social isolation, economic/social disadvantage resulting from structural racism, chronic or acute health problems, high medical costs, and low wages.

Together, these issues are important social determinants of health, defined as²⁴ the “conditions in the environments in which people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks.”²⁵ For effective responses to food insecurity, it is important to address the overlapping challenges posed by the social determinants of health.

While food security implies access to enough food for an active, healthy life,²⁶ it is also important to consider how the quality of our diets can help reduce diet-related diseases. This is captured in the United States Department of Agriculture's (USDA) commitment to enhancing (food and) nutrition security. It defines nutrition security as *all* Americans having consistent access to the safe, healthy, affordable foods that are essential to optimal health and wellbeing. It also emphasizes equity and the need to tackle long-standing health disparities.²⁷

Dietary quality

The quality of diet is one of the major contributors in the development of obesity. Infant breastfeeding, intake of sugar-sweetened beverages, and fast-food consumption, as well as the content of family meals, all impact the prevalence of obesity.²⁸ Lower socio-economic status of many racial and ethnic minorities is a major contributor to suboptimal diets and can be associated with the consumption of calorie-dense foods with less nutritional value – including those high in saturated fats and hydrogenated or partially hydrogenated oils, compared to more balanced diets consisting of healthier options like fresh fruits and vegetables and lean proteins, which are more likely to be consumed by members of wealthier socio-economic backgrounds.^{29,30,31}

Choices of less nutritious dietary options among certain groups are not a result of lack of knowledge about healthy foods, but instead the perception of the cost of healthy foods.³² This perception is not necessarily incorrect. Foods purchased in stores that are higher in nutrients associated with decreased risk for chronic disease – such as those high in dietary fiber, vitamins A, C, D, E, and B-12, beta carotene, folate, iron, calcium, potassium, and magnesium – often cost more than foods with nutrients high in trans fats, saturated fats, and added sugar.³³ However, diets consisting mainly of prepared foods purchased from convenience stores and fast-food chains, as opposed to those purchased from whole food stores, are on average more expensive.³⁴ However, these estimates of food cost do not consider problems, such as food deserts, lack of access to stores with healthy food, and the effort and time that purchasing and preparing healthy food may take: All factors that may contribute to poor diet both in adults and children from low socio-economic backgrounds.

Role of the packaged food & beverage industry

The US food industry is one of the largest in the world. According to the USDA, in 2021, US consumers, businesses, and government entities spent \$2.12 trillion on food and beverages and out-from-home meals and snacks³⁵. According to Euromonitor, the US retail sales values of packaged food and non-alcoholic beverages are expected to reach 700 billion by 2025.

In doing so, companies are also able to prioritize nutrition efforts, make them better, and scale them up over time.

The COVID-19 pandemic underscored the correlation between nutrition and health, with a subsequent increased interest in health and wellness demonstrated by consumers and regulators. Foodservice closures and capacity limitations to prevent the spread of the virus led to large spikes in retail demand for packaged food.³⁶

ATNI's research into the food and beverage companies' responses showed that, while some companies benefitted from increased at-home demand, declines in food service and away-from-home sales offset those gains.

Availability, access, and affordability of packaged foods

The clearest way in which companies can contribute to healthier food environments is by improving the nutritional quality of the products available on store shelves. In addition to reducing levels of nutrients of concern, such as sodium and sugar, in their products (in-line with the Dietary Guidelines for Americans), companies can also deliver more positive ingredients and nutrients, such as fiber, wholegrains, fruit and vegetables, and essential micronutrients, in their products. However, healthier foods are typically priced higher than less healthy options.³ Given that low-income households spend an average of 30% of their income on food (compared to 10% for the average American household), price considerations inevitably supersede nutrition quality as a priority for millions of Americans (especially in the current cost-of-living crisis). Therefore, food & beverage manufacturers can make a real difference by offering a wide range of nutritious products at affordable prices at a greater rate than less healthy products.

Another important factor is the accessibility of these products, defined as whether they are readily obtainable by individuals in all geographic locations or not. According to the latest Dietary Guidelines for Americans, access is “influenced by diverse factors, such as proximity to food retail outlets (e.g., the number and types of stores in an area), ability to prepare one’s own meals or eat independently, and the availability of personal or public transportation. The underlying socioeconomic characteristics of a neighborhood also may influence an individual’s ability to access foods to support healthy eating patterns.”

The US Department of Agriculture’s (USDA) 2017 study³⁷ on food access found that 39m people (12%) in the US live in low-access communities – where at least a third of the population lives over a mile from a supermarket or large grocery store (in urban areas), or more than ten miles away (in rural areas). These are associated with low access to affordable fruits, vegetables, wholegrains, low-fat milk, and other foods that make up a healthy diet. One study has also found a positive association between living in low-access communities and obesity. Companies therefore have a role to play in ensuring their healthier, affordable products are distributed in low-access communities at an equal or greater rate than less healthy alternatives.

Marketing and labeling

High levels of food marketing, including advertising and promotion, have also been shown to play a substantial role in influencing consumer choice. Food marketing directed to both adults and children of all ages often disproportionately promotes unhealthy foods, such as snacks and drinks high in saturated fat, sugar, calories, and salt. In the US, the primary approach to addressing this issue is through self-regulatory initiatives. For the general consumer, the gold standard in responsible marketing is the ICC Framework for Responsible Food and Beverage Marketing Communications, which sets out general principles governing all marketing communications³⁸. Meanwhile, regarding marketing to children, self-regulatory initiatives include the Children's Food and Beverage Advertising Initiative (CFBAI) and Children's Advertising Review Unit (CARU), both administered by the Better Business Bureau (BBB).

Moreover, by providing comprehensive and easily understandable information about the nutritional composition and potential health impact of their products through labeling, companies can help consumers choose the right products to contribute to healthy diets³⁹.

The workplace

The workplace also represents a key food environment for millions of Americans, and the many thousands that work for these companies. Companies can lead by example by providing healthy food at work, nutrition education, nutrition-focused health checkups, and breastfeeding support.

Studies⁴⁰ have found positive associations of such programs with productivity and cognitive ability, along with reduced absenteeism, medical costs, and rates of accidents/mistakes. Workforce nutrition programs can also increase employee morale and motivation, improve employer/employee relations, and reduce staff turnover. In addition to these benefits, such programs can help facilitate a company culture with a greater focus on nutrition in its business practices.

The White House Conference on Hunger, Nutrition, and Health

2022 marks an important time for food and nutrition in the US, with the second White House Conference on Nutrition, Hunger, and Health, held in September 2022. The first White House conference on hunger was held in 1969 at the start of the Nixon administration and helped to greatly expand federal feeding programs. The 2022 conference aimed to catalyze the public and private sectors around a coordinated strategy to accelerate progress and drive transformative change in the US to end hunger, improve nutrition and physical activity, and end the disparities surrounding them.

It is more important than ever for the food and beverage sector to step up and make a difference to facilitate healthier diets for everyone, everywhere, in America. This section has presented several ways through which food and beverage companies' can increase their nutrition efforts, including, among others, product (re)formulation, prioritized marketing of healthier products, labeling, and responsible lobbying. ATNI encourages all companies to step up their efforts to contribute towards healthier diets.

US Index 2022

Findings

- The combined product portfolios of the 11 companies assessed— representing a sales value of more than \$170 billion in 2021 and accounting for almost 30 percent of all US food and beverage sales – have not become healthier. Only a third (29 percent) of the companies' combined sales value for 11,041 products is derived from products meeting the “healthy” threshold.⁴¹
- One of the improvements is in the Governance category, with all companies incorporating a greater focus on nutrition and health in their commercial strategies. Only a few have translated these commitments into concrete action plans that focus on addressing the needs of population groups at higher risk of experiencing nutrition challenges, such as families with low incomes.
- Another improvement is that ten manufacturers now define what they consider “healthy.” However, there is an urgent need for a standardized definition.
- Only four companies, compared to one in 2018, are taking concrete actions to improve the affordability of some of their healthier products in the US. Most companies show limited evidence of making their healthier products or product varieties more affordable or accessible relative to unhealthier varieties specifically through commercial channels in the US.
- Eight companies are evaluating the healthiness of their portfolios as part of broader sustainability strategies and annual reporting frameworks.
- Ten companies, compared to six in 2018, are disclosing information on the relative sales of “healthy” products and adopting their own nutrient-profiling models (NPMs) to monitor the healthiness of their products and portfolios. However, there is no standardized, objective approach to measure healthiness across companies to help consumers make informed choices.
- Responsible marketing for all audiences, but specifically protecting children from the harmful effects of marketing unhealthy products, seems to be on the agenda for all companies, but they do not cover children of all ages, nor do the companies incorporate specific compliance targets. Only one company commissions regular external audits on this topic.
- While most companies are making some commitment to improving the health of their employees in the US, the scope and content of the workforce health and nutrition programs vary considerably.
- Six companies have implemented front-of-pack (FOP) labeling on more than 80 percent of their products and nine display online information for more than 80 percent of their product portfolios: a clear improvement since 2018.

Findings on Governance

While all companies include a commitment to focusing on nutrition or health in their commercial growth strategies, few show evidence of concrete plans and actions to increase the accessibility and affordability of healthy foods to priority populations in the US. Overall, companies perform well in incorporating nutrition in their corporate strategies, but there are only a few improvements observed in accountability mechanisms: Only four companies link the remuneration of the person accountable for their nutrition strategy to nutrition-related objectives.

Notable examples:

- Among the companies assessed, Nestlé and Unilever demonstrate the most comprehensive nutrition strategies, management systems, and reporting.
- General Mills is one of five companies that commit to conducting regular management reviews and internal audits of their nutrition strategies.

Recommendations:

- While 2022 results show more companies are committing to a strategic focus on nutrition and health – as articulated in their mission statements and strategic commitments – they can do more in terms of developing specific objectives and activities to improve nutrition and address malnutrition, and publicly disclose progress against these objectives.
- ATNI recommends that food and beverage manufacturers continue to integrate nutrition considerations into their core business functions, including linking executive pay to performance on nutrition objectives.
- These commitments could then be translated into specific actions, and research conducted into how best to use commercial opportunities to address specific needs of priority populations.

Findings on Products

The Product Profile results show that a sector-wide transformation is needed to improve the nutritional quality of the US food supply. Only 31% of all unique products assessed (3,381 out of 11,141) meet the independent 'healthy' threshold (an HSR of 3.5 stars or more), with substantial variation observed between companies. Overall, companies with mixed portfolios perform better in the Product Profile (Campbell and Conagra), compared to those that derive most sales from less healthy categories (Mars). Ten companies have adopted an NPM to guide their product (re)formulation strategies and define what products are considered 'healthy/healthier,' compared to six in 2018; Coca-Cola is the only company that has not yet formally adopted such system. So far, no company has publicly shown how the results of applying its own criteria/NPM, compared to applying an internationally recognized NPM to its portfolio. Only three companies have targets in place to increase sales from 'healthy' products, according to their company-specific criteria – and none include a US-specific target. Two companies disclose US-specific sales from 'healthy' products. More companies disclose specific nutrient (re)formulation targets.

Notable examples:

- PepsiCo published its NPM in a peer-reviewed journal article. The article presents PepsiCo Nutrition Criteria (PNC), a new internal NPM designed to guide and monitor improvements in nutrient density and the overall nutritional quality of foods and beverages. The new PNC NPM assigns food products to four classes of increasing nutritional value, based on the content of nutrients to limit, along with nutrients and ingredients to encourage. The nutrient standards used for category assignment follow those developed by global dietary authorities. Standards are proposed for calories, sodium, added sugars, saturated fats, and industrially-produced trans fats. In the article, the company provides examples of recently reformulated products according to these guidelines.
- Conagra uses an independent NPM (NutriScore) for some product categories. In its 2021 Citizenship report, the company describes the introduction of a new metric, Sustainable Nutrition, as measured by NutriScore A or B for vegan and vegetarian products. According to the company, 82% of its vegan and vegetarian meals and meat replacements currently qualify for this attribute. In addition, Conagra applies the FDA Healthy criteria to its Healthy Choice products, which include soups and ready-to-eat meals. Using external nutrition criteria.

Recommendations:

- Considering the limited progress in product healthiness of their portfolios, companies can and must do much more to develop and deliver a comprehensive strategy to improve the overall nutritional quality of their portfolios and within product categories. Product innovation, reformulation, diverging from unhealthy product lines, and/or acquiring healthier brand lines are some of the ways companies can achieve this.
- ATNI recommends companies define concrete and time-bound targets to increase sales of 'healthy' products and report progress on delivering against their 'healthy' sales targets on an annual basis. Coupling financial growth targets with higher sales of healthier products could be an effective way to incentivize the increase in 'healthy' products.
- ATNI also recommends companies benchmark their definition of 'healthy' and/or full NPMs against externally validated and preferably internationally recognized (and, where applicable, government-endorsed) systems – such as the planned FDA standard on the criteria to use the term 'healthy' as a nutrient content claim.

Findings on Accessibility

This category remains the lowest-scoring category of the Index, with an average score of 1.5 out of 10. Most companies show limited evidence of addressing either the affordability or accessibility of their healthy products specifically through commercial channels. With food and nutrition insecurity being a major challenge in the US, it is crucial that companies go beyond federal assistance programs and charitable donations and adopt strategies to increase the commercial accessibility and affordability of their healthy products to those population groups most in need. That said, more companies than in 2018 now have some form of access and affordability strategies in place. However, with the exception on Unilever, companies' affordability strategies pay limited attention to addressing low-income or food-insecure consumers, and none were found to have concrete quantitative targets in place. The predominant approach to addressing access and affordability continues to be through charitable donations instead of a systemic commercial approach. Companies do not have policies in place to ensure donations are predominantly healthy, although two companies showed evidence of tracking the healthiness of their product donations.

Notable examples:

- Unilever, through its Knorr brand, specifically seeks to price some of its 'healthy' products appropriately for low-income consumers, which is a first for this Index.
- Campbell has started to track the relative pricing of its products that meet its healthiness criteria against the rest of its portfolio and publishes the overall price differential, the first company found to do so.

Recommendations:

- ATNI recommends that US food and beverage manufacturers adopt a clear policy on affordability and accessibility of healthy products. These include strong, unifying public commitments and SMART (specific, measurable, achievable, realistic, and timely) targets to guide their actions – such as the number/percentage of stores in food-insecure neighborhoods stocking 'healthier' products or the number of food-insecure households to reach through improved distribution, as defined by USDA definitions and ranges.
- Of the companies with affordability strategies in place, most could go further by specifically considering the affordability of their 'healthier' products for low-income consumers in the US. They could begin by conducting pricing analyses to ensure their 'healthier' products are priced appropriately and are affordable for these groups.
- ATNI recommends all companies disclose more information on their affordability strategies, enhancing transparency and accountability.
- Most companies that commit to addressing access to their 'healthy' products predominantly focus on charitable donations and federal assistance programs. These companies are encouraged to translate such commitments into commercial strategies to improve the distribution of their healthy products in low-income/food-insecure areas by working with their distribution and retail partners.
- Where philanthropic activities are undertaken to address food insecurity, it is essential that companies adopt policies and tracking systems to ensure these donations are predominantly healthy, to avoid inadvertently exacerbating malnutrition issues for the populations they are seeking to help.

Findings on Marketing

Responsible marketing seems to be on the agenda for all companies; however, strategies are not comprehensive and performance remains limited. Where some companies make a commitment to increasing their marketing spending on healthier products relative to overall marketing spending, none of the included companies have set quantitative targets for a specified timespan. As marketing influences purchasing behavior, all companies are encouraged to increase their marketing budgets for the promotion of healthier products relative to unhealthy or standard product varieties and make such commitments public, expressed as a percentage of the overall marketing budget. All companies commit to not marketing or advertising their products in elementary schools, but this commitment is made by just four companies for (junior) high schools. Even fewer companies (two) make such a commitment to marketing in other places where children gather (e.g. YMCAs, after-school clubs, Boys and Girls Clubs, etc.). Companies – and the Children’s Food and Beverage Advertising Initiative (CFBAI) – particularly need to focus on committing to ending marketing in and near secondary schools and extending this pledge to other places popular with children. Where all companies commit to applying their policies for children up to either 12 or 13 years, Unilever has announced it will increase this threshold to 16 years as of 2023. These are positive steps toward increasing the age threshold, but all companies – and CFBAI – are strongly encouraged to apply their policies to all children up to 18 years, protecting them from the harmful effects of marketing unhealthy foods.

Notable examples:

- Since 2018, Mars was, and remains, the only company that has commissioned an independent, third-party audit of its marketing compliance to all consumers. All companies are recommended to adopt this approach.
- Unilever made a new commitment not to market its products to children, but also announced in April 2022 that, as of 2023, it is raising the age threshold of this commitment to all children under 16. It is the first US Index company to use this age limit and the closest to the International Child Rights Convention’s definition of a ‘child’ (18 years).

The remaining companies commit to only marketing products meeting internal ‘healthy’ criteria to children, of which PepsiCo and Coca-Cola increased the threshold to 13 years. It is also worth noting that the CFBAI is due to raise its age threshold to 13 as of January 1, 2023, requiring all its member companies to do so.

Recommendations:

- ATNI recommends that US food and beverage manufacturers invest in improving marketing policies that accelerate efforts to drive sales of healthy options. Commitments should align with the International Chamber of Commerce marketing framework, widen the media channels to which policies apply, and explicitly address in-store/point-of-sale and sponsorship marketing in policies.
- While ATNI acknowledges that companies are slowly moving in the right direction, they are encouraged to further increase the age threshold for their marketing restrictions to 18 years, as recommended by WHO, to ensure *all* children are sufficiently safeguarded from the marketing of unhealthy products.
- Marketing restrictions in elementary schools could be extended to include secondary schools, other places where children gather, and areas surrounding these places. Also, an audience threshold of 25% should be adopted by all companies.
- ATNI recommends all companies commit not to market to children at all.
- All companies are encouraged to establish their own independent auditing systems and ensure that they have robust corrective mechanisms in place for when instances of non-compliance are found, and that these are publicly disclosed.

Findings on Workforce

Eight of the 11 companies make some commitment to improving the health of their employees through workforce nutrition programs involving at least one of the following elements: 1. Healthy food at work; 2. Nutrition Education; and/or 3. Nutrition-related health checkups. Only three companies (Kellogg, PepsiCo, and Unilever) were found to have all three in place. The scope of the workforce nutrition programs varies considerably: Kellogg, Mars, Nestlé, and Unilever were the only companies to demonstrate their programs are available to all company employees, while others limit the availability in some way. Six companies also make these programs available to some staff family members. Only four companies report conducting some form of evaluation on the health impact of their workforce nutrition program in the US during the last three years. Six companies formally commit to both granting paid parental leave, and to providing appropriate working conditions and facilities to facilitate breastfeeding. Another five companies formally commit to granting paid parental leave only.

Notable examples

- PepsiCo offers an employee wellbeing program called 'Healthy Living,' which is based on three pillars: Be Well, Find Balance, and Get Involved. Healthy eating is a key component of the 'Be Well' pillar, where free fruit is offered onsite and healthy food options are provided in cafeterias. Some locations offer nutrition advice and seminars to employees.

Recommendations:

- COVID-19 has shown that safeguarding the health and resilience of those working in the food supply chain is key to food security in times of crisis. Hence, ATNI recommends that companies urgently improve and extend their workforce nutrition programs. These programs should contain elements of each of the workforce nutrition pillars, including healthy food at work, nutrition education, and nutrition-related health check-ups. They should be accessible to all employees and their families. Becoming a signatory of the Workforce Nutrition Alliance and utilizing its self-assessment scorecard is a good first step in this regard. Companies are advised to regularly and independently assess the impact of these programs and extend workforce nutrition commitments across the wider food supply chain, both in the US and beyond.
- ATNI recommends that companies that have not yet done so develop robust and publicly available paid parental policies that, at a minimum, go beyond current national regulations, but ideally for six months or more – to support the infant and maternal health of their employees. Companies are encouraged to develop a formal policy on extending support to breastfeeding mothers at work, applying equally in all facilities in the US.

Findings on Labeling

All companies commit to listing some nutritional information FOP, and six companies have implemented FOP labeling on more than 80% of their products. However, no company commits to implementing interpretive labeling. In the absence of uniform government guidance, companies need to take more responsibility for FOP labeling, to guide consumers in selecting healthier products. Considering the challenge of overweight and obesity in the US, having clear information on pack is important to help consumers make healthier choices. Companies should link interpretive FOP labeling to their NPMs. Encouragingly, all companies display online information for some products: Nine display this information for more than 80% of their product portfolios; a significant improvement over 2018.

Recommendations:

- Having clear information on pack is essential for consumers to make healthier choices. In the absence of clear government guidelines, companies are encouraged to step up and adopt an interpretive FOP labeling system in the US (as is in place in other countries). Ideally, this system should be applicable to the entire US market.
- Companies could collaborate to identify or adapt an existing interpretive FOP system and draw on experience from the use of such systems in other countries.
- Companies are encouraged to provide detailed nutrition information online for all products in the US to an equal or greater extent than on the physical product. Companies are also advised to display the amount of 'nutrient-dense' ingredients derived from fruits and vegetables contained on relevant product labels in the US, to provide consumers with a better understanding of the nutrient content and healthiness of these products.
- All relevant companies should consider enhancing the information disclosed on-pack regarding wholegrains claims – by displaying the percentage of wholegrains in a product vs. the percentage of all grains – to assist consumers in making informed decisions on the healthiness of products.

Findings on Engagement

Nearly all companies assessed assign to their boards oversight of their lobbying policies, processes, and activities, and conduct regular reviews of their trade association memberships. Some companies show evidence of lobbying in support of specific government policies to address nutrition challenges in the US, although no evidence of any company supporting key WHO-endorsed policies to address obesity could be found at federal, state, or local level. While most companies are transparent about their direct political contributions on their own domains, companies were less forthcoming about their spending on lobbyists and trade associations, and the spending of their employee-run political action committees (PACs). There was also limited improvement in the comprehensiveness of disclosure of trade association memberships since 2018. Moreover, clear disclosure regarding the companies' lobbying positions on important nutrition-related public health policies remains limited.

When it comes to engaging with governments and policymakers, encouragingly, all companies demonstrate some evidence of engaging with nutrition-related stakeholders in the US, the majority providing a wide range of examples and types: A noticeable improvement since 2018. Nevertheless, disclosure regarding stakeholder engagement lagged significantly behind performance.

Notable examples:

- PepsiCo discloses its total spending on lobbying in the US annually, as well as publishing the names of its lobbyists and lobbying firms and which state jurisdictions it is actively lobbying in.
- Unilever publishes 'Advocacy and Policy Asks' on its website, covering a range of key nutrition-related policies. The company provides additional detail, publicly specifying under which conditions the company would support (or not support) certain policies, such as mandatory policies to reduce sugar content and FOP labeling.

- All companies could significantly improve their disclosure regarding lobbying positions on key public health policies that would affect the industry.
- Companies could strengthen their lobbying management systems by conducting internal and/or independent third-party audits of their lobbying activities and disclosure to ensure alignment with their policies and/or codes of conduct.
- Companies are encouraged to actively support (or commit to not lobby against) public policy measures in the US to benefit public health and address obesity.
- ATNI recommends that companies ensure their disclosure of trade association memberships in the US is as comprehensive as possible, including the specific dues paid that are used for lobbying purposes and any Board seats held at these organizations.
- To further enhance transparency, companies are encouraged to publish comprehensive lobbying information on their own domains, rather than only on public registries.
- Companies should ensure that – in the process of developing a new nutrition strategy, policy, or other nutrition-related activity, or when updating or reviewing an existing one – they engage directly with a range of stakeholders, such as civil society organizations, academic institutions, and scientific bodies with recognized expertise in nutrition and public health. All companies are encouraged to improve their transparency regarding which specific stakeholders they engage with and the identities (or, at minimum, affiliations) of experts they have consulted, as far as possible. In addition, the degree of financial compensation for these engagements should be disclosed.

Category Reports

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

Corporate nutrition strategy, governance, and accountability

The US Index assesses companies' nutrition-related commitments, practices, and disclosures. It is organized into seven thematic categories. This chapter presents the results of Category A, which looks at companies' corporate nutrition strategies and governance, and accountability systems related to nutrition. This Category carries 12.5% of the weight of the overall score.

Category A assesses the extent to which a company's commercial strategy includes a specific commitment to contribute to improved nutrition, and whether this approach is embedded within its governance and accountability mechanisms.

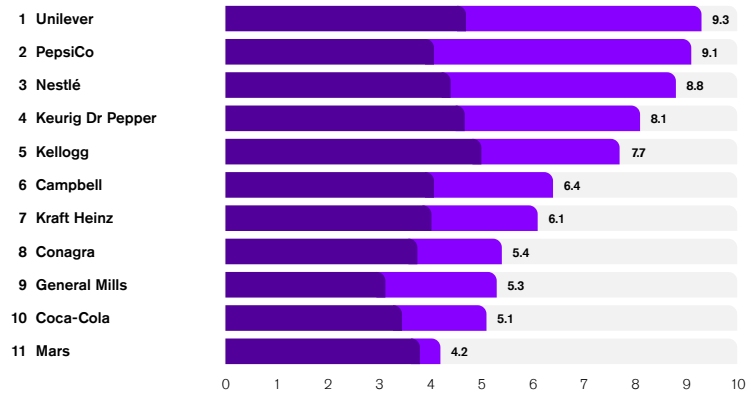
Category A consists of two equally weighted criteria:

- A1 Corporate nutrition strategy
- A2 Nutrition governance and accountability

To perform well in this category, a company should:

- Have a mission statement and commercial strategy that focuses on health and nutrition to show that they are factored into all major business decisions and functions.
- Address the nutritional needs of people experiencing, or at high risk of, any form of malnutrition (priority populations).
- Use multiple approaches, e.g., product (re)formulation, marketing to address obesity, and diet-related chronic diseases in the US.
- Comprehensively and publicly show progress on its nutrition strategy in the US.
- Assign accountability for implementing its nutrition strategy and/or programs to the CEO or Senior Executive, and undertake regular internal audits and management reviews.
- Link accountable person's remuneration to performance on nutrition-related objectives.

Ranking



Nestlé and Unilever demonstrate the most comprehensive nutrition strategies, management systems, and reporting among the companies assessed. Overall, companies perform well on incorporating nutrition in their corporate strategies, but there are only a few improvements observed on nutrition governance and accountability mechanisms.

A1 Nutrition strategy **A2** Nutrition management

Category Context

The private sector has an important and prominent role to play in addressing key nutrition challenges in the US, such as obesity, food, and nutrition insecurity. For a food and beverage company to improve all aspects of the business that affect access to nutrition, commitments towards better nutrition should be well embedded in its commercial strategy. This ensures the prioritization of improved nutrition outcomes from the outset: From planning through to implementation and evaluation. It is also important that nutrition-related commitments are owned by the top management of the company. This ensures cohesive integration of such commitments in the company's core business strategy and defines how a company conducts business. In doing so, companies are also able to prioritize nutrition efforts, make them better, and scale them up over time.

Obesity is a critical and costly health concern that affects nearly 41.9% of adults⁴² and 15.5% of children between the ages of 10 and 17⁴³ in the US. Obesity prevalence has increased by 11% since 1999.⁴⁴ During the same time, the prevalence of severe obesity increased from 4.7% to 9.2%,⁴⁵ with half of US adults projected to have obesity by 2030.⁴⁶

The latest Dietary Guidelines for Americans 2020-2025 emphasize the fact that obesity puts people at risk for many serious chronic diseases, such as Type 2 diabetes, high blood pressure, heart disease, certain types of cancer, and stroke, among others – and recommends Americans to limit foods and beverages higher in added sugars, saturated fat, and sodium. It is therefore more important than ever that companies' nutrition commitments include a specific focus on addressing obesity and diet-related diseases.

Obesity does not affect all groups equally. Recent research suggests stark and deep disparities, with higher rates of obesity among children of color and kids from low-income families.⁴⁷ These disparities have been further highlighted by the COVID-19 epidemic. According to the Centers for Disease Control and Prevention, obesity increases the risk of severe illness from COVID-19 among people of any age,⁴⁸ including children.⁴⁹

In addition, healthcare costs are especially higher for people who are overweight or living with obesity. Therefore, food and beverage manufacturers have an important role to play in making nutrition commitments that support and promote a healthy weight and prevent extreme weight gain.

When we think about the reasons why obesity impacts certain racial, ethnic, and income groups harder than others, it has a lot to do with opportunities to make healthy choices. With the economic devastation from the pandemic in recent years, food security is now more difficult to achieve. In 2020, an estimated one in eight Americans were food insecure, equating to over 38 million individuals, including almost 12 million children.⁵⁰ While food security implies access to enough food for an active, healthy life,⁵¹ it is also important to consider how the quality of our diets can help reduce diet-related diseases. This is captured in the United States Department of Agriculture's (USDA) commitment to enhancing (food and) nutrition security. It defines nutrition security as *all* Americans having consistent access to the safe, healthy, affordable foods essential to optimal health and wellbeing. It also emphasizes equity and the need to tackle long-standing health disparities.⁵²

ATNI encourages companies to specifically address the needs of priority populations in their nutrition strategies. ATNI defines priority populations as groups (at risk of or) experiencing malnutrition or obesity at a higher rate than the general population, due to factors outside of their direct control. In the US, this applies primarily to those disproportionately experiencing obesity and/or food and nutrition insecurity in association with multiple complex (and often overlapping) contributing factors, such as: low incomes; geographic factors (e.g., grocery stores far away or communities in which stores only have a limited range of healthy products); and other social determinants of health (e.g., how race/ethnicity influence marketing – all aspects beyond advertising – of foods of different nutritional quality).

There are several ways in which companies can contribute to better nutrition, including product (re)formulation, prioritizing marketing of healthier products, and labeling and responsible lobbying. However, the premise for these efforts is reflected in the company's broader commitment to addressing these issues in its core commercial strategy. For this strategy to translate into effective implementation, it is also important that proper governance and accountability measures are in place and that progress against these objectives is shown comprehensively and regularly in the companies' reporting.

Relevant changes in the methodology

Overall, the 2022 methodology reduces the attention on companies' non-commercial nutrition-related activities, and instead favors the development and continuation of healthy food and better nutrition policies, and practices embedded in companies' commercial strategies. For Category A, while the weight remained the same (12.5%), the methodology revision resulted in 18 fewer indicators.

Summary of changes:

1. Greater focus on the quality of the strategy to address obesity and diet-related chronic disease in the US, including for priority populations.
2. Several indicators considered not relevant to the US context – such as risk assessments and reporting formats, given that these are regulated – have been removed.
3. As such, criterion A3 on quality of reporting has been removed, also considering that reporting is assessed throughout the Index via disclosure indicators.

Key Findings

- All 11 companies include a commitment to focus on nutrition or health in their commercial growth strategies. In 2018, seven out of 10 companies did so. Out of these 11 companies, three (Kellogg, KDP, and Unilever) show that these commitments are part of their mission statement in addition to their commercial strategies.
- Four companies make an explicit reference to addressing the needs of priority populations in their nutrition strategy. In 2018, only one company (Kellogg) did so. Within this commitment, Kellogg focuses on food-insecure households, and the other three (KDP, PepsiCo, and Coca-Cola) focus on calorie reduction efforts in communities where health disparities have led to higher obesity rates than the national average.
- All companies show that they are addressing obesity and/or diet related diseases through their nutrition commitments; however, the approaches taken differ between them.
- Five companies have adopted comprehensive approaches to deliver on their nutrition strategies, such as product (re)formulation and responsible marketing. These companies also define nutrition-related objectives rooted in national/international guidelines (like the Dietary Guidelines for Americans), including time-bound targets with baselines. In 2018, only two companies did so.
- All companies have defined explicit accountability arrangements for their nutrition strategy. Five companies show that the CEO or another senior executive is responsible for the company's nutrition strategy, and for three companies, accountability lies with a committee that reports to the board. All companies disclose these arrangements except one. This is a great improvement since 2018, when this was lacking across the board.
- Only four companies link remuneration of the person accountable for their nutrition strategy to nutrition-related objectives.
- In 2018, ATNI found that formal and regular reporting on companies' nutrition strategy in the US was quite limited, with only three companies doing so. In this iteration, seven companies show either substantial US reporting – in the form of a separate report or section on their website or US-specific section in Global Reporting – by detailing progress or providing US-focused examples.

Notable Examples



A

Unilever is one of three companies that make nutrition and health part of their mission statement and part of their core commercial strategies. In 2020, Unilever launched its new strategy – The Unilever Compass – which builds upon the Unilever Sustainable Living Plan (USLP) 2010-2020. The company's purpose is to 'make sustainable living common place'. Under the 'Improve people's health, confidence and wellbeing' pillar, the company has set six goals on Positive Nutrition, including to "Double the number of products sold that deliver positive nutrition by 2025" and for "70% of our portfolio to meet World Health Organization (WHO)-aligned nutritional standards by 2022." These goals are part of the company's 'Future Foods' strategy. Further, in July 2020, the company published a plan titled 'Transforming the world's food system for a more nutritious, more sustainable, and fairer future', in which it outlines four ways the company is leading change. These include: 1) Nutritious foods and balanced diets; 2) Making plant-based choices available for all; 3) Less food waste; and 4) Food that is fair and doesn't cost the earth. On its US website, the company states: "As one of the biggest consumer goods companies in the world, with a large Foods & Refreshment portfolio, we're mindful of the huge impact we can make through our scale and reach. We aim to produce tasty, accessible, affordable, and nutritious products, and encourage people to make nutritious choices through transparent labeling and balanced portions." On its US website, Unilever has a dedicated section to report progress on its nutrition efforts, including US-specific progress on nutrition targets. In addition, on its global website 'Sustainability performance data', Unilever publishes progress by country.



General Mills commits to conducting regular management reviews and internal audits of their nutrition strategies. The company's 'Bell Institute of Health and Nutrition' reports directly to the Chief Innovation, Technology and Quality Officer, who approves the overall health and wellness strategy and updates the Public Responsibility Committee of the Board of Directors. On an annual basis, this committee reviews the company's actions in furtherance of its corporate social responsibility and sustainability strategies, plans, and objectives. These include matters concerning nutrition, marketing, and advertising. In addition, the company's nutrition plan is reviewed and audited yearly by the Chief Innovation, Technology and Quality Officer.

A1. Corporate Nutrition Strategy

To what extent have companies integrated nutrition and health in their core commercial strategies?

All 11 companies include a commitment to focus on nutrition or health in their commercial growth strategies. However, four companies also make this part of their mission statement, which shows how nutrition and health drive their purpose. For example, Kellogg's vision includes a focus on nutrition and health and is integrated into the company's 'Deploy for growth' business strategy. One of its tenets is 'Nourish with our foods' while another is 'Feed people in need'. The company commits to crafting foods that include nutrients of need, address hidden hunger or malnutrition, and support a healthy gut microbiome.

Companies use different approaches to integrate nutrition into their commercial strategies. Some have incorporated nutrition as part of a broader Environmental, Social, and Governance (ESG) framework, where they consider other sustainability dimensions such as packaging and environmental impact. Campbell, for instance, takes a holistic ESG approach of which 'Trusted Food' is one of four pillars. Campbell defines this as 'delicious, wholesome, accessible, food made with trusted ingredients.' According to the company, trusted food is nutrition-focused, accessible, and lower in negative nutrients. Conagra's nutrition strategy is centered on the idea of nourishing consumers with good food that provides them choices, while simultaneously meeting high quality and food safety standards. Unilever also includes in its commitments a focus on making plant-based foods accessible and reduce environmental impact.

Others define their nutrition strategy in the context of positive nutrients and nutrients of concern, often referencing their own nutritional profiling model (NPM). General Mills commits to producing more 'Nutrition-Forward' foods, which is the framework of nutrition metrics defined by the company. 'Nutrition-forward' foods provide at least half a serving of wholegrains, fruit, vegetables, low or non-fat dairy, or nuts/seeds per labeled serving, or meet United States Food and Drug Administration (FDA) 'Healthy' criteria per serving. The company's 'Accelerate business' strategy calls for growing sales across key categories, many of which are 'Nutrition-Forward' foods. Nestlé commits to launching more nutritious foods and beverages, simplifying ingredient lists, and removing artificial colors, while adding micronutrients where they are deficient in the local population and further reducing sodium.

Four companies – Nestlé, Unilever, Mars, and KDP – integrate nutrition within a health and wellbeing component of their strategies. Mars includes in its commercial strategy a 'Nourishing Wellbeing' pillar, which applies to the US and includes commitments to delivering products and services that are trusted and enjoyed. This also involves providing high-quality and transparent information across its entire food portfolio to enable consumers to make informed choices, and continuously improving the nutritional content of its products. The commitment further includes "supporting the wellbeing of people across the global food supply chain by enabling best practice to produce safe, nutritious, and enjoyable food."

Notable example: In 2020, Unilever launched its new strategy – The Unilever Compass – which builds upon the Unilever Sustainable Living Plan (USLP) 2010-2020. The company's purpose is to 'make sustainable living common place'. Under the 'Improve people's health, confidence and wellbeing' pillar, the company has set six goals on Positive Nutrition, including to "Double the number of products sold that deliver positive nutrition by 2025" and for "70% of our portfolio to meet WHO-aligned nutritional standards by 2022." These goals are part of the company's 'Future Foods' strategy. Further, in July 2020, the company published a plan titled 'Transforming the world's food system for a more nutritious, more sustainable, and fairer future', in which it outlines four ways the company is leading change. These include: 1) Nutritious foods and balanced diets; 2) making plant-based choices available for all; 3) less food waste; and 4) food that is fair and doesn't cost the earth. On its US website, the company states: "As one of the biggest consumer goods companies in the world, with a large Foods & Refreshment portfolio, we're mindful of the huge impact we can make through our scale and reach. We aim to produce tasty, accessible, affordable, and nutritious products, and encourage people to make nutritious choices through transparent labeling and balanced portions."

To what extent do companies commit to addressing obesity and diet-related diseases through their US commercial strategies?

All companies explicitly make references to addressing obesity and/or diet related diseases through their nutrition commitments; however, the approaches taken differ across them. Six of these companies also include an explicit focus on addressing the needs of priority populations.

The three beverage companies included in the Index – Coca Cola, PepsiCo, and KDP – commit to reducing beverage calories through their association with the Balance Calories Initiative (BCI). With this, they commit to providing more choices with less sugar, putting calorie information up front, removing full-calorie soft drinks from schools, and/or setting responsible marketing guidelines and general awareness-raising campaigns.

Through their association with the BCI, these companies also commit to addressing the needs of priority populations by tracking calorie reduction efforts in five communities in the US – in which health disparities have led to higher obesity rates compared to the national average, and where reducing beverage calories is expected to be most challenging. The most recent evaluation of this work concluded that beverage calories per person fell in all five selected communities and that low- and no-calorie beverages have grown in these communities. Meanwhile, consumption of full calorie beverages have declined, driving an eight to 13% reduction in calories per 8oz serving from the baseline.

With childhood obesity being a major public health concern and its associated increased risk of diet-related diseases, three companies include an explicit focus on tackling childhood obesity in their nutrition strategies. For instance, Kellogg, through its 'Childhood Wellbeing Promise', commits to addressing childhood obesity cohesively through multiple approaches – encompassing access to healthy foods, consumer education, strengthening marketing to children standards, reformulation, and portion control. Unilever also launched new principles on marketing and advertising foods and beverages to children. The company made a new commitment not to market their products to children and, in April 2022, also announced that it is raising the age threshold of this commitment to all under 16s – being the first US Index company to use this age limit and the closest to the International Child Rights Convention's definition of a 'child' (18 years).

Five companies adopt comprehensive approaches to deliver on their nutrition strategies, such as product (re)formulation and responsible marketing. These companies also define nutrition-relation objectives rooted in national/international guidelines, including time-bound targets with baselines, and present them in a cohesive report. The remaining companies include at least two of these four features in their strategies.

Notable example: Nestlé adopts a comprehensive approach to deliver on its nutrition strategy and help tackle obesity. The company's commitments cover: Reformulation (decreasing sugars, sodium, and saturated fat, and increasing vegetables, fiber-rich grains, pulses, nuts, and seeds in their foods and beverages); marketing (leveraging marketing efforts to promote healthy cooking, eating, and lifestyles); and portion control (offering guidance on portions for its products). These commitments are accompanied by several time-bound targets in the company's 'Creating Shared Value' report. Nestlé also publicly commits to support US Dietary Guidelines. As a 'National Strategic Partner' with the USDA Nutrition Communicator's Network, several Nestlé USA brands will develop a series of innovative communications efforts to promote the Dietary Guidelines Consumer Messages, encouraging consumers to make healthier food choices and exercise more.

How do the companies comprehensively show progress on their nutrition strategy in the US?

In 2018, ATNI found that formal and regular reporting on companies' nutrition strategy in the US was quite limited. Only three companies were doing so. In this iteration, seven companies show either substantial US reporting – in the form of a separate report or section on their website or US-specific section in Global Reporting – by detailing their progress or providing US-focused examples. Nestlé, for instance, does not publish a specific report for the US, but includes some reporting into the global report that spotlights specific market data, including US information. In addition, the company has a US-specific website that reports on its commitments.

Notable example: On its US website, Unilever has a dedicated section to report progress on its nutrition efforts, including US-specific progress on nutrition targets. In addition, on its global website 'Sustainability performance data', Unilever publishes progress by country.

Recommendations

To improve and accelerate efforts to enhance consumers' nutrition, leading food and beverage manufacturers are encouraged to:

- Continue integrating nutrition considerations in their core business functions . The 2022 results show more companies are committing to a strategic focus on nutrition and health, as articulated in their mission statements and strategic commitments. However, they can do more in terms of developing specific objectives and activities to improve nutrition and address malnutrition, and to publicly disclose progress against these.
- Conduct research into commercial opportunities available to address specific needs of priority populations, including products and marketing that helps address obesity. Determining such business opportunities requires careful analysis of the population's nutritional needs, as defined by USDA, the 2020-2025 Dietary Guidelines for Americans, and other relevant public authorities.

A2. Nutrition governance and accountability

To what extent have companies defined accountability arrangements for their nutrition strategies?

All companies have defined explicit accountability arrangements for their nutrition strategy. Five companies show that the CEO or another senior executive is responsible for the company's nutrition strategy. Kellogg, for instance, includes in its strategy that its approach to nutrition and philanthropy is led by its Senior Vice President, Global Research and Development (who reports to the company's Chief Growth Officer), and its Senior Vice President, Global Corporate Affairs (who reports to the company's CEO).

For the remaining companies, accountability lies with a committee that reports to the Board. For Coca-Cola, the Board's ESG and Public Policy Committee assists in overseeing the company's policies and programs and related risks to the company that concern, among others, progress against the company's ESG goals.

All companies disclose these arrangements except Mars. This is a great improvement since 2018 when disclosure was lacking across the board.

Only two companies link remuneration of the person accountable for their nutrition strategy to nutrition-related objectives, and two companies link remuneration to broader ESG-related objectives, which include nutrition. PepsiCo discloses that the accountable person's remuneration is tied to "continued investment in Pepsi Zero Sugar, which has grown in retail sales compared to prior fiscal year."

Table 1. Oversight mechanisms in place for companies' nutrition strategy and/or programs

| | Accountability and responsibility for company's nutrition strategy and/or program | | Internal business performance evaluation and auditing | | |
|---------------|---|--|---|-------------------------------------|---|
| | CEO or other senior Executive | Committee that reports to the Board or Executive Manager | Nutrition strategy approved by the Board | Regular audit of nutrition strategy | Regular management review of nutrition strategy |
| Campbell | ◆ | - | ✓ | - | - |
| Coca-Cola | - | - | - | ✓ | - |
| Conagra | - | - | ✓ | - | - |
| General Mills | - | ◆ | ✓ | ✓ | ✓ |
| Kellogg | ◆ | - | ✓ | ✓ | - |
| KDP | - | ● | ✓ | ✓ | ✓ |
| Kraft Heinz | - | - | ✓ | - | ✓ |
| Mars | - | - | ✓ | - | - |
| Nestlé | ● | - | ✓ | ✓ | ✓ |
| PepsiCo | ● | - | ✓ | ✓ | ✓ |
| Unilever | ● | - | ✓ | - | ✓ |

● Remuneration specifically linked to nutrition objectives
 ● Remuneration linked to performance on broader ESG initiatives (of which nutrition is part)
 ◆ Responsibility assigned, but not linked to remuneration
 ✓ System in place
 - No/no information

Five companies commit to conducting regular management reviews and internal audits of their nutrition strategies. For the three beverage companies that are part of the BCI (KDP, Coca-Cola, and PepsiCo), progress is audited by a third party. General Mills' 'Bell Institute of Health and Nutrition' reports directly to the Chief Innovation, Technology, and Quality Officer, who approves the overall health and wellness strategy and updates the Public Responsibility Committee of the Board of Directors. On an annual basis, this committee reviews the company's actions in furtherance of its corporate social responsibility and sustainability strategies, plans, and objectives. These include matters concerning nutrition, marketing, and advertising. In addition, the company's nutrition plan is reviewed and audited yearly by the Chief Innovation, Technology, and Quality Officer.

Recommendations

To improve and accelerate efforts towards robust nutrition governance and management systems, global food and beverage manufacturers are encouraged to:

- Link executive compensation to performance on nutrition objectives and ensure that nutrition plans and strategies are assessed regularly.
- Ensure nutrition plans and strategies are assessed regularly by internal audits and/or are subject to a regular management review to monitor progress.



Products

Product Profile and Product Formulation

This chapter presents the results of **Category B: formulating appropriate products**, which carries 35% of the weight of the overall Index score. The **Product Profile**, an independent analysis of the healthiness of companies' US product portfolios, represents criterion B1. The remaining sections assess the extent to which companies have established product (re)formulation targets, and the characteristics and transparency of their nutrient profiling models and or definitions of what is 'healthy'.

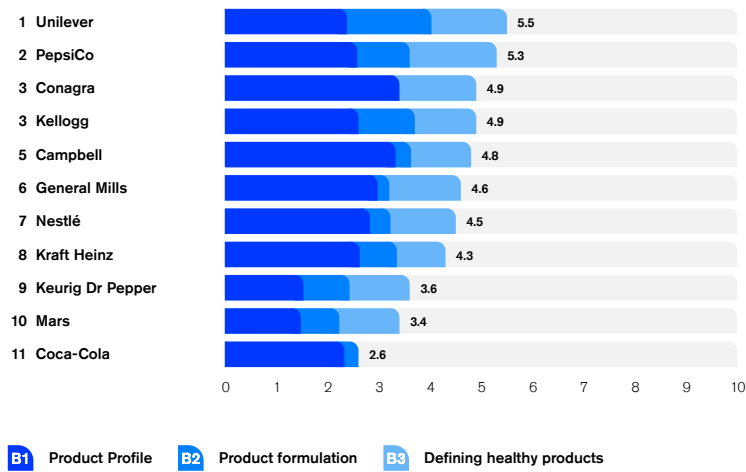
Category B consists of three criteria:

- B1 Product Profile (20% of overall score)
- B2 Product Formulation (7.5% of overall score)
- B3 Nutrient Profiling Model (NPM): Defining 'healthy' products (7.5% of overall score)

To perform well in this category, companies should:

- Derive a majority of US sales from healthier products, measured by ATNI's Product Profile (using the Health Star Rating (HSR))
- Commit to increasing sales/proportion of healthier products in their US portfolios and report on progress annually
- Set and disclose SMART (Specific, Measurable, Attainable, Relevant and Time-bound) product (re)formulation targets for both nutrients of concern and positive nutrients/ingredients
- Adopt and disclose details of an evidence-based NPM, applicable to the whole portfolio and which is externally validated or benchmarked against external standards

Ranking



Unilever ranks first, followed by PepsiCo; these companies have both set (re)formulation targets and disclose more information relative to their peers regarding their nutrient profiling models (NPMs). Conagra and Campbell rank joint first in the Product Profile. While there have been several notable improvements from companies, especially with regards to their NPMs, overall, results show that most companies still have significant scope to increase their sales from healthier products and improved reporting on US specific progress against reformulation targets.

Category Context

The COVID-19 pandemic underscored the correlation between nutrition and health, with an increased interest in health and wellness by consumers and regulators. Foodservice closures and capacity limitations to prevent the spread of the virus led to large spikes in retail demand for packaged food.⁵³ In this context, food companies can play an increasingly important role in helping to improve the nutritional quality of the US food supply. Companies can, for instance, reduce levels of nutrients of concern, such as sodium and sugar, in their products (in line with the Dietary Guidelines for Americans). They can also make nutrition a primary consideration while developing new products and/or acquiring new brands, so they appropriately address nutrition concerns. Companies can improve products to deliver more positive ingredients and nutrients – such as fiber, wholegrains, fruit and vegetables, and essential micronutrients (vitamins and minerals).

Although the pandemic caused many Americans to pay more attention to nutrition in their diets, this has not yet led to better health outcomes. According to a 2020 survey, 85% of Americans made changes in how they eat as a result of COVID-19, showing increased awareness around nutrition and health.⁵⁴ At the same time, another study showed that obesity rates among young children (five to 11 years) increased during the pandemic.⁵⁵ In the US, the diets of children are largely composed of 'ultra-processed foods,'⁵⁶ which have been linked to negative health impacts.⁵⁷ When developing new products or reformulating products to make them healthier, food and beverage manufacturers need to consider the overall composition of products – and not just individual nutrients or ingredients.⁵⁸ ATNI encourages companies to adopt evidence-based, preferably externally validated, internationally recognized NPMs, along with ambitious time-bound (re)formulation targets.

Although reformulation efforts in the US remain largely voluntary, recent policy developments continue to inform and drive them. A growing number of lawsuits⁵⁹ against companies that claim sugary products are nutritious has further exacerbated the importance of companies improving these reformulation efforts and preventing the misleading of consumers. Box 1 below highlights voluntary initiatives aimed at reducing negative nutrients in American diets, and informing reformulation and new product launches across the sector.⁶⁰ Apart from regulatory and consumer shifts, there is increasing interest from the finance community in addressing nutrition-related risks. At the Tokyo Nutrition for Growth (N4G) 2021 Summit, a group of 53 institutional investors, representing USD12.4tn in assets under management, called on food and beverage manufacturers to report annually on the healthiness of their product portfolios and sales, and to adopt internationally recognized (and, where applicable, government-endorsed) NPMs to define and show the relative healthiness and overall nutritional quality of their products.⁶¹

As public health challenges related to nutrition differ by country, and even within countries, there is no universal 'gold standard' for NPMs, either globally or in the US. As a result, there is no universally agreed definition as to what constitutes a 'healthy' product. ATNI encourages companies to adopt internationally recognized (and, where applicable, government-endorsed) NPMs and/or validate their own systems against external standards. In the US, the FDA is in the process of updating its definition of 'healthy,' one of the actions announced in the September National Strategy, which will provide a benchmark for companies. Some companies are already using [FDA current definition of healthy](#).⁶² to guide their (re)formulation strategies. However, none have adopted it for their NPM, nor used it to set targets to increase sales from healthier products.⁶³

NPMs' strength, when used by a food manufacturer, depends on the rigor of the criteria used and the system used to either a) calculate a score based on multiple food components or b) establish a single threshold system for one of multiple nutrients. NPMs can be used in guiding decisions across the business, including those on investment in research and development (R&D), target-setting to reformulate products, determining which products can be marketed to children, and/or for which products health and nutrition claims can be made.



Box 1. Reformulation Guidelines

In the US, reformulation programs have largely been voluntary. Current programs focusing on reducing levels of negative nutrients in the packaged food supply include:

US Food and Drug Administration (FDA) industry voluntary sodium reduction goals

The average sodium intake in the US is about 3,400mg per day. However, the Dietary Guidelines for Americans recommends adults limit their sodium intake to less than 2,300mg per day (and even less for children under 14). FDA sodium reduction ambitions were released in October 2021 and cover 163 food categories, with potential for meaningful sodium reduction. The short-term targets aim to support reduction of average sodium intake to 3,000mg per day.⁶⁴

US National Salt and Sugar Reduction Initiative (NSSRI)

High intakes of sugary foods and beverages are strongly linked to obesity and diet-related diseases, such as type 2 diabetes and cardiovascular disease – the latter being the leading cause of mortality in the US.

NSSRI is a government-supported initiative on voluntary national salt and sugar reduction targets. In February 2021, the initiative released its targets for sugar reduction across 15 categories of foods and beverages. The NSSRI's goal is to "promote gradual, achievable and meaningful reductions in sugar content in packaged foods and beverages."⁶⁵ Most categories' targets include cutting sugar by 20% in foods and 40% in beverages by 2026. Research estimates the NSSRI targets would have positive impacts on public health: children and youth would consume 21% less added sugar,⁶⁶ and the US could save over USD 4bn in total net health care costs.⁶⁷

Box 2. NPMs in the US and the FDA Definition of 'Healthy'

The World Health Organization (WHO) defines nutrient profiling as "the science of classifying or ranking foods according to their nutritional composition for reasons related to preventing disease and promoting health." Nutrient Profile Models (NPMs) have been developed by academics, governments, health-related charities, and the food industry for a variety of applications, including marketing-to-children regulations, product labeling, and guiding (re)formulation strategies.

To ensure consistency in reporting and evaluating change, ATNI continues to use the Health Star Rating model (HSR) to benchmark and monitor the nutritional quality of company portfolios over time.

Relevant US developments include:

- FDA has released a draft update of requirements to use the term 'healthy'⁶⁸ as a nutrient content claim (e.g. food manufacturers may use the term 'healthy' on labels if the food meets nutritional criteria) and plans to conduct studies to find a regulated, voluntary front-of-pack symbol that shows whether a product can be considered 'healthy'.⁶⁹
- The National Strategy on Hunger, Nutrition and Health ⁷⁰ launched in September 2022 proposed to 'Make sure that foods labeled as "healthy" align with current nutrition science and the Dietary Guidelines for Americans. HHS FDA will propose updating the nutrition standards for when companies use the "healthy" claim on their products and develop a symbol companies may use to depict the "healthy" claim on food packages. HHS FDA will also develop guidance for industry on the use of Dietary Guidance Statements on food labels to help people understand how a food or food group can contribute to a healthy eating pattern.'
- Guiding Stars, a nutrition labeling program used by grocery retailers and other organizations, updated its graphics in 2021 to include the words "good," "better" or "best."⁷¹
- Food Compass Score NPM, developed by researchers at Tufts University.⁷² This new NPM evaluates foods based on multiple characteristics beyond nutrients, for example, additives.

Relevant Changes to the Methodology

- The weighting of this category increased from 27.5% in 2018 to 35% in 2022. This is due to the integration of the Product Profile, which accounts for 20% of the final Index score. The Product Profile was integrated as a new criterion (B1) under Category B.
- The number of indicators was reduced from 44 in the 2018 methodology to 30 for this iteration. Indicators on R&D expenditures were removed due to low levels of reporting.
- The latest methodology includes an increased focus on companies' adopting a target to increase sales of 'healthy' products and disclosing progress annually.
- An indicator has been added, asking companies to benchmark their definitions of 'healthy' and/or criteria used in their NPM against externally validated NPMs.

Key Findings

- Out of all products (11,041) analyzed on the Product Profile, 31% met the 'healthy' threshold (having an HSR of 3.5 or more), representing 29% of companies' combined sales value. The average HSR for all companies' products combined was low (2.3 out of 5), with substantial variation observed between companies. Despite this results, ATNI found that eight companies are evaluating the healthiness of their portfolios and disclosing sales of 'healthy' products as part of broader sustainability strategies and annual reporting frameworks. However, only three companies (Keurig Dr Pepper, Kraft Heinz, and Unilever) have targets in place to increase sales from 'healthy' products, according to their company-specific criteria.
- The most reported nutrient (re)formulation targets were found for sodium and sugar. Unilever and PepsiCo have the most comprehensive sodium targets, and both companies shared information with ATNI about how they plan to align their targets to the recently released FDA voluntary sodium reduction guidelines. Four companies disclosed specific targets to increase levels of fruits, vegetables, nuts, and/or legumes in their products. Only one was found to do so in the 2018 Index.
- ATNI found evidence that three companies are collaborating with an external organization, Partnership for a Healthier America (PHA) to verify compliance against their targets. KDP is collaborating with PHA to verify compliance against its target to increase the proportion of healthier beverages in its portfolio (Provide positive hydration in 60% of KDP products by 2022). PepsiCo works together with PHA to serve as an independent verifier of its commitments to reduce added sugar in the beverage portfolio, along with sodium and saturated fats in its foods portfolio.⁷³ Mars Wrigley has committed, in alignment with PHA, to using $\leq 25\text{g}$ sugar/portion as its guidepost for all new products, beginning with innovation in 2020 for chocolate and 2023 for fruity confections.
- Ten companies have now adopted an NPM or other nutrition criteria to evaluate the healthiness of their portfolios and guide their product (re)formulation strategies. This is a notable development, compared to six companies that were found to do so in 2018. However, companies use varying criteria to define what qualifies products as 'healthy'. Using varying thresholds and metrics that are company-specific makes it difficult to compare across the sector and over time.
- Most companies consider both positive and negative nutrients/ingredients when evaluating their products. Only four companies were found to do so in 2018. However, no company publicly discloses how their own criteria/NPM perform against an externally validated/recognized NPM.

Notable Examples



PepsiCo published its NPM in a peer-reviewed journal article.⁷⁴ The article presents PepsiCo Nutrition Criteria (PNC), a new internal NPM designed to guide and monitor improvements in nutrient density and the overall nutritional quality of foods and beverages. The new PNC nutrient profiling model assigns food products to four classes of increasing nutritional value, based on the content of nutrients to limit, along with nutrients and ingredients to encourage. The nutrient standards used for category assignment follow those developed by global dietary authorities. Standards are proposed for calories, sodium, added sugars, saturated fats, and industrially produced trans fats. In the article, the company provides examples of recently reformulated products according to these guidelines.

B



Food & beverage manufacturers find it increasingly important to assure their stakeholders that their public metrics on nutrition are accurate and reliable. Unilever has set a target to increase sales by volume of products compliant with its own nutrition standards (70% of global portfolio to meet Unilever's highest nutritional standards (HNS) standards by 2022). The company has selected this metric as part of its sustainability assurance program.⁷⁵ In addition, the company provides US-specific reporting on progress against this target.

B



Conagra uses NutriScore for some product categories. In its 2021 Citizenship report, the company describes the introduction of a new metric, Sustainable Nutrition, as measured by NutriScore A or B for vegan and vegetarian products. According to the company, 82% of its vegan and vegetarian meals and meat replacements currently qualify for this attribute. In addition, Conagra applies the FDA Healthy criteria to its Healthy Choice products, which include soups and ready-to-eat meals.

B

B1. Product Profile

The Product Profile is an objective assessment of the nutritional quality of packaged foods and beverages sold in the US market. ATNI rates companies using the Australian HSR. Products are rated between 0.5 stars (least healthy) to five stars (most healthy), and any product that scores 3.5 or above is considered 'healthier' (see Box 3).

ATNI commissioned an independent organization – The George Institute for Global Health (TGI) – to execute the nutrient profiling element of the Product Profile. More details on the methods, results, and limitations of the study are available in TGI's report.

The Product Profile analyzed nutrition information for a total of 11,041 packaged food & beverage products sold by the 11 companies in the Index. These products represented an estimated retail sales value of more than USD 170bn in 2021, which accounted for approximately 26% of all US food & beverage sales.⁷⁶ The percentage of each company's 2021 sales covered in the Product Profile, the categories selected, and the total number of products assessed for each company are shown in Table 1.

Table 1. Percentage of US sales and product categories included in the Product Profile

| | Total no. products assessed | Categories Included* (Higher sales listed first) | Examples of brands included | % US 2021 retail sales-values represented* |
|---------------|-----------------------------|--|---|--|
| Campbell | 1,026 | 1) Savoury Snacks, 2) Soup, 3) Sauces, Dressings, and Condiments, 4) Baked Goods, 5) Juice | Campbell, Pepperidge Farm, Snyder's, Swanson, Prego, V8 | 80-90 |
| Coca-Cola | 396 | 1) Carbonates, 2) Juice, 3) Bottled Water – pure, 4) Bottled water – other, 5) Sport Drinks | Coca-Cola, Diet Coke, Sprite, Dasani, Powerade, Minute Maid | 90-100 |
| Conagra | 1,264 | 1) Ready Meals, 2) Processed Fruit and Vegetables, 3) Savoury Snacks, 4) Processed Meat, Seafood, and Alternatives to Meat, 5) Dairy | Birds Eye, Healthy Choice, Hunt's, Bertolli | 80-90 |
| General Mills | 1,540 | 1) Breakfast Cereals, 2) Sweet Biscuits, Snack Bars, and Fruit Snacks, 3) Ready Meals, 4) Dairy, 5) Soup | Yoplait, Cheerios, Nature's Valley, Progresso, Totino's | 80-90 |
| KDP | 717 | 1) Carbonates, 2) Juice, 3) Ready-to-drink (RTD) Tea, 4) Processed Fruit and Vegetables, 5) Bottled water – other | Dr Pepper, Canada Dry, Green Mountain, Snapple, Bai, Mott's | 90-100 |
| Kellogg | 709 | 1) Savoury Snacks, 2) Breakfast Cereals, 3) Baked Goods, 4) Sweet Biscuits, Snack Bars, and Fruit Snacks, 5) Processed Meat, Seafood, and Alternatives | Pringles, Pop-Tarts, Kellogg's Eggo, Kellogg's Special K, Kellogg's Frosted Flakes, Morningstar | 90-100 |
| Kraft Heinz | 1,363 | 1) Dairy, 2) Processed Meat, Seafood, and Alternatives to Meat, 3) Ready Meals, 4) Sauces, Dressings, and Condiments, 5) Juice | Philadelphia, Oscar Mayer, Heinz, Ore Ida, Kool-Aid | 80-90 |
| Mars | 1,166 | 1) Confectionery, 2) Sweet Biscuits, Snack Bars, and Fruit Snacks, 3) Ice Cream, 4) Rice, Pasta, and Noodles, 5) Savoury Snacks | M&M's, Extra/Orbit, KIND, Galaxy/Dove | 90-100 |
| Nestlé | 398 | 1) Ready Meals, 2) Dairy, 3) Bottled water – pure, 4) Bottled Water – other, Other hot drinks, 5) Other Hot Drinks | Coffee Mate, DiGiorno, Hot Pockets, Lean Cuisine, Nesquik, Perrier | 90-100 |
| PepsiCo | 1,671 | 1) Savoury Snacks, 2) Carbonates, 3) Sport Drinks, 4) Breakfast Cereals, 5) Energy Drinks | Pepsi, Gatorade, Cheetos, Tostitos, Quaker, RockStar | 80-90 |
| Unilever | 791 | 1) Ice Cream, 2) RTD Tea, 3) Sauces, Dressings, and Condiments, 4) Ready Meals, 5) Soup | Ben & Jerry's, Breyers, Hellmann's, Lipton, Knorr | 90-100 |

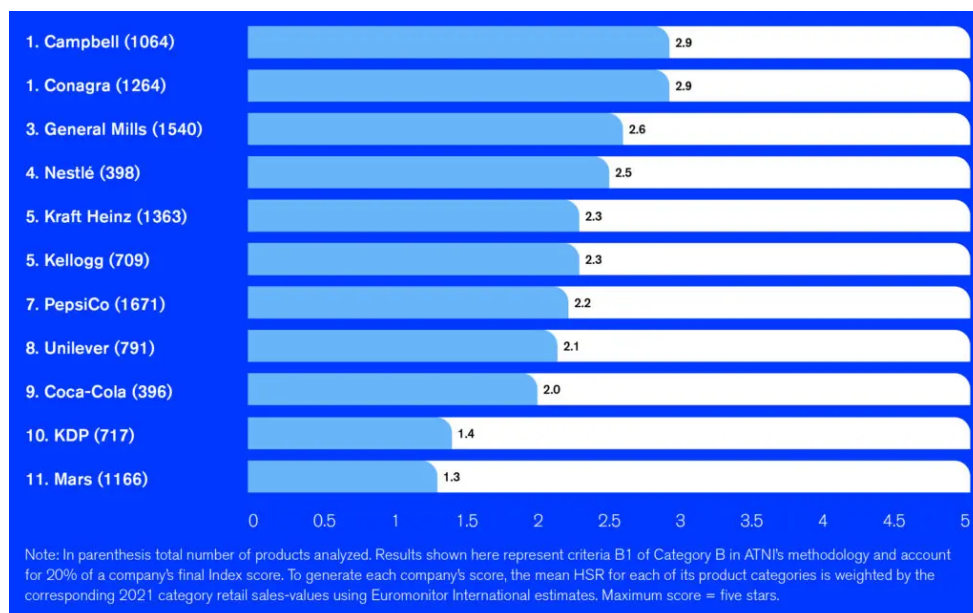
Note: *Derived from Euromonitor International. ATNI divides the Bottled Water category into two subsets: Pure, which includes Carbonated Bottled Water and Still Bottled Water products; and other, which includes Flavored Bottled Water and Functional Bottled Water products.

How healthy are companies' portfolios?

Out of all products analyzed (11,041), 31% met the 'healthy' threshold, (having an HSR of 3.5 or more), corresponding to 29% companies' combined sales in 2021. The average HSR for all companies' products combined was low (2.3 out of 5), with substantial variation observed between companies. Overall, companies with mixed portfolios performed better in the Product Profile, compared to those that derive most sales from less healthy categories – e.g. Mars from Confectionery, and KDP and Coca-Cola from Carbonates.

Conagra and Campbell show the highest scores for the Product Profile, both with a sales-weighted mean HSR of 2.9 out of 5, followed by General Mills (2.6) and Nestlé (2.5). It's important to note that Conagra is active in product categories that score relatively well overall (Processed Fruits and Vegetables, and Ready Meals). Similarly, Campbell is active in the Soup and Sauces, Dressings, and Condiments categories. ATNI estimates that Conagra generated 49% of its 2021 US retail sales from products meeting the 'healthy' threshold – the highest proportion among companies assessed (see Figure 1).

Figure 1. Sales-weighted mean HSR and ranking



[Click here](#) to read further into the Product Profile's category-level results.

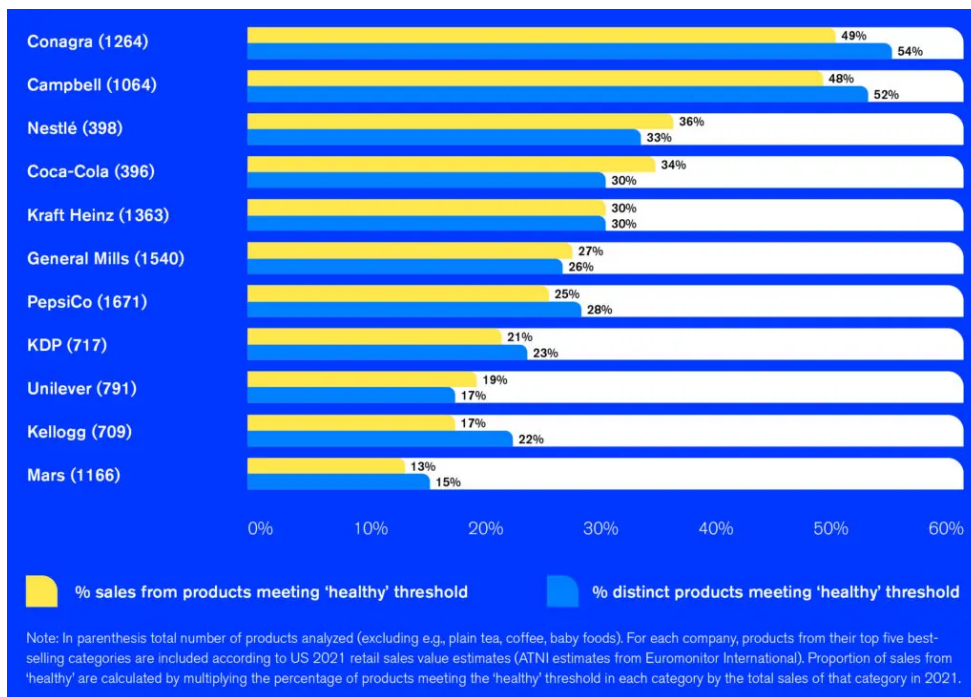
To what extent do companies generate their US sales from 'healthy' products?

The 'healthy' threshold (having an HSR of 3.5 stars or more out of five) categorizes products into those that could be considered 'healthy' and those that do not meet the threshold.⁷⁷ Figure 2 sees only two companies – Conagra and Campbell – had 50% or more of their distinct products meeting the 'healthy' threshold.⁷⁸

In terms of sales, no company was found to derive more than 50% of its sales from healthier products (HSR 3.5 or more). Four companies – Coca-Cola, General Mills, Nestlé, and Unilever – were found to derive a higher proportion of sales from healthier products, compared to the proportion of their distinct products that can be considered healthier, showing it is possible for companies to channel marketing resources to increase sales of healthier foods. Mars was found to have the lowest proportion of 'healthy' products, both before and after sales weighting was applied, due to confectionery items dominating its portfolio and sales.

These findings illustrate the opportunity for companies to increase the proportion of sales derived from healthy foods and decrease their reliance on sales of unhealthy foods. Apart from accelerating product (re)formulation, companies can achieve this by redirecting marketing to healthier products and brands, along with considering nutrition as part of merger & acquisition strategies.

Figure 2. Percentage of products meeting the 'healthy' threshold and sales from 'healthy' products



Detailed Product Profile results for each company, including category performance, can be found on the company scorecards. More information on the Product Profile is included in the [TGI report](#).

How do ATNI's Product Profile results compare?

| | US Index 2018 | US Index 2022* | Global Index 2021 |
|---|---------------|----------------|-------------------|
| No. companies assessed | 10 | 11 | 25 |
| Market share of the combined companies assessed | 30-35% | 30-35% | 20-25% |
| Mean HSR | 2.3 | 2.3 | 2.4 |
| % distinct 'healthy' products | 30% | 31% | 31% |
| % sales from 'healthy' products | 22% | 29% | 27% |
| No. products analyzed | 6,469 | 11,041 | 38,176 |

*Analysis with the new Health Star Rating (HSR) algorithm

Recommendations

To improve performance on the Product Profile, companies are encouraged to:

- Give more priority to (re)formulation in their nutrition strategies, to improve the nutritional quality of their products and overall healthiness of portfolios. Companies can also accelerate progress by considering nutrition in their merger & acquisition decisions, e.g. by acquiring healthier brands, and discontinuing or reducing sales of less healthy food & beverage products.
- Re-direct investments toward marketing healthier products or healthier categories to derive more US sales from healthier products.
- Consider the recommendations made in the following sections (related to criteria B2 and B3 of the ATNI methodology).

Box 3: What Is Assessed in the Product Profile?

ATNI compares the healthiness of companies' product portfolios using the Australian HSR. The HSR examines the content of positive nutrients/components (fiber, protein, fruits, nuts, legumes, and vegetables) and nutrients of concern (energy, saturated fats, total sugars, and salt) within individual products (per 100ml or 100g), and assigns them a score between 0.5 and 5.0. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier.⁷⁹

To select the packaged foods and beverages for analysis, ATNI identified a maximum of five best-selling product categories for each company, based on their estimated US retail sales values in 2021 (). All products in these categories are assessed using the HSR.

The Product Profile assessment is undertaken in partnership with TGI, and follows the same methodology and principles applied according to the previous US Index in 2018.

Nutrient information was obtained either directly from the manufacturer, product packaging, as collated in packaged food & beverage databases, company websites, or in-store visits.

It is important to note that the Product Profile does not include non-nutrient-based measures of nutritional quality or other attributes of packaged foods, e.g. additives and level of processing. In addition, plain tea, plain coffee, baby foods, and other specialty products (e.g. supplements) are excluded from analysis.

For more information on the Product Profile methodology, access TGI's report [here](#).

B2. Product Formulation

The results of the Product Profile underscore that companies need to increase attention to their commitments to product formulation and innovation, in order to improve the nutritional quality of packaged foods and non-alcoholic beverages in the US.

Have companies set targets to increase sales of 'healthy' products?

Clear, transparent, and verifiable reporting on targets and progress made to increase sales of healthier products should be a core element of food companies' annual reporting.

Table 2. Companies' healthy* sales targets and disclosure

| | % 2021 retail sales of 'healthy' products ** | Target to increase sales/proportion of healthy products | Annual reporting of healthy sales | Target linked to external NPM or definition of healthy | US-specific compliance disclosed | Source |
|---------------|--|---|--|--|----------------------------------|---|
| Campbell | 48% | – | 69% of products meet Nutrition Guidelines for Product Development, representing 65% of sales in 2021 | – | – | 2022 Corporate Responsibility Report ¹ |
| Conagra | 49% | – | Revenue from products labeled and/or marketed to promote health and nutrition attributes is approximately \$9.7billion | – | – | 2021 Corporate Social Responsibility |
| Coca-Cola*** | 34% | – | Low- or no-calorie sales volumes were 28.2% of portfolio in 2020. | – | – | 2020 Business and ESG Report ² |
| General Mills | 27% | – | 47% of General Mills' US volume met the Nutrition-Forward criteria in 2021 | – | Yes | Global Health Reporting ³ |
| Kellogg | 17% | – | % Foods meeting Kellogg Global Nutrition Criteria (KGNC) by category | – | – | US Wellbeing Policies and Milestones ⁴ |
| KDP | 21% | Provide positive hydration in 60% of KDP products by 2025 | 54% of KDP's portfolio provided positive hydration in 2020 | – | Yes | 2020 Corporate Responsibility Report ⁵ |
| Kraft Heinz | 30% | 85% of products by sales weighted volume to be compliant with Global Nutrition Targets (GNTs) by 2025 | Compliance with GNTs 74.7% in 2020 | – | – | 2021 ESG Report ⁶ |
| Unilever | 19% | 70% of global portfolio to meet Unilever's highest nutritional standards (HNS) standards by 2022 | 64% of US portfolio meets Unilever's highest nutritional standards (HNS) in 2021 | – *** | Yes | Sustainability performance data ⁷ |

– No/no target

¹ Campbell (2022). 'Delivering on our Purpose' 2022 Corporate Responsibility Report. Available from: <https://campbellsoupcompany.com/wp-content/uploads/2022/03/2022-Corporate-Responsibility-Report.pdf>

² Coca-Cola (2020). Business and ESG Report 2020. Available from: <https://d1j03yog0oux5.cloudfront.net/cocacolacompany/files/pages/cocacolacompany/db/761/description/coca-cola-business-environmental-social-governance-report-2020+%282%29.pdf>

³ General Mills (n.d). Global Health Reporting Bell Institute of Health & Nutrition. General Mills. Available <https://www.bellinstitute.com/about-us>

⁴ Kellogg (2022). U.S. Wellbeing Policies and Milestones. Available from: https://filecache.mediaroom.com/mf5mr_kellogs_cr/181036/KelloggCompany_USWellbeingPolMilestones_March2022.pdf

⁵ Keurig Dr Pepper (2020). Corporate Responsibility Report. Available from: <https://www.keurigdrpepper.com/content/dam/keurig-brand-sites/kdp/files/KDP-CR-Report-2020.pdf>

⁶ Kraft Heinz (2021). 'Stepping Up to the Plate' The Kraft Heinz Company 2021 ESG Report. Available <https://www.kraftheinzcompany.com/esg/pdf/KraftHeinz-2021-ESG-Report.pdf>

⁷ Unilever. (n.d). Sustainability performance data. Society 'Nutrition targets (XLSX 515KB)'. Available at: <https://www.unilever.com/planet-and-society/sustainability-reporting-centre/sustainability-performance-data/>.

* According to company's definition of 'healthy'.

** HSR >= 3.5, according to ATNI's Product Profile results

*** Coca-Cola does not have an internal definition of 'healthy', but tracks its low- and no-calories portfolio sales in alignment with the Sustainability Accounting Standards Board (SASB) disclosure framework.

**** In March 2022, Unilever announced its plans to benchmark its portfolio against at least six different NPMs, as well as its own Highest Nutritional Standards.

Only three companies – Keurig Dr Pepper, Kraft Heinz, and Unilever – were found to have set clear and time-bound targets to increase the sales/proportion of 'healthy' products globally, including in their US portfolios (see Table 2). Unilever and Kraft Heinz indicate their targets are linked to sales volumes. It is important to note that the three companies use their own definitions of 'healthy' (set of nutrition criteria or NPM). Keurig Dr Pepper works with Partnership for Healthier America (PHA) to independently verify progress against its goal.⁸⁰

Notable Example: Unilever is the only company that externally verifies its target to improve sales of healthier products. The company has appointed PricewaterhouseCoopers (PwC) to provide limited assurance of selected sustainability metrics. This is a notable development, as stakeholders are increasingly looking for accurate and reliable public metrics on nutrition. In 2021, 63% of Unilever's global portfolio by sales volume was found to have met the company's Highest Nutrition Standards (HNS) NPM.⁸¹ In addition, the company reports US-specific compliance (at 64% in 2021) on its global website under 'Sustainability Performance Data.'⁸² In March 2022, the company announced that, as of 2023, it will publicly report the performance of its product portfolio against at least six different government-endorsed NPMs as well as its own HNS.⁸³

Mars commits to 95% (or more) of its products meeting its nutrition criteria by 2025. However, this target only covers the company's food segment, excluding Mars Wrigley products, which account for most of the company's sales.⁸⁴ In addition, no US-specific target or reporting was found.

As Table 2 shows, only two companies – General Mills and Unilever – disclose the proportion of 'healthy' sales for their US portfolio.

Do companies publicly state whether their approach to (re)formulating products is aligned with the Dietary Guidelines for Americans, 2020–2025?

While many companies reference international and national dietary guidelines as part of their nutrition strategies, results show that five companies (Kellogg, KDP, Mars, PepsiCo, and Unilever) made explicit references to the latest edition of the US Dietary Guidelines for Americans, 2020–2025 and/or the recommendations that target US-specific nutrition concerns. Companies refer to these guidelines either on their websites, in nutrition strategies, or NPMs. For example, in the Mars Food Nutrition Criteria, the company defines a single serving of wholegrains as 16g dry making reference to the Dietary Guidelines for Americans, 2020–2025 and the Health Grain Forum.⁸⁵

To what extent have companies adopted SMART product (re)formulation targets?

Table 3. Overview of product (re)formulation targets

| | Campbell | Coca-Cola | Conagra | General Mills | Kellogg | KDP | Kraft Heinz | Mars | Nestlé | PepsiCo | Unilever |
|---------------------------------------|----------|-----------|---------|---------------|---------|-----|-------------|------|--------|---------|----------|
| Salt/sodium | - | n/a | - | ● | ● | n/a | ● | ● | ● | ● | ● |
| Saturated fat | - | n/a | - | - | ● | n/a | ● | ● | ● | ● | ● |
| Added sugar | - | ● | - | - | ● | ● | ● | ● | ● | ● | ● |
| Fruits, vegetables, nuts, and legumes | - | - | - | - | - | ● | - | ● | - | - | ● |
| Wholegrains | - | n/a | - | - | - | n/a | - | ● | - | - | ● |

● Target covers all relevant products
 ● Target is either not fully specified and/or does not cover all relevant products
 n/a Target is not applicable to company based on products
 - No target/no information

Note: Depending on the company portfolio, selected targets were considered not applicable. For example, a target to reduce saturated fat in carbonated drinks is not applicable, as these products do not contain saturated fat.

Overall, Index results show that companies continue to adopt company-specific targets, without specifically referring to externally verifiable benchmarks or standards – which limits the ability to compare progress over time. ATNI encourages companies to review their targets in alignment with external benchmarks to ensure that reductions of nutrients of concern and higher amounts of positive nutrients and ingredients result in meaningful public health impact. Table 3 shows that most companies have targets in place to reduce nutrients of concern (e.g. sodium, saturated fat, added sugar), but only a few have targets to increase positive nutrients or ingredients (e.g. fruits, vegetables, nuts and legumes, and wholegrains). For sodium and added sugars, most companies were found to have targets in place. Campbell and Conagra are the only companies found to have no nutrient or food component-specific (re)formulation targets.

Sodium

- PepsiCo and Unilever are the only companies to adopt a sodium target that is aligned with FDA guidance for all relevant categories in their portfolios.
- As part of its new Compass strategy, Unilever has defined the ambition to have 85% of its food portfolio “help consumers reduce their salt intake to no more than 5g per day by 2022.” However, this target is not easy to verify externally, and it’s unclear how acceptable sodium levels link to the company’s HNS. On its global website, under ‘Sustainability performance data,’ Unilever publishes progress by country. For the US, 87% of its portfolio was reported to have met the salt target in 2020 (up from 83% in 2019).
- One company was found to be currently undertaking an internal evaluation on how its best-selling products across all relevant categories in the US portfolio perform against the voluntary FDA sodium standards.
- In 2021, PepsiCo announced its new sustainability strategy, Pep+, which includes a commitment to accelerating its reduction of added sugars and sodium through the use of science-based targets across its portfolio, and cooking its food offerings with healthier oils.⁸⁶ The company has the ambition for at least 75% of its foods portfolio volume not to exceed 1.3mg of sodium per calorie by 2025. However, the company did not disclose compliance against this target for the US market.

Saturated fat

- Only three companies – Unilever, Kraft Heinz, and PepsiCo – were found to have saturated fat reduction targets in place that are applicable to all relevant products in their portfolios. Only PepsiCo has a specific saturated fat target that is time-bound (by 2025, at least three-quarters of its global foods portfolio sales volume will not exceed 1.1g of saturated fat per 100 calories). PepsiCo works together with Partnership for Healthier America (PHA) to serve as an independent verifier of its commitments to reduce added sugar in the beverage portfolio, along with sodium and saturated fats in its foods portfolio.⁸⁷
- Mars and Kellogg commit to reducing saturated fat levels. However, their commitments do not extend to all relevant products. For example, Kellogg commits to saturated fat levels of less than 5g per 100g by 2025. However, the company limits this commitment, covering only its foods marketed to children. Mars has relevant saturated fat criteria, but this is only applicable to its food segment.
- In its 2020 Creating Shared Value report, Nestlé states that its target to reduce saturated fat by 10% in all relevant products that do not meet the Nestlé Nutritional Foundation (NF) criteria with respect to saturated fat has been achieved. However, no new target for saturated fat was reported.

Sugar

- Mars, Kraft Heinz and Unilever are the only companies that have adopted sugar target(s) for all relevant product categories.
- Mars Food Nutrition Criteria, third edition, 2021, states that, by 2025, 95% of its products will meet strict nutrition standards for energy, sodium, added sugar, saturated, and total fat. Mars Wrigley has committed, in alignment with PHA, to using ≤ 25 g sugar/portion as its guidepost for all new products, beginning with innovation in 2020 for chocolate and 2023 for fruity confections.

- Of the three beverage companies that started the Beverage Calories Initiative (BCI, see Box 5) in 2014, PepsiCo is the only company found to disclose, on its own website, a company-specific commitment to reducing calories from added sugars in its global portfolio, including the US. By 2025, the company wants 67% or more of its beverage portfolio volume to have 100 calories or less from added sugars per 12oz serving. According to PepsiCo, by the end of 2020, 48% of its beverage sales volume in its top 26 global markets was in line with this goal. To improve transparency, companies that are part of the BCI are encouraged to disclose company-specific progress on their calorie reduction programs and publish updated data on their own websites.

Positive Nutrients and Ingredients

- Only three out of the 11 companies assessed – KDP, Mars, and Unilever – were found to have a target in place to increase the levels of fruits, vegetables, nuts, or legumes in their products. In the US Index 2018, only one company was found to have a positive nutrients/ingredients target. In 2022, Unilever disclosed a relevant target for all product categories. As part of its new Compass Future Foods commitments, Unilever strives to double the number of products sold that deliver ‘Positive Nutrition.’ The company defines this as products containing impactful amounts of vegetables, fruits, proteins, fiber, unsaturated fatty acids, or micronutrients such as vitamins, zinc, iron, and iodine.⁸⁸
- Unilever and Mars disclosed a target to increase levels of wholegrains. In its updated Food Nutrition Criteria, Mars states: “At the start of 2021, we set ourselves a new challenge of delivering 5.5 billion healthy meals by 2025. We will do this through delivering 4 billion servings of vegetables, a 30% increase of fiber servings in our products, and a 5% reduction of sodium in our portfolio by 2025.” As part of its association with PHA, Mars has committed to expanding wholegrain options in the US, so that at least half of all grain products in the Mars US Food product portfolio include a minimum of 16g of wholegrains per serving and may include legumes.⁸⁹
- Other companies have general commitments to increasing the use of positive nutrients or ingredients, but did not specify a time-bound target. For example, PepsiCo’s Pep+ strategy explicitly states that the company will use more legumes, wholegrains, plant-based proteins, fruits and vegetables, nuts and seeds, and diverse ingredients.

To what extent have companies invested in products with smaller packaging sizes or serving sizes? (unscored indicator, for information only)

Evidence as to the impact of portion control on the part of consumers and smaller packaging sizes on public health remains limited. Therefore, this is an unscored indicator in ATNI’s methodology (i.e. for information purposes only). Many companies offer smaller serving sizes and a variety of packaging options. Little evidence was found of companies adopting comprehensive programs or conducting research to explore how these efforts have led to improved consumer portion control in the US. Recognizing the need to support education campaigns and market research, a few of the Index companies support the multi-stakeholder platform Portion Balance Coalition. More information about this initiative can be found in [Chapter G on Lobbying](#).

In the last three years, eight companies were found to be developing products with smaller packaging or serving sizes across multiple categories or brands. Examples vary from mini-cans of carbonated drinks to smaller portions of single-serve snacks. Two companies provided relevant examples, but only across one product category (e.g. confectionery) or for one brand.

Recommendations

To improve the healthiness of their portfolios, companies are encouraged to:

- Evaluate the overall healthiness of their US product portfolios according to ATNI's methodology. And define concrete and time-bound targets to increase sales of 'healthy' products. Companies are recommended to report progress on delivering against their 'healthy' sales target on an annual basis, and to make this information easily accessible on the company's US-specific website or in reports. ATNI encourages companies to couple financial growth targets with higher sales of healthier products.
- Set targets to reduce nutrients of concern and increase positive nutrients/ingredients in their products. Targets should apply to the entire US product portfolio (where relevant), and companies report on progress over time. Targets should be aligned with national recommendations or standards (e.g. FDA voluntary sodium reduction targets) and, when those are not available, to international standards (e.g. WHO).
- Demonstrate that new product development and product reformulation efforts are aligned with the Dietary Guidelines for Americans, 2020–2025.
- Ensure that all products sold under the Smart Snacks in School regulation and their identical counterparts sold in retail meet the same nutrition standards.

Box 4: Smart snacks in school

The US Department of Agriculture's (USDA) Smart Snacks in School standard is a federal standard that applies to all snacks and beverages sold, in school stores, vending machines, and other venues where food is sold to students. Nutrition experts have raised concerns that, while products supplied to schools meet the Smart Snacks in School nutrition standard, equivalent and identical products with the same look and feel, sold in retail and other outlets, might not.⁹⁰ Such products are referred to as 'copycat' or 'lookalike' products.

The US Index in 2018 found that only two companies provided evidence of formulating all products in the Smart Snacks program in the same way, irrespective of the distribution channel. In 2022, six companies stated that either they don't participate in the program (Unilever, Conagra, and Nestlé), or they already formulate all products in the same way (Coca-Cola, Kellogg, and PepsiCo). Kellogg is the only company that makes a public and specific reference to this topic in its US Wellbeing Policies and Milestones 2022 report, stating: "In 2021, 16% of our K-12 Smart Snack portfolio was sold in other sectors of away-from-home channels. Any of our foods that deliver against Smart Snacks standards are also sold outside of schools in channels such as vending and retail."⁹¹

Box 5: Beverage Calories Initiative

To help fight obesity, in 2014, companies in the American Beverage Association – Coca-Cola, KDP, and PepsiCo – together with the Alliance for a Healthier Generation, agreed to a multi-year effort to reduce beverage calories consumed per person nationally by 20% by 2025. Named BCI, according to the latest evaluation of the program, calories per person have decreased 10% since its launch.⁹²

B3. Nutrient Profiling Model (NPM): Defining 'Healthy' Products

How many companies have adopted an NPM, and are they externally validated?

All companies (as shown in table 4) except Coca-Cola have adopted an NPM or other nutrition criteria to guide their product (re)formulation strategies.

Table 4. Characteristics of companies' nutrition criteria, NPMs

| | Uses NPM or other nutrition criteria | NPM generates scores that rank healthiness of foods | Own NPM / criteria or external model* | Criteria is category-specific or applies across the board* | Both positive nutrients / ingredients and nutrients of concern | Benchmarked against external models | Reference |
|---------------|--------------------------------------|---|---------------------------------------|--|--|-------------------------------------|--|
| Campbell | ● | - | Own | Across the board | Positive and negative | - | Nutrition Focused Foods and Reducing Negative Nutrients: Guidelines for Product Development ¹ |
| Coca-Cola | - | - | - | - | - | - | - |
| Conagra | ● | ● | External-Nutri-Score | Category-specific | Positive and negative | Nutri-Score/ FDA healthy | Citizenship Report 2021 ² |
| General Mills | ● | - | Own/FDA healthy | Across the board | Positive and negative | FDA healthy | Nutrition- Forward Foods, Global Health Reporting ³ |
| KDP | ● | - | Own | Across the board | Positive and negative | - | Positive hydration-2020 Corporate Responsibility Report ⁴ |
| Kellogg | ● | - | Own | Category-specific | Positive and negative | - | Kellogg Global Nutrition Criteria ⁵ |
| Kraft Heinz | ● | - | Own | Category-specific | Negative only | - | Global Nutrition Guidelines ⁶ |
| Mars | ● | - | Own | Category-specific | Positive and negative | Only for sodium | Food Nutrition Criteria -Third Edition ⁷ |
| Nestlé | ● | - | Own | Category-specific | Positive and negative | - | Nestlé Nutrient Profiling System |
| PepsiCo | ● | ● | Own | Category-specific | Positive and negative | For some nutrients | PepsiCo's Nutrition Criteria ⁸ |
| Unilever | ● | - | Own | Category-specific | Positive and negative | - ** | Unilever Nutrition Standards ¹⁰ |

● Yes
- No/no information

¹ Campbell's. (2022). Nutrition focused foods. Available at: https://www.campbellsoupcompany.com/wp-content/uploads/2022/03/Nutrition-Reporting-Metrics-Criteria_Nutrition-Focused-Foods.pdf. Reducing Negative Nutrients: Guidelines for Product Development Available at: https://www.campbellsoupcompany.com/wp-content/uploads/2022/03/Reducing-Negative-Nutrients_Guidelines-for-Product-Development.pdf (Accessed: 10/06/2022).

² Conagra. (2021). Conagra brands citizenship report (pg 10). Available at: <https://www.conagrabrands.com/citizenship-reports/conagra-brands-citizenship-report-2021>. (Accessed: 10/06/2022).

³ Bell Institute of Health & Nutrition. (n.d). About us. Available at: <https://www.bellinstitute.com/about-us>. (Accessed: 10/06/2022).

⁴ Keurig Dr Pepper. (2020). Corporate responsibility (pg 28). Available at: <https://www.keurigdrpepper.com/en/our-company/corporate-responsibility>. (Accessed: 10/06/2022).

⁵ Kellogg's. (n.d). Positions, policies and milestones. Available at: <https://crreport.kelloggcompany.com/ppm>. (Accessed: 10/06/2022).

⁶ Kraft Heinz. (2020). Global nutrition guidelines. Available at: <https://www.kraftheinzcompany.com/pdf/Kraft-Heinz-Global-Nutrition-Guidelines.pdf>. (Accessed: 10/06/2022).

⁷ Mars Food. (2021). Mars Food Nutrition Criteria. Third Edition, August 2021. Available at: <https://www.mars.com/sites/g/files/jdypr316/files/2021-08/FINAL%20Mars%20Food%20Nutrition%20Criteria%203E.pdf>. (Accessed: 10/06/2022).

⁸ Nestlé. (n.d). The Nestlé nutritional profiling system, its product categories and sets of criteria. Available at: https://www.nestle.com/sites/default/files/asset-library/documents/library/documents/nutrition_health_wellness/nestle-nutritional-profiling-system.pdf. (Accessed: 10/06/2022).

⁹ https://www.pepsico.com/docs/album/esg-topics-policies/pepsico-nutrition-criteria.pdf?sfvrsn=d39f134b_6

¹⁰ Unilever. (n.d). Unilever nutrition standards. Available at: <https://assets.unilever.com/files/92ui5egz/production/c60e27dd23683543f7966a3fb3c6d40af5af6972.pdf/unilever-nutrition-standards-booklet.pdf>. (Accessed: 10/06/2022).

Notes: *Unscored element in the Index. **In March 2022, the company announced that, as of 2023, it will publicly report the performance of its product portfolio against at least six different government-endorsed NPMs, as well as its own HNS.

In addition, these criteria can be used to evaluate the healthiness of entire portfolios. This is critical, as more transparency and demand for setting healthy targets arise. Table 4 also shows that most companies have category-specific NPMs, which means nutrient or ingredients thresholds vary by product type.

Another positive development is that most companies are considering both positive nutrients and ingredients in their models, as well as nutrients of concern. In 2018, only four companies were found to do so (General Mills, Mars, Nestlé, and PepsiCo).

It is important to note that the assessment of companies' NPMs is based on the design principles, not on an in-depth assessment of the nutrition criteria embedded within them.

Notable Example: In its 2021 Citizenship report, Conagra describes the introduction of a new metric, 'Sustainable Nutrition,' as measured by NutriScore A or B for vegan and vegetarian products. According to the company, 82% of its vegan and vegetarian meals and meat replacements currently qualify for this attribute. In addition, the company applies the FDA Healthy criteria to its Healthy Choice products. However, as the company does not formally publish how it uses these NPMs (FDA/Nutri-Score), it is unclear as to which products in Conagra's US portfolio are revised or developed considering these criteria.

To what extent do companies publicly disclose information about their NPMs?

Despite important developments in the adoption of NPMs, only a few companies publish full details on the use of their NPMs. Nestlé, PepsiCo, and Unilever publish details of their NPMs in peer-reviewed journals. Conagra also uses a validated and government-endorsed NPM, Nutri-Score.

So far, no company has publicly disclosed the results of applying their own criteria/NPM against the results of applying an internationally recognized NPM to their portfolio.

While ATNI welcomes the development and application of evidence-based NPMs to guide companies' (re)formulation strategies, varied definitions of 'healthy' products and other criteria are being used, which limits efforts by external stakeholders to monitor and compare companies' progress over time.

Notable Example: PepsiCo published its NPM in a peer-reviewed journal article.⁹³ The article presents PepsiCo Nutrition Criteria (PNC), a new internal NPM that was designed to guide and monitor improvements in nutrient density and overall nutritional quality of foods and beverages. The new PNC NPM assigns food products into four classes of increasing nutritional value, based on the content of nutrients to limit, along with nutrients and ingredients to encourage. The nutrient standards used for category assignment follow those developed by global dietary authorities. Standards are proposed for calories, sodium, added sugars, saturated, and industrially produced trans fats. In the article, the company provides examples of recently reformulated products according to these guidelines.

In March 2022, Unilever announced that, as of 2023, it would publicly report the performance of its product portfolio against at least six different government-endorsed NPMs, as well as its own HNS.

Apart from using company-specific NPMs, there is evidence that some manufacturers might make use of existing government programs' nutrition criteria to develop healthier products. For example, Campbell reports that 71% of Campbell Soup's meals and beverages meet the requirements for at least one federal nutrition program, including WIC Eligible Foods, SNAP Staple Foods for Retailer Eligibility and USDA Smart Snacks.⁹⁴ More transparency on how companies use different nutrition criteria for their product (re)formulation strategies is required.

Recommendations

To increase the sales from healthier products and accelerate product (re)formulation strategies, companies are encouraged to:

- Benchmark their definition of 'healthy' and/or full NPMs against externally validated and preferably internationally recognized (and, where applicable, government-endorsed) – like the planned FDA standard⁹⁵ on the criteria to use the term 'healthy' as a nutrient content claim. This is critical to ensuring companies' (re)formulation strategies focus on the overall nutritional quality of products rather than on individual nutrients, and that they align with public health priorities and recommendations set out by the Dietary Guidelines for Americans, 2020–2025. To support this, all companies are recommended to consider reviewing how the Product Profile results compare to their own estimates.
- Disclose full details of their NPM on their websites, including scores, criteria, and how and for what purposes the criteria are applied. If companies have developed their own NPM, this should be evidence-based and preferably published in a peer-reviewed scientific journal.
- Ensure the NPM covers the entire product portfolio and conduct regular evaluations to ensure the criteria used are aligned with the most updated scientific evidence and available standards, e.g. to the FDA voluntary sodium reduction guidelines.

Box 6: Methodology - healthy multiplier results

In the US Index 2022 methodology, a healthy multiplier is applied to any scores for commitment, performance or disclosure indicators relating to 'healthy' products. The multiplier is derived from the company's score on Criterion B3: 'Nutrient Profiling Model (NPM): defining 'healthy' products, and ranges from 0.4 (i.e., reducing the score of a relevant indicator) to 1 (i.e., no effect on the score of a relevant indicator).⁹⁶

Companies' 'healthy' multiplier results:

- 1.0 (PepsiCo)
- 0.8 (Conagra, General Mills, Nestlé and Unilever)
- 0.6 (Campbell, Kellogg, KDP, Mars, Kraft Heinz)
- 0.4 (Coca-Cola)

PepsiCo is the only company that achieves a score of 8 points or more (out of 10) in criterion B3, thereby receiving a healthy multiplier of 1.0. This is linked to the fact that the company's NPM – PepsiCo Nutrition Criteria – was designed to be inclusive of its whole portfolio, includes both nutrients of concern and positive nutrients, and consist of a scoring system which allows foods to be ranked or classified based on their healthiness. For other companies with no NPMs (Coca-Cola) or less comprehensive models and lack of transparency, a healthy multiplier is applied impacting indicators in the methodology that refer to 'healthy' products.

The 'healthy' multiplier results for the US Index might differ from the Global Index 2021 due changes in methodology and different thresholds used to derive the multiplier.



Accessibility and Affordability

Delivering Affordable, Accessible Products

For healthy products to have meaningful impact when it comes to addressing public health challenges, they must be both affordable and accessible for all consumers, to both encourage and enable a shift in diets toward healthier diets. Moreover, since obesity rates in the US are disproportionately higher among low-income groups and those residing in areas with relatively low access to supermarkets and convenience stores, companies must ensure their healthy products are priced appropriately and adequately distributed.

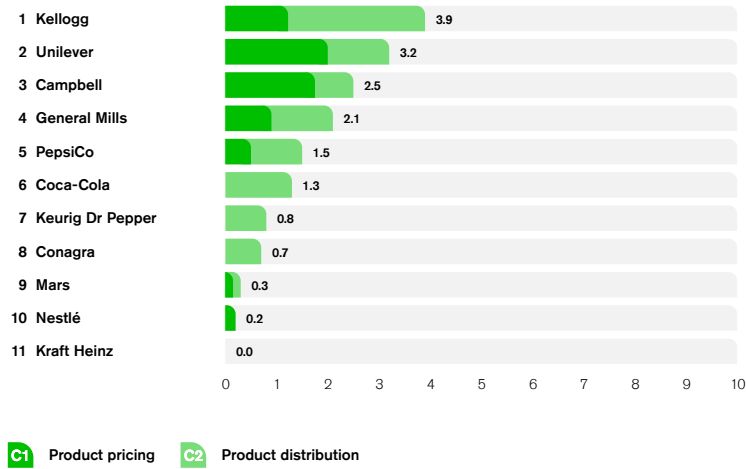
Category C consists of two criteria:

- C1 Product Pricing
- C2 Product Distribution

To perform well in this category, companies should:

- Make clear, formalized commitments that extend to a clear strategy, with Specific, Measurable, Achievable, Relevant, and Time-Bound (SMART) targets to promote the affordability of their healthier products (according to the company's definition) over less healthy products, and with low-income consumers in mind.
- Provide evidence of conducting pricing analyses to appropriately price healthy products and of improving the price differential between 'healthy' vs. less 'healthy' products.
- Disclose commitments, targets and a strategy to improve affordability of 'healthy' products.
- Make clear, formalized commitments that extend to a clear strategy, with Specific, Measurable, Achievable, Relevant, and Time-Bound (SMART) targets to promote the accessibility of their healthier products (according to the company's definition) over less healthy products, and with food-insecure groups in mind.
- Take steps to improve the accessibility of 'healthy' products for low-income/food-insecure households, such as seeking arrangements with retailers and distributors to ensure the distribution and availability of healthy products nationwide.
- Have a policy in place to ensure responsible food donations, with clear prioritization of healthy products, and show evidence that the vast majority of their food donations are healthy.
- Disclose commitments, targets, and a strategy to improve access to 'healthy' products.

Ranking



Overall, there was slight improvement in Category C, but overall scores remain low, averaging at 1.5, and the highest score remains under 4. Kellogg continues to score the highest in this category, with commitments and actions in place for both affordability and, especially, the accessibility of products it defines as healthy. Unilever demonstrates the greatest improvement, having developed new affordability strategies for one its healthier brands in the US, scoring 3.2 (a sizeable increase from 0.1 in 2018).

Category Context

Affordability

According to the American Heart Association (AHA), 'affordability' means that nutritious foods are available at a cost that is accessible to all individuals, including those on low incomes.⁹⁷ The current climate of rising inflation, which reached the highest rate in 40 years in the US in April 2022, accentuates the urgency of addressing the affordability of healthy foods relative to unhealthy foods. With low-income households spending an average of 30% of their income on food (compared to 10% for the average American household), as costs of living soar, price considerations inevitably supersede nutrition quality as a priority for millions of Americans.⁹⁸ Given that less healthy foods are typically cheaper than healthy options,⁹⁹ the cost-of-living crisis could further exacerbate the obesity epidemic.¹⁰⁰ Numerous studies have found a strong correlation between food insecurity and obesity in the US.¹⁰¹ Therefore, food & beverage manufacturers can make a real difference by offering a wide range of nutritious products at affordable prices at a greater rate than less healthy products.

Accessibility

For this report, 'accessibility' means that nutritious foods are readily obtainable by individuals in all geographic locations. According to the latest Dietary Guidelines for Americans, access is "influenced by diverse factors, such as proximity to food retail outlets (e.g., the number and types of stores in an area), ability to prepare one's own meals or eat independently, and the availability of personal or public transportation. The underlying socioeconomic characteristics of a neighborhood also may influence an individual's ability to access foods to support healthy eating patterns."¹⁰²

The US Department of Agriculture's (USDA) 2017 study on food access found that 39m people (12%) in the US live in low-access communities – where at least a third of the population lives over a mile from a supermarket or large grocery store (in urban areas), or more than ten miles away (in rural areas).¹⁰³ These are associated with low access to affordable fruits, vegetables, wholegrains, low-fat milk, and other foods that make up a healthy diet. One study has also found a positive association between living in low-access communities and obesity.¹⁰⁴

Federal Assistance Programs

While the US has extensive federal assistance programs that provide a safety net to addressing basic food security (see Box 1), food manufacturers, apart from providing the food and beverage products for these programs, still have a significant responsibility to advance nutrition security through their own commercial operations. As SNAP has no restrictions on monthly benefits being spent on unhealthy products, if these remain cheaper and/or more accessible, low-income consumers may continue to prioritize them to meet their basic needs.¹⁰⁵ By providing their healthy products at lower prices and ensuring adequate distribution in low-income areas, companies can encourage participants, as well as the general consumer, to choose healthier foods. Moreover, given that many households that are food-insecure are either ineligible for either SNAP or WIC or do not participate (for a variety of reasons), addressing the affordability of healthy products in general is still highly relevant.

The US Government in the September 2022 National Strategy on Hunger, Nutrition and Health announced actions to further increase access to free and nourishing school meals; providing Summer Electronic Benefits Transfer (EBT) benefits to more children; and to expand the Supplemental Nutrition Assistance Program (SNAP) eligibility to more underserved populations.

The Charitable Food System

The charitable food system and food banking are other major means by which food access and affordability are addressed in the US for low-income consumers: 6.7% of all US households reported using a food pantry in 2020, up from 4.4% pre-pandemic.¹⁰⁶ Over the last decade, the food & beverage industry has contributed vast sums – both in cash and in-kind – to food banking organizations and networks as part of their philanthropy efforts, especially during the COVID-19 pandemic.¹⁰⁷

However, donations of unhealthy products have been cause for alarm for stakeholders over the last decade (including during the pandemic), as these can exacerbate poor nutrition issues.¹⁰⁸ For example, a 2018 report found that one-quarter of food distributed through food banks consisted of unhealthy beverages and snack foods – and while more than half of food banks track the nutritional quality of donations and/or have nutritional guidelines, nearly 40% face difficulties in knowing how to handle unwanted food & beverage donations.¹⁰⁹

Therefore, it is essential that companies, as a minimum, have policies to limit the amount of less healthy foods donated and that they, ideally, provide predominantly healthy products to improve the diets and health of people dependent on food banks. To this end, in 2020 Healthy Eating Research (HER) developed nutrition guidelines for charitable food systems, which were adopted by Feeding America.¹¹⁰ Most importantly, however: companies need to make efforts to remove some of the systemic barriers to the consumption of healthy products by addressing affordability and accessibility in their commercial operations.

Box 1. US Federal Assistance Programs: SNAP and WIC

The US has several federal assistance programs to combat food insecurity among low-income consumers, such as the Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). SNAP benefits are currently claimed by 41.5m people, increasing by 17% between February 2020 and April 2021. Recipients receive a monthly benefit that can be used to buy food and non-alcoholic beverages in many retailers and convenience stores (restaurants are excluded). In August 2021, this monthly benefit per person was increased by 25%, to an average of USD 161, to reflect the cost of a healthy diet as defined by the revised 'Thrifty Food Plan.' Much of this money is spent on products manufactured by companies assessed in this Index.

However, there is no requirement to spend the benefit on nutritious food. For example, a 2016 study found that sweetened beverages were the second-most-purchased item on SNAP benefits, accounting for slightly more than 9% of purchases, while prepared desserts made up 7% of purchases.¹¹¹ Moreover, despite the rising number of recipients, many food-insecure households struggle to navigate administrative burdens or lack awareness of eligibility.¹¹²

The WIC program meanwhile, has a focus on nutrition. The WIC food packages provide supplemental foods designed to meet the special nutritional needs of low-income pregnant, breastfeeding, non-breastfeeding postpartum women, infants and children up to five years of age who are at nutritional risk.¹¹³ Many companies in this Index manufacture such foods. As of 2021, WIC serves 6.2m women and children.¹¹⁴ However, participation rates in WIC have been declining, largely due to increased barriers for those who would otherwise be eligible, especially during the pandemic, rather than decreasing need.

According to a 2021 study, 21% of US adults experiencing food insecurity were unable to access any assistance at all, while 58% that were enrolled still had difficulty accessing at least one service.¹¹⁵ The 2022 National Strategy on Hunger, Nutrition and Health announced it will make it easier for eligible individuals to access federal food, human services, and health assistance programs such as SNAP, WIC, and Medicaid.¹¹⁶

Changes to the Methodology

- A further shift in focus to commercial approaches for affordability and accessibility, and greater emphasis on improving the price differential between healthy vs. less healthy products.
- For non-commercial activities focused on food donations, greater emphasis is placed on ensuring that these are made responsibly, i.e. being predominantly healthy products.

Key Findings

- The majority of companies assessed did not show evidence of specifically addressing either the affordability or accessibility of their healthy products in a meaningful way through commercial channels. For those with some form of access and affordability strategy in place, insufficient attention is paid to low-income or food-insecure consumers. No company has such strategies in place across its whole business in the US; actions are confined to specific product lines or brands.
- However, there are some signs of improvement. Unilever, General Mills, Kellogg, and PepsiCo show they have taken concrete actions to improve the affordability of some of their 'healthy' products in the US – more than was the case in 2018. Meanwhile, Unilever, through its Knorr brand, specifically seeks to price some of its 'healthy' products appropriately for low-income households, which is a first for this Index.
- Another first is provided by Campbell, which has started to track the pricing of its products that meet its healthiness criteria against the rest of its portfolio, while also publishing the price differential.
- Significantly more companies are now publicly committing to addressing the accessibility of healthy products in the US than in 2018. However, the predominant way continues to be through charitable donations – instead of taking a systemic commercial approach to ensure healthier products are widely available at prices also affordable for low-income households. No new commitments or policies to ensure donations are predominantly healthy could be identified, and only a slight improvement was seen in the tracking and evidence of donating predominantly healthy products.
- Kellogg, Coca-Cola, and PepsiCo now show evidence of seeking to improve the commercial distribution and placement of their 'healthy' products (or 'less unhealthy' alternatives) in low-income neighborhoods, whereas limited evidence of this was found in 2018.

Notable Examples



On the website of Unilever's Knorr brand, the company states: "Make Nutritious Food Accessible & Affordable: Knorr believes that wholesome, nutritious food should be accessible and affordable to all, but unfortunately, that is not a reality for everyone today in America." Moreover, the company provided robust evidence of how it was seeking to make this a reality – e.g. through conducting appropriate pricing analyses and designing its 'Better for You' recipes at affordable price points for low-income consumers [NDA]. The company's specific attention to low-income consumers is a clear improvement from 2018, when no companies were found to do this.



In 2021, Campbell began tracking the average cost per serving of its 'Nutrition Focused Foods' against the average cost per serving of the portfolio overall and disclosing the results. It found that these foods cost USD 0.62 per serving on average, compared to USD 0.65 per serving for its entire portfolio. This is the first company in ATNI's Indexes to do this and publicize it, and the company is well-placed to set SMART targets to improve the price differential further in the future. No other companies were found to track the relative affordability of their products.

C1. Product Pricing

Do companies have commitments, strategies, and targets in place to improve the affordability of 'healthy' products?

Only Unilever, Campbell, Kellogg, and General Mills were found to make public commitments to address the affordability specifically of their 'healthy' foods in the US. Of these, Unilever was the only company to explicitly commit to reaching low-income consumers.

Noteworthy Example: On the website of Unilever's Knorr brand, the company states: "Make Nutritious Food Accessible & Affordable: Knorr believes that wholesome, nutritious food should be accessible and affordable to all, but unfortunately, that is not a reality for everyone today in America." Moreover, the company provided robust evidence of how it was seeking to make this a reality – e.g. through conducting appropriate pricing analyses and designing its 'Better for You' recipes at affordable price points for low-income consumers. The company's specific attention to low-income consumers is a clear improvement from 2018, when no companies were found to do this.

General Mills, Kellogg, and PepsiCo were the only other companies to also provide evidence of having a US-specific strategy to improve the affordability of some of their 'healthy' products (as defined by the company – see Box 3), although only Kellogg discloses this information publicly. Moreover, each of these only applies these strategies to 'healthy' products within specific product categories or brands, rather than across the entire portfolio.

Table 1. Companies' commitment to improve the affordability of healthy products in the US

| | Company has a formal commitment to improve affordability of healthier products in the US | Company shows evidence of a US-specific strategy | Company specifically considers purchasing power of low-income consumers | Company shows evidence of improving price differential between healthier products and general portfolio | Company discloses its affordability activities |
|---------------|--|--|---|---|--|
| Unilever | ● | ● | ● | ● | - |
| Kellogg | ● | ● | - | - | ● |
| General Mills | ● | ● | - | - | - |
| PepsiCo | - | ● | - | - | - |
| Campbell | ● | - | - | ● | ● |

● Yes
- No/no information

Note: Mars, Nestlé, Conagra, KDP, Coca-Cola, and Kraft Heinz did not show evidence of formal affordability commitments or strategies for their healthy products in the US

However, as in 2018, no companies were found to have defined concrete quantitative targets regarding the affordability of their healthy products, such as improving the price differential between healthy products and general portfolio or achieving a particular price point for 'healthy' products for low-income consumers.

Is there any evidence that companies have improved the pricing differential of 'healthy' products in the US?

Noteworthy Example: In 2021, Campbell began tracking the average cost per serving of its 'Nutrition Focused Foods' against the average cost per serving of the portfolio overall, and disclosed the results. It found that these foods cost USD 0.62 per serving on average, compared to USD 0.65 per serving for its entire portfolio. This is the first company in ATNI's Indexes to do this and publicize it, and the company is well-placed to set SMART targets to improve the price differential further in the future. No other companies were found to track the relative affordability of their products.

Recommendations

- Six companies did not show clear evidence of seeking to address the affordability specifically of their 'healthier' products in the US. These companies are encouraged to adopt formal commitments and develop strategies to do so, perhaps starting with specific product lines or brands.
- Of the companies with some form of affordability strategies for their 'healthier' products in place, most could go further by specifically ensuring that such products are affordable for low-income consumers in the US. They could begin by conducting pricing analyses to ensure their 'healthier' products are priced appropriately for these groups to afford them.
- All companies could improve the robustness of their affordability commitments and strategies by developing quantitative targets (with baseline and target year) – such as improving the price differential on 'healthy' vs. 'less healthy' products within product categories and ensuring that healthier products are less expensive than their less healthy counterparts, or reaching a certain number of low-income consumers with affordably priced healthy products by a set date.
- Nearly all companies are encouraged to improve by disclosing more information on their affordability strategies, to enhance transparency and accountability.

Box 2: Companies' definitions of healthy

As previously mentioned, ATNI's methodology for Category C considers companies' affordability and access activities in relation to their 'healthy' products, according to the companies' definition of 'healthy'. Scores are then adjusted based on a 'healthy multiplier,' which uses the results from criterion B3 (which assesses the basic elements, scope and disclosure of a company's NPM) as a proxy for the quality of the company's healthy definition, and adjusts the score accordingly. ATNI takes this approach in order to deal with the limitation of companies using different definitions and nutrient thresholds to determine if products are considered 'healthy' (or 'healthier' alternatives within a product category).

Specifically, companies' definitions do not always align with internationally recognized definitions of 'healthy,' such as the Health Star Rating (HSR) system's 3.5 threshold.

Kellogg, for example, publishes its affordability and accessibility efforts for its Eggo Waffles brand, most of which achieve HSR scores of 3 stars (less than the 3.5 'healthy' threshold), while some specific products score much lower, such as the Eggo Grab & Go Liège-Style Buttery Maple-Flavored Waffles, which score 1.5 stars. General Mills, meanwhile, states that all its breakfast cereal products qualify as 'Nutrition Forward Foods' (the company's 'healthy' definition). ATNI's Product Profile assessment finds that the sales-weighted mean HSR for the category is 2.6, and only 20% exceed the 3.5-star threshold. In both examples, it is not clear whether the company distinguished between the healthier and less healthy varieties in their access and affordability strategies.

It is, therefore, especially important that companies improve their NPMs and definitions of healthy, and ensure they are benchmarked against internationally recognized systems. This will ensure that their affordability and accessibility strategies are being applied to products that contribute to healthier diets.

C2. Product Distribution

Do companies have commitments, strategies, and targets in place to improve the accessibility of 'healthy' products through commercial channels?

Eight companies were found to have clear commitments to improving the distribution of their 'healthy' products to low-income/food-insecure households – a clear improvement over 2018, when only four companies did so. Moreover, nearly all these eight disclose their commitments publicly, whereas only one did so previously. This likely reflects the industry's recognition of the food security challenges posed by the impact of the COVID-19 pandemic. Campbell's commitment is of particular note, since it explicitly references the USDA's definition of food access.

That said, only Kellogg, Coca-Cola, and PepsiCo provided evidence of having a deliberate strategy to address accessibility of 'healthy' products (as defined by the company) or 'less unhealthy' products through commercial channels; the rest primarily do so through charitable donations. For example, Kellogg and PepsiCo have worked with dollar stores to ensure their cereals (which the companies define as 'healthy') and 'better-for-you snacks', respectively, are available in stores that are often found in low-income neighborhoods (see Box 4), as well as developing smaller package sizes for healthier products in order to meet the \$1 price-point to ensure they are stocked in dollar stores. In the case of Coca-Cola (and to some extent PepsiCo), as part of its participation in the Balance Calories Initiative, the company is working to distribute in low-income neighborhoods with high rates of obesity and display more prominently its reduced-/zero-sugar beverages relative to their full-sugar counterparts (it should be noted that such products likely do not meet 'healthy' criteria for the companies; rather, they are 'less unhealthy' variants of popular products).

However, as in 2018, no companies were found to have defined concrete quantitative US-specific targets to improve consumers' ability to access their healthy products – such as the number/percentage of stores in low-income/food-insecure neighborhoods stocking their healthy products, or the number of food-insecure households to reach through improved distribution using USDA definitions and ranges.

Table 2. Companies with commitments, commercial strategies, and philanthropy regarding improving the accessibility of healthy products in the US

| | Company has a formal commitment to improve accessibility of healthier products in the US | Company provides evidence of a US-specific commercial strategy | Company donates healthier products to philanthropic initiatives |
|---------------|--|--|---|
| Campbell | ● | - | ◆ |
| Coca-Cola | ● | ● | ◆ |
| Conagra | ● | - | ◆ |
| General Mills | ● | - | ◆ |
| Kellogg | ● | ● | ◆ |
| KDP | ● | - | - |
| Kraft Heinz | - | - | ◆ |
| Mars | - | - | ◆ |
| Nestlé | - | - | ◆ |
| PepsiCo | ● | ● | ◆ |
| Unilever | ● | - | ◆ |

● Yes
 ◆ Yes, >60% of products donated met the company's definition of healthy
 ◆ The company donates products, but does not track their healthiness
 - No/no information

Has the accessibility of healthy foods improved through companies' food donations to the charitable food system?

While almost all the companies assessed make in-kind donations to the charitable food system, no new commitments or policies were found regarding the responsible donation of products (i.e. to ensure they are predominantly healthy). That said, Kellogg continues to donate both funds and products to a range of hunger-relief organizations such as Feeding America, No Kid Hungry, Action for Healthy Kids, and the Food Research and Action Center (FRAC). It reports that its product donations are aligned with USDA Dietary Guidelines, the only company to do so.

That said, there were improvements by two companies in the tracking of products being donated. For example, Unilever keeps detailed records of its donations by different brands and the approximate proportion of products that comply with its 'Highest Nutritional Standards'. Meanwhile, General Mills showed evidence that the majority of its product donations meet its internal criteria for 'Nutrient-Forward Foods.' However, no company was able to convincingly demonstrate that more than 80% of their product donations met external 'healthiness' criteria, such as the HER Nutrition Guidelines, which are based on the Dietary Guidelines for Americans.

Recommendations

- The increase in the number of companies committing to address access to their 'healthy' products is promising. However, the majority of these are encouraged to translate such commitments into commercial strategies and actions to improve the distribution of their healthy products in low-income/food-insecure areas. They are encouraged to work with their distribution and retail partners to make this a reality, rather than focusing predominantly on charitable donations and federal assistance programs.
- All companies could improve the robustness of their accessibility commitments and strategies by developing quantitative targets (with baseline and target year), such as the number/percentage of stores in food-insecure neighborhoods stocking 'healthier' products, or the number of food-insecure households to reach through improved distribution, as defined by USDA definitions and ranges.
- Where philanthropic activities are undertaken to address food insecurity, it is essential that companies adopt policies and tracking systems to ensure these donations are predominantly healthy, to avoid inadvertently exacerbating nutrition issues for the populations they are seeking to help. Companies are encouraged to adopt the HER Nutrition Guidelines for the Charitable Food System, for example.

Box 3: The Role Dollar Stores Play in US Food Security

There are more than 31,000 Dollar General, Dollar Tree, and Family Dollar stores in the U.S., typically situated in low-income areas without grocery stores or supermarkets.¹¹⁷ A recent study found that 60% of dollar store shoppers come from households with incomes of less than \$50,000 a year, and 30% from households with less than \$25,000 a year. As such, they are key channels for reaching low-income consumers with affordable products.¹¹⁸

However, these retailers have been criticized for crowding out small grocery stores and for selling predominantly unhealthy products, and, in turn, exacerbating obesity and other diet-related diseases among low-income consumers.¹¹⁹ Manufacturers can help to address this by seeking to ensure that their 'healthier' products are available in these stores by developing smaller packages that meet the \$1 price-point, ideally at a greater rate than their less healthy products.



Marketing

Responsible marketing policies and auditing of compliance

Consumers' choices of what to eat and drink are influenced in part by how manufacturers market their products, as outlined in the context chapter of this report. Companies can support consumers in making healthy choices by marketing their products responsibly and prioritizing the marketing of healthier products. Therefore, they need to adopt and publish responsible marketing policies for all consumers, including additional commitments with respect to marketing to children. This category assesses the scope and strength of companies' corporate marketing policies for both general audiences and children – specifically how they align to best practice marketing guidance and standards, and their systems for auditing compliance with their policies.

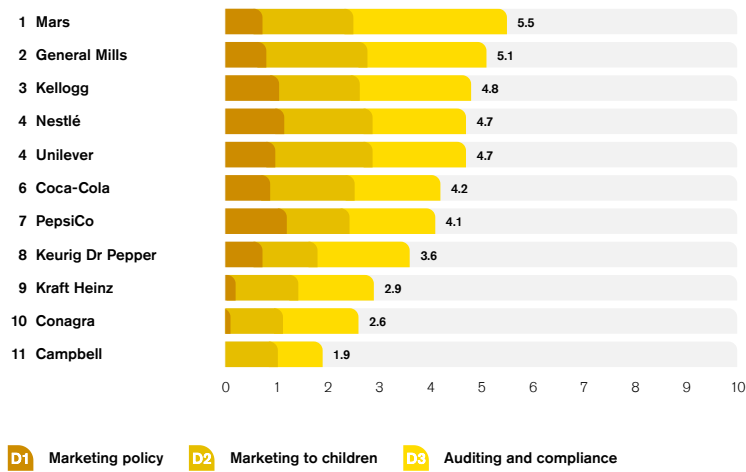
Category D consists of three criteria:

- D1 Marketing policy: General aspects of responsible marketing
- D2 Marketing policy: Specific arrangements regarding responsible marketing to children, including teens
- D3 Auditing and compliance with policy

To perform well in this category, a company should:

- Establish and implement a responsible marketing policy covering all consumers.
- The marketing policy should be comprehensive in its scope, i.e., considering all media channels, and should embrace the principles of the International Chamber of Commerce (ICC) general marketing code,¹²⁰ as well as the Framework for Responsible Food and Beverage Marketing Communications.¹²¹
- Commit to substantially increase marketing spending for healthier products relative to the overall marketing budget, including setting quantitative targets for a specified timespan.
- Establish, implement and evaluate a comprehensive policy that explicitly covers responsible marketing practices targeted to children aged 18 years and younger including teens, aged 13-17 years, including all channels and media platforms (i.e., social media, mobile, virtual and marketing communications that use artificial intelligence); locations/settings (i.e., schools grades K to 12 or other places where children gather (YMCA, sports clubs)); child-directed in-store marketing and types of products.¹²²
- Make a public pledge to adhere to the Children's Food and Beverage Advertising Initiative (CFBAI)¹²³ principles, and further commit to not advertise or market food or beverage products that do not meet the uniform nutrition criteria to children under 18 including teens.
- Commission or participate in external independent audits to assess compliance with marketing policies, as well as disclosure of individual results for all types of channels and media platforms (i.e., digital media or TV).

Ranking



The average score on D is 4.2 out of 10. Overall scores are higher for D2 (marketing to children) and D3 (the auditing strategy and policy of companies) than D1 (marketing policy and strategy for all audiences). Mars scores highest in this category, due to its comprehensive auditing efforts, which was also the case for the 2018 US index. General Mills and Kellogg rank second and third scoring 5.1 and 4.8 respectively, closely followed by Nestlé and Unilever (both scoring 4.7).

Category Context

With a marketing budget of nearly \$14 billion per year,¹²⁴ food, beverage, and restaurant companies in the US exert significant influence over the dietary choices of Americans through the promotion of their products, and is a dominant feature of the food environment. The World Health Organization (WHO) recently published a report revealing the majority of food marketing promotes predominantly unhealthy products that contribute to malnutrition, and that children continue to be exposed to this.¹²⁵ This disproportionate marketing of unhealthy foods is widely recognized as a key driver of unhealthy diets, which in turn, are associated with obesity and diet-related non-communicable diseases (NCDs). In the US,¹²⁶ ¹²⁷ a robust evidence base shows that children's and teens' diet-related preferences and behaviors are influenced by the marketing of unhealthy food and beverage products,¹²⁸¹²⁹ which is a driver of poor diet quality, obesity and diet-related chronic diseases.¹³⁰ Corporate marketing practices has led many key stakeholders, including WHO, to call for government and industry to restrict the marketing of unhealthy products, especially to children and teens up to age 17 years.¹³¹¹³²

Industry-supported self-regulatory programs or initiatives have been the primary approach to reduce unhealthy food and beverage marketing to children in the US since 2007. For adult consumers, the gold standard for responsible marketing is the Federal Trade Commission's (FTC's) truthful advertising and endorsement guidelines,¹³³ and the ICC Framework for Responsible Food and Beverage Marketing Communications, which sets out general principles governing all marketing communications. It includes separate sections for sales promotion, sponsorship, direct marketing, digital interactive marketing, and environmental marketing.¹³⁴ However, ATNI encourages companies to go beyond this, and adopt commitments, concrete targets, and tracking systems to promote their healthier products and variants at a proportionately greater rate than their less healthy products.

Industry self-regulatory programs or initiatives that include the Children's Food and Beverage Advertising Initiative (CFBAI) and Children's Advertising Review Unit (CARU), are administered by the Better Business Bureau (BBB).

CARU addresses how foods (and all products) are advertised to children under 12 years old, accounting for their vulnerabilities by ensuring that advertising directed toward them is truthful, not misleading, unfair, or inappropriate. The Guidelines also reflect the requirements of the Children's Online Privacy Protection Act (COPPA) of 1998¹³⁵ which prohibits unfair or deceptive acts or practices in connection with the collection, use, and/or disclosure of personal information from and about children on the Internet.

The **CFBAI** requires member companies to advertise only food, beverage and meal products that meet CFBAI's Uniform Nutrition Criteria to children under age 12 years on media covered under the program, or not to advertise any products at all. The program consists of 20 US food and beverage and quick-serve restaurants among its members, including all of the companies assessed in this Index, which together accounted for 74% of advertising on children's television in the US in 2020.¹³⁶ The Uniform Nutrition Criteria were revised in 2018 and implemented in 2020. It should be considered that the nutrition criteria are not as stringent as criteria used in government regulatory policies (e.g., UK, Chile), and these nutrition criteria allow certain products that experts do not recommend for children, such as drinks or foods with high sugar, fat, or sodium content for some categories. It should be noted, however, that WHO defines 'children' as those below 18 years old, while a 2015 US Expert Panel¹³⁷ advised to include children from birth through age 14. Other recommendations from this expert panel that are still relevant – and not been adopted by CFBAI-participating companies that relate to the marketing definition to include products and brands, audience thresholds for children, marketing settings, and on-pack and in-store marketing (see Box 1).

Box 1. Measuring marketing techniques, the caveats

Food and beverage marketing is a dynamic field that quickly changes based on developments in technology, updated federal and state regulations, and new insights into marketing techniques and opportunities.

ATNI strives to monitor improvements in marketing commitments by food and beverage companies in relation to priority topics in this constantly changing field. Below, we mention some of the nuanced issues that are currently not specifically addressed by the ATNI methodology, as they go beyond data available to the organization:

- **Brands vs. products:** The CFBAI has set nutrition criteria for products which meet health standards and are therefore deemed permitted to be advertised to children. Advertising and promotion of products within a brand family that meet the criteria could spill over and affect purchase decisions for other products of the same brand that do not meet such criteria.¹³⁸¹³⁹
- **Making impact:** Reformulation strategies – for example, those based on the CFBAI nutrition standards or the Smart Snacks in School program – should be founded on scenario analysis of the highest possible positive health impact based on actual sales and consumption data. This allows for modeling exercises to assess the extent that these foods and beverages will contribute to the improvement of public health. Reformulating products which are widely consumed will have a larger impact on improving public health compared to products which are consumed by a small proportion of the population.¹⁴⁰ However, reformulated products included in the CFBAI only make up a small proportion of the food supply in the US, and thus the impact on providing healthier products on a large scale is limited.¹⁴¹
- **'It's in the fine print':** All companies have their own tailored marketing policy. Where some policies include an extensive list of the media forms and marketing techniques it entails, others are brief and indistinct. There are many widely established forms of marketing that are excluded from industry self-regulation e.g. child-directed product packaging and in-store marketing, and sponsorships of children's events/activities. This leaves room for loopholes that enable unhealthy foods to be marketed to children without breaching a company's policy.¹⁴²

ATNI has started testing the use of tools to extract online retail data, to have more independent performance indicators that will complement the current set of indicators on this topic.

Relevant Changes to the Methodology

- The Category weighting has been reduced by 2.5% points, due the introduction of the Product Profile elements in Category B.
- The methodology is aligned with the updated ICC Framework for Responsible Food and Beverage Marketing Communications, 2019.
- The number of criteria is reduced from six to three, and the number of indicators is reduced from 53 to 33. Also, there is more focus on marketing to children practices, including teens (up to age 18), and efforts that go beyond CFBAI core commitments.
- An 'age' multiplier is introduced, to evaluate the extent to which companies' marketing policies cover both children and teens.
- Auditing and compliance practices are assessed for marketing in both the general population and children.

Key Findings

- Compared to 2018, when eight (out of 10) companies pledged to support the ICC code, fewer companies (seven out of 11) made such a commitment in this iteration. Four companies go beyond the ICC pledge, demonstrating best industry practices (e.g. to present products in the context of a balanced diet); a slight improvement since 2018, where this commitment was made by three companies.
- While five companies have made a commitment to increase their marketing spending on healthier products relative to overall marketing spending, none of these companies have set quantitative targets for a specified timespan. As marketing influences purchasing behavior, all companies are encouraged to increase their marketing budgets for the promotion of healthier products and make such commitments public expressed as a percentage of the overall marketing budget as to avoid giving away commercially sensitive information.
- Since 2018, Mars remains the only company that has commissioned an independent, third-party audit of its marketing compliance to children and all consumers. All companies are recommended to adopt this approach.
- In 2018, 32 percent of U.S. children and teens (2-19 years) experienced overweight or obesity, and robust evidence links corporate marketing practices to their obesity risk. It is critical that all food and beverage companies responsibly market their products to children, including teens, and follow internationally recognized standards set by WHO, UNICEF and the ICC. Companies must ensure that their commitments, policies and practices are comprehensive and explicitly cover all marketing communication channels and media platforms; locations/settings; and applicable to all products.
- While all companies commit not to market or advertise their products in primary schools, this commitment is made by just four companies for secondary schools. Only two companies committed not to market in other places where children gather (e.g., YMCAs, after-school clubs, Boys and Girls Clubs, etc). Companies must not market in or near secondary schools, and extend this pledge to other places popular with children.
- While all companies define children as either 12 or 13 years, Unilever has announced it will increase this threshold to 16 years as of 2023 (though this was announced after the assessments for this US index were performed). All companies – and the CFBAI – are strongly encouraged to adopt either the ICC 2018 framework that applies to children, including teens up to 17 years, and the United Nation (UN) definition of a child as up to 18 years old based on the 1989 International Convention on the Rights of a Child.

Notable Examples



Out of all companies assessed, Nestlé's marketing policy is most explicit on what marketing communication techniques it includes (e.g., native online, influencer, and viral), but also on which media it covers (own, third-party, and user-generated media).



Unilever made a new commitment not to market their products to children and, in April 2022, also announced that it is raising the age threshold of this commitment to all under 16s – being the first US Index company to use this age limit and the closest to the International Child Rights Convention's definition of a 'child' (18 years).



D1. Marketing policy to all consumers

To what extent did companies strengthen their commitments to market responsibly to the general consumer?

All companies, with the exception of Kraft Heinz and Campbell, published a policy for responsible marketing to all consumers that is applicable to the US. Six companies' policies include all forms of marketing embedded within the ATNI methodology (print, broadcast, digital media, point of sale, sponsorship, and other marketing forms), with General Mills, Kellogg, and PepsiCo scoring higher in this regard since 2018.

Seven companies (see Table 1) that pledged to adopt the 2018 ICC Framework for Responsible Food and Beverage Marketing Communications scored highly on marketing policy commitments with regards to fair representation (i.e., marketing should be truthful to the appearance and other characteristics of the product) of their products (for example, on health or nutrition claims and appropriate portion sizes). Kellogg joined Mars, Nestlé, and Unilever to commit to industry's best practices to not use any models with a body mass index (BMI) of under 18.5 and/or to present products in the context of a balanced diet.

Table 1. Companies' pledges to commit to international marketing guidelines

| | CFBAI 2021 principles | CARU public pledge | IFBA | 2018 ICC framework |
|---------------|-----------------------|--------------------|------|--------------------|
| Campbell | ● | ● | - | - |
| Coca-Cola | ● | ● | ● | ● |
| Conagra | ● | ● | - | - |
| General Mills | ● | ● | ● | ● |
| Kellogg | ● | ● | ● | ● |
| KDP | ● | - | - | - |
| Kraft Heinz | ● | ● | - | - |
| Mars | ● | ● | ● | ● |
| Nestlé | ● | ● | ● | ● |
| PepsiCo | ● | ● | ● | ● |
| Unilever | ● | ● | ● | ● |

● Company has a commitment
 - No/no information

Note: CFBAI = Children's Food and Beverage Advertising Initiative; CARU = Children's Advertising Review Unit; IFBA = International Food & Beverage Alliance; ICC = International Chamber of Commerce

Do companies seek to increase their marketing spending on their healthier products, relative to overall marketing budgets?

Encouragingly, five companies, including Kellogg and Nestlé, commit to proportionately increase their marketing spending on healthier product variants, while PepsiCo and Coca-Cola commit to market their reduced-calorie beverages at a greater rate than full-calorie ones. This is a notable improvement since 2018, when only one company was found to do so. However, none of these companies have set quantitative, time-bound targets for marketing spending to ensure that their healthier products are marketed at a higher rate than less healthy products. Doing so would cement their commitment, and increase accountability to stakeholders.

Recommendations

- Four companies that have not yet aligned their marketing commitments with minimum standards for responsible marketing, as per the ICC framework, should do so. The ethical guidelines published by the ICC in 2018 are a minimum set of standards to ensure responsible marketing and safeguarding better nutrition for the general audience.
- All companies are encouraged to set quantifiable targets and timelines to increase their marketing of healthy food and beverage products relative to less healthy products in their product portfolios. These firms should be transparent about the criteria used to define 'healthy' or 'healthier', in order to promote a shift towards healthy eating patterns aligned with the Dietary Guidelines for Americans 2020-2025.¹⁴³ These companies are encouraged to track their relative marketing expenditures and publicly disclose their progress.

D2. Responsible Marketing to Children

How extensive and comprehensive are companies' commitments regarding responsible marketing to children in the US?

Nestlé, Mars, Coca-Cola, and Unilever commit not to directly market (a selection of) their products to children (under 12 years in the case of Nestlé, and under 13 years for the other companies). In April 2022, Unilever also announced that, as of 2023, it is raising the age threshold of this commitment to all under 16s – being the first US Index company to use this age limit and the closest to the International Child Rights Convention's definition of a 'child' (18 years). The remaining companies commit to only market products meeting internal 'healthy' criteria to children, of which PepsiCo and Coca-Cola increased its age threshold to 13 years. It is also worth noting that the CFBAI will raise the age threshold to 13 years effective 1 January 2023, requiring all participating companies to align with this policy.

An extensive list of aspirational commitments relating to restricting specific marketing messages and techniques has been assessed, including those related to supporting the role of parents; not creating a sense of urgency; not using celebrities, fantasy, or animated characters; and many more (see Table 2). Kellogg's and Unilever's updated policies, closely followed by Mars and General Mills, now capture these commitments most comprehensively in comparison to other companies' policies, including Nestlé's, which was the strongest in this regard in 2018.

Table 2. Companies' commitments for marketing to children techniques and messages

| | Campbell | Conagra | General Mills | Kellogg | KDP | Mars | Nestlé | PepsiCo | Coca-Cola | Kraft Heinz | Unilever |
|---|----------|---------|---------------|---------|-----|------|--------|---------|-----------|-------------|----------|
| Not to create a sense of urgency (Article 18) | ● | ● | ● | ● | - | ● | ● | ● | ● | ● | ● |
| Not to use inappropriate price minimization (Article 18) | ● | ● | ● | ● | - | ● | ● | ● | ● | ● | ● |
| Not to exploit a child's imagination in a way that could mislead him/her about the nutritional benefits of the product involved | ● | ● | ● | ● | - | ● | ● | ● | ● | ● | ● |
| Supporting the role of parents or others responsible for guiding diet and lifestyle choices or not to undermine the role of parents or others responsible for guiding diet and lifestyle choices | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| To apply child online privacy and data protection standards (like COPPA) and monitor the audiences of their marketing techniques to determine whether it has become popular with children, even though they may not have been the intended audience | ● | - | ● | ● | - | ● | - | ● | ● | ● | ● |
| Not to brand merchandise aimed at children except related to healthy products | - | - | - | ● | - | - | - | - | ● | - | - |
| Not to sponsor people, materials or activities popular with children at all or only for healthy products | - | ● | ● | ● | ● | ● | ● | - | ● | ● | ● |
| Not to use celebrities and other people with strong appeal to children in marketing of products at all, or only for healthy products | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| That if celebrities or others (including influencers) are used in marketing, they will not imply that their performance or status has improved through use of the product | ● | ● | ● | ● | - | ● | ● | ● | ● | - | ● |
| Not to depict children on packaging at all or except for healthy products | - | - | - | - | - | - | - | - | - | - | ● |
| Not to make use of promotional games, toys, vouchers, competitions etc. in their marketing to children, or only for healthy products | - | - | ● | ● | ● | ● | ● | - | ● | - | ● |
| Not to use (third-party or own) fantasy or animated characters with a strong appeal to children in marketing of products at all, or only for healthy products, IN ALL FORMS OF MARKETING | ● | - | ● | ● | ● | ● | - | - | - | - | ● |

● Company has a commitment
- No/no information

In addition to their own policies regarding marketing to children, all companies commit to following both the CFBAI policy and CARU guidelines, with the exception of KDP (which joined CFBAI in 2019 but is yet to commit to CARU). Consequently, the companies' policies cover a broad range of marketing media, including print, broadcast, electronic/digital, and other forms, such as cinema, product placements, etc. Beyond this, only Unilever's policy explicitly includes all in-store or point-of-sales marketing (including packaging); whereas General Mills and Kellogg are the only companies that explicitly include 'Sponsorship' (for example, of sporting, entertainment, or cultural events or activities) in their lists.

For restrictions on marketing to children, companies apply an audience threshold for media to determine when the restriction should apply. Most companies apply their marketing restrictions when children make up 30% or more of the audience, as per CFBAI's updated policy – but best-performing companies (KDP, Unilever, Mars, and Nestlé) go further and apply a threshold of 25% (in-line with the 2015 US Expert Panel (HER) recommendations), where KDP and Unilever have increased their threshold since 2018.

Digital Marketing

For online marketing, digital tools should be applied to ensure marketing messages do not reach children under the age threshold that companies commit to. All companies report that they review age-related data; ensure the design of their digital websites, pages, social media, or apps do not attract young children; and assess the nature of third-party websites. Some companies go further and also commit to include age-screening prior to logging on/registering or review visitor profiles of third-party websites; Mars and General Mills do both. Where the ICC Framework for Responsible Food and Beverage Marketing Communications specifically addresses digital marketing, comprehensive guidelines on this quickly evolving marketing space should be emphasized and should be taken up by companies and incorporated in their marketing policies (see Box 2).

How extensive are companies' commitments to restrict marketing in and near schools and other places popular with children?

As in 2018, all companies assessed commit to not market or advertise in primary schools, either for all or only in relation to healthier products. General Mills, Nestlé, Kraft Heinz, and Unilever demonstrate leading practice by also extending this commitment to secondary schools – a clear improvement since 2018, when only General Mills and Kraft Heinz did so. Moreover, Unilever and Coca-Cola now extend their responsible marketing commitments to other places where children gather alongside Nestlé, which was the only company to do so in 2018.

Recommendations

- While ATNI acknowledges that companies are slowly moving in the right direction, they are encouraged to further increase the age threshold for their marketing restrictions to 18 years, as recommended by UN agencies including WHO and UNICEF, to ensure *all* children (including teens and adolescents) are sufficiently safeguarded from the marketing of unhealthy products. Also, an audience threshold of 25% should be adopted by all companies.
- ATNI recommends all companies commit not to market to children at all.
- Companies are encouraged to extend their marketing restrictions to fully cover the school environment, including secondary schools, and other places where children, including teens, typically gather.
- To enhance transparency and accountability, companies should be as explicit and comprehensive as possible in describing the forms of marketing and media their policy applies to. This is especially the case for digital marketing, giving that this is a rapidly evolving field, and it cannot be taken for granted that companies and other stakeholders have the same definitions of terms such as 'all media', for example.

Box 2: Digital Marketing to Children

The proliferation of marketing techniques through digital media has caused alarm among concerned stakeholders. Children are a particularly vulnerable demographic in the digital marketing sector, as they are targeted by marketing techniques that exploit how they use the Internet for social networking, video-sharing, gaming, etc. Despite being 'digital natives', research shows that only a minority of children can identify sponsored content. For example, 24% of children aged eight to 11, and 38% of those aged 12 to 15, can correctly identify sponsored search links on Google. Stakeholders' fears around digital marketing to children are compounded further by the increase in screen-time and online learning that resulted from COVID-19 restrictions.¹⁴⁴ Out of all companies assessed, Nestlé's marketing policy is most explicit on what marketing communication techniques it includes (e.g., native online, influencer, and viral), but also on which media it covers (own, third-party, and user-generated media).

D3. Auditing and Compliance

To what extent do companies audit compliance with their responsible marketing policies, for both children and general audiences?

All 11 companies are subject to annual CFBAI audits of their compliance with marketing to children policies, which monitor their advertisements on child-directed TV, print, radio, the internet (including company-owned websites, third-party websites, and child-directed YouTube channels), and mobile apps in the US, as well as a self-assessment report.¹⁴⁵ However, not only does this not cover the full range of media their policies apply to, but it also does not cover their responsible marketing policies for the general audience.

Mars is the only company who hires an independent external auditor unrelated to an industry association and performs an audit of their marketing policy for both the general audience and children. Their audit covers all media specified in the policy: Not just TV and digital media, but also publishing, social media, and posters/billboards.

How far do companies comply with their marketing policies?

According to the latest CFBAI Audit report,¹⁴⁶ it found “excellent compliance” in 2020, and there were “very few occasions when foods that did not meet CFBAI’s Uniform Criteria were advertised to children in covered media”.

For other channels, such as television, digital, and mobile (including company-owned websites, in-app advertising, and child-directed YouTube channels), some instances of non-compliance were found. The report provides commentary on these, naming the companies involved and the steps taken to rectify their actions – although it is not clear if this constitutes a comprehensive list of instances of non-compliance, or are just some indicative examples.

It is important that companies also disclose information about their individual audits and their findings on their own domains. Only three companies (General Mills, Kellogg, and KDP) were found to publish the CFBAI results on their own website, although this is an improvement since 2018, when it was only PepsiCo. Mars, meanwhile, only publishes its compliance levels for specific media at a global level, and overall compliance at regional levels (e.g. ‘North America’); it is not specific about its compliance in the US market, nor by media type.

It should be noted, however, whether it is performed by an industry-led organization such as CFBAI or an external auditor (independent from industry), its credibility is only as valid as the quality and comprehensiveness of the policy it assesses. An audit of a weak marketing policy will not add much weight to the credibility of the marketing policy.

Do companies have robust responsive mechanisms in place to deal with instances of non-compliance?

Seven companies (General Mills, Kellogg, Mars, Nestlé, PepsiCo, Coca-Cola, and Unilever) now report their response mechanisms for instances of non-compliance, whereas only Mars did so in 2018. ATNI found some of these response mechanisms to be more structured and robust: General Mills, for example, deals with issues of non-compliance through its Responsible Marketing Council, commissioning training where necessary as part of the remediation. The CFBAI auditing report also provides numerous examples of actions taken by specific companies to remedy issues of non-compliance. Generally, most companies report that, due to a low number of such instances, the corrective action taken is always specific to the case at hand, rather than a systematic approach.

Recommendations

- Companies are encouraged to audit their full marketing policy and be more transparent about their auditing results, providing both quantitative and qualitative information for specific media and marketing forms in their reporting/websites.
- All companies should ensure they have robust corrective mechanisms in place for when instances of non-compliance are found, and that these are publicly disclosed.
- Category D1 and D2 relate to establishing and implementing a marketing policy to cover all consumers and children respectively and having strong and solid policies in place are essential before auditing and compliance measures are performed. All companies should primarily focus on establishing comprehensive marketing policies especially for children, including teens, as not having those in place makes auditing and compliance measures less relevant

Marketing of Breast-milk Substitutes

The importance of breastfeeding

Nutrition is particularly important within the first 1,000 days of a child's life (from conception to age two).

Optimal breastfeeding is a crucial element of infant and young child nutrition. The World Health Organization (WHO) recommends that infants everywhere be breastfed exclusively for the first six months, at which point safe, appropriate complementary food (CF) should be introduced to meet their evolving nutritional requirements. The WHO also notes that CF should not be used as breast-milk substitutes (BMS), and that infants and young children should continue to be breastfed until they are aged two or older (WHO, 2003).

Breastfeeding has long been proven to provide myriad significant health benefits compared to baby formula. These benefits are unique to breastfeeding and help both mother and infant (Chowdhury *et al.*, 2015; Sankar *et al.*, 2015). Positive long-term benefits for infants include protection against becoming overweight or obese, as well as against certain non-communicable diseases such as diabetes mellitus (Victoria *et al.*, 2016).

However, several factors, including employment, that are not supportive of breastfeeding, may influence women's and parents' choices of resorting to formula milk instead of breastfeeding (WHO and UNICEF, 2022). Formula milk has its place for women and parents who unable or do not want to breastfeed, often the result of other factors – such as employment – that are not supportive of breastfeeding.

Breastfeeding rates and trends

In the United States, according to national figures from the National Immunization Survey (NIS) 2011-2018, 25% of infants in 2018 were exclusively breastfed through six months compared to 18.8% in 2011. As seen in Figure 1, breastfeeding rates through six months vary from state to state, with no single state in 2017 having breastfeeding rates higher than 38.1%. Further, 83.9% of infants were ever-breastfed in 2018, compared to 79.2% in 2011. Rates of exclusive breastfeeding through three months also rose from 40.7% in 2011 to 46.3% in 2018. The percentage of breastfeeding was lower among infants aged 12 months, but increased between 2011 and 2018 (from 26.7% to 35%) (CDC, 2018). Despite increases in breastfeeding in the recent years, figures still fall short of the World Health Assembly (WHA) global target of at least 50% of infants under six months of age to be exclusively breastfed by 2025 (WHA, 2018).

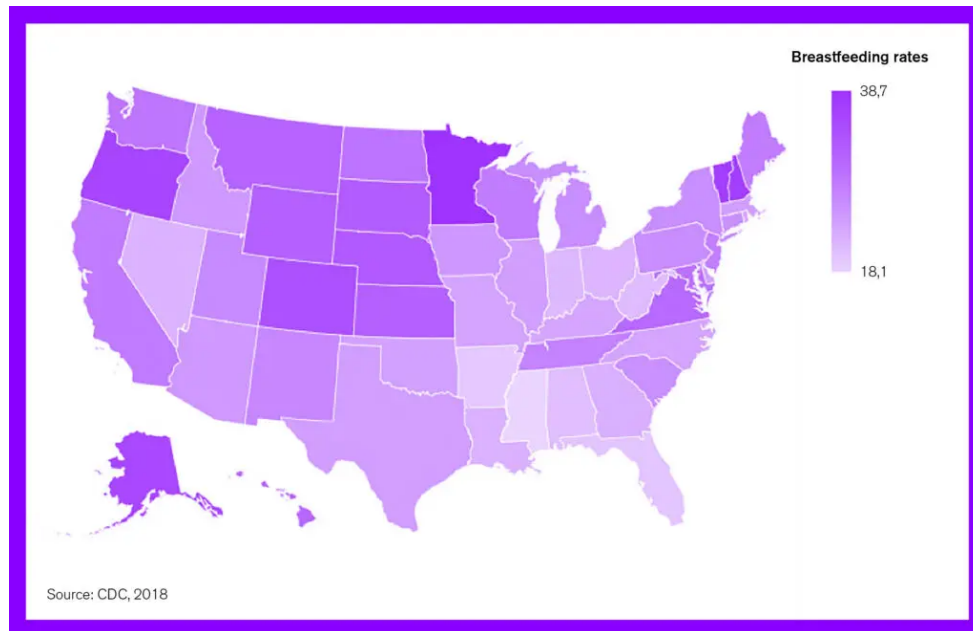
According to the national figures in 2018, supplementation with infant formula before two days was 19%, 31% before three months; and 35.8% before six months (CDC, 2018).

The US Breastfeeding Committee has shared comprehensive policy solutions to address the infant formula shortage, with the following actions outlined to support breastfeeding and ensure infant nutrition security:

- Establish a national paid family and medical leave program. The FAMILY Act (S. 248/H.R. 804) would ensure that families have time to recover from childbirth and establish a strong breastfeeding relationship before returning to work.
- Ensure all breastfeeding workers have time and space to pump during the workday. The Providing Urgent Maternal Protections (PUMP) Act (S. 1658/H.R. 3110) would close gaps in the Break Time for Nursing Mothers Law, giving nine million more workers time and space to pump.

- Invest in the CDC Hospitals Promoting Breastfeeding program by increasing funding to \$20M in FY2023. This funding helps families start and continue breastfeeding through maternity care practice improvements and community and workplace support programs.
- Create a formal plan for infant and young child feeding in emergencies. The DEMAND Act (S. 3601/H.R. 6555) would ensure the Federal Emergency Management Agency can better support access to lactation support and supplies during disasters.

Figure 1. Breastfeeding rates through six months among infants born in 2017 by state



The International Code of Marketing of Breast-milk Substitutes

The International Code of Marketing of Breast-milk Substitutes is a global health policy framework developed by WHO in 1981 to regulate the marketing of breast-milk substitutes in order to protect breastfeeding. Since 1981, 18 WHA resolutions have been adopted to clarify and extend the requirements of the International Code (WHO, 2020). The International Code, along with all subsequent relevant WHA resolutions, are considered together and are hereinafter collectively referred to as ‘the Code’.

According to the Code, breast-milk substitutes are any milks, both in powdered and liquid form, which are specifically marketed for feeding infants and young children up to the age of three. BMS products therefore include infant formula (intended for infants aged zero to six months), follow-up formula (intended for older infants between six and 12 months), and growing-up milks (intended for young children aged 12-36 months and also known as *toddler milks* in the US), and all formulas for special medical purposes (intended for infants and young children aged 0-36 months). Other BMS products include foods and beverages promoted as being suitable for feeding a baby during the first six months of life, including baby teas, juices, and waters, as well as feeding bottles and teats (WHO, 2017). All provisions of the Code apply to all types of BMS, which cover, inter alia, restrictions on the advertising, point-of-sale promotion, and marketing of the products within healthcare facilities, as well as required information on product labels around the appropriate use of BMS. The guidance associated with WHA 69.9 also saw requirements introduced in 2016 concerning the marketing of complementary foods (intended for older infants and young children between six to 36 months of age) of appropriate nutritional quality.

Although the Code is not legally binding, it is expected that governments “take action to give effect to the principles and aim of this Code, as appropriate to their social and legislative framework, including the adoption of national legislation, regulation or other suitable measures” (Sub-article 11.1 of the Code) (WHO, 2020). The United States did not ratify the original Code in 1981 and is one of the few countries not to have adopted any Code provisions (WHO, 2022a).

While the government has a responsibility to fully implement the Code in national legislation, the Code states that “independently of any other measures taken for implementation of the Code, manufacturers and distributors of products within the scope of the Code should regard themselves as responsible for monitoring their marketing practices according to the principles and aim of this Code, and for taking steps to ensure that their conduct at every level conforms to them” (Sub-article 11.3 of the Code) (WHO, 2020).

BMS/CF companies

Abbott, Reckitt, and Nestlé are the largest players in the baby food market: Together, they account for nearly 72% of the total baby food market share and for 89% of breast-milk substitutes alone. The most prominent brands are Enfamil (Reckitt), Similac (Abbott), and Gerber (Nestlé): Combined, they have 65% of the total baby food market in the United States (Euromonitor, 2021). Most recent data shows that, in 2021, 35% of Reckitt's, 45% of Abbott's, and 11% of Nestlé's food baby global sales were attributed to sales in the US.

Among the companies assessed in ATNI's 2021 BMS/CF Marketing Index, Abbott, Danone, Nestlé, and Reckitt were reviewed on their BMS market in the United States. Danone and Nestlé were also assessed on complementary foods. The following section describes these companies' policies and how they are applied in the US, based on the 2021 BMS/CF Marketing Index assessments.

Each of the four companies has at least one policy addressing the marketing of breast-milk substitutes. However, neither Danone nor Nestlé was found to have a policy on the marketing of complementary foods. Table 3, below, provides an overview of each company's commitments around BMS marketing, and their level of alignment to the provisions of the Code. Among the four companies, Abbott has relatively weak commitments in alignment with the Code, whereas those of the remaining three vary across different forms of marketing.

Table 3. Alignment of companies' BMS marketing policies to the Code

| Article of the Code | Abbott | Danone | Nestlé | Reckitt |
|--|--------|--------|--------|---------|
| Article 4 Information and Education | - | ● | ● | ● |
| Article 5 The General Public and Mothers | - | ● | ● | ● |
| Article 6 Health Care Systems | - | - | ● | - |
| Article 7 Health Workers | - | ● | ● | ● |
| Article 8 Persons Employed by Manufacturers and Distributors | - | ● | ● | ● |
| Article 9 Labeling | - | ● | ● | - |
| Article 10 Quality | ● | ● | ● | ● |
| Article 11 Implementation and Monitoring | - | ● | ● | ● |

● Policy alignment score ≥95%
 ● Policy alignment score ≥75%
 - Policy alignment score is <75%

* Including subsequent relevant WHA resolutions

How are these commitments applied in the US?

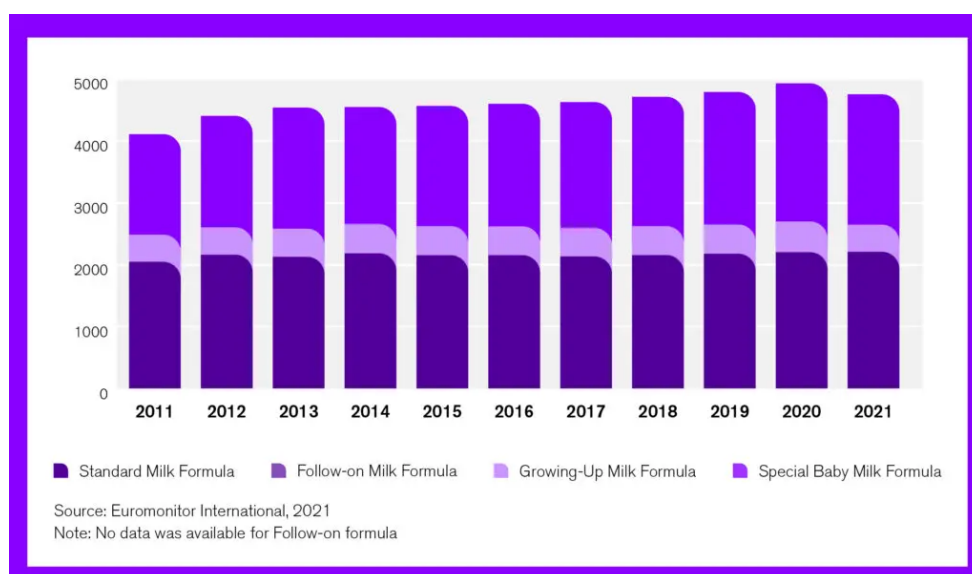
As shown in Table 4, despite the companies having policies around the marketing of breast-milk substitutes, the commitments outlined do not apply in the US as it is classified as a 'lower-risk' country¹⁴⁷. However, this is an exception in the case of Abbott and Danone, which universally uphold their BMS marketing commitments even in countries where local Code regulations are absent or less stringent than their own policies¹⁴⁸ – although this is only in relation to their infant formula products intended for infants under six months of age. Abbott's commitment to *upholding* its BMS marketing policy for infant formula globally is new; however, this updated policy (dating May 2020) has been found to be less aligned with the Code compared to the assessment of the company's prior policy in the 2018 Index. Nestlé, on the other hand, committed in its [public response](#) to the BMS Call to Action¹⁴⁹ to unilaterally stop the promotion of infant formula for infants 0-6 months of age in all markets by the end of 2022, and outlined in its [roadmap](#) the company's plan to explicitly extend its policy to the US, where Code regulations are absent. With regards to follow-up formula (6-12 months), the companies only uphold their BMS marketing commitments in 'higher-risk' countries – while Reckitt and Nestlé (at the time of the 2021 BMS/CF Marketing Index assessment) similarly do so for their infant formula (0-6 months) products.

Table 4. Companies' marketing commitments as applicable to its products in the US market

| Product types | Abbott | Danone | Nestlé | Reckitt |
|--|--------|--------|--------|---------|
| BMS | | | | |
| Infant formula 0-6 | ● | ● | - | - |
| Follow-on formula 6-12 months | - | - | - | - |
| Growing-up milks/toddler milk 12-36 months | - | - | - | - |
| Complementary foods 0-6 months | n/a | - | - | ●* |
| Complementary foods | | | | |
| Complementary foods 6-36 months | n/a | - | - | n/a |
| <ul style="list-style-type: none"> ● Company covers product in the US market - Company does not cover product in the US market | | | | |
| <p>* While Reckitt's BMS marketing policy covers complementary foods for those under six months of age, the company shared that it does not currently manufacture this product type.</p> | | | | |

No commitments are applied in any market, however, to the marketing of growing-up milks (aka toddler milks) or complementary foods. As shown in Figure 2, baby food sales have increased in the past 10 years. Among all, a larger increase is seen in complementary foods, followed by formulas for special medical purposes.

Figure 2. Growth of sales of baby food by category in the US 2011-2021 (USD million)



Research on companies' marketing practices in the US

Data on advertising spending suggests that toddler milks are being increasingly promoted in the US, while infant formula advertising is declining. Concerns over the marketing of toddler milk include confusing caregivers between the types of milk formulas intended for different age groups, and promoting products with misleading claims while their nutritional quality is problematic (Harris and Pomeranz, 2020). The American Academy of Family Physicians has noted the additional cost of toddler milks and that these products have no proven advantages over whole milk (O'Connor, 2009) – particularly as research shows toddler milks contain more sodium and less protein than whole cow's milk, and the added sugars in toddler milks are not recommended for young children's consumption (Vos *et al.*, 2017).

There are similar concerns over the nutritional quality and thus marketing of CFs, as research has shown that most CFs sold in the US contain added sugars and have high levels of sodium (Maalouf *et al.*, 2017). Furthermore, in 2016-2018, nearly one in three (32%) US infants was introduced to complementary foods before the age of four months, with 51% being introduced at 4-6 months. A higher prevalence of early introduction was seen among Black infants and infants of lower socioeconomic status (Chiang *et al.*, 2020).

A study by Pomeranz *et al.* (2021) found several promotions in the form of coupons, discounts, rewards, and direct contact on the US websites of Enfamil (MeadJohnson), Similac (Abbott), and Gerber (Nestlé) (in decreased order of findings). Among the three brand websites, Similac's infant feeding content was found to have more mentions of negative breastfeeding issues relative to positive breastfeeding mentions, followed by Enfamil. Such marketing practices could discourage breastfeeding and encourage the use of infant formula (Pomeranz *et al.*, 2021). The WHO report published this year on the scope and impact of digital marketing in promoting breast-milk substitutes found that BMS brand accounts were highly active on social media in the United States. The research also found that BMS brand accounts published content about breastfeeding in addition to content about their own brand and products. Therefore, mothers who search for information about breastfeeding are likely to be exposed to content that directs them towards a BMS brand (WHO, 2022b). Apart from online and digital marketing, research has shown that other marketing techniques prohibited under the Code are common in the United States, including products labeled with inappropriate messages and claims, and promotions throughout the healthcare system, such as free samples offered in hospital discharge packs, which has been shown to be associated with lower breastfeeding rates (Harris and Pomeranz, 2020).

Recommendations to companies

The 2022 status report on the national implementation of the Code reveals that, to date, the United States continues to not have any legal measures related to the Code (WHO, 2022a). Coupled with the fact that studies show BMS marketing is prevalent in various forms in the country, the role of companies in ensuring their practices are Code-aligned is paramount. To do so, BMS and CF manufacturers are urged to fully align their policies and practices with the provisions of the Code, apply the Code provisions in all markets they sell their baby food products in (with no distinction between higher- and lower-risk markets as every child has the right to optimal health, and in relation to all products¹⁵⁰ covered by the Code), and to uphold those commitments irrespective of whether national regulations are absent or weaker than the company's policy.

ATNI has developed a model company policy, which consolidates the provisions of the International Code of Marketing of Breast-milk Substitutes adopted in 1981, along with the subsequent WHA resolutions, to guide manufacturers in responsible BMS marketing that is fully aligned with the Code.



Workforce Nutrition

Supporting healthy diets and nutrition programs in the workforce

Companies can support the nutritional status of their staff by implementing workforce nutrition programs, ensuring their employees have access to healthy foods at work, and providing nutrition education and nutrition-focused health checks. In addition, by supporting parent-friendly working practices and providing appropriate facilities for breastfeeding mothers at work, companies can ensure their employees' infants have the healthiest start in life.

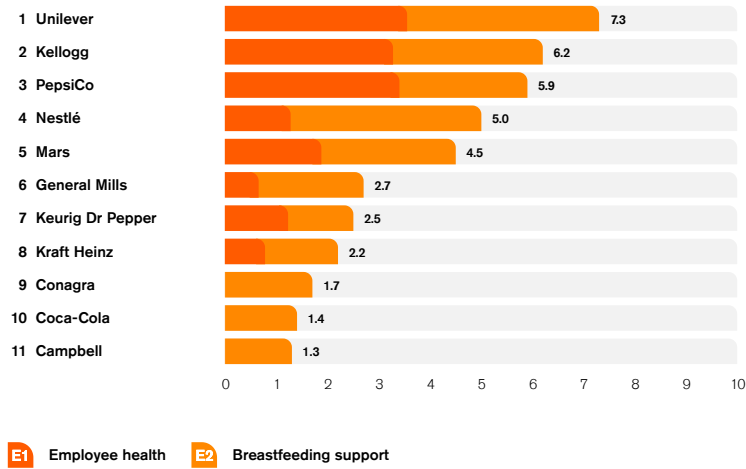
Category E consists of two criteria:

- E1 Supporting Employee Health and Nutrition
- E2 Supporting Breastfeeding Mothers at Work

To perform well in this category, companies should:

- Publicly commit to support employee health and nutrition in the U.S. through a workforce nutrition program, which includes expected outcomes and is available to all employees and their family members.
- Implement a workforce nutrition program consisting of healthy food at work, nutrition education, and nutrition-focused health checks. Evaluate the program and publish information about the results.
- Formally grant paid parental leave of at minimum 14 weeks, as well as offering arrangements to support breastfeeding mothers in the workplace.

Ranking



Overall, scores decreased in Category E, with the average score decreasing from 4.1 to 3.7 out of 10. Unilever now leads the category with 7.3 out of 10, while Kellogg also demonstrated significant improvement. Being signatories of the WNA, both performed well in E1 and showed strong performance in E2. Kraft Heinz and KDP are also commended for improving their performance significantly, having both introduced new policies since 2018 regarding workforce nutrition and supporting breastfeeding mothers.

Category Context

Workforce Nutrition

Given that 58% of the global population spends at least one-third of their adult lives at work,¹⁵¹ workforce nutrition programs have been identified by the World Health Organization (WHO) as a key solution to addressing malnutrition.¹⁵² Studies have found returns on investment (ROI) of 6:1 for workforce health programs that include nutrition – finding positive associations with productivity and cognitive ability, along with reduced absenteeism, medical costs, and rates of accidents/mistakes.¹⁵³ Workforce nutrition programs can also increase employee morale and motivation, improve employer/employee relations, and reduce staff turnover. In addition to these benefits, such programs can help facilitate a company culture with a greater focus on nutrition in its business practices.

The Workforce Nutrition Alliance (WNA, see Box 1) has identified four main types of effective workforce nutrition interventions for companies' employees:¹⁵⁴

- **Healthy food at work.** Programs that focus on increasing employees' access to healthy and safe foods at work – either through direct provision or subsidy, or by increasing the availability of healthy food options in the setting.
- **Nutrition education.** Programs aiming to change the nutrition and/or lifestyle behaviors of employees through increasing employees' knowledge of healthy nutrition.
- **Nutrition-focused health check-ups.** Periodic one-to-one meetings with a health or nutrition professional to assess, and usually discuss, the employee's nutritional health.
- **Breastfeeding support.** Programs or company policies that enable working mothers to breastfeed exclusively for six months and continually for up to two years.

Workforce nutrition was featured as a key topic during the Nutrition for Growth (N4G) Summit in December 2021, where Google presented four new N4G commitments on nutrition. Meanwhile, the N4G's Business Constituency Group (BCG) – which consists of the World Business Council for Sustainable Development (WBCSD), Consumer Goods Forum (CGF), International Food & Beverage Alliance (IFBA), Food Industry Asia, and Nutrition Japan Public Private Platform (NJPPP), and was advised by GAIN and ATNI – launched a call to action for businesses to sign a Responsible Business Pledge for Better Nutrition and join the WNA.

Supporting Breastfeeding Mothers

The US has one of the highest percentages of mothers with infants in the workforce (at 57%).¹⁵⁵ A lack of mother-friendly workplace policies compared to other countries has been identified as a key reason for the low rates of exclusive breastfeeding in the US (relative to other high-income countries).¹⁵⁶ According to the Office of the Surgeon General and the Centers for Disease Control and Prevention (CDC), women experience social stigma and practical difficulties when expressing milk in the workplace, due to poor breastfeeding facilities and inadequate maternal leave policies.¹⁵⁷

Breastmilk is the ideal food for infants and one of the most effective ways to ensure child health and survival, while breastfeeding is also associated with health benefits for the mother.¹⁵⁸ The WHO and the United Nations Children's Fund (UNICEF) recommend that children be exclusively breastfed for the first six months of life. Given that longer parental leave is associated with a longer duration of breastfeeding,¹⁵⁹ the ILO recommends paid maternity leave of 14 weeks minimum, but ideally six months.¹⁶⁰ Aside from parental leave, breastfeeding can also be supported in the workplace by facilitating flexible working arrangements, as well as providing appropriate workplace lactation facilities to ensure mothers can continue breastfeeding when they return to work. The U.S. Breastfeeding Committee reports that investing in supporting breastfeeding mothers at work see returns on investment of 3:1, and breastfeeding-friendly workplaces are associated with higher retention of female workers.¹⁶¹

Box 1. The Workforce Nutrition Alliance (WNA)

The WNA was launched by the Global Alliance for Improved Nutrition (GAIN) and the Consumer Goods Forum (CGF) in 2019 to drive momentum on this topic and support organizations in assessing, enhancing, and implementing their workforce nutrition programs. It has developed a range of [guidebooks and technical support programs](#), covering various aspects of workforce nutrition and advising how to develop such programs. The WNA also helps to facilitate partnerships with nutritionists and other technical partners.

To help organizations monitor, evaluate, and report on the rollout of their workforce nutrition programs and commitments, the alliance recently launched a self-assessment scorecard, [available free online](#).

Kellogg and Unilever are currently WNA signatories.

Relevant Changes to the Methodology

- Greater alignment with the 'four pillars' of WNA: healthy food at work, nutrition education, nutrition-focused health checkups, and breastfeeding mothers at work.
- Criterion E3 on non-commercial consumer education and healthy eating programs has therefore been removed, to put greater emphasis on workforce nutrition programs and to reduce the emphasis on non-commercial programs.

Key Findings

- The number of companies committing to support employee health and nutrition in the US remains similar to 2018, with eight of the 11 companies making some commitment to improving the health of their employees through programs designed to address nutrition. However, the scope of the workforce health and nutrition programs varies considerably.
- Only four companies report conducting some form of evaluation on the health impact of the workforce nutrition program in the US during the last three years.
- Six companies formally commit to both granting paid parental leave, and to providing appropriate working conditions and facilities to facilitate breastfeeding. Another five companies formally commit to granting paid parental leave only.

Notable Examples



Unilever offers several programs that integrate nutrition to improve employee health, including the wider value chain. 'Lampighter' was the earliest health and well-being program, focusing on three main areas of exercise, nutrition, and mental resilience. Unilever also has a 'Health Improvement Program' (HIP), which utilizes a health risk assessment, clinical evaluation, and lab tests to define an individual health risk score. The company has also committed to working with the WNA's self-assessment 'scorecard,' committing to rolling it out and developing action plans in 70 manufacturing sites with on-site catering by 2026.

Further, Unilever's 'Global Maternal Wellbeing Standard,' launched in 2017, offers 16 weeks of paid leave, workplace facilities, and flexibility to support breastfeeding mothers. On its US website, the company states: "Unilever's family support for its United States employees includes: Inclusive paid parental leave for both mothers and fathers, fertility support, adoption assistance, state-of-the-art mothers' rooms and free milk shipments for nursing mothers, and back-up childcare option."



PepsiCo offers an employee wellbeing program called 'Healthy Living,' which is based on three pillars: Be Well, Find Balance, and Get Involved. Healthy eating is a key component of the 'Be Well' pillar, where free fruit is offered onsite and healthy food options are provided in cafeterias. Some locations offer nutrition advice and seminars to employees.

E1. Supporting Employee Health and Nutrition

Have companies improved their commitments to employee health and nutrition in the US, with a specific focus on nutrition?

The number of companies that commit to supporting employee health and nutrition in the US remains similar to 2018, with eight of the 11 companies making some commitment to improving the health of their employees through programs designed to address nutrition.

Of these, only four – Kellogg, Mars, PepsiCo, and Unilever – include measurable and verifiable expected outcomes. Meaningful expected outcomes must be quantifiable, but can be defined in various ways – e.g. by defining expected outcomes related to nutrition-related behavior, health-related outcomes, or outcomes related to employee workforce nutrition program participation. As an example, Kellogg sets personal health-related outcomes such as BMI, blood pressure, blood glucose, and LDL cholesterol for its program’s participants, while also seeking to achieve broader site-level expected outcomes such as improved performance at work, lower absenteeism, and improved people safety.

The scope of the workforce nutrition programs varies considerably: Kellogg, Mars, Nestlé, and Unilever were the only companies to demonstrate their programs are available to all company employees, while others limit the availability in some way. Six companies also make these programs available to some staff family members.

Table 1. Company commitments for supporting employee health and nutrition

| | Company has a workforce nutrition program in the US | | | Company showed evidence of specific workforce nutrition elements in place | | | Company undertakes evaluation of program |
|---------------|---|----------------------------------|---------------------------------------|---|---------------------|---------------------------------|--|
| | With expected outcomes | Available to all/ some employees | Available to all/ some family members | Healthy food at work | Nutrition education | Nutrition-focused health checks | |
| Campbell | - | - | - | - | - | - | - |
| Coca-Cola | - | - | - | - | - | - | - |
| Conagra | - | - | - | - | - | - | - |
| General Mills | - | ◆ | ◆ | - | - | - | - |
| Kellogg | ● | ◆ | ◆ | ● | ● | ● | ● |
| KDP | - | ◆ | ◆ | - | - | ● | - |
| Kraft Heinz | - | ◆ | - | - | - | ● | - |
| Mars | ● | ◆ | ◆ | - | ● | - | ● |
| Nestlé | - | ◆ | - | ● | - | ● | - |
| PepsiCo | ● | ◆ | ◆ | ● | ● | ● | ● |
| Unilever | ● | ◆ | ◆ | ● | ● | ● | ● |

● Yes
 ◆ All
 ◇ Some
 - No/no information

How comprehensive are companies' workforce nutrition programs?

As previously stated, the WNA has delineated four 'pillars' of workforce nutrition programs. Given that breastfeeding support is covered in section E2 of this Index, the other pillars of healthy food at work, nutrition education, and nutrition health checks are covered in E1. As can be seen in Table 1, only three companies – Kellogg, PepsiCo, and Unilever – showed evidence of including these three elements in their programs.

Noteworthy Example: Unilever offers several programs that integrate nutrition to improve employee health, including the wider value chain. 'Lamplighter' was the earliest health and well-being program, focusing on three main areas of exercise, nutrition, and mental resilience. Unilever also has a 'Health Improvement Program' (HIP), which utilizes a health risk assessment, clinical evaluation, and lab tests to define an individual health risk score. The company has also committed to working with the WNA's self-assessment 'scorecard', committing to rolling it out and developing action plans in 70 manufacturing sites with on-site catering by 2026.

Noteworthy Example: PepsiCo offers an employee wellbeing program called 'Healthy Living,' which is based on three pillars: Be Well, Find Balance, and Get Involved. Healthy eating is a key component of the 'Be Well' pillar, where free fruit is offered onsite and healthy food options are provided in cafeterias. Some locations offer nutrition advice and seminars to employees.

Do companies increasingly conduct independent evaluations of the health impact of their workforce nutrition programs?

Since 2018, improvement in this area has been limited. Only four companies report conducting some form of evaluation regarding the health impact of the workforce nutrition program in the US during the last three years. Of these, PepsiCo and Unilever are the only two companies to include measurable and verifiable expected outcomes.

None of the companies have published the results of their evaluation, even in summary form. No companies publish an independent evaluation of their workforce nutrition programs in full. Considering the importance of workforce nutrition programs for employee wellbeing, as well as for workers in the wider supply chain, companies can do a lot more to assess whether their programs are effective in delivering health outcomes.

Recommendations

- Companies are encouraged to ensure they develop workforce nutrition programs that contain elements of the WNA pillars, including healthy food at work, nutrition education, and nutrition-related health check-ups where relevant. They should also define meaningful and quantifiable expected outcomes for their workforce nutrition programs – e.g. related to health-related behaviors, health-related outcomes, or outcomes related to employee participation. Becoming a signatory of the WNA and utilizing its self-assessment scorecards is a good first step in this regard (see Box 1).
- Companies are encouraged to make their workforce nutrition programs available to all employees, as well as where relevant employees' families, to maximize their accessibility and impact.
- Companies are advised to assess the effectiveness of their workforce nutrition programs by evaluating them using robust impact assessment tools and monitoring mechanisms (ideally carried out by a third-party independent evaluator), thereafter publishing the results for the purposes of sharing their learnings.
- Companies are also recommended to make a commitment to supporting the health and nutrition of workers across the wider food supply chain, both in the US and beyond, trying to reach the workers who would most benefit from such programs.

E2. Supporting Breastfeeding Mothers at Work

Have companies improved support for breastfeeding mothers and maternal health in the workplace?

Six companies formally commit to both granting paid parental leave, and to providing appropriate working conditions and facilities to facilitate breastfeeding at the workplace. Another five companies formally commit to granting paid parental leave only.

Noteworthy Example: Unilever's 'Global Maternal Wellbeing Standard,' launched in 2017, offers 16 weeks of paid leave, workplace facilities, and flexibility to support breastfeeding mothers. On its US website, the company states: "Unilever's family support for its United States employees includes: Inclusive paid parental leave for both mothers and fathers, fertility support, adoption assistance, state-of-the-art mothers' rooms and free breast milk shipments for nursing mothers, and back-up childcare option."

Several companies have extended their maternity and paternity leave since the previous US Index iteration. For example, General Mills has increased its maternity leave offer to 18 to 20 weeks, with the parental leave policy for fathers, partners, and adoptive parents at 12 weeks. Kellogg has extended paid parental leave for mothers and fathers to 12 weeks. Nestlé US has expanded the leave granted for primary caregivers from 14 to 18 weeks, as well as extending leave for the parent who is not designated as the primary caregiver from one week to up to four fully paid weeks. To optimally support mothers to breastfeed exclusively for the first six months, ATNI recommends that companies match paid leave for six months.

Table 2: Company policies on paid parental leave

| | Less than 8 weeks | Between 8 and 14 weeks | Between 14 and 26 weeks | 26 weeks or more |
|---------------|-------------------|------------------------|-------------------------|------------------|
| Campbell | - | ● | - | - |
| Coca-Cola | - | ● | - | - |
| Conagra | ● | - | - | - |
| General Mills | - | - | ●* | - |
| Kellogg | - | ●* | - | - |
| KDP | ● | - | - | - |
| Kraft Heinz | - | ●* | - | - |
| Mars | - | - | ●* | - |
| Nestlé | - | - | ●* | - |
| PepsiCo | ●* | - | - | - |
| Unilever | - | - | ● | - |

● Company showed evidence of provision
 - No/no information

*Extended commitment since last iteration

As shown in Table 2, and similar to the previous iteration, eight companies provided evidence of having arrangements in place to support breastfeeding mothers at work. These include offering private, hygienic rooms (seven companies); a refrigerator to store breast milk (five companies); breaks to express breastmilk (two companies); or other functional or flexible working arrangements (five companies). However, most companies have not formalized these commitments or were unable to provide supporting evidence of consistent implementation of these arrangements for all US employees.

Table 3: Company maternity commitments and facilities

| | Private, hygienic rooms | Refrigerators to store breast milk | Breaks to express breast milk | Other functional or flexible working arrangements |
|---------------|-------------------------|------------------------------------|-------------------------------|---|
| Campbell | ● | - | - | - |
| Coca-Cola | ● | - | - | - |
| Conagra | - | - | ● | ● |
| General Mills | - | ● | - | - |
| Kellogg | ● | - | - | - |
| KDP | - | - | - | ● |
| Kraft Heinz | ● | - | - | - |
| Mars | - | ● | - | - |
| Nestlé | - | ● | ● | - |
| PepsiCo | - | - | - | ● |
| Unilever | - | ● | ● | - |

● Company showed evidence of provision
 - No/no information
 *Extended commitment since last iteration

Examples of other functional or flexible working arrangements include Kellogg's 'Milk Stork' service, which is "a breast milk delivery service to its employee benefits so nursing mothers can ship their breast milk back home in a safe, refrigerated, and convenient manner while they are away on business travel." Meanwhile, the Nestlé US Parental Support Policy webpage indicates that additional benefits are available, including "a free breast pump or a credit toward an upgraded breast pump (if desired), along with access to a lactation specialist and additional materials including books or nursing bras for breastfeeding mothers."

Did companies improve public reporting on supporting breastfeeding mothers in the workplace?

Compared to the US Index 2018, companies disclose more information on this topic, although disclosure remains limited overall. Four companies – Kellogg, Nestlé, PepsiCo, and Unilever – publish their policies on supporting breastfeeding mothers and paid parental leave. Seven companies publicly report on commitments to allowing parents to take parental leave.

Recommendations

- All companies are strongly encouraged to extend their parental leave policies – 14 weeks maternity leave at a minimum, but ideally going beyond current national guidelines to six months or more – to support the infant and maternal health of their employees.
- Companies are encouraged to develop a formal policy on extending support to breastfeeding mothers at work, applying equally in all facilities in the US and ensuring that this: 1) provides private, hygienic, safe rooms for expressing breast milk; 2) allows breastfeeding mothers breaks to express breast milk; and 3) offers flexible working arrangements to support breastfeeding mothers.
- Companies are recommended to increase transparency regarding the support extended to breastfeeding mothers at work by making the policy publicly available.



Labeling

Product labeling and use of health and nutrition claims

By providing comprehensive and easily understandable information about the nutritional composition and potential health impact of their products through labeling – both in-store and online – companies can help consumers choose the right products to contribute to healthy diets. As many back-of-pack (BOP) label elements and health and nutrition claims are regulated in the US, this section assesses practices on front-of-pack (FOP) labels, online information, and other ways of providing reliable and clear information to consumers.

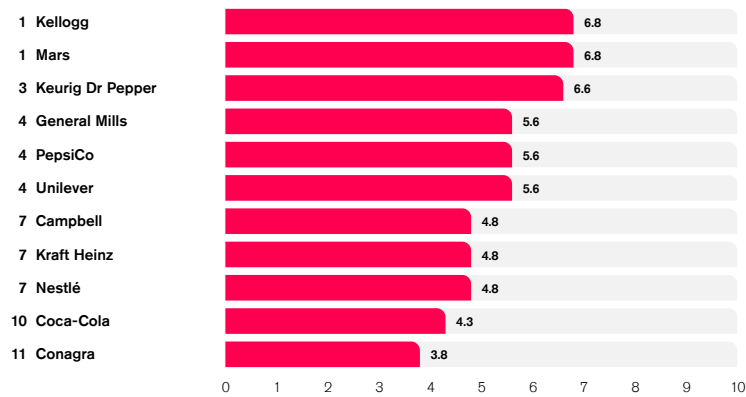
Category F consists of one criterion:

F1 Product Labeling

To perform well in this category, companies should:

- Commit to using an interpretive front-of-pack (FOP) labeling system to assist consumers in making informed choices.
- Provide data to show that more than 80% of products display FOP nutrition labeling which shows, *at minimum*, % Daily Value (or similar measure) of selected nutrients.
- Display online nutrition information for products sold online to an equal or greater extent than that found on the physical product.
- If using on-pack images or making a claim on fruit and vegetable content, accurately display the amounts of fruits and vegetables contained in the product.
- On product labels, state the percentage of grains in the product that are wholegrains, where relevant.

Ranking



F1 Product labeling

Mars and Kellogg now score highest in the category, with 6.8, followed closely by KDP (6.6). Both Mars and Kellogg provide numerical FOP information for multiple nutrients per serving on 100% and 80% of their product labels respectively; and display online nutrition information for 96% of Mars Food products (and some Mars Wrigley products) and 100% of Kellogg's products. Both companies also provide evidence of disclosing information about grains that are whole grains on product labeling of some of their products.

Category Context

Research shows that FOP nutrition labeling on products plays a role in consumer choice – particularly when consumers are comparing the relative healthiness of products.¹⁶² A FOP labeling system is considered to be more effective in helping consumers understand the healthiness of a product when it involves an ‘interpretive’ element, such as color-codes or symbols indicating whether a product scores “good” or “bad” on either individual nutrient criteria or summary criteria (such as NutriScore or Health Star Rating).¹⁶³ Interpretive labels make it easier for consumers to quickly and easily comprehend a product's contribution to a healthy diet without requiring specific or sophisticated nutritional knowledge. The World Health Organization (WHO) recommends interpretive FOP labeling as a key policy strategy to support healthier food choices and to encourage product reformulation.¹⁶⁴ Ideally, FOP labeling systems should be standardized across a market, in order to avoid causing further confusion for consumers. Many different interpretive labeling systems have been developed, some of which are endorsed (and sometimes required) by other governments around the world.¹⁶⁵

Back-of-pack (BOP) nutrition labeling, and health and nutrition claims are regulated in the US by the Food and Drug Administration (FDA) and USDA. In 2016, the FDA updated the mandatory BOP nutrition labelling format known as the Nutrition Facts label.

However, there are currently no requirements for FOP labeling in the US. That said, the National Strategy launched by the US Government in September 2022 includes a commitment to develop a standardized FOP label, although it is unclear at this point in time what the content of this label will include, whether it will be mandatory or voluntary, and when it will be released. In addition, the FDA will soon release an updated version of the definition of ‘healthy’ and criteria for the use of the term ‘healthy’ in nutrient content claims on food labels in the US.

In lieu of regulation, some US companies use a voluntary FOP labeling system called ‘Facts Up Front,’ developed in 2012 through a joint initiative of the Consumer Brands Association (formerly the Grocery Manufacturers Association) and the Food Marketing Institute. The format presents the information using numerical information only, as shown in Figure 1, which involves only a limited degree of interpretive assistance. An example of a voluntary interpretive labeling system used in parts of the US is the ‘Guiding Stars’ labeling scheme, developed in 2008 to help consumers easily choose the most nutritious foods.

Figure 1. The ‘Facts Up Front’ label format



The COVID-19 pandemic has caused an acceleration in the trend toward online purchasing of food groceries. New research has found that the quality of provision of nutrition information for online products has significantly lagged behind in this trend;¹⁶⁶ manufacturers and retailers have a responsibility to ensure nutrition information is easily accessible online. An interesting tool to assist in this regard is the SmartLabel;¹⁶⁷ developed in the US by the Consumer Brands Association in 2015, this is an online system that enables consumers to access nutrition information in a standardized format.

Beyond FOP labeling, research shows that consumers often lack adequate understanding of wholegrain claims and how they contribute to the healthiness of a product.¹⁶⁸ The Dietary Guidelines for Americans recommend that half of the daily grain intake should be wholegrains, yet Americans are currently failing to achieve this target in their diets.¹⁶⁹ Food companies can support consumers by labeling which proportion of the grains in products are whole. A carbohydrate-to-fiber ratio of less than 10:1 is one of the criteria used by the USDA to identify whole grains in a food product; a study by researchers at the Harvard School of Public Health found this to be the most effective measure of healthfulness of whole grain products.¹⁷⁰ Calculating the carbohydrate-to-fiber ratio may be difficult and not readily available for a consumer reading a label; therefore, labeling guidelines on wholegrain foods should be further improved.

Relevant Changes to the Methodology

- New performance indicators (disclosing wholegrain content, and total amounts of fruits and vegetables) introduced based on stakeholder interests and potential regulations (Food Labeling Modernization Act 2021)
- The indicator assessing commitments to BOP labeling on total or added/free sugars has been deleted, given the updated US FDA regulation

Key Findings

- All companies commit to listing some nutritional information FOP, and nine companies use percentage Daily Values (DV) (or a similar measure) for multiple nutrients. Six companies have implemented FOP labeling on more than 80% of products.
- However, limited progress was found regarding interpretive labeling systems, with no companies committing to implement one, even though several do so in other markets. Only Kellogg was found to support the 'Guiding Stars' system at point-of-sale (used by some retailers).
- While four companies provide some information about wholegrain content (relative to other grains) on product labels – including three using the Whole Grain Council's 'whole grain stamp' – none do so in a manner that captures the ratio of total carbohydrates-to-fiber for all relevant products. This would be the most effective way to inform consumers about the overall healthiness of a wholegrain-rich product.
- All companies display online information for some products, nine of which display this information for more than 80% of their product portfolio: a clear improvement from 2018.

Notable Examples



Nestlé has been developing a 'GRAINSMART balance' system (in collaboration with Tufts University and other experts), whereby products with carbohydrates, fibers, and sugars that do not exceed a ratio of 10:1:2 can place a logo on-pack – thereby seeking to limit the amount of sugars and increase fiber content in such products.



F1. Product Labeling

Table 1. Companies' provision of FOP information in the US

| | What information does the company provide on FOP label? | Facts Up Front labeling | % products with FOP labeling |
|---------------|---|-------------------------|------------------------------|
| Campbell | ● | ✓ | – |
| Coca-Cola | ● | – | >80% |
| Conagra | ● | ✓ | 50-79% |
| General Mills | ● | ✓ | 50-79% |
| Kellogg | ● | ✓ | >80% |
| KDP | ● | – | >80% |
| Kraft Heinz | ● | ✓ | 50-79% |
| Mars | ● | – | >80% |
| Nestlé | ● | ✓ | >80% |
| PepsiCo | ● | ✓ | 50-79% |
| Unilever | ● | ✓ | >80% |

● % Daily Value (or similar measure) for multiple nutrients
 ● Energy or caloric value only
 ✓ Company provides information
 – No/no information

To what extent do companies commit to using FOP labels – and have companies implemented their commitments?

As of 2018, all 11 companies commit to putting some nutritional information on FOP – although the amount of information varies. Nine companies commit to displaying information as a percentage of Daily Values (DV) (or similar measure) of multiple nutrients, of which General Mills, Kellogg, Mars, Nestlé, Kraft Heinz, and Unilever use Facts Up Front. Two companies, Coca-Cola and KDP, display energy or caloric information on FOP.

It is encouraging that six companies now implement FOP labeling on more than 80% of products, with Kellogg and KDP now joining Mars, Nestlé, Coca-Cola, and Unilever in doing so. For Conagra, PepsiCo, and Kraft Heinz, the figure is between 50% and 79% – also an improvement since 2018 – while Campbell did not provide information.

However, none of the companies commit to using interpretive FOP labels, even though several of them commit to doing so in other markets. Kellogg states it is supportive of retailer programs such as the 'Guiding Stars' system, an interpretive labeling system used at point-of-sale, rather than on packages themselves.

Do the companies provide information regarding wholegrains-to-refined grains ratios on product labels?

Only four companies were found to provide some information about wholegrain content (relative to other grains) on product labels for relevant products. Campbell, Mars, and PepsiCo, for example, use the 'whole grain stamp,' which was developed by the Whole Grain Council and can be placed FOP on products to indicate the percentage of grains that are wholegrain (50%, 75%, or 100%) for products with at least 8g of wholegrains per serving. Kellogg, meanwhile, has detailed internal requirements for placing wholegrain claims on FOP, including the requirement that, for products in which less than half of total grains are wholegrains, it must disclose the exact percentage of wholegrains.

While providing some information regarding wholegrain content, these approaches fall short of sufficiently capturing the relative balance of wholegrains vs. refined grains *and* sugars. A better approach in this regard is recommended by the American Heart Association, which classifies grain products as 'whole' if the ratio of total carbohydrate-to-fiber, each in grams per serving, was less than, or equal to, 10:1.

Interesting example: Nestlé has been developing a 'GRAINSMART balance' system (in collaboration with Tufts University and other experts), whereby products with carbohydrates, fibers, and sugars that do not exceed a ratio of 10:1:2 can place a logo on-pack – thereby seeking to limit the amount of sugars and increase fiber content in such products.

Do the companies provide information regarding fruit and vegetable content on product labels?

It is important that companies use truthful representations, depictions, or images of a product's ingredients on packaging: if fruits and vegetables are depicted, studies indicate consumers often interpret this to mean the product contains real fruits and vegetables, and that the product overall is healthier.¹⁷¹ It is important, therefore, that companies only do so when a product does contain meaningful amounts of fruits and/or vegetables, and that they display the amounts used. In addition, companies should display the amount (as part of full servings) of 'nutrient-dense' ingredients derived from fruits and vegetables, meaning in whole, cut, dried, pulp, puree, 100% juice, or fully reconstituted concentrate form – and not concentrates, powders, or other ingredients. Four companies – Campbell, General Mills, Nestlé, and Unilever – demonstrated that is possible to provide this information by applying it on at least some products (although not all).

How many companies provide nutrition information online?

With online grocery sales increasing, it is important for companies to display nutrition information online to ensure it is as accessible as through the in-store purchasing of products. Encouragingly, nine companies were found to provide online nutrition information for more than 80% of products, including Conagra, Kraft Heinz, and Mars, who did not show this practice in 2018. Six of these companies (Conagra, General Mills, Kellogg, PepsiCo, Kraft Heinz, and Unilever) provide this information through the SmartLabel system. Coca-Cola and Nestlé provide information online for between 50% and 79% of their portfolio.

Recommendations

To improve commitments and accelerate action on product labeling, ATNI encourages the food & beverage manufacturers assessed in this Index to consider the following recommendations:

- Companies are encouraged to support the FDA's efforts to develop an interpretive FOP system at the federal level that effectively communicates to consumers the healthiness of a product; they should not, however, push for a weak system, with minimum incentives for companies to use it. A mandatory system, for example, would level the playing-field for all companies' products.
- It is important that companies provide detailed nutrition information online for all products in the US to an equal or greater extent than on the physical product. Using the SmartLabel system, for example, is one approach to enhancing access to this information for consumers.
- All relevant companies should consider enhancing the information disclosed on-pack regarding wholegrains.
- Companies are advised to commit to using truthful representations, depictions, or images of fruits and vegetables used as ingredients. They are also advised to clearly display the amount of 'nutrient-dense' ingredients derived from positive food components, such as fruits and vegetables, fiber and wholegrains, contained on relevant product labels in the US, to provide consumers with a better understanding of the nutrient content and healthiness of these products.



Engagement

Influencing governments and policymakers and stakeholder engagement

Category G focuses on companies' engagement with government bodies and representatives through lobbying, along with their stakeholder engagement with civil society and academia on nutrition-related issues. Companies are assessed on their management systems for lobbying, their efforts to support government legislation and regulation in the US, and their disclosure regarding their lobbying activities, contributions, and positions. Meanwhile, this category also assesses the extent to which companies engage with external stakeholders with established expertise in nutrition and public health, including civil society and academia, to improve their nutrition-related strategies and practices, ensuring they can contribute to addressing public health challenges.

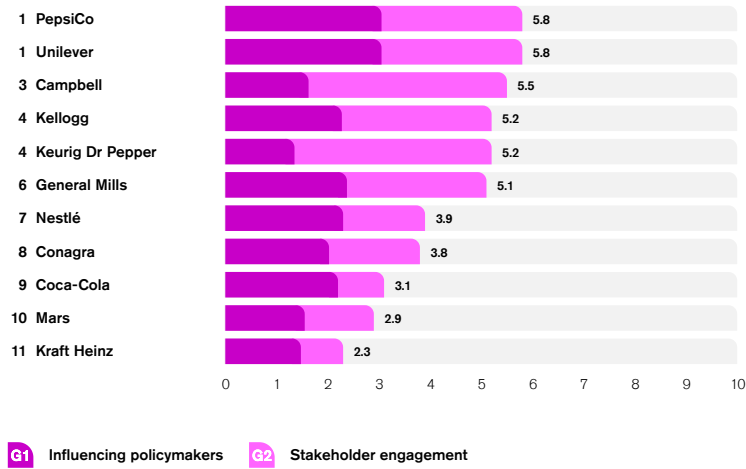
Category G consists of two criteria:

- G1 Lobbying Policymakers and Government Bodies
- G2 Stakeholder Engagement

To perform well in this category, companies should:

- Establish effective management systems for governing lobbying activities, such as board oversight, audits, and regular reviews of trade association memberships.
- Show evidence of lobbying in support of government policies to address malnutrition (including obesity and diet-related non-communicable diseases (NCDs)) and public health in the US.
- Disclose lobbying activities and positions relating to nutrition issues, membership of and financial support for industry associations, spending on lobbyists, and political donations.
- Show evidence of engaging a wide range of stakeholders in developing/updating their nutrition-related strategy, policies, and other activities.
- Disclose examples of nutrition-related stakeholder engagement, and how this has been used to adapt their nutrition-related strategy, policies, and other activities.

Ranking



PepsiCo and Unilever achieve the highest scores of 5.8, demonstrating strong disclosure of lobbying expenditures and lobbying positions respectively. They also perform well on nutrition-related stakeholder engagement. Overall, companies showed improvement in Category G, the average score increasing from 3.5 to 4.4, with more companies disclosing information relating to lobbying and demonstrating more examples of nutrition-related stakeholder engagement.

Category Context

Lobbying

Government regulation plays a key role in changing the food environment and addressing public health challenges, including addressing obesity and diet-related NCDs. While these come in many different forms, the World Health Organization (WHO) has highlighted a range of priorities for governments, including fiscal measures to address obesity (such as taxes on sugar-sweetened beverages (SSB),¹⁷² regulatory restrictions on marketing unhealthy products (to children),¹⁷³ and increased front-of-pack (FOP) labeling requirements).¹⁷⁴

Some countries already have such policies in place. In the US, proposals have been made, but faced significant opposition – including from industry actors.¹⁷⁵ For example, in recent years, the American Beverage Association (ABA) has lobbied against SSB taxes at the federal level, as well as in California and other West Coast states.¹⁷⁶ This is despite growing evidence of the effectiveness of such taxes,¹⁷⁷ including from within the US: Philadelphia's tax on SSBs has led to a fall in sales of such beverages since 2017,¹⁷⁸ although it is currently in danger of being repealed.¹⁷⁹ Meanwhile mandatory FOP labeling has resurged on the agenda recently, with a taskforce of 26 food and health experts recommending the FDA develop a FOP labeling plan, and the Congressional Democrats introduced a bill that would require the FDA to create standardized, front-of-package labeling for all food that has a nutrition label.¹⁸⁰

Given that such policies directly impact companies, these, too, have the right to be heard during the policymaking process. In the short run, such policies could bestow companies that are ahead of the curve on aspects of nutrition (such as formulation, marketing, or labeling) with a competitive advantage. Meanwhile, this would demonstrate their commitment to supporting public health, reducing reputational risk, and enhancing relationships with stakeholders – especially investors who are increasingly paying attention to companies' lobbying activities and the risks involved.¹⁸¹

Yet the risk that companies and their trade associations will lobby to promote interests inconsistent with the wider public health interest is well-documented.¹⁸² It is therefore essential that companies conduct such lobbying activities responsibly, proportionately, with effective management systems in place, and with transparency – or not at all. To help facilitate this, ATNI was involved in developing the Responsible Lobbying Framework, which was launched in 2020: a free, sector-agnostic tool that sets out globally applicable principles, standards, and practical steps to ensure lobbying is conducted responsibly and serves the public interest. While the US has some of the most detailed lobbying disclosure requirements, by way of the Lobbying Disclosure Act, there are nevertheless many ways that companies can go beyond these to demonstrate their commitment to transparency and adequately facilitate scrutiny from stakeholders.

Stakeholder Engagement

It is essential that companies – when designing, implementing, reviewing, and/or updating their nutrition-related strategies, policies, and other nutrition-related activities – engage with external stakeholders with established expertise and/or groups representing those particularly affected by the companies' products and practices (especially vulnerable groups) – they not only enhance their accountability to such stakeholders, but their insights can ensure that nutrition-related activities are sufficiently aligned with the public health interest. The AccountAbility AA1000 Stakeholder Engagement Standard offers a best practice framework for assessing, designing, implementing and communicating the quality of stakeholder engagement.¹⁸³

It is also essential that companies are as transparent about such stakeholder engagement, being specific about whom they engaged (either on an individual level or the organizational affiliations), how they engaged, which topics were discussed, and what the outcomes were. While confidentiality is sometimes necessary to allow individuals to speak freely, companies should seek to disclose as much as possible with the consent of the relevant stakeholders. Moreover, anything that might generate a conflict of interest should also be disclosed, such as whether any compensation was involved. This transparency enables other stakeholders to determine for themselves the legitimacy of such engagement.

Relevant changes in the methodology

- New indicator on management systems for lobbying, derived from the Responsible Lobbying Framework
- More weight on examples of lobbying in support of policy measures in the public health interest
- More detailed indicators regarding trade association memberships, political expenditures, and lobbying disclosure
- Greater alignment with the AccountAbility AA1000 Stakeholder Engagement Standard, as well as more emphasis on transparency regarding stakeholder engagement
- Indicator on quality of partnerships and third-party leadership for non-commercial consumer education and healthy eating programs (moved from E3).

Key Findings

- While some companies provided examples of lobbying in support of government policies to address malnutrition in the US, none indicated that they had advocated for or lobbied in support of key WHO-endorsed policies – such as fiscal measures to address obesity, marketing restrictions for unhealthy products, or enhanced FOP labeling requirements – either at the federal, state, or municipal level – in the last three years.
- Most companies were very transparent about their political contributions (incl. via political action committees (PACs)) on their own domains and provide links to the Lobbying Disclosure Act (LDA) registries. However, very few go beyond mandatory disclosure on lobbying registries and are transparent about their state-level lobbying activity, the identities of lobbyists and lobbying firms they use, and the amounts they spend on lobbying in the US on their own domain. That said, PepsiCo's disclosure was found to be the most comprehensive in this regard.
- Most companies could also improve the comprehensiveness of their disclosure of trade association memberships, as well as disclosing the amount of membership dues spent on lobbying and any board seats they hold at these organizations, on their own domains.
- Clear disclosure regarding the companies' lobbying positions on important nutrition-related public health policies remains limited. That said, Unilever provides a positive example that other companies can seek to emulate, by providing details on when it would and would not support a range of policies.
- Encouragingly, all companies demonstrated some evidence of engaging with nutrition-related stakeholders in the US, the majority providing a wide range of examples and types: a noticeable improvement since 2018. Around half the companies demonstrated that they had done so specifically in relation to multiple different elements of their nutrition strategy and/or activities, engaging in direct, one-to-one consultations.
- Nevertheless, disclosure regarding stakeholder engagement lagged significantly behind performance. Companies were frequently vague in their public reporting as to which precise organizations or individuals they engaged, which topics were discussed, and what the outcomes of the engagement were. Moreover, information regarding any compensation involved was largely absent. Together, this prevents external scrutiny of the quality and legitimacy of the stakeholder engagements the companies have carried out.

Notable Examples



KDP reports that it engages with external, credentialed experts in public health, nutrition, fitness, mindfulness, and academia, as well as the Partnership for Healthier America and other public health-oriented civil society organizations, to help shape its nutrition-related activities. This includes the development of its 'Positive Hydration' strategy and discussing the marketing of its beverages.



General Mills provides hyperlinks directly to several of its policy consultation comments and letters to policymakers on its website,¹⁸⁴ a practice also demonstrated by the Sustainable Food Policy Alliance.¹⁸⁵



Unilever publishes a relatively comprehensive range of 'Advocacy and Policy Asks' on its website.¹⁸⁶ Moreover, in its 'Position on Sugar' and 'Position on Nutrition Labeling' documents, the company provides additional detail, publicly specifying under which conditions the company would support (or not support) certain policies.¹⁸⁷



PepsiCo highlighted its lobbying efforts with the ABA and state-level trade associations in support of legislation in Chicago, New York City, and Ohio to support healthier 'default' beverage options for children's meals at restaurants,¹⁸⁸ an acknowledged intervention to help address childhood obesity.¹⁸⁹



Nestlé states that it regularly reviews its memberships and that it will withdraw if "Nestlé is regularly in opposition with the positions/agendas of the organization (this includes inappropriate lobbying practices); the organization has not delivered the outcome expected for many years; weak governance putting at risk Nestlé's reputation; [or] the evolution of the membership of the organization is not in alignment with Nestlé's agenda, values, and principles."



G1. Responsible Lobbying

Do companies have management systems in place to monitor and ensure alignment between their lobbying activities and their core commitments, policies, and codes of conduct?

Encouragingly, all but three companies have assigned to their board oversight of their lobbying policy, positions, and practices. Moreover, all but three state that they conduct regular reviews of their trade association memberships to monitor their public policy positions and activities, and ensure alignment with the company's policies and/or positions.

Notable Example: Nestlé states that it regularly reviews its memberships and that it will withdraw if “Nestlé is regularly in opposition with the positions/agendas of the organization (this includes inappropriate lobbying practices); the organization has not delivered the outcome expected for many years; weak governance putting at risk Nestlé’s reputation; [or] the evolution of the membership of the organization is not in alignment with Nestlé’s agenda, values, and principles.” For example, at the end of 2017, the company withdrew from the Grocery Manufacturers Association (see Box 1).

However, only two companies were found to carry out internal audits of their lobbying activities and disclosure: General Mills indicates that it audits compliance with its Civic Policy and the accuracy of its disclosure, while Kraft Heinz “partners with outside counsel to conduct an internal audit of all lobbying practices and reporting.”

Do companies show evidence of lobbying in support of government policies to address malnutrition (including obesity and diet-related NCDs) and public health in the US?

Six companies (Mars, Unilever, Nestlé, General Mills, Kellogg, and PepsiCo) provided evidence of supporting policies to address malnutrition (incl. obesity and diet-related NCDs) and public health in the US in the last three years.

Notable Example: PepsiCo highlighted its lobbying efforts with the ABA (American Beverage Association) and state-level trade associations in support of legislation in Chicago, New York City, and Ohio to support healthier ‘default’ beverage options for children’s meals at restaurants,¹⁹⁰ an acknowledged intervention to help address childhood obesity.¹⁹¹ Moreover, throughout the COVID-19 pandemic, most companies were active in advocating for increased flexibilities in USDA food and nutrition programs to extend access to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), school lunch and breakfast programs, and Supplemental Nutrition Assistance Program (SNAP) for food-insecure families and children. It should be noted that sales of products through these programs comprise substantial revenues for food and beverage manufacturers.

Companies did not provide any clear examples of lobbying in support of fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at the federal, state, or local level – despite these being key policy measures endorsed by the WHO to address obesity and diet-related NCDs.¹⁹² However, ATNI did find evidence of some companies and their trade associations lobbying against such measures in the LDA database, e.g. the ABA against SSB taxes in 2021,¹⁹³ while similar activities have been reported in California.¹⁹⁴

How much information do companies disclose on their own domains in relation to lobbying, beyond legal requirements?

Trade Associations

Since legislation affects companies collectively, lobbying is often undertaken by trade associations on their behalf. However, this can obscure which companies' interests are being represented in lobbying, as well as removing direct responsibility for these companies for the associations' actions. Therefore, to enhance accountability, companies must be transparent about their trade association memberships and levels of involvement in them.

Only five companies disclose their trade association memberships in the US to a reasonable level of comprehensiveness: Conagra, Campbell, KDP, Kellogg, and Unilever. The others either only disclose memberships to which it pays dues over a relatively high threshold (e.g. > USD 20,000), or only provide an indicative list without explanation. Moreover, only four companies (Conagra, Campbell, General Mills, and Kraft Heinz) disclose the precise amount of their membership dues that are used for lobbying purposes. Meanwhile, since 2018, Kellogg, Unilever, and Nestlé have started indicating which trade associations they hold board seats on, alongside Mars, which was found to do so in 2018.

Table 1. Disclosure relating to trade association memberships in the US

| | Company discloses comprehensive list of trade association memberships in the US | Company discloses dues used for lobbying purposes by its trade associations | Company discloses its board seats in trade associations |
|---------------|---|---|---|
| Campbell | ● | ● | - |
| Coca-Cola | - | - | - |
| Conagra | ● | ● | - |
| General Mills | - | ● | - |
| Kellogg | ● | - | ● |
| KDP | ● | - | - |
| Kraft Heinz | ● | ● | - |
| Mars | - | - | ● |
| Nestlé | - | - | ● |
| PepsiCo | - | - | - |
| Unilever | ● | - | ● |

● Yes
- No/no information

Political Contributions

Another means of influencing policymakers is through political finance contributions, which are made either directly from the company's treasury (for state and local candidates only) or indirectly via PACs. Many companies also have 'employee PACs' that use funds contributed by the companies' executives, shareholders, lobbyists and their families, as well as their staff. The PACs are able to donate to candidates at a federal level and can therefore be highly influential. Nestlé, Unilever, and Mars have policies in place to prohibit any such donations in the US.

There are regulations around whether and how companies can make political contributions in the US, as well as stringent disclosure requirements on the [Federal Election Committee \(FEC\) registry](#). Nevertheless, many companies go beyond mandatory disclosure and demonstrate commitment to transparency by publishing detailed information about their political contributions on their own domains. Encouragingly, all companies (except Kraft Heinz) were found to publish comprehensive information about their political contributions from their company treasury. Regarding contributions from ‘employee PACs,’ only Coca-Cola, Kraft Heinz, PepsiCo, and Conagra published detailed information about their activities; General Mills, KDP, and Kellogg only publish the name of the employee PAC, while Campbell recently dissolved theirs, but did not publish information about its recent activities.

Lobbyists and Lobbying Firms

While companies are required by law in the US to disclose basic information about their lobbying activities on public registries at the federal level and in most states, they can still go beyond this and demonstrate their commitment to transparency by publishing this information on their own domains, along with additional information not captured by mandatory disclosure. At a basic level, all but two companies provide hyperlinks to one of the searchable LDA websites on their public domain. Coca-Cola goes even further, publishing its quarterly lobbying reports directly on its website.

General Mills, meanwhile, also provides hyperlinks for the lobbying registries of the two states which it lobbies in, while PepsiCo indicates the states in which its lobbyists are active; no other companies indicate in which states they actively lobby. Given that state-level policymaking is also an important arena for lobbying – with public health policies at this level affecting millions of people – it is important that companies are also transparent about their lobbying activities below the federal level. Disclosing which states they actively lobby in is a good first step: it saves interested stakeholders the significant labor involved in checking each state register manually.

Moreover, only four companies (PepsiCo, Coca-Cola, Nestlé, and Campbell) publish the total amounts spent on lobbying in the US each year on their own domains. PepsiCo, meanwhile, is the only company to disclose the names of the lobbyists and lobbying firms it contracts, both at federal and state levels. While this is a mandatory requirement for lobbying registries, publishing on its own domain enhances transparency by enabling stakeholders to recognize and scrutinize the third-party actors lobbying on behalf of the company more easily.

Table 2. Disclosure relating to lobbying activity and expenditure

| | Company indicates which states it actively lobbies in | Company provides a hyperlink to its LDA reports | Company discloses annual lobbying expenditure in US | Company discloses names of its lobbyists / lobbying firms |
|---------------|---|---|---|---|
| Campbell | - | - | ● | - |
| Coca-Cola | - | ● | ● | ● |
| Conagra | - | ● | - | - |
| General Mills | ● | ● | - | - |
| Kellogg | - | - | - | - |
| KDP | - | ● | - | - |
| Kraft Heinz | - | ● | - | - |
| Mars | - | ● | - | - |
| Nestlé | - | ● | ● | - |
| PepsiCo | ● | ● | ● | ● |
| Unilever | - | ● | - | - |

● Yes
- No/no information

Lobbying Positions on Key Nutrition-Related Policies

It is crucial that companies disclose their lobbying positions for key nutrition-related policies, as this helps to ensure consistency in the company's lobbying activities (incl. via trade associations) and is key to enhancing accountability. Important policy positions that ATNI encourages a company to disclose on include the aforementioned WHO-endorsed measures: fiscal measures to address obesity, restrictions on marketing to children, and mandatory FOP labeling requirements.

Generally, disclosure on these topics was very low among the companies assessed. While some companies, such as Nestlé and Kellogg, disclose lists of topics on which they are active in lobbying, they do not disclose their specific positions or use ambiguous language in doing so. PepsiCo and Coca-Cola indicate that they oppose SSB taxation to address obesity (but are transparent about doing so). Meanwhile, Campbell and PepsiCo indicate a clear preference for self-regulation with regard to marketing to children, rather than government regulation.

Notable Example: An exception is Unilever, which now publishes a range of 'Advocacy and Policy Asks' on its website, including each of the measures listed above.¹⁹⁵ Moreover, in its 'Position on Sugar' and 'Position on Nutrition Labeling' documents, the company provides additional detail, publicly specifying under which conditions the company would support (or not support) certain policies.¹⁹⁶

Notable Example: Also worth highlighting is General Mills, which provides hyperlinks directly to several of its policy consultation comments and letters to policymakers on its website,¹⁹⁷ a practice also demonstrated by the SFPA.¹⁹⁸

Recommendations

- Most companies could strengthen their lobbying management systems by conducting internal and/or independent third-party audits of their lobbying activities and disclosure to ensure alignment with their policies and/or codes of conduct.
- Companies are encouraged to actively support (or commit to not lobby against) public policy measures in the US to benefit public health and address obesity, including those endorsed by the WHO.
- Companies are encouraged to ensure that their disclosure of trade association memberships in the US is as comprehensive as possible, including the specific dues paid that are used for lobbying purposes and any board seats held at these organizations.
- To further enhance transparency and go beyond LDA requirements, companies are encouraged to publish comprehensive lobbying information on their own domains, rather than only on public registries. Notably, they could significantly improve their disclosure regarding the states in which they lobby, the names of lobbyists and lobbying firms they use, and the amounts they spend on lobbying in the US.
- Almost all companies could significantly improve their disclosure regarding lobbying positions on key public health policies that would affect the industry. These positions should be as specific and unambiguous as possible, including conditions and provisions if necessary, as per Unilever's example. Publishing links to specific documents used in government engagements is also encouraged.

Box 1. Sustainable Food Policy Alliance (SFPA)

Toward the end of 2017, the US divisions of Nestlé, Unilever, and Mars left the Grocery Manufacturers Association (GMA, currently known as the Consumer Brands Association (CBA)) – a powerful industry lobbying group – amid disagreements over policy positions on nutrition-related topics such as labeling.¹⁹⁹ In 2018, together with Danone North America, these companies established a new advocacy group, the Sustainable Food Policy Alliance (SFPA). Concerned about the “continued rise in obesity rates and other chronic diseases such as diabetes and heart disease, as well as food insecurity and access to healthy food in the US,” the group is “committed to developing and advocating for policies that help people make better-informed food choices that contribute to healthy eating while supporting a sustainable environment.”²⁰⁰

Examples of legislative and regulatory issues it lobbies on include efforts to reduce dietary sodium and added sugar in consumers’ diets, updating definitions of terms like ‘healthy,’ and encouraging timely implementation of the new nutrition facts panel. The group has no permanent staff; activities are undertaken by employees of the companies themselves.

G2. Stakeholder Engagement

Do companies show evidence of engaging with a wide range of nutrition-related stakeholders regarding their nutrition strategy, policies, and programs?

Encouragingly, all companies were able to show some evidence of engaging with nutrition-related stakeholders in the US, such as civil society organizations, academic/scientific institutions, or government bodies, on their commercial nutrition strategies and activities – whereas only six did so in 2018. Moreover, eight companies did so with a wide range of stakeholders; only Coca-Cola, Kraft Heinz, and Conagra were more limited.

Table 3. Stakeholder groups company showed evidence of engaging with on nutrition-related topics

| | Individual experts in nutrition | Civil society organizations (CSOs) | Academic institutions / scientific bodies | Multi-stakeholder platforms | Advisory committee |
|---------------|---------------------------------|------------------------------------|---|-----------------------------|--------------------|
| Campbell | ● | – | ● | ● | – |
| Coca-Cola | – | – | – | ● | – |
| Conagra | – | – | – | – | ● |
| General Mills | – | – | – | ● | ● |
| Kellogg | ● | ● | ● | – | – |
| KDP | ● | ● | ● | – | – |
| Kraft Heinz | – | – | – | ● | – |
| Mars | – | – | – | ● | – |
| Nestlé | – | – | – | ● | – |
| PepsiCo | – | ● | ● | ● | – |
| Unilever | ● | – | – | ● | – |

● Yes
– No/no information

This stakeholder engagement takes a variety of different forms. On one hand, Campbell, Kellogg, KDP, PepsiCo, and Unilever each indicated that they undertook targeted one-on-one consultations with external stakeholder groups who have relevant expertise regarding specific aspects of their nutrition-related activities.

Notable example: KDP now reports that it engages with external, credentialed experts in public health, nutrition, fitness, mindfulness, and academia, as well as the Partnership for Healthier America and other public health-oriented civil society organizations, to help shape its nutrition-related activities. This includes the development of its ‘Positive Hydration’ strategy and discussing the marketing of its beverages.

In addition, most companies (Mars, Nestlé, and General Mills in particular) indicate they engage with other stakeholders via membership in multistakeholder initiatives, such as the Portion Balance Coalition; the National Academies of Sciences, Engineering, and Medicine (NASEM)/Institute of Medicine (IOM) Food Forum; Obesity Roundtable; and Tufts University Food and Nutrition Innovation Council – all of which serve as platforms for convening stakeholders with different perspectives and for sharing information.

Campbell, Kellogg, KDP, and PepsiCo each showed that they engaged stakeholders on multiple different aspects of their nutrition strategies, policies, and programs. KDP, for example, developed its 'Positive Hydration' strategy with the help of Partnership for a Healthier America (PHA). It also showed evidence of discussing the marketing of its carbonated drinks with the Center for Science in the Public Interest (CSPI) and its health and wellbeing strategy with a group of environmental, social, and corporate governance (ESG)-focused investors. Campbell, meanwhile, states that it engaged with external nutrition experts regarding its nutrition strategy, the new Nutrition Metrics and 'Nutrition Focused Foods' profiling system. Similarly, Kellogg states that it consulted AHA, expert dieticians, and scientists in the development of both updated Kellogg Global Nutrient Criteria and its Childhood Wellbeing Promise.

The remaining companies, however, either only provided one specific example (General Mills and Unilever) or were less specific about the nature and content of these engagements. This is especially the case for those relying predominantly on engagement via multistakeholder platforms and initiatives, relative to those with clear one-to-one engagement.

Table 4. Subjects of companies' nutrition-related stakeholder engagement

| | Commercial nutrition strategy | Nutrition-related policies / programs | Examples |
|---------------|-------------------------------|---------------------------------------|--|
| Campbell | ● | ● | New Nutrition Metrics; 'Nutrition Focused Foods' NPS |
| Coca-Cola | - | - | - |
| Conagra | ● | ● | Nutrition strategy, product development |
| General Mills | ● | - | Nutrition strategy |
| Kellogg | ● | ● | Wellbeing strategy; Kellogg Childhood Wellbeing Promise; Kellogg Global Nutrition Criteria 2.0 |
| KDP | - | - | - |
| Kraft Heinz | ● | ● | 'Positive Hydration' strategy, marketing |
| Mars | - | - | - |
| Nestlé | - | - | - |
| PepsiCo | ● | ● | Pep+ nutrition strategy, product development, marketing/distribution, advocacy priorities |
| Unilever | - | ● | Highest Nutritional Standards |

● Yes
- No/no information

How much information do companies disclose about their stakeholder engagement?

While the level and quality of engagement have certainly improved since 2018, disclosure regarding these engagements has lagged significantly. No companies were found to publicly disclose the full range of stakeholders they engaged by name, either at an organizational or individual level. This is essential for transparency and accountability purposes. While companies tend to publicly state that they conduct systematic stakeholder engagement, very often they only publicly reference broad categories of stakeholders without specifying their identities. This prevents scrutiny regarding the relevance and legitimacy of these stakeholders and, therefore, of the engagement itself.

Another key aspect of disclosure missing is the financial element: whether or not (and to what extent) the engagement involved some form of compensation for the external expert's time, or whether an organization or initiative engaged receives sponsorship or other funding from the company. This is concerning, since the bias-inducing impact of compensation and sponsorship is well-documented.²⁰¹ It is not unreasonable to expect an expert's time to be compensated or an organization to be supported in exchange for access to its expertise. Nevertheless, it is important to disclose information about such transactions to enable stakeholders to decide for themselves the extent to which these are proportionate and legitimate.

A third aspect of disclosure found to be lacking are the details of the content of the company's engagements. Only three companies (Kellogg, Campbell, and KDP) publicly report which specific aspects of their activities were the subject of their stakeholder engagements. Moreover, almost no companies publicly report the outcomes of their engagements or how their practices were adapted as a result; those that do only do so in broad terms, lacking specifics.

Do companies primarily support or fund non-commercial nutrition education programs designed and implemented by (or in partnership with) organizations with relevant expertise?

While large companies have the advantages of considerable resources and wide consumer reach, there are nevertheless sensitivities involved with private, for-profit companies engaging in nutrition education campaigns. It is essential that those who choose to do so only support those designed and implemented by independent stakeholders with relevant expertise – or involve them heavily in the process – and ensure that they are aligned with public sector guidance (such as the Dietary Guidelines for Americans).

Campbell, General Mills, Unilever, and Conagra each showed that they only support such programs. General Mills' projects in Minneapolis and Buffalo, which involve "health services and food and wellness education" and "culinary and food skills training for youth," are designed by two local United Way organizations, while also providing grants to independent non-profits active in these areas. Meanwhile, Campbell's new 'Full Futures' program sees different partner organizations run different parts of the program: 'The Food Bank of South Jersey' provides nutrition education to students and parents, two youth advisory councils advise on the 'Full Futures' work, and the 'Alliance for a Healthier Generation' leads the measurement and evaluation work.

The remaining companies all run a mix of programs designed by themselves and external groups, while Kraft Heinz states that it does not engage in any such activities in the US.

Recommendations

- Companies should ensure that – in the process of developing a new nutrition strategy, policy, or other nutrition-related activity, or when updating or reviewing an existing one – they engage directly with a range of stakeholders, such as civil society organizations, academic institutions, and scientific bodies with recognized expertise in nutrition and public health.
- All companies could significantly improve their transparency regarding which specific stakeholders they engage with and the identities (or, at minimum, affiliations) of experts they have consulted, as far as possible. In addition, the degree of financial compensation for these engagements should be disclosed.
- All companies are encouraged to improve the public reporting of the topics of discussions during stakeholder engagements, along with which aspects of the company's nutrition-related activities are being discussed. Importantly, companies should also be clear about the outcomes of the engagement, and if and how they were used to change their practices or plans.
- Companies that choose to support consumer nutrition education are encouraged to ensure that such programs are designed and/or implemented by independent groups with recognized expertise, and that they are aligned with public sector guidance (such as the Dietary Guidelines for Americans).

Amplifying Impact

Companies urgently need to deliver on the Sustainable Development Goals



End hunger, achieve food security and improved nutrition



Ensure healthy lives and promote well-being for all

ATNI encourages all stakeholders to actively use the US Index 2022 results and provide their feedback to ATNI. We hope that the rated companies will commit to make changes based on our recommendations and that their investors will use them in their engagement with those companies to press for improvements in their policies, practices and disclosure. Further, we hope that governments and policymakers, NGOs, academics and others are able to use our analysis and findings in their work to encourage better diets in the US.

Acknowledgements

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Annex US Index 2022

Board

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ATNI US Expert Group

The function of the Access to Nutrition Initiative US Expert Group is to provide input into the development of the company assessment methodology and to review the analysis and Index report. This group consists of members with expertise in various aspects of nutrition (including both undernutrition and obesity and diet-related chronic diseases) and the role of the food and beverage industry when it comes to nutrition.

Shiriki Kumanyika

Chair, ATNI Expert Group;
Professor Emerita of Epidemiology, University of Pennsylvania;
Research Professor in Community Health & Prevention, Drexel University Dornsife School of Public Health

Boyd Swinburn

Professor,
Population Nutrition and Global Health at the University of Auckland and Alfred Deakin;
Professor and Director of the World Health Organization (WHO) Collaborating Centre for Obesity Prevention at Deakin University in Melbourne

CS Pandav

Professor and Head,
Centre for Community Medicine,
All India Institute of Medical Sciences (AIIMS)

Kapil Yadav

Assistant Professor,
All India Institute of Medical Sciences (AIIMS)

Linda Meyers

Senior Director (retired),
Food and Nutrition Board, National Academies of Sciences, Engineering, and Medicine

Lindsay H. Allen

Director,
USDA ARS Western Human Nutrition Research Center;
Research Professor,
Department of Nutrition, UC Davis

Mike Rayner

Professor,
Population Health, Nuffield Department of Population Health, University of Oxford
Director,
Centre on Population Approaches for Non-Communicable Disease Prevention, University of Oxford

Terry T-K Huang

Professor,
School of Public Health, City University of New York

Campbell Soup Company

Product categories assessed

Baked Goods|Juice|Soup|Savoury Snacks|Sauces, Dressings and Condiments

Percentage of company US sales covered by Product Profile assessment
80-90%

Headquarters

Camden, New Jersey, US

Number of US employees

~14,500

Type of ownership

Public

Sales revenue (range) of packaged foods and beverages

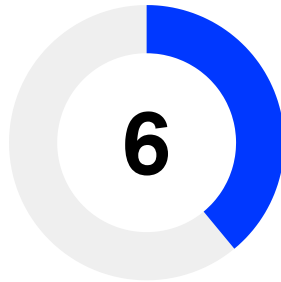
USD 7 - 12 Billion

US share in global packaged food and beverage sales

78-83%

Euromonitor International Limited [2021]

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Rank 6 / Score 3.9



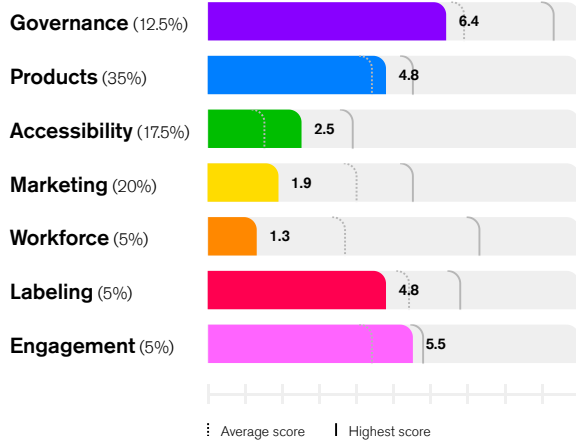
Product Profile **1** ²⁰²

Rank 1 / HSR 2.9 **1** ²⁰³

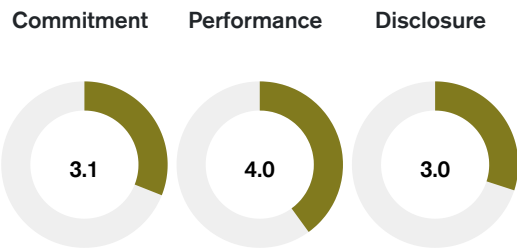
Important:

The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

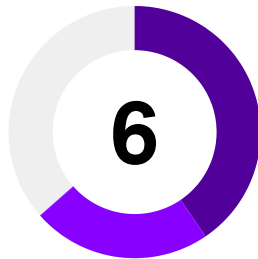
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 6 / Score 6.4

Highest score 9.3

Average score 6.9

- A1 Nutrition strategy
- A2 Nutrition management

- Campbell focuses on nutrition in its core commercial strategy. The company takes a holistic environmental, social, and governance (ESG) approach, of which 'Trusted Food' is one of four pillars. Campbell defines this as 'delicious, wholesome, accessible, food made with trusted ingredients.' According to the company, trusted food is 'nutrition focused, accessible, and lower in negative nutrients.'
- The company launched new nutrition metrics that specifically focus on reducing calories, saturated fat, sodium, and added sugar – thus demonstrating a commitment to addressing obesity and diet-related diseases through its commercial strategy.
- Campbell adopts a comprehensive approach to addressing nutrition challenges in its commitments. The company employs multiple approaches, including committing to increase nutritious offerings by measuring the nutritional quality of portfolio over time; lowering negative nutrients for all products to inform product development for innovation and renovation; and increasing food access. The company also refers to using global and regional health authority guidelines, such as the United States Department of Agriculture (USDA) definition of food insecurity, while describing activities linked to food access.
- Campbell is one of seven companies that publicly disclose that their Executive Vice President, Chief Research and Development, and Innovation Officer are ultimately responsible for implementing the company's nutrition strategy. The Governance Committee of the Board oversee Campbell's ESG strategy and reporting.

Areas of improvement

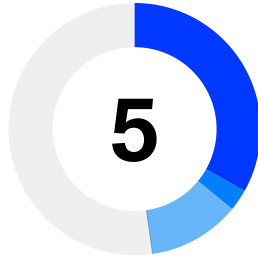
- Campbell has conducted several community programs as part of its food access agenda, such as community programs to address key nutrition issues (including food access, school nutrition, and community nutrition education) for priority populations. Most of these initiatives are limited in scale and philanthropic in nature. The company is recommended to include a stronger focus on priority populations through its commercial strategy by including explicit commitments for specific groups that are at higher risk of experiencing malnutrition, and report on the impact of its activities.
- The company is recommended to include nutrition-related targets within the trusted food pillar of its ESG framework.
- Campbell is advised to link executive compensation to performance on nutrition objectives and disclose this publicly.
- Campbell is also recommended to ensure nutrition plans and strategies are assessed regularly by internal audits and/or are subject to an annual management review to monitor progress.





Products

35% of overall score



Rank 5 / Score 4.8

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- Campbell achieved a relatively high score on product healthiness in categories such as Soups and Juices. However, the company is encouraged to further reduce salt, fat, and sugar levels – especially in the Savory Snacks category – and try to derive most sales from healthier product varieties.
- In 2022, Campbell released a new set of nutrition reporting metrics covering three areas: 'nutritious foods, reducing negative nutrients, and quantifying product accessibility and affordability.' More information about the accessibility metric can be found in Category C. ATNI welcomes this development, as it shows a concrete effort to track and advance nutrition and health throughout the company's core business strategy. Campbell has developed a new nutrient profiling model (NPM) called Nutrition Focused Foods, which sets standards for both positive and negative nutrients based on the categories 'Cannot Exceed (setting limits for negative nutrients) and "AND must meet at least 1" (lists positive nutrients), according to serving size. Campbell's NPM is across-the-board (i.e., covering all products, without distinction at the category level, except for more stringent sodium requirements for snacks).
- Furthermore, Campbell has a transparent reporting system, disclosing thematic Scorecards in its 2022 Corporate Responsibility Report, which covers nutrition-related performance. Campbell indicated that 56% of its portfolio currently meets the criteria for nutrition focused foods, representing 52% of 2021 sales. Meanwhile, 69% of its portfolio currently meets category-specific Guidelines for Product Development, which are focused on limiting negative nutrients (saturated fat, sodium, added sugar, and calories).

Areas of improvement

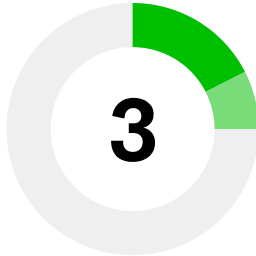
- The company is encouraged to benchmark performance of the healthiness of its portfolio against an externally recognized (and, where applicable, government-endorsed-) NPM. Campbell is encouraged to disclose its NPM in full on its website, including scores, criteria, and where and how it is applied.
- Campbell is encouraged to define a complete set of product (re)formulation targets, especially for sodium (given the current Food and Drug Administration guidance), and to publicly report on its progress.
- Campbell reports that 71% of its meals and beverages products meet the requirements for at least one federal nutrition program (WIC Eligible Foods, SNAP Staple Foods for Retailer Eligibility, and USDA Smart Snacks). Campbell is recommended to include a commitment in its nutrition policy to only sell products through retail and other outlets that have the same 'look and feel' as products sold under the Smart Snacks in School regulation, if they meet the same nutritional standards. Campbell is encouraged to review current product portfolio to reformulate all products sold under the Smart Snacks in School regulation to make them healthier.





Accessibility

17.5% of overall score



Rank 3 / Score 2.5

Highest score 3.9

Average score 1.5

- C1** Product pricing
- C2** Product distribution

- Campbell has made 'access and affordability' one of the three pillars in its new nutrition approach, especially in relation to its nutritious foods. A key feature of this pillar is to track the average price (per serving) of its 'Nutrition Focused Foods' relative to its general portfolio and disclose the result. In 2021, Campbell found that the price of its 'Nutrition Focused Foods' was slightly lower – \$0.62 per serving vs \$0.65 – for its overall portfolio. This is a clear improvement in the company's performance since 2018, and Campbell is the only company in this Index found to conduct this kind of analysis and report on it.
- The company explicitly adheres to USDA definitions of food insecurity in the US for its access-focused activities, which are predominantly philanthropic, rather than being driven by the company's commercial strategy.

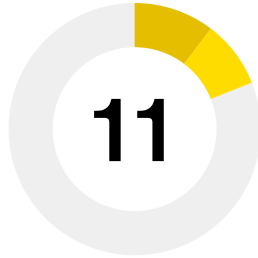
Areas of improvement

- While Campbell finds that the relative price of its 'healthy' foods is slightly lower than its general portfolio, there is scope to improve this price differential. The company is encouraged to formulate quantitative targets (including baseline and target year) to enhance in this area, and to develop a strategy for achieving this.
- Campbell is further encouraged to analyze the pricing and distribution of its nutritious products, specifically for low-income consumers and those living in food-insecure communities according to USDA definitions (as the company does for community programs).
- Campbell is advised to develop a US-specific strategy to improve the commercial distribution of its 'healthier' products, including one or more quantitative targets with baseline and target year.
- Campbell is encouraged to publish a commentary on how it has improved the affordability and accessibility of its 'Nutrition Focused Foods'. It is recommended to work with retailers and distribution partners to ensure the affordability and accessibility of its healthy products in the US through commercial channels.
- It is important that the company tracks the healthiness of the products it donates as part of its philanthropic food security efforts and ensures that the majority of product donations are of healthier product varieties.



Marketing

20% of overall score



Rank 11 / Score 1.9

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- As a Children's Food and Beverage Advertising Initiative (CFBAI) member, Campbell pledges to advertise only its foods and beverages that comply with CFBAI's Uniform Nutrition Criteria in its advertising to children under age 12 and will not advertise its foods and beverages primarily directed to children under age six.

Areas of improvement

- Campbell is strongly encouraged to develop and publish a clearly articulated responsible marketing/advertising policy, covering all consumers including children (defined as under aged 18), including all marketing communication channels, which applies to all products.
- Campbell is encouraged to commit to increasing the proportion of marketing spending on healthier products relative to overall marketing spending and publish a commentary outlining the changes to the company's marketing spending in support of healthier eating.
- Campbell undergoes CFBAI auditing and is encouraged to make the marketing compliance levels public. No information on auditing the compliance of marketing for the general audience was found. It is therefore recommended to ensure annual independent external auditing of the company's compliance with its general marketing policy applicable to the US, covering all media specified in the policy. Campbell could also ensure corrective measures are taken regarding any non-compliance with its marketing policy.
- Where Campbell's policy for children indicates no marketing or advertising in primary schools, no such commitment is made for secondary schools or other places where children gather. As a next step, the company is recommended to extend its policy of no marketing to children to the aforementioned places, and to consider advancing to a commitment and practice not to advertise unhealthy products at all to children.
- Campbell is advised to commit to or demonstrate that its non-commercial US programs relating to nutrition education exclude product- or brand-level branding in all programs.



Workforce

5% of overall score



Rank 11 / Score 1.3

Highest score 7.3

Average score 3.7

E1 Employee health

E2 Breastfeeding support

- Campbell formally commits to granting paid parental leave, by offering 10 weeks of fully paid leave to primary caregivers, and two weeks of fully-paid leave to non-primary caregivers, following the birth or adoption of a child.

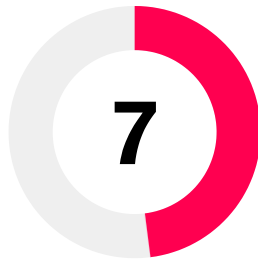
Areas of improvement

- Campbell should make a public commitment to support employee health and nutrition in the US through a workforce nutrition program, including expected outcomes (such as healthy behavior, health-related, or employee absenteeism outcomes).
- For its workforce nutrition program, Campbell should consider:
 - o A commitment to making the program available to all employees and all family members.
 - o Including healthy food at work, nutrition education, and nutrition-focused health checks.
 - o Disclosing the percentage of employees that participate in the program.
- Campbell is encouraged to evaluate the health impact of their workforce nutrition program(s) in the US regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.
- Campbell could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US and abroad), through programs focused on nutrition.
- Campbell is encouraged to extend its current paid parental leave policies to ideally six months or more.
- Campbell is advised to develop and publish a US policy on supporting maternal health and breastfeeding mothers at work, which applies equally in all facilities. The policy should cover the following arrangements: 1) provide private, hygienic, safe rooms for expressing breastmilk (including refrigerators); 2) allow breastfeeding mothers breaks to express breastmilk; and 3) offer flexible working arrangements to support breastfeeding mothers.



Labeling

5% of overall score



Rank 7 / Score 4.8

Highest score 6.8

Average score 5.4

 Product labeling

- Campbell provides online nutrition information for almost 90% of its product portfolio in the US.
- Campbell uses the 'Facts up Front' (FuF) labeling icons to display front-of-pack (FOP) information, which shows calories, saturated fat, sodium, and total sugar contained in each serving of a food or beverage product.

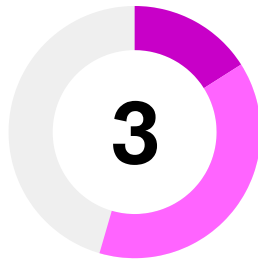
Areas of improvement

- Campbell is advised to adopt an interpretive FOP labeling system and apply this to all products in its portfolio. Information on the type of FOP labeling used by the company should be disclosed publicly.
- Campbell is encouraged to further track the percentage of its portfolio that is compliant with its approach to FOP labeling and publicly report on this.
- Campbell is advised to use an externally recognized NPM to underpin FOP labeling information in the US. Campbell currently uses the FuF labeling system, which pulls nutrient information from the Nutrition Facts Panel. However, this does not tell consumers what products the company considers healthier, and the criteria used for that purpose.
- Campbell could provide the percentage of wholegrain relative to all grain or refined grains on all relevant products, to assist consumers in making informed decisions on the healthiness of products. Campbell displays the 50% Wholegrain Stamp on 75 of its products, showing that at least 50% of the grains in the product are wholegrains.
- Campbell discloses the amount of fruit and vegetable information on some product packages. The company is encouraged to commit to providing fruit and vegetable content information on all relevant products.
- It is recommended that Campbell ensures 100% of its portfolio displays online nutrition information to ensure that, with growing online retail sales, consumers can easily access nutritional information.



Engagement

5% of overall score



Rank 3 / Score 5.5

Highest score 5.8

Average score 4.4

- G1** Influencing policymakers
- G2** Stakeholder engagement

- Campbell's Board of Directors reviews reports of its political spending, trade association memberships and payments, and key regulatory issues.
- The company discloses a comprehensive list of trade association memberships and the precise dues used for lobbying purposes in its annual Political Accountability Reports, a leading practice. Campbell also discloses the combined amount spent on lobbying at federal and state levels (approximately \$250,000).
- Campbell states that, in 2020 and 2021, it spent \$0.00 on political contributions from the company treasury at state or local level (including political action committees (PACs) and candidates; direct contributions are banned at federal level). The company's PAC, Campbell Soup Company Political Action Committee, is being dissolved, but the company did not disclose its most recent (final) expenditures in the report.
- Campbell publishes a list of 'Key Legislative and Regulatory Issues'. However, it is not specific about its positions on important nutrition-related policies, other than indicating support for self-regulation of marketing to children.
- Regarding stakeholder engagement, Campbell states that it works with several advisory consultants to review the latest nutrition science and offer guidance on its nutrition strategy, as well as topics such as responsible labeling and affordability. For example, its new 'Nutrition Metrics' and 'Nutrition Focused Foods' nutrition profiling systems were developed with external specialists. It also engages with organizations such as the Produce for Better Health Foundation, the Academy of Nutrition & Dietetics, Tufts Food and Nutrition Innovation Council, and the Interfaith Center on Corporate Responsibility (ICCR) on specific nutrition topics.
- Campbell's new 'Full Futures' program, which replaces its 10-year 'Healthy Communities' program, sees different partner organizations run different parts of the program: 'The Food Bank of South Jersey' provides nutrition education to students and parents, two youth advisory councils advise on the Full Futures work, and the 'Alliance for a Healthier Generation' leads the measurement and evaluation work.

Areas of improvement

- Campbell is strongly encouraged to actively support (or commit to not lobby against) key World Health Organization-endorsed public policy measures to address obesity and diet-related non-communicable diseases – such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at the federal, state, or local level where such proposals arise.
- Campbell could significantly improve its disclosure regarding its lobbying positions on key public health policies. These positions should be as specific and unambiguous as possible. Publishing links to specific documents used in government engagements is also encouraged.
- Campbell is advised to publish a link to its Lobbying Disclosure Act reports on its website or in its reports, and to disclose greater detail about the state and local governments it is active in lobbying, and the names of lobbying firms or individuals it employs.
- Campbell is recommended to enhance its processes to review and manage relationships with trade associations, and to undertake audits of the company's lobbying activities, disclosure, and compliance with its lobbying policies (as set out in its Political Accountability Report).
- Campbell should significantly improve its transparency regarding the identities of experts it consults on nutrition-related topics, as well as providing an indication of the degree of financial compensation for these engagements. It could also be more explicit about the outcomes of these engagements and consultations, and how it was used to change its nutrition-related practices or plans.

Product Profile ⁱ 204



Rank 1/11 / Score 2.9/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more)) | | | Range of total 2021 US sales covered ⁱ 205 |
|---|--|----------------------------------|----------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2.9 | 1026 | 52% | 48% | 80-90% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- Campbell's average sales-weighted HSR is 2.9 (stars) out of 5 (3.0 unweighted), ranking joint first out of the 11 companies assessed in the Product Profile (together with Conagra). A total of 1026 products across the company's five best-selling product categories were assessed using the HSR system.
- 52% of distinct products analyzed for Campbell met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive approximately half (48%) of its US 2021 sales from healthier products (mostly juices).



Mean Health Star Rating by category for Campbell Soup Company

| | No. of products assessed | Mean HSR |
|----------------------------------|--------------------------|----------|
| Baked Goods | 133 | 3.2 |
| Juice | 70 | 2.7 |
| Sauces, Dressings and Condiments | 119 | 3.2 |
| Savoury Snacks | 332 | 2.5 |
| Soup | 372 | 3.4 |

▪ Among categories assessed, Campbell products in the Soup category (brands include Campbell's and Pacific) had the highest mean HSR (3.4 out of 5). A total of 372 distinct Soup products were analyzed and 261 of them (or 70%) met the 'healthy' threshold. The company's lowest scoring category was Savoury Snacks, which was one of the best-selling categories in 2021. A total of 332 Savoury Snacks were assessed including products from the brands Pepperidge Farm, Snyder's of Hanover and Lance, among others. The category had a mean HSR of 2.5 out of 5 and 103 products (31%) met the 'healthy' threshold.

Coca-Cola

Product categories assessed

Bottled Water - Other|Carbonates|Juice|Energy Drinks|Bottled Water - Pure|Sports Drinks

Percentage of company US sales covered by Product Profile assessment
90-100%

Headquarters
Atlanta, Georgia, U.S.

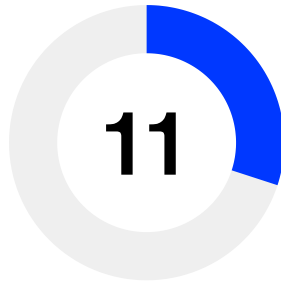
Number of US employees
~10,800

Type of ownership
Public

Sales revenue (range) of packaged foods and beverages
USD 23 – 28 Billion

US share in global packaged food and beverage sales
18-23%

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Product Profile ⓘ ²⁰⁶

Rank 11 / Score 3

Rank 9 / HSR 2 ⓘ ²⁰⁷

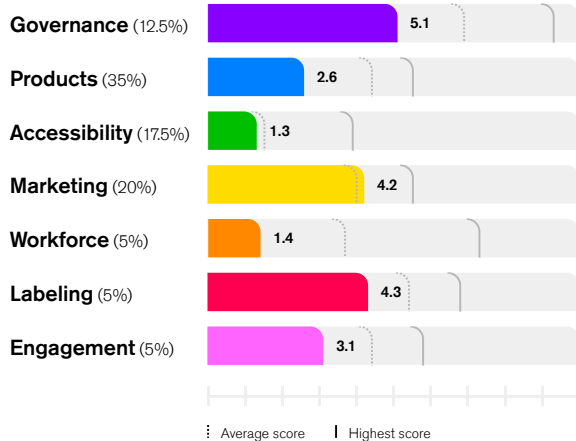
Rank 7 (2018)

Rank 8 (2018) ⓘ ²⁰⁸

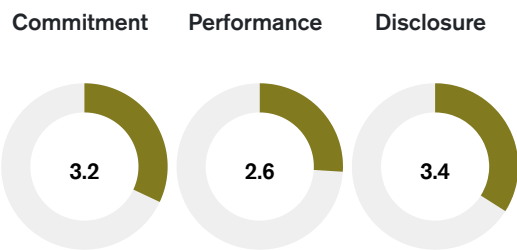
Important:

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Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

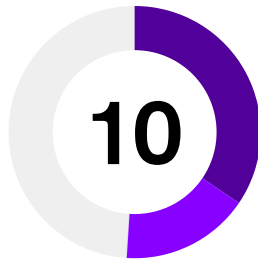
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 10 / Score 5.1

Rank 8 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- Together with PepsiCo and KDP, Coca-Cola is part of the American Beverage Association's Balance Calories Initiative (BCI). The BCI has committed to decrease beverage calories in the American diet by 20% by 2025. Through this association, Coca-Cola makes an implicit commitment to improving the nutritional quality of its products. In addition, the company commits to addressing obesity through a number of approaches – including reducing sugar while providing more drinks with nutrition benefits, optimizing the mix of products, offering more small packaging choices, and providing consumers with clear nutrition information.
- Through its association with BCI, Coca-Cola also commits to addressing the needs of priority populations in the US. BCI tracks calorie reduction efforts in five US communities where health disparities have led to higher obesity rates compared to national average, and where reducing beverage calories is expected to be most challenging. The most recent evaluation concluded that beverage calories per person fell in all five selected communities.
- Progress against the company's Environmental, Social, and Governance (ESG) goals is overseen by the Board's ESG and Public Policy Committee, which meets periodically for a self-evaluation. In addition, progress on the BCI annual reporting is audited through a third party.

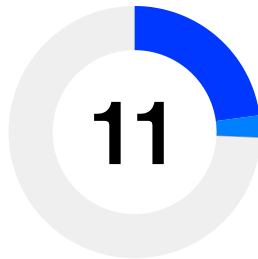
Areas of improvement

- The company is recommended to publish details of its nutrition efforts in the US more substantially in its global reporting. Currently, efforts to contribute to healthier diets in the US are mentioned sporadically and it is difficult to ascertain the commitments and progress specific to the US. While BCI reporting provides more details, it would be ideal if these details are also incorporated in Coca-Cola's own report.
- While the company's association with BCI illustrates a commitment to address the needs of priority populations, details of this work are only mentioned briefly in the company's own report. Coca-Cola is encouraged to report on the progress of the work conducted with BCI.
- Coca-Cola is advised to link executive compensation to performance on nutrition objectives and disclose this arrangement publicly.
- The company's ESG Committee of the Board receives periodic updates on priority ESG issues, including information on actions and progress toward goals. Annually, the Committee conducts a self-evaluation, which it presents to the full Board. However, it is unclear if this also applies to the company's nutrition strategy, as Coca-Cola's sustainability goals are not explicitly linked to nutrition targets. The company is encouraged to clearly develop nutrition targets and report on progress periodically.



Products

35% of overall score



Rank 11 / Score 2.6

Rank 8 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- Coca-Cola reports annually on volumes sold of low- or no-calorie sparkling soft drink beverages (at 28% in 2021, according to the company's 2021 Business & ESG Report). However, there is no US-specific disclosure, nor a time-bound target to grow this proportion.
- Together with PepsiCo and KDP, Coca-Cola is part of the BCI. The BCI has committed to decrease beverage calories in the American diet by 20% by 2025. A BCI report released in early 2022 found that average calories per 8oz. serving have declined between 10-15.5% since 2014 in five selected communities.

Areas of improvement

- With a diverse beverage portfolio, including more options in the dairy and ready-to-drink coffee categories, Coca-Cola is strongly encouraged to adopt a nutrient profiling system (NPM). Coca-Cola is the only company in the Index that has not yet adopted an NPM or other external criteria to guide its product (re)formulation efforts.
- The company is still encouraged to define products' formulation or reformulation targets for 'positive ingredients/nutrients' – e.g., fruits, vegetables, nuts, and legumes – particularly as it continues to grow its portfolio covering different beverage categories, like juices and dairy.
- While reporting on progress with the BCI is an important development, Coca-Cola is encouraged to establish its own US- and company-specific sugar or calorie reduction targets and to disclose progress annually.
- Coca-Cola is encouraged to publicly commit to sell products through retail and other outlets that have the same 'look and feel' as products sold under the Smart Snacks in School regulation, if they meet the same nutritional standards.





Accessibility

17.5% of overall score



Rank 6 / Score 1.3

Rank 7 (2018)

Highest score 3.9

Average score 1.5

- C1** Product pricing
- C2** Product distribution

- As part of its participation in BCI, Coca-Cola has developed a clear commitment to improve the distribution and promotion of its zero-/reduced-calorie beverages, specifically in five low-income areas with above-average rates of obesity in the US. Its strategy involves working with retailers and quick service restaurants to stock and display these beverages. This is a clear improvement since 2018.
- Coca-Cola makes in-kind donations of its products in the US, primarily for disaster relief efforts. However, the company does not have a policy in place to limit the donation of unhealthy products and prioritize donations of healthy products, nor does it track its product donations.

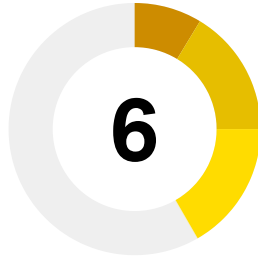
Areas of improvement

- Coca-Cola is recommended to develop an affordability strategy for its healthy (or low-/reduced-calorie) products, to complement its accessibility efforts and further encourage a shift toward consumption of healthier options. The company could start by tracking the relative prices (per serving) and developing targets to improve the price differential between its healthy (or low-/reduced-calorie) products, with a baseline and target year. It is also advised to carry out analysis to ensure pricing is affordable for those on low incomes, and to work with retail partners to ensure the price is reflected at point-of-sale.
- Coca-Cola is encouraged to publish a commentary on how it has improved the affordability and accessibility of its healthy (or low-/reduced-calorie) products.
- Coca-Cola is encouraged to develop a policy to ensure its product donations are made responsibly, consisting predominantly of nutritious products, so that they do not unintentionally exacerbate public health issues. For example, it could commit to responsible donation guidelines such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs, including disaster relief.



Marketing

20% of overall score



Rank 6 / Score 4.2

Rank 4 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- Coca-Cola updated its Global Responsible Marketing policy in early 2022. The marketing policy for all audiences, including the specific policy for children, includes information on the forms of marketing it entails and gives an extensive list of commitments regarding a fair representation of their products.
- Coca-Cola commits not to market their product to children at all (under age 13), based on an International Food and Beverage Associated (IFBA) pledge, and to not market or advertise in primary schools and other places where children gather.

Areas of improvement

- Coca-Cola undergoes Children's Food and Beverage Advertising Initiative auditing and is encouraged to make the marketing compliance levels public. No information on auditing the compliance of marketing for the general audience was found. It is therefore recommended to ensure annual independent external auditing of the company's compliance with its general marketing policy, applicable to the US, and covering all media specified in the policy. Coca-Cola could also ensure corrective measures are taken regarding any non-compliance with its marketing policy.
- Although Coca-Cola made a commitment to increase spending of marketing on healthier products, it is recommended the company publishes a commentary outlining the changes to its marketing spend in support of healthier products, relative to their overall marketing budget.
- Where Coca-Cola's policy for children indicates no marketing or advertising in primary schools, no such commitment is made for secondary schools. The company is recommended to extend its policy of no marketing to children to secondary schools.
- Coca-Cola is advised to commit to or demonstrate that its non-commercial US programs relating to nutrition education exclude product- or brand-level branding in all programs.



Workforce

5% of overall score





Rank 10 / Score 1.4

Rank 6 (2018)

Highest score 7.3

Average score 3.7

-  Employee health
-  Breastfeeding support

- Coca-Cola partners with Virgin Pulse, a wellbeing and health platform, although it is vague what is offered to employees and family members through this and whether workforce nutrition is a key element.
- Coca-Cola's paid parental leave policy provides a formal commitment to grant eight weeks' paid parental leave to eligible employees.
- Coca-Cola supports mothers at work by providing rooms in all US facilities for them to express breastmilk – and these rooms include refrigerators in which breastmilk can be stored.

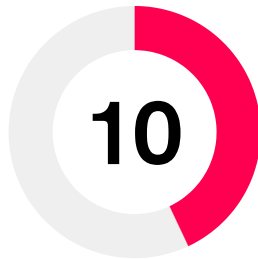
Areas of improvement

- Coca-Cola should make a public commitment to support employee health and nutrition in the US through a workforce nutrition program, which includes expected outcomes (such as healthy behavior, health-related, or employee absenteeism outcomes).
- For its workforce nutrition program, Coca-Cola should consider:
 - 1) A commitment to making the program available to all employees and all family members;
 - 2) Including healthy food at work, nutrition education, and nutrition-focused health checks;
 - 3) Disclosing the percentage of employees that participate in the program.
- Coca-Cola is encouraged to evaluate the health impact of their workforce nutrition program(s) in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.
- Coca-Cola could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US and abroad), through programs focused on nutrition.
- Coca-Cola is encouraged to extend its current paid parental leave policies to ideally six months or more. Furthermore Coca-Cola is advised to publish its paid parental leave policy.
- Coca-Cola should adopt a policy to support breastfeeding mothers, including offering flexible working arrangements and daily intermittent breaks to express breastmilk.



Labeling

5% of overall score



Rank 10 / Score 4.3

Rank 4 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- Coca-Cola displays numerical front-of-pack (FOP) information for calories on all packaging. This includes displaying the total calories per container on beverages 20 ounces or smaller (for containers larger than 20 ounces, calories are labeled per 12 ounces in most cases), as part of the Clear on Calories Initiative.

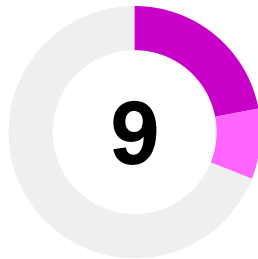
Areas of improvement

- Coca-Cola is advised to adopt an interpretive element to its FOP labeling system and apply this to all products in its portfolio, providing information on multiple nutrients. Information on the type of FOP labeling used by the company could be disclosed publicly.
- Coca-Cola is encouraged to further track the percentage of its portfolio that is compliant with this approach to FOP labelling and publicly report on this.
- Coca-Cola is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US
- Coca-Cola is encouraged to commit to providing fruit and vegetable content information on all relevant products.
- Coca-Cola provides information for most US products via SmartLabel, but it is recommended that the company ensures 100% of its portfolio displays online nutrition information to ensure that, with growing online retail sales, consumers can easily access nutritional information.
- Coca-Cola is encouraged to use a healthy filter aligned with FOP information or at least three nutrient-based filters on direct-to-consumer channels. These filters could be 'low in in sugar' or 'low in calories'.



Engagement

5% of overall score



Rank 9 / Score 3.1

Rank 8 (2018)

Highest score 5.8

Average score 4.4

- G1** Influencing policymakers
- G2** Stakeholder engagement

- The 'ESG and Public Policy Committee' of Coca-Cola's Board of Directors reviews the company's Political Engagement Policy and lobbying activities several times a year. The company also regularly reviews its participation in trade associations, indicating that, where instances of misalignment in lobbying positions are found, it chooses to work within the trade associations to find a balanced position.
- Coca-Cola shared no evidence of lobbying in support of government policies to address malnutrition (including obesity and diet-related non-communicable diseases (NCDs)) in the US, at federal, state, or local levels.
- Coca-Cola only discloses trade association memberships to which it contributes \$25,000 or more in membership dues. For these, it also discloses the precise portion of dues that are used for lobbying purposes.
- For each election cycle, the company discloses on its website all political contributions made directly by the company to state and local candidates, as well as all contributions from its federal PAC (Coca-Cola PAC), Georgia PAC, and Massachusetts PAC, to political candidates and groups at federal, state, and local levels.
- Coca-Cola discloses its quarterly Lobbying Disclosure Reports directly on its website, which include the names of lobbyists employed and the amounts spent lobbying at federal level.
- Coca-Cola indicates 'Key Advocacy Areas' in the US, in which it states that it "continue[s] to oppose taxes that single out beverages. We believe there are more effective ways to address obesity and address the budget needs of governments across the country." Aside from this, no other nutrition-related policy positions are clearly disclosed.
- While Coca-Cola reports that it engages with a range of stakeholders in the US, it does not provide specific examples related to nutrition. The company is a sponsor of the NASEM/IOM Food Forum, which convenes stakeholders from academia, government, industry, non-profits, professional societies, and consumer groups on an ongoing basis, to discuss and share approaches to address issues related to food, including health and nutrition.

Areas of improvement

- Coca-Cola is strongly encouraged to commit to not lobby against key World Health Organization-endorsed public policy measures to address obesity and diet-related NCDs, such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labelling requirements, whether at federal, state, or local levels, where such proposals arise.
- Coca-Cola also has scope to significantly improve its disclosure regarding its lobbying positions on these key public health policies. These positions should be as specific and unambiguous as possible. Publishing links to specific documents used in government engagements is also encouraged.
- While Coca-Cola states that it is “in strict compliance with” its Code of Business Conduct and US Political Engagement Policy, it could clarify further whether it audits this compliance.
- Coca-Cola is encouraged to disclose a more comprehensive list of trade association memberships, reducing the threshold for disclosure to \$10,000 in membership dues, for example. Moreover, it could indicate which Board it holds seats on, if any.
- Coca-Cola is strongly encouraged to ensure that it directly engages with a wide range of nutrition-specific stakeholders regarding its nutrition strategies and activities in the US, such as civil society organizations, academic institutions, and scientific bodies with recognized expertise in nutrition and public health. This engagement should seek to inform these stakeholders about the companies' existing activities and future plans, and aim to solicit feedback and gather insights to ensure these are sufficiently aligned with the public health interest.
- Coca-Cola should be transparent about the identities of experts and stakeholders it consults and organizations it engages with on nutrition-related topics, as well as the degree of financial compensation for these engagements. It should also be clear about the outcomes of the engagements, and how they were used to change its nutrition-related practices or plans.

Product Profile ⁱ 209



Rank 9/11 / Score 2/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more) | | | Range of total 2021 US sales covered ⁱ 210 |
|---|---|----------------------------------|----------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2 | 396 | 30% | 34% | 90-100% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- Coca-Cola's average sales-weighted HSR is 2.0 (stars) out of 5 (2.1 unweighted), ranking ninth out of the 11 companies assessed in the Product Profile. A total of 396 beverage products across the company's five best-selling product categories were assessed using the HSR system.
- 30% of distinct products analyzed for Coca-Cola met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 34% of its 2021 U.S. retail sales from healthier products. These results are largely linked to sales of low or zero sugar Carbonates and Bottled Water – Plain beverages. The latter receiving an automatic maximum HSR of 5.0.



Mean Health Star Rating by category for Coca-Cola

| | No. of products assessed | Mean HSR |
|------------------------------|--------------------------|------------|
| Bottled Water - Other | 55 | 3.6 |
| Bottled Water - Pure | 9 | 5 |
| Carbonates | 139 | 1.4 |
| Juice | 138 | 1.9 |
| Sports Drinks | 55 | 2.2 |

▪ Among categories assessed, Coca-Cola's products in the Bottled Water – Plain category (Dasani brand) had the highest mean HSR (5.0) followed by the Bottled Water – Other category (includes functional and flavoured bottled water). Regarding the company's largest category 'Carbonates', 139 products were analyzed and 39 of them (or 28%) met the 'healthy' threshold. These results show the company has significant scope to continue its sugar reformulation efforts among its best selling beverages in the US.

ConAgra Brands

Product categories assessed

Dairy|Processed Fruit and Vegetables|Ready Meals|Savoury Snacks|Processed Meat, Seafood and Alternatives to Meat

Percentage of company US sales covered by Product Profile assessment
80-90%

Headquarters
Chicago, Illinois, US

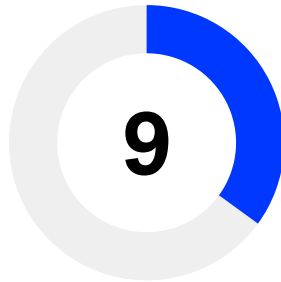
Number of US employees
~16,260

Type of ownership
Public

Sales revenue (range) of packaged foods and beverages
USD 11.2 Billion

US share in global packaged food and beverage sales
87-92%

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Rank 9 / Score 3.5

Rank 7 (2018)



Product Profile ⓘ ²¹¹

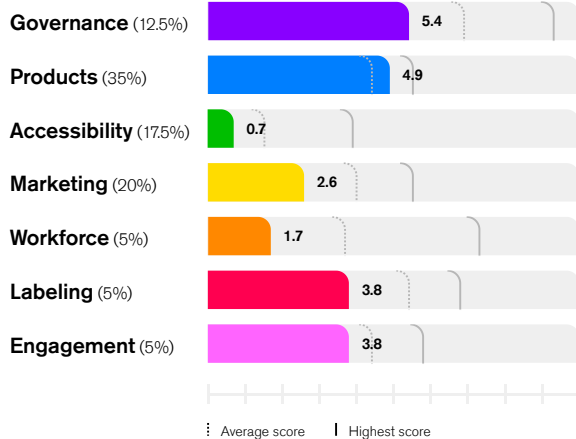
Rank 1 / HSR 2.9 ⓘ ²¹²

Rank 1 (2018) ⓘ ²¹³

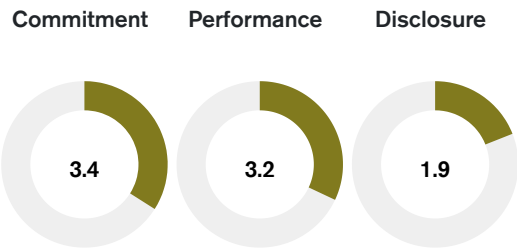
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Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

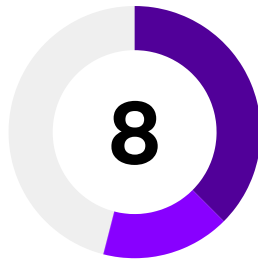
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 8 / Score 5.4

Rank 5 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- Conagra's nutrition strategy is centered on the idea of nourishing consumers with good food that provides them choices, while meeting high quality and food safety standards.
- Conagra commits to developing foods that help consumers adhere to their personal nutrition goals and philosophies, such as keto, low carb, paleo, vegan, vegetarian, heart healthy, or no added sugar. For their health and wellness products, their food design framework includes nutrient guardrails that deliver intended nutrition attributes. These attributes come to life in products like Healthy Choice single-serving meals that meet the regulated United States Food and Drug Administration (FDA) definition of 'healthy' and provide lower carbohydrate, gluten free, and heart-healthy options. Conagra has transformed its portfolio over time through innovation, introducing better-for-you brands, and the acquisition of Pinnacle Foods. This implies that the company has a strategic commitment to grow through a focus on health and nutrition.
- The company focuses on four areas within this commitment: Nutrient-Rich Whole Food, Access to Healthy Food, Sustainable Nutrition, and Personal Health Goals.
- Accountability of the company's nutrition strategy lies with the Nominating and Corporate Governance Committee that reports to the Board on its activities. The Board, in its capacity as a governing body, reviews and guides strategy, sets performance objectives, and oversees the corporate sustainability strategy. During Board meetings, board members are able to provide feedback on these governance mechanisms and their relationship to managing corporate social responsibility/sustainability.

Areas of improvement

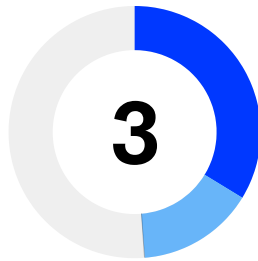
- Currently, Conagra's strategy to improve food access mostly focuses on formulating products to qualify for the WIC program, which are then made available to low-income women and children through government intervention, rather than through the company's own commercial channels. Conagra is encouraged to include a focus on addressing the needs of priority populations in its commercial strategy, including products targeting health concerns faced by these communities as defined by public authorities.
- While Conagra discloses its formal accountability arrangements in depth, it is encouraged to ensure that its nutrition strategy is assessed regularly through audit and/or subject to an annual management review to monitor progress. If these are already part of sustainability reviews, the company is encouraged to disclose more details about it.
- Conagra is advised to link executive compensation to performance on nutrition objectives and disclose this arrangement publicly.





Products

35% of overall score



Rank 3 / Score 4.9

Rank 7 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- Conagra has adopted a new metric – Sustainable nutrition – to track improvements in its product portfolio using the NutriScore, an externally recognized NPM. According to the company, 82% of vegan and vegetarian meals and meat replacements currently meet NutriScore A or B. In addition, the company uses the FDA healthy criteria to guide the development of its Healthy Choice product range.
- In alignment with Sustainability Accounting Standards Board (SASB) standards, Conagra reports \$9.7 billion in revenue from products labeled and/or marketed to promote health and nutrition attributes in FY2021. However, this metric is not specific for the US portfolio.

Areas of improvement

- While the company uses the NutriScore and the FDA healthy criteria to guide its product (re)formulation efforts, there is limited information about how those models are used and to which products they are applicable. To enhance transparency in this area, Conagra is encouraged to publish a policy on the details of its product reformulation criteria, to adopt a target to increase sales of healthier products covering its entire US portfolio, and to report progress annually.
- Further, Conagra is encouraged to disclose quantitative targets on progress made to reduce key nutrients of public health relevance, especially for sodium in alignment with the FDA guidance.



Accessibility

17.5% of overall score



Rank 8 / Score 0.7

Rank 5 (2018)

Highest score 3.9

Average score 1.5

- C1** Product pricing
- C2** Product distribution

▪ 'Access to healthy food' is one of the four pillars of Conagra's 'Health for All' nutrition platform. Its main approach is to formulate products to qualify for WIC, which are then made available to low-income women and children through government intervention, rather than through the company's own commercial channels.

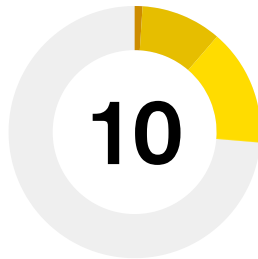
Areas of improvement

- Conagra is encouraged to develop a commercial affordability and accessibility strategy for its healthy products, in order to encourage a shift in consumption toward healthier options and ensure that those on low-incomes and/or experiencing food insecurity have access to nutritious food. The company is recommended to start by tracking the relative prices (per serving) of its healthy products and develop targets (with baseline and target year) to improve the price differential between them. It could also work with retailers and distributors to ensure that its healthy products are offered at an affordable price and are distributed in low-income neighborhoods.
- Since Conagra makes donations to Feeding America and other food security programs, the company is encouraged to develop a policy to ensure its product donations are made responsibly, consisting predominantly of nutritious products, so that they do not unintentionally exacerbate public health issues. For example, it could commit to responsible donation guidelines such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs.



Marketing

20% of overall score



Rank 10 / Score 2.6

Rank 7 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

▪ As a Children's Food and Beverage Advertising Initiative (CFBAI) member, Conagra commits that all its advertising primarily directed at children under age 12 in covered media will be for foods that meet CFBAI's Category-Specific Uniform Nutrition Criteria.

Areas of improvement

- Conagra is encouraged to commit to increasing the proportion of marketing spending on healthy products relative to overall marketing spending and publish a commentary outlining the changes to the company's marketing spending in support of healthier eating.
- Conagra is strongly encouraged to develop and publish a clearly articulated responsible marketing/advertising policy, covering all consumers including children (defined as being those under age 18), including all marketing communication channels, and is applied to all products.
- Where Conagra's policy for children indicates no marketing or advertising in primary schools, no such commitment is made for secondary schools or other places where children gather. The company is recommended to extend its policy of no marketing to children to the aforementioned places.
- Conagra undergoes CFBAI auditing and is encouraged to make its marketing compliance levels public. No information on auditing the compliance of marketing for the general audience was found. It is therefore recommended to ensure annual independent external auditing of the company's compliance with its general marketing policy applicable to the US, covering all media specified in the policy. Conagra could also ensure corrective measures are taken regarding any non-compliance with its marketing policy.
- Conagra is advised to commit to or demonstrate that its non-commercial US programs relating to nutrition education exclude product- or brand- level branding in all programs.



Workforce

5% of overall score



Rank 9 / Score 1.7

Rank 8 (2018)

Highest score 7.3

Average score 3.7

 Employee health

 Breastfeeding support

- Conagra has a lactation policy, in which it commits to provide private, hygienic, safe rooms to express breastmilk, as well as daily intermittent breaks to express breastmilk.

Areas of improvement

- Conagra should make a public commitment to support employee health and nutrition in the US through a workforce nutrition program, including expected outcomes (such as healthy behavior, health-related, or employee absenteeism outcomes). For its workforce nutrition program, Conagra should consider:

1) A commitment to making the program available to all employees and all family members;

2) Including healthy food at work, nutrition education, and nutrition-focused health checks;

3) Disclosing the percentage of employees that participate in the program.

- Conagra is encouraged to evaluate the health impact of its workforce nutrition program(s) in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.

- Conagra could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US and abroad), through programs focused on nutrition.

- Conagra is encouraged to extend its current paid parental leave policies of six weeks to ideally six months or more.

- Conagra could extend arrangements to support breastfeeding mothers and maternal health by offering flexible working arrangements..

- Conagra is advised to publish both its lactation policy and paid parental leave policy.



Labeling

5% of overall score



Rank 11 / Score 3.8

Rank 9 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- Conagra uses the Facts up Front (FuF) labeling scheme to display front-of-pack (FOP) information, which shows the calories, saturated fat, sodium, and total sugar contained in each serving of a food or beverage product.
- Conagra uses SmartLabel to provide online nutrition information for more than 80% of its products. This is an improvement since the 2018 US index, where Conagra were not credited for displaying online nutrition information.

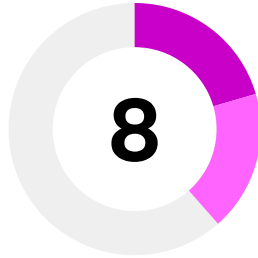
Areas of improvement

- Conagra is advised to adopt an interpretive FOP labeling system and apply this to all products in its portfolio. It is also encouraged to track the percentage of its portfolio that is compliant with its approach to FOP labeling and publicly report on this.
- Conagra is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US. Conagra currently uses the FuF labeling system, which pulls nutrient information from the Nutrition Facts Panel. However, this does not tell consumers what products the company considers healthier and the criteria used for that purpose.
- To ensure transparency and assist consumers in making informed decisions on the healthiness of products, Conagra could provide the following information on pack for all relevant products:
 - 1)The percentage of wholegrain relative to all grain or refined grains
 - 2)The amount of fruit and vegetables.
- It is recommended that Conagra displays online nutrition information for 100% of its portfolio, to ensure that with growing online retail sales, consumers can easily access nutritional information.



Engagement

5% of overall score



Rank 8 / Score 3.8

Rank 7 (2018)

Highest score 5.8

Average score 4.4

- G1** Influencing policymakers
- G2** Stakeholder engagement

- The Nominating, Governance and Public Affairs Committee of the Board oversees Conagra's political activities, including political contributions, lobbying expenditures, and trade association participation.
- While Conagra states that 'Nutrition' is one of its key topics of political activity, it does not clarify which policies it lobbies on, or what its positions are on these topics. Conagra shared no evidence of lobbying in support of government policies to address malnutrition (including obesity and diet-related non-communicable diseases (NCDs)) in the US, at federal, state, or local level.
- Each year, Conagra discloses a list of trade associations that use a portion its membership dues for lobbying purposes and discloses this precise amount. It also publishes a link to the Lobbying Disclosure Act website, which contains its Lobbying Disclosure reports.
- The company discloses its contributions to the Democratic and Republican national party conventions, Governors' conferences, and state and local candidates. While it does not contribute corporate funds to external political action committees, it does contribute to federal, state, and local candidates via the Conagra Brands Employee Political Action Committee (PAC), publishing a link directly to its disclosure of its disbursements on the Federal Election Committee (FEC) website.
- Conagra reports that it engages with the wider nutrition community to further its understanding of nutrition, and integrates this awareness into its product innovation process. The company has dissolved its Scientific Advisory Council since 2018.
- Through the Conagra Brands Foundation, the company delivers nutrition education, cooking skills, and healthy and active lifestyle programs in the US. These are in partnership with local and national non-profits, who design the programs themselves, and are co-implemented together with the non-governmental organizations having strong leadership in the process.

Areas of improvement

- Conagra is strongly encouraged to lobby in support of (or commit to not lobby against) key World Health Organization-endorsed public policy measures to address obesity and diet-related NCDs, such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at federal, state, or local levels, where such proposals arise. It also has scope to significantly improve its disclosure regarding its lobbying positions on key public health policies. These positions should be as specific and unambiguous as possible. Publishing links to specific documents used in government engagements is also encouraged.
- Conagra should also be more transparent on its own domain about its lobbying expenditures and activities, including publishing the names of its lobbyists/lobbying firms, and what state jurisdictions it is actively lobbying in.
- Conagra is recommended to enhance its processes to review and manage relationships with trade associations, and to undertake audits of the company's lobbying activities, disclosure, and compliance with its lobbying policies.
- Conagra should ensure it directly engages with a wider range of nutrition-specific stakeholders regarding its nutrition strategies and activities in the US, such as civil society organizations, academic institutions, and scientific bodies with recognized expertise in nutrition and public health. This engagement should seek to inform these stakeholders about the companies' existing activities and future plans, and aim to solicit feedback and gather insights to ensure these are sufficiently aligned with the public health interest.
- Conagra is encouraged to improve its public reporting of the content of discussions during stakeholder engagements, and which aspects of the company's nutrition-related activities are being discussed. Importantly, the company should also be clear about the outcomes of the engagements, and how they were used to change its practices or plans.

Product Profile ^{i 214}



Rank 1/11 / Score 2.9/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more)) | | | Range of total 2021 US sales covered ^{i 215} |
|---|--|-------------------------------------|-------------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2.9 | 1264 | 54% | 49% | 80-90% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- Conagra's average sales-weighted HSR is 2.9 (stars) out of 5 (3.1 unweighted), ranking joint first out of the 11 companies assessed in the Product Profile (together with Campbell). A total of 1264 products across the company's five best-selling product categories were assessed using the HSR system.
- 54% of distinct products analyzed for Conagra met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 49% of its 2021 US retail sales from 'healthy' products, the highest figure among the Index companies.



Mean Health Star Rating by category for ConAgra Brands

| | No. of products assessed | Mean HSR |
|--|--------------------------|----------|
| Dairy | 90 | 2.4 |
| Processed Fruit and Vegetables | 302 | 4 |
| Processed Meat, Seafood and Alternatives to Meat | 176 | 1.5 |
| Ready Meals | 541 | 3.3 |
| Savoury Snacks | 155 | 2.5 |

▪ Among categories assessed, Conagra's Processed Fruit and Vegetables category (Birds Eye and Hunt's brands among others) had the highest mean HSR (4.0 out of 5), followed by the Ready Meals category (3.3 out of 5). A total of 302 products from the Processed Fruit and Vegetables category were analyzed and 261 (86%) met the 'healthy' threshold. A total of 541 Ready Meals (brands Marie Callender's and Healthy Choice among others) products were analyzed, and 342 of them (or 63%) met the 'healthy' threshold. The company's lowest scoring category was Processed Meat, Seafood and Alternatives to Meat (including Banquet, Slim Jim, Gardein brands), with 20 out of the 176 products (11%) assessed meeting the 'healthy' threshold. These results illustrate Conagra has scope to improve the performance of its Processed Meat, Seafood and Alternatives to Meat products by reducing levels of sodium and saturated fat.

General Mills, Inc.

Product categories assessed

Breakfast Cereals|Dairy|Ready Meals|Soup|Sweet Biscuits, Snack Bars and Fruit Snacks

Percentage of company US sales covered by Product Profile assessment
80-90%

Headquarters
Minneapolis, Minnesota, US

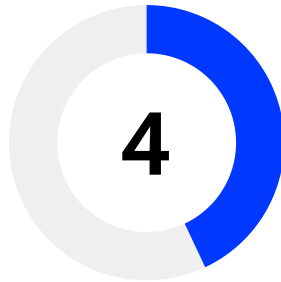
Number of US employees
~15,000

Type of ownership
Public

Sales revenue (range) of packaged foods and beverages
USD 8-12 Billion

US share in global packaged food and beverage sales
59-64%

Euromonitor International Limited [2021]
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Product Profile ⓘ ²¹⁶

Rank 3 / HSR 2.6 ⓘ ²¹⁷

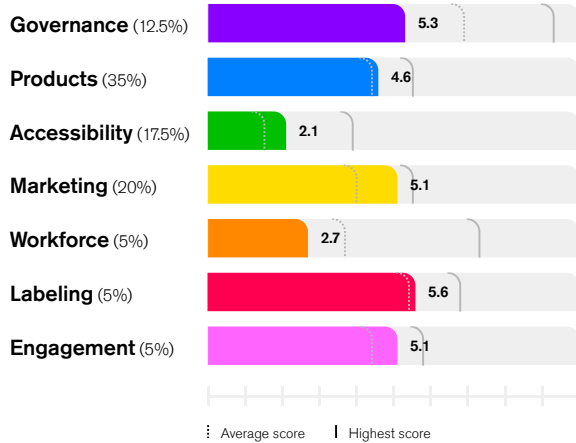
Rank 3 (2018) ⓘ ²¹⁸

Rank 6 (2018)

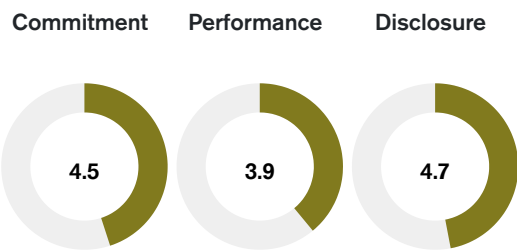
Important:

The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

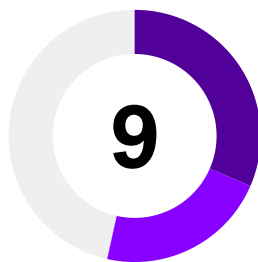
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 9 / Score 5.3

Rank 6 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- General Mills commits to producing more 'Nutrition-Forward' foods, which is the framework of nutrition metrics as defined by the company. The company's 'Accelerate Business Strategy' calls for growing sales across key categories, many of which are Nutrition-Forward foods. In addition, the company commits to providing a diverse portfolio of products that contribute to the wellbeing of consumers and meet a variety of needs, including nutrient density, affordability, and accessibility, offering lower calorie options and portion control, and scientific communication on maintaining healthy weight.
- General Mills publicly discloses that senior executives in the company are accountable for product nutrition. The Bell Institute of Health and Nutrition reports to the senior executive, who approves the overall health and wellness strategy and updates the responsible board committee, which ultimately approves the nutrition strategy. General Mills is one of five companies in the Index that conducts annual management reviews and audits of its nutrition plan.

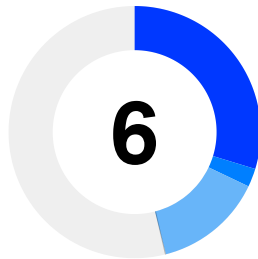
Areas of improvement

- While General Mills commits to "improving the variety, nutrient density, affordability, and accessibility" of its products and "enabling access to affordable, nutrient-dense foods," this approach translates to formulating products to qualify for federal nutrition assistance programs, such as WIC and NSLP, where the company's products are made available to low-income beneficiaries. General Mills is encouraged to include a focus on addressing the needs of priority populations in its commercial strategy (beyond creating and formulating products that meet the requirements of government assistance programs), including products targeting health concerns faced by these communities as defined by public authorities such as the United States Department of Agriculture (USDA).
- General Mills is advised to link executive compensation to performance on nutrition objectives and disclose this arrangement publicly.



Products

35% of overall score



Rank 6 / Score 4.6

Rank 6 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

▪ In 2019, the company updated its nutrient profiling model (NPM) and established the Nutrition-Forward Foods framework. A product can be considered Nutrition-Forward if it meets one of the following two criteria per serving: a) provides at least 8g of wholegrain; provides half a serving of low-fat or non-fat dairy per regional definition; provides half a serving of fruits, vegetables, or nuts/seeds; or b) meets US FDA Healthy criteria. In FY2021, 47% of General Mills US volume met the Nutrition-Forward criteria. Disclosing US-specific progress is a positive development. However, products with unhealthy levels of sugar and salt, for example, can still be compliant under the Nutrition-Forward Foods (as long as it provides at least 8g of wholegrain; provides half a serving of low-fat or non-fat dairy per regional definition; provides half a serving of fruits, vegetables, or nuts/seeds).

Areas of improvement

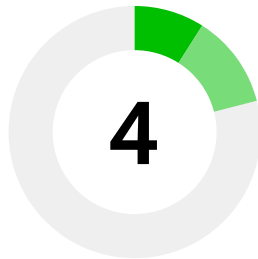
- General Mills is strongly encouraged to apply stringent thresholds for nutrients of concern (e.g. sugar, salt, fat) to criterion a) of its 'Nutrition-Forward Foods' criteria, since high consumption of these nutrients can exacerbate public health outcomes. Ideally, the company would apply a single approach to defining products as 'Nutrition-Forward Foods', such as compliance with the FDA Healthy Criteria.
- When the FDA releases its new definition of 'healthy', ATNI expects that General Mills will align their internal nutrition criteria against these new standards. General Mills could consider reporting progress and setting targets in relation to the FDA Healthy Criteria for all products: this independent metric would help other stakeholders compare and evaluate progress over time.
- In addition, the company has not yet set a quantitative target (with baseline and target year) to increase sales of healthier products. The company is encouraged to do this and report on US-specific progress annually. In addition, the company has not defined concrete targets to reduce levels of saturated fat, sugar, and sodium in its products.
- General Mills participates in the Smart Snacks in School program and has over 80 items eligible to be sold in schools – with several of these products also available in the retail settings. The company is encouraged to commit and provide evidence that all Smart Snacks in School products sold in retail settings are formulated with the same standards as in schools. General Mills is encouraged to continuously review its portfolio intended for children and reformulate less healthy products following (inter)national guidelines for healthy products reformulation.





Accessibility

17.5% of overall score



Rank 4 / Score 2.1

Rank 4 (2018)

Highest score 3.9

Average score 1.5

C1 Product pricing

C2 Product distribution

- General Mills commits to “improving the variety, nutrient density, affordability, and accessibility” of its products and “enabling access to affordable, nutrient-dense foods.” Its main approach in this regard is to formulate products to qualify for federal nutrition assistance programs such as WIC, the Child and Adult Care Food Program (CACFP), the School Breakfast Program (SBP), and the National School Lunch Program (NSLP). The company’s products are then made available to low-income beneficiaries through government intervention.
- General Mills also emphasizes the affordability of its own ready-to-eat cereals, which, according to the company, all meet its internal definition of ‘healthy’ (as ‘Nutrition-Forward Foods’), and are available in both economy- and value-bag formats. In addition, it has also developed temporary promotional deals for the joint purchase of its cereals with the company’s Yoplait yoghurts and Chiquita bananas, to facilitate the consumption of ‘balanced breakfasts’ at \$1 per serving.
- However, ATNI notes that General Mills’ ‘Nutrition-Forward’ criteria enable products without thresholds on negative nutrients, such as added sugar and sodium, to be classified as ‘healthy’ by the company’s definition. As such, it is difficult to distinguish whether the company is making such products, as affordable as products with lower amounts of negative nutrients.
- General Mills also has a commitment to address inequitable food access through its philanthropy. In the US, this involves making considerable in-kind donations, working with Food Research and Action Center (FRAC) to provide school meals and No Kid Hungry for summer meals, as well as donating meals to Feeding America during the pandemic and diverting food loss and waste to food banks. However, the company does not have a policy in place to limit the donation of unhealthy products and prioritize donations of healthy products, nor does it track the nutritional profile of its product donations.

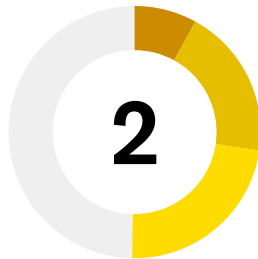
Areas of improvement

- General Mills is strongly encouraged to develop an affordability strategy specifically for the 'Nutrition-Forward' products that meet the FDA Healthy Criteria only, or to consider revising the second 'Nutrition-Forward' criterion to ensure that only products with a threshold on negative nutrients qualify. Products with unhealthy levels of added sugar and salt, for example, should not be promoted as an affordable nutritious food.
- For 'Nutrition-Forward' products with an upper threshold on negative nutrients, General Mills is encouraged to track the relative prices (per serving) of these products and develop targets to improve the price differential between them. It could also work with retailers and distributors to ensure that its healthy products are offered at an affordable price at point-of-sale and are adequately distributed in low-income neighborhoods. In doing so, the company can reach a wider number of consumers than only those that qualify for federal nutrition assistance programs, and therefore have greater and more systemic impact.
- Especially given that philanthropic food donations are core to General Mills' approach to addressing inequitable food access, it is important that the company develops a policy to ensure its product donations are made responsibly, consisting predominantly of nutritious products, so that they do not unintentionally exacerbate public health issues. For example, it could commit to responsible donation guidelines, such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs.



Marketing

20% of overall score



Rank 2 / Score 5.1

Rank 8 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- General Mills reports its compliance levels for TV and digital marketing to children, as assessed by the Children's Food and Beverage Advertising Initiative (CFBAI), in its General Mills' 2021 Responsibility Report. Furthermore, it has a well-structured response mechanism to ensure corrective measures are taken regarding any non-compliance with its marketing policy.
- The extensive marketing policy for children of General Mills commits to no marketing or advertising in secondary schools and to only market or advertise 'healthy' products in (or near) other settings where children gather in consultation with their management and users. General Mills distinguishes their commitments applicable to child (under 13) and teen (13-17) audiences. General Mills is the only company awarded age multiplier u18 for extending its commitment to all media relevant to the school environment, including educational websites and games. It also includes in its commitments not to provide any branded educational and other materials to be used in schools, other than in agreement with schools/parents.
- General Mills is one of two companies that has an extensive mechanism in place to ensure that its digital marketing does not reach younger age groups (together with Mars). General Mills has various techniques in place to achieve this, such as creative designing (so adverts primarily appeal to older audiences), using age-screening techniques, and reviewing available audience data.

Areas of improvement

- No information on auditing the compliance of marketing for the general audience was found on General Mills' website. It is therefore recommended to ensure annual independent external auditing of the company's compliance with its general marketing policy applicable to the US, covering all media specified in the policy.
- General Mills is encouraged to commit to increasing the proportion of marketing spending on healthy products relative to overall marketing spending, and publish a commentary outlining the changes to the company's marketing spending in support of healthier eating.



Workforce

5% of overall score



Rank 6 / Score 2.7

Rank 6 (2018)

Highest score 7.3

Average score 3.7

E1 Employee health

E2 Breastfeeding support

- General Mills makes a commitment to support employee health with a focus on nutrition through its My Wellbeing program in the US.
- General Mills formally commits to granting paid parental leave to employees. Maternity leave offered is 18-20 weeks, and parental leave offered to fathers, partners, and adoptive parents is 12 weeks.

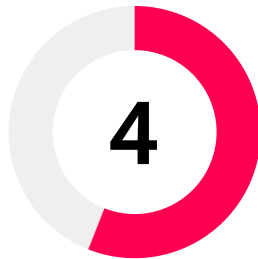
Areas of improvement

- General Mills should ensure its My Wellbeing program includes expected outcomes (such as healthy behavior, health-related, or employee absenteeism outcomes).
- General Mills should also consider for its workforce nutrition program:
 - 1) A commitment to making the program available to all employees and all family members;
 - 2) Including nutrition education and nutrition-focused health checks;
 - 3) Disclosing the percentage of employees that participate in the program.
- General Mills is encouraged to evaluate the health impact of its workforce nutrition program in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.
- General Mills could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US and abroad), through programs focused on nutrition.
- General Mills is encouraged to extend its current paid parental leave policies to ideally six months or more.
- General Mills states that it complies with the Minnesota breastfeeding law across its twin city locations. General Mills is encouraged to publish a US policy on supporting breastfeeding mothers at work and supporting to maternal health, which applies equally in all facilities. The policy should cover the following arrangements: 1) provide private, hygienic, safe rooms for expressing breastmilk (including refrigerators); 2) allow breastfeeding mothers breaks to express breastmilk; and 3) offer flexible working arrangements to support breastfeeding mothers.



Labeling

5% of overall score



Rank 4 / Score 5.6

Rank 1 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- General Mills uses the Facts up Front (FuF) labeling icons to display front-of-pack (FOP) information for the majority of its US products. This label shows calories, saturated fat, sodium, and total sugar contained in each serving of a food or beverage product.
- General Mills displays online nutrition for all products in its US portfolio via SmartLabel.

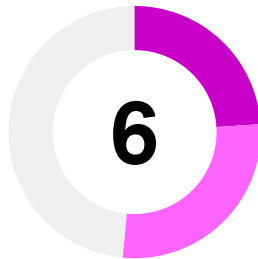
Areas of improvement

- General Mills is advised to adopt an interpretive FOP labeling system and apply this to all products in its portfolio.
- General Mills is encouraged to further track the percentage of its portfolio that is compliant with its approach to FOP labelling and publicly report on this. Currently, the company states that the majority of its US products carry FOP labels.
- General Mills is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US. General Mills currently uses the FuF labeling system, which pulls nutrient information from the Nutrition Facts Panel. However, this does not tell consumers what products the company considers healthier and the criteria used for that purpose.
- General Mills could provide the percentage of wholegrain relative to all grain or refined grains on all relevant products, to assist consumers in making informed decisions on the healthiness of products. The company currently displays wholegrain first in the ingredients list, but for consumers to easily decipher the ratio of wholegrain to refined grains in a product, either the quantity of both grains or the percentage of wholegrains is needed on the product label.
- General Mills displays the amount of fruit and/or vegetables on some product labels, but the company could ensure this information is displayed on all relevant products.
- General Mills offers a 'special diet' filter option on its online product website (Progresso), which includes a filter for 'reduced sodium' products. General Mills could provide an online healthy filter that is aligned with FOP information and/or ensure at least three nutrient-based filters are available on its online product website, e.g., 'high in fiber' and 'low in sugar'.



Engagement

5% of overall score



Rank 6 / Score 5.1

Rank 6 (2018)

Highest score 5.8

Average score 4.4

- G1** Influencing policymakers
- G2** Stakeholder engagement

- The Public Responsibility Committee of the Board of Directors oversees General Mills' political activities, including its policy, disclosure of corporate political contributions, trade association memberships, and independent political expenditures. The company also audits (internally) its compliance with its Civic Policy and lobbying disclosures.
- On its website, General Mills describes some of its lobbying activities relating to addressing malnutrition in the US, including supporting flexibilities in USDA food and nutrition programs to ensure full benefit access to WIC, School Lunch, Breakfast, and SNAP during the COVID-19 pandemic. It also publishes its formal comments on the FDA's Voluntary Short Term Sodium Targets, the FDA's definition of 'healthy', and the Dietary Guidelines for Americans, which is a leading practice for transparency among companies assessed.
- However, the company provides no examples of lobbying in support of World Health Organization (WHO)-endorsed government policies to address malnutrition (including obesity and diet-related non-communicable diseases (NCDs)) in the US, at a federal, state, or local level; nor does the company publish its position on these policies.
- General Mills publishes a limited list of trade association memberships, only disclosing those to which its membership dues used specifically for lobbying are over \$25,000. For the associations it discloses, it now discloses the specific amount of dues used for lobbying purposes, an improvement on previous years. General Mills also publishes a link to the Lobbying Disclosure Act website on its domain, and is one of few companies to disclose which states it is registered as a lobbying entity (Minnesota and California).
- General Mills publishes about its political contributions from the company treasury, having made no such contributions in the last two years. The company also discloses that it has an employee-run Political Action Committee (PAC), the General Mills Political Action Committee (G-PAC), and publishes a link to its FEC filings, but does not publish details about its expenditures directly on its domain.
- General Mills has a Health and Wellness Advisory Council consisting of external experts from academia and research institutes, who provide input on the company's strategies, policies, and research programs. In addition, the company actively engages with a range of stakeholders through the Obesity Round Table and Portion Balance Coalition on addressing obesity, and is also involved in the Tufts University Food and Nutrition Innovation Council and University of Illinois' Personalized Nutrition Initiative. It also has the General Mills' nutrition strategy and approach at the American Heart Association (AHA)'s Foodscape Summit.

Areas of improvement

- General Mills is recommended to enhance and publish about its processes to review and manage relationships with its trade associations. It is also encouraged to disclose a more comprehensive list of its memberships – reducing the threshold for disclosure to \$10,000 in total membership dues, for example – and to indicate which, if any, it holds Board seats on.
- General Mills is strongly encouraged to actively support (or commit to not lobby against) key WHO-endorsed public policy measures to address obesity and diet-related NCDs – such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labelling requirements, whether at federal, state, or local level, where such proposals arise. General Mills is also encouraged to significantly improve its disclosure regarding its lobbying positions on these key public health policies. These positions should be as specific and unambiguous as possible.
- General Mills could also be more transparent on its own domain about its lobbying expenditures and activities, including publishing the names of its lobbyists/lobbying firms.
- General Mills is encouraged to continue engaging with external stakeholders with expertise in nutrition and public health to further improve its nutrition strategies and policies. This should include targeted one-to-one meetings to solicit feedback and gather insights to ensure these are sufficiently aligned with the public health interest.
- General Mills is encouraged to improve its transparency regarding the identities of experts it consults and organizations it engages with on nutrition-related topics, as well as the degree of financial compensation for these engagements. Importantly, the company should also be clear about the purpose and outcomes of the engagements, and how they were used to change its nutrition-related practices or plans.

Product Profile ^{i 219}



3

Rank 3/11 / Score 2.6/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more) | | | Range of total 2021 US sales covered ^{i 220} |
|---|---|----------------------------------|----------------------------------|--|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2.6 | 1540 | 26% | 27% | 80-90% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- General Mills' average sales-weighted HSR is 2.6 (stars) out of 5 (2.3 unweighted), ranking third out of the 11 companies assessed in the Product Profile. A total of 1540 products across the company's five best-selling product categories were assessed using the HSR system.
- 26% of distinct products analyzed for General Mills met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 27% of its 2021 U.S. retail sales from 'healthy' products. General Mills is encouraged to improve the product mix and increase its marketing efforts to derive more of its sales from healthier products.



Mean Health Star Rating by category for General Mills, Inc.

| | No. of products assessed | Mean HSR |
|--|--------------------------|------------|
| Baked Goods | 456 | 1.2 |
| Breakfast Cereals | 181 | 2.6 |
| Dairy | 343 | 3.9 |
| Ready Meals | 129 | 2.2 |
| Sweet Biscuits, Snack Bars and Fruit Snacks | 431 | 2.3 |

▪ Among categories assessed, General Mill's Dairy category (Yoplait and Oui brands among others) had the highest mean HSR (3.9 out of 5), followed by the Breakfast Cereals category (2.6 out of 5). A total of 343 products from the Dairy category were analyzed and 277 of them (or 81%) met the 'healthy' threshold, indicating that on average the company sells a wide variety of dairy products low in fat and added sugar in the U.S. A total of 181 Breakfast Cereal (Cheerios, Lucky Charms among others) products were analyzed, but only 36 of them (or 20%) met the 'healthy' threshold. The company's lowest scoring category was Baked Goods (including Betty Crocker and Pillsbury brands), with one of the 456 products assessed meeting the 'healthy' threshold. These results illustrate General Mills should accelerate its efforts to reduce high levels of added sugar, saturated fat and calories in its products and change the product mix to derive more sales from healthier products.

Kellogg Company

Product categories assessed

Baked Goods|Breakfast Cereals|Savoury Snacks|Sweet Biscuits, Snack Bars and Fruit Snacks|Processed Meat, Seafood and Alternatives to Meat

Percentage of company US sales covered by Product Profile assessment
90-100%

Headquarters
Battle Creek, Michigan, U.S.

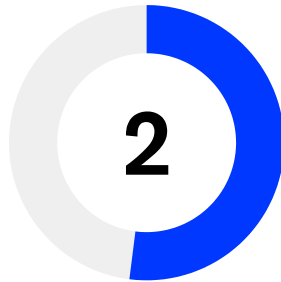
Number of US employees
-

Type of ownership
Public

Sales revenue (range) of packaged foods and beverages
USD 8 – 13 Billion

US share in global packaged food and beverage sales
48-53%

Euromonitor International Limited [2021]
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Rank 2 / Score 5.2
Rank 5 (2018)



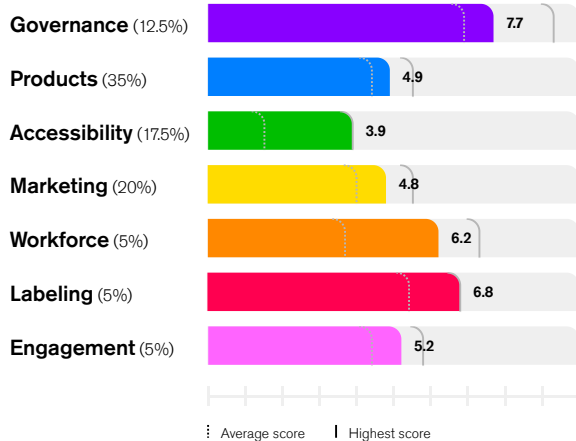
Product Profile ⓘ ²²¹

Rank 5 / HSR 2.3 ⓘ ²²²
Rank 4 (2018) ⓘ ²²³

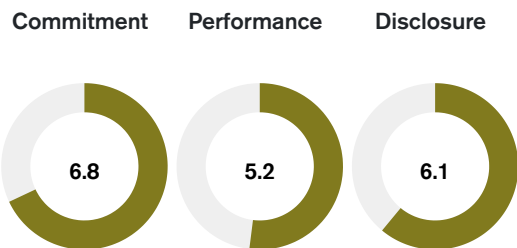
Important:

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Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

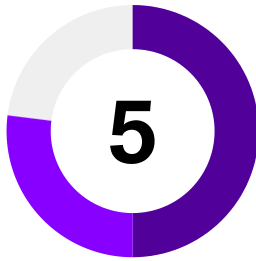
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 5 / Score 7.7

Rank 4 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- Kellogg is one of four companies on the Index that include a commitment on nutrition in their mission statement, as well as their core business operations. Kellogg's vision includes a focus on nutrition and health and this is integrated into the company's 'Deploy for growth' business strategy. One of its tenets is 'Nourish with our foods', while another is 'Feed people in need'. The company commits to crafting foods that include nutrients of need, address hidden hunger or malnutrition, and support a healthy gut microbiome.
- In the U.S., Kellogg activates its Better Days Promise with its brands and categories through the US Foodprint strategy. Foodprint encompasses action on nourishment and addressing hunger with a focus on feeding those in need through an equitable, diverse, and inclusive approach. That encompasses focusing efforts on groups most at risk from hidden hunger, obesity, and undernutrition due to income, geographic location, and ethnicity, and those in food-insecure households. In addition, the company launched its 'Kellogg Childhood Wellbeing Promise', which focuses strongly on childhood obesity. The company recognizes childhood obesity as one of the greatest public health challenges in the US and commits to addressing it cohesively through multiple approaches: Increasing access to healthy foods, consumer education, strengthening marketing to children standards, reformulation, and portion control.
- Some specific strategies that Kellogg employs under these approaches include: Strengthening internal standards for foods marketed to children under age 13; evolving the company's portfolio of foods most visible to kids to enable positive eating habits; delivering shortfall nutrients like fiber and vitamin D; and driving wholegrain, fruit, and vegetable intake. The company also focuses on increasing portion-controlled servings and messaging – and this is in line with its balanced approach to wellbeing which, according to Kellogg, starts with balanced consumption. The company brings this wellbeing messaging to life through a variety of marketing channels and approaches, including leveraging its brands and characters by building on programs like Mission Tiger and Rice Krispies Treats 'Love Notes', as well as launching new initiatives.
- Kellogg presents its commitment to improving nutrition in the US by publishing all details in a US-specific document called 'US Wellbeing Policies and Milestones'. This report, in addition to Kellogg's commitments, makes references to external benchmarks, such as the US Dietary Guidelines for Americans and the Institute of Medicines Report on Accelerating Progress in Obesity Prevention, and includes time-bound targets. Kellogg commits to nourishing one billion people with its foods by the end of 2030 with a baseline of 2015, and to deliver smart choices across its portfolio, including options with less sugar, sodium, and saturated fat by the end of 2030. This is elaborated on further on the Wellbeing section of the company's Better Days Promise website. Kellogg's wellbeing strategy, including its approach to nutrition and philanthropy, is led by its Senior Vice President, Global Research and Development and Senior Vice President, Global Corporate Affairs both of whom report to the company's CEO. Senior leadership is accountable for the company's nutrition strategy, and report to the company's CEO.
- The company conducts regular reviews of its Environmental, Social, and Governance (ESG) strategy and governance program, including in the US. The last review was held in 2021. Following a materiality assessment, Kellogg identified nutrition and wellbeing as its number one priority. Commencing in 2022, a refreshed ESG strategy and governance program is being implemented across the business, including in the US.

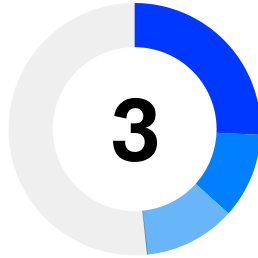
Areas of improvement

- Kellogg clearly acknowledges the importance of addressing the needs of priority populations in general, and it is encouraging that the company includes a specific focus on feeding those in need. However, the company can further strengthen this by including more specific commitments on affordability and accessibility of healthy food for specific groups that are at a higher risk of poor nutrition.
- Kellogg is advised to link executive compensation to performance on nutrition objectives and disclose this arrangement publicly.



Products

35% of overall score



Rank 3 / Score 4.9

Rank 5 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- Kellogg is committed to improving the nutritional quality of its portfolio and has defined relevant (re)formulation targets – for example, 70% of cereals most visible to kids should have 35g or less of sugar per 100g by 2025 from a 2020 baseline. However, no US-specific progress report against this target was found.
- The company updated its nutrient profiling model (NPM) – Kellogg Global Nutrition Criteria (KGNC) – in early 2022, expanding its coverage to all its global categories and including both positive (micronutrient, fiber, protein, or wholegrains, among others) and negative (calories, total sugar, sodium, and saturated fat) components. Kellogg has agreed on following standardized global standards based on international and national guidance. For example, according to the company, 80% of its US portfolio currently falls below upper-bound levels of the United States Food and Drug Administration’s (FDA) new voluntary sodium targets.
- The company participates in the US Department of Agriculture (USDA) Smart Snacks in School program. According to the company, in 2021, 16% of its K-12 Smart Snack portfolio was sold in other sectors of the ‘Away From Home’ channels. Notably, Kellogg was the only company in the Index to publicly disclose a commitment to sell Smart Snacks with the same nutrition standards outside schools. Kellogg is encouraged to continuously review its portfolio intended for children and reformulate less healthy products following (inter)national guidelines for healthy products reformulation.

Areas of improvement

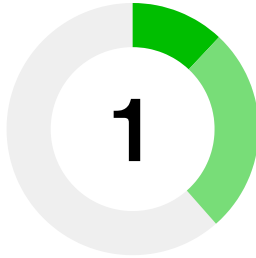
- As part of its commitment to nourishing one billion people by the end of 2030, Kellogg’s ‘Deploy for Growth’ business strategy focuses on increasing sales of foods meeting criteria in the KGNC. However, the company has not defined a time-bound target to increase the sales of healthy foods. In addition, the company discloses the percentage of foods meeting KGNC at the category level, for example 57% of breakfast cereals. While this transparency is a welcomed development, the company is encouraged to annually disclose the percentage of total US portfolio sales that comply with the KGNC.
- The company states that when revising its KGNC, it followed Children’s Food and Beverage Advertising Initiative (CFBAI) and International Food and Beverage Association benchmarks to ensure the criteria reflect the latest science and dietary guidelines. However, no assessment of company’s portfolio against external nutrition standards was found. The company has committed to continue the revision of its KGNC by 2024. ATNI encourages Kellogg to continue strengthening its model by, for example, including a ranking system – which would allow for bettering track and accelerate (re)formulation strategies to improve the overall healthiness of its US portfolio. When FDA releases its new definition of ‘healthy’, ATNI hopes all companies, including Kellogg, can benchmark their internal nutrition criteria against these new standards.





Accessibility

17.5% of overall score



Rank 1 / Score 3.9

Rank 1 (2018)

Highest score 3.9

Average score 1.5

C1 Product pricing

C2 Product distribution

▪ In its reporting, Kellogg acknowledges the importance of affordability and accessibility of food in general, and the company includes a specific focus on low-income consumers in the US. However, emphasis on the affordability and accessibility of 'healthy' food specifically does not feature prominently in its commitments and reporting.

▪ Kellogg reports examples of making some products that it defines as 'healthy' affordable and accessible, and it is the only company to disclose this information publicly. For example, it reports that it offers its fortified cereal brands and 'healthy snacks' at the \$1 dollar price-point and in family-value packs, and ensures they are stocked in retail chains frequently found in low-income neighborhoods, such as dollar stores. More recently, the company has worked with Dollar General to increase the accessibility of Eggo(R) Waffles (which meet the company's internal Kellogg Global Nutrition Criteria), specifically for low-income Black female shoppers, who are at above-average risk of experiencing food insecurity in the US. While this approach is commendable in terms of working with retailers and researching the purchasing habits of priority populations, it should be noted that many of these products do not meet criteria for internationally-acknowledged definitions of 'healthy', such as the Health Star Rating >3.5. While making such products more affordable and accessible may be helping to relieve micronutrient shortfalls in the US, these actions also risk contributing to the obesity crisis, especially among low-income populations.

▪ Kellogg also considers its efforts to formulate products that qualify for the WIC program as a key element of its access and affordability strategy – although it should be noted that government intervention makes these affordable for low-income women and children, rather than the company itself.

▪ The company donates both funds and products to a range of hunger relief organizations, such as Feeding America, No Kid Hungry, Action for Healthy Kids, and the Food Research and Action Center. According to Kellogg, "foods provided in these programs are aligned to US nutrition guidelines and help to increase micronutrient uptake on vitamins and minerals needed in children." It is the only company to explicitly state that the products it donates are aligned with specific nutrition guidelines.

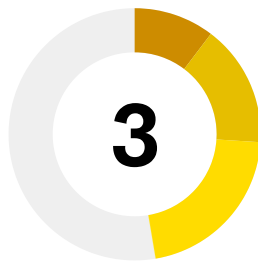
Areas of improvement

- While it is encouraging that Kellogg seeks to ensure its fortified cereals and snacks are affordable and accessible to low-income and food insecure consumers in the US, it is encouraged to consider the levels of added sugars, calories, and sodium in these products, and how these may contribute to the obesity crisis. It is therefore recommended to enhance its KGNC and establish stricter limits on sugar/carbohydrate levels for foods, and to develop affordability and accessibility strategies for these products specifically. For example, it is encouraged to continue its work with retailers such as Dollar General and in its efforts to reach priority populations specifically, but with products that meet stricter healthy nutrition criteria.
- In doing so, Kellogg is also advised to track the prices per serving of such products relative to its general portfolio, develop targets to improve the price differential between them, and publicly report on its performance.
- While the company reports that its product donations to hunger relief organizations are aligned with US nutrition guidelines, it is encouraged to codify this in a formal policy. For example, it could commit to responsible donation guidelines such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs.



Marketing

20% of overall score



Rank 3 / Score 4.8

Rank 6 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- During the assessment for the US index, Kellogg published its US Wellbeing Policies Milestones 2022 report. This includes the marketing policy for all audiences, also referring to the specific policy for children, and gives extensive information on the forms of marketing it entails and a vast list of commitments regarding a fair representation of their products.
- Kellogg's is one of three Index companies (together with General Mills and KDP) that makes their CFBAI audited marketing compliance levels for children for TV and digital marketing publicly available. Furthermore, it publicly discloses that it is audited annually by CFBAI.

Areas of improvement

- Although Kellogg's made a commitment to increase spending of marketing on healthier products, it is recommended to publish a commentary outlining the changes to the company's marketing spending in support of healthier eating, relative to their overall marketing budget.
- Kellogg includes marketing principles directed to children for primary and secondary schools, though not for other places children gather. The company could consider also including the mention of marketing to children in places like YMCA, early childhood education centers, or children's care service centers.
- Kellogg is advised to commit to or demonstrate that its non-commercial US programs relating to nutrition education exclude product- or brand-level branding in all programs.



Workforce

5% of overall score



Rank 2 / Score 6.2

Rank 5 (2018)

Highest score 7.3

Average score 3.7

 Employee health

 Breastfeeding support

- Kellogg commits to support employee health through its Total Health program, which includes expected outcomes such as improved performance at work, lower absenteeism, and improved people safety. This program is offered to all employees and their family members.
- Kellogg's employee health programs provide support by offering healthy food at work (via Sodexo), nutrition education (through Total Health), and nutrition-focused health checks (via Total Health).
- Kellogg formally commits to granting 12 weeks' paid parental leave to its employees. Kellogg offers flexible working arrangements to breastfeeding mothers (through Milk Stork), has reserved locations for breast feeding (including a refrigerator to store the milk), and provides allocated breaks for mothers to express milk.

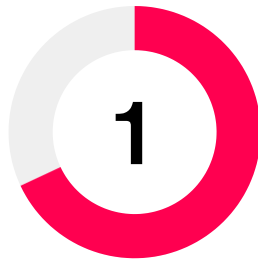
Areas of improvement

- Kellogg is encouraged to evaluate the health impact of its workforce nutrition program in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program. During engagement, Kellogg clarified that it has begun to assess the impacts of its program but does not yet have sufficient data to share publicly.
- Kellogg could disclose the percentage of employees that participate in its employee health programs.
- Kellogg could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US and abroad), through programs focused on nutrition.
- Kellogg is encouraged to extend its current paid parental leave policies to ideally six months or more.



Labeling

5% of overall score



Rank 1 / Score 6.8

Rank 5 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- Kellogg uses the Facts up Front (FuF) labeling icons to display front-of-pack (FOP) information, which shows the calories, saturated fat, sodium, and total sugar contained in each product. Kellogg clarified during engagement that more than 80% of its portfolio carries the FUF label.▪ Kellogg provides online nutrition information for all products through SmartLabel.

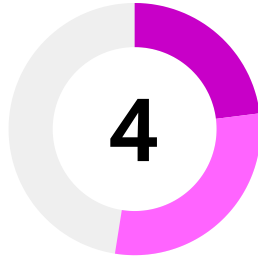
Areas of improvement

- Kellogg is advised to adopt an interpretive FOP labeling system for all products in its portfolio. Information on the type of FOP labeling used by the company should be disclosed publicly.
- Kellogg is encouraged to ensure 100% of its portfolio is compliant with this approach to FOP labelling and publicly report on this.
- Kellogg is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US.
- Kellogg could provide the percentage of wholegrain relative to all grain or refined grains on all relevant products, to assist consumers in making informed decisions on the healthiness of products. Currently, the company provide guidance stating that product with less than 50% wholegrain need to display this information but for consumers to easily decipher the ratio of wholegrain to refined grains in a product, either the quantity of both grains or the percentage of wholegrains is needed on the product label.
- Kellogg is encouraged to commit to providing fruit and vegetable content information on all relevant products.



Engagement

5% of overall score





Rank 4 / Score 5.2

Rank 3 (2018)

Highest score 5.8

Average score 4.4

-  Influencing policymakers
-  Stakeholder engagement

- The Board of Directors has oversight over Kellogg's political activities, which are managed by the Head of US Government Relations in collaboration with the Senior Vice-President, Global Corporate Affairs. The company undertakes reviews of its trade association memberships annually and engages with trade associations throughout the year to ensure alignment with their advocacy positions.
- Kellogg reports that it engages with the US government on a range of nutrition-related topics, including: Various federal nutrition assistance programs such as SNAP and WIC; petitioning the FDA on the use of vitamin D in breakfast cereal and bars; providing comments on the Dietary Guidelines for Americans; providing technical clarifications on closing the fiber shortfall in the Us through regulatory change; and supporting updated school meals, school breakfast, and WIC nutrition criteria.
- The company discloses its nutrition-related trade association memberships, and indicates that it holds a Board seat on one of them (the Consumer Brands Association). Beyond this, the company only discloses its other trade association memberships for which its dues exceed \$50,000.
- Kellogg discloses semi-annually its direct contributions to candidates, political parties, or political committees, as well as super Political Action Committees (PACs), 527 organizations, or 501(c)(4) organizations. In recent years, it reports it has not made any such contributions, nor plans to do so. The company also has its own PAC, called the Kellogg Company Better Government Committee, but this is not disclosed on the company's own domain.
- In addition to reporting that it engaged with Oxford University, United Nations partner organizations, and the World Business Council for Sustainable Development (among others) on its global Wellbeing Strategy, the company also reports that its Childhood Wellbeing Promise nutrition strategy was informed by pediatric dietitians, the American Heart Association, and experts in food access. Meanwhile, it states that its KGNC are informed by external registered dietitians.
- Kellogg supports healthy eating and nutrition education programs for individuals and communities that are developed and implemented either by independent groups or by the company itself.

Areas of improvement

- Kellogg is encouraged to actively support (or commit to not lobby against) key WHO-endorsed public policy measures to address obesity and diet-related NCDs, such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at federal, state, or local levels, where such proposals arise.
- Kellogg could significantly improve its disclosure regarding its lobbying positions on these key public health policies. These positions should be as specific and unambiguous as possible. For the political activities it does disclose, the company could be more specific about its position and the content of its input. Publishing links to specific documents used in government engagements is also encouraged.
- Kellogg is encouraged to enhance its transparency regarding trade associations and disclose a more comprehensive list of its memberships, reducing the threshold for disclosure to \$10,000 in membership dues, for example. It is also recommended to disclose the portion of dues used for lobbying purposes for each trade association it discloses.
- Kellogg should also be more transparent on its own domain about its lobbying expenditures and activities, including publishing a direct link to its Lobbying Disclosure Act reports, disclosing the names of its lobbyists/lobbying firms it uses, and clarifying what state jurisdictions it is actively lobbying in.
- Kellogg is advised to undertake audits of the company's lobbying activities and disclosure to ensure accuracy and compliance with its lobbying policies.
- Kellogg is encouraged to improve its transparency regarding the identities of experts it consults on nutrition-related topics, as well as indicating the degree of financial compensation provided for these engagements. Kellogg is encouraged to improve its public reporting of the content of discussions during stakeholder engagements, and which aspects of the company's nutrition-related activities are being discussed. Importantly, the company should also be clear about the outcomes of the engagements, and how they were used to change its practices or plans.
- Kellogg is encouraged to only support healthy eating and nutrition education programs that are developed and implemented by independent groups with relevant expertise.

Product Profile ^{i 224}



Rank 5/11 / Score 2.3/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more)) | | | Range of total 2021 US sales covered ^{i 225} |
|---|--|-------------------------------------|-------------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2.3 | 709 | 22% | 17% | 90-100% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- Kellogg's average sales-weighted HSR is 2.3 (stars) out of 5 (2.4 unweighted), ranking fifth out of the 11 companies assessed in the Product Profile. A total of 709 products across the company's five best-selling product categories were assessed using the HSR system.
- 22% of distinct products analyzed for Kellogg met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 17% of its 2021 US retail sales from healthier products. These results are influenced by the fact that the company derives a large share of its total US sales from the Snacks category.

Mean Health Star Rating by category for Kellogg Company

| | No. of products assessed | Mean HSR |
|---|--------------------------|------------|
| Baked Goods | 124 | 2.2 |
| Breakfast Cereals | 187 | 3 |
| Processed Meat, Seafood and Alternatives to Meat | 75 | 4 |
| Savoury Snacks | 186 | 1.6 |
| Sweet Biscuits, Snack Bars and Fruit Snacks | 137 | 2 |

▪ Among categories assessed, Kellogg's Processed Meat, Seafood, and Alternatives to Meat category (Morningstar Farms brand among others) had the highest mean HSR (4.0 out of 5), followed by the Breakfast Cereal category (3.0 out of 5). A total of 75 products from the Processed Meat, Seafood, and Alternatives to Meat category were analyzed and almost all of them (96%) met the 'healthy' threshold. A total of 187 Breakfast Cereal products (Special K and Froot Loops among others) were analyzed with 63 of them (34%) meeting the 'healthy' threshold, indicating the company has significant scope to continue reducing added sugars in this segment. The company's lowest scoring category was Savoury Snacks (1.6 out of 5). None of the products assessed for Savoury Snacks (Pringles and Cheez-It brands among others) were found to achieve 3.5 stars or more out of 5.

Keurig Dr Pepper

Product categories assessed

Bottled Water - Other|Carbonates|Juice|Processed Fruit and Vegetables|RTD Tea

Percentage of company US sales covered by Product Profile assessment
90-100%

Headquarters
Frisco, TX; Burlington, MA

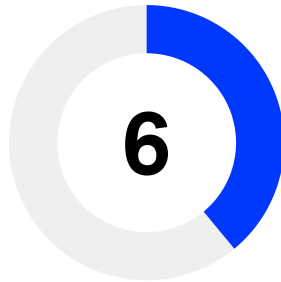
Number of US employees
~27,000

Type of ownership
Public

Sales revenue (range) of packaged foods and beverages
USD 8 – 13 Billion

US share in global packaged food and beverage sales
88-93%

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Rank 6 / Score 3.9
Rank 10 (2018)



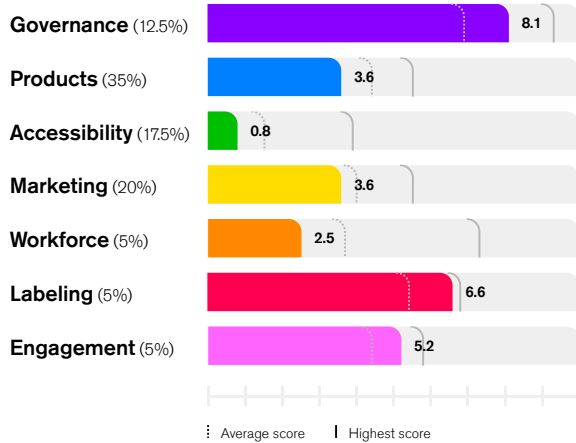
Product Profile ⓘ 226

Rank 10 / HSR 1.4 ⓘ 227
Rank 8 (2018) ⓘ 228

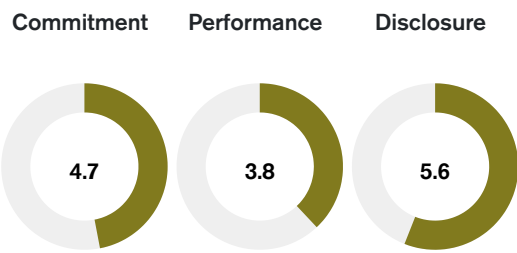
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(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

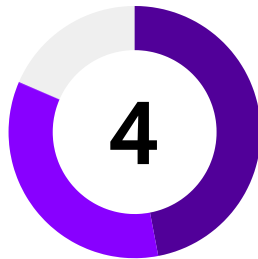
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 4 / Score 8.1

Rank 9 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- KDP is one of four companies on the Index that include a commitment on nutrition in their mission statement as well as their core business operations. Health and wellbeing are included as one of four pillars in the company's mission statement. As part of this pillar, KDP commits to offering 60% positive hydration products by 2025, increasing transparency on labeling and marketing, and launching better-for-you offerings across multiple categories. The company strives to make a positive impact by offering a broad, well-balanced portfolio that is accessible to all consumers. It also commits to accelerating its portfolio innovation and transparency through partnerships with leading organizations.

- Together with PepsiCo and Coca Cola, KDP is part of the American Beverage Association's (ABA) Balance Calories Initiative (BCI). The BCI has committed to decrease beverage calories in the American diet by 20% by 2025. Through this association, KDP has an additional commitment to improving the nutritional quality of its products.

- Through its association with the BCI, KDP also commits to addressing the needs of priority populations in the US. BCI tracks calorie reduction efforts in five communities in the US where health disparities have led to higher obesity rates compared to national average, and where reducing beverage calories is expected to be most challenging. The most recent evaluation concluded that beverage calories per person fell in all five selected communities.

- Senior leadership is accountable for the company's nutrition strategy, and reports to the Board. Progress against the company's Environmental, Social, and Governance goals is overseen by the Board, which meets quarterly for a management review. In addition, annual reporting on progress of the BCI is audited through a third party. Through this association, KDP's performance against nutrition commitments is also subjected to an audit.

- KDP is one of four companies on the Index that links remuneration of its executives to the company's nutrition performance and sustainability goals.

Areas of improvement

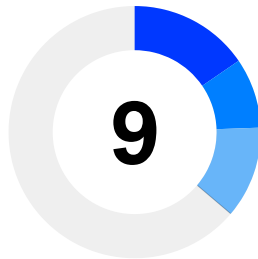
- The company's association with the BCI implies its commitment to reduce beverage calories in five low-income neighborhoods with above-average rates of obesity in the US. However, the company is encouraged to publish its own strategy or commentary to report on its efforts in addressing the needs of priority populations.





Products

35% of overall score



Rank 9 / Score 3.6

Rank 9 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- In its 2020 Corporate Responsibility Report, KDP introduces its new nutrient profiling model (NPM) – Positive Hydration – framework. While KDP does not formally adopt a definition of ‘healthy’ as guided by an external NPM, the company discloses its definition of positive hydration. Products qualify if they provide a serving of fruits/vegetables without added sugar, or are below 40 calories per serving with a functional attribute or at least 10% daily value of a nutrient to encourage. The company has the ambition of 60% of KDP products to meet the positive hydration criteria in the US by 2025. In 2021, 56% of its portfolio followed this criterion (54% in 2020).
- KDP is one of three Index companies (together with Kraft Heinz and Unilever) to disclose a target to increase the number/sales of ‘healthy’ products according to company-specific criteria (‘Positive Hydration’). In addition, the company collaborates with Partnership for a Healthier America (PHA) to verify progress against its target.

Areas of improvement

- While the company has adopted a NPM and set a target to increase Positive Hydration products, the Positive Hydration definition has not been benchmarked against external standards. To improve trust and performance, the company is encouraged to revise its criteria and publish results of a benchmarking exercise against an externally validated NPM. KDP is encouraged to continue revising its NPMs to develop a model which can rank or classify beverages based on healthiness. For its US portfolio, KDP is recommended to benchmark its criteria against the FDA upcoming new definition of ‘healthy’.
- The company has not set a threshold regarding the levels of added sugar in its Positive Hydration framework, and is strongly encouraged to adopt SMART (Specific, Measurable, Attainable, Relevant, Time-bound), company-specific sugar reformulation targets.
- In addition to its participation in the BCI, the company is encouraged to adopt its own targets and report on progress specifically for the US market.
- KDP provides information about the products it sells in schools (Smart Snacks in School program). KDP is encouraged to review current product portfolio to reformulate all products sold under the Smart Snacks in School regulation to make them healthier.



Accessibility

17.5% of overall score



Rank 7 / Score 0.8

Rank 7 (2018)

Highest score 3.9

Average score 1.5

C1 Product pricing

C2 Product distribution

▪ KDP commits to “prioritize accessible nutrition by expanding distribution of [its] well-being offerings.” It is also part of the BCI, which has led to the development of a clear commitment to improve the distribution and promotion of its zero-/reduced-calorie beverages, specifically in five low-income neighborhoods with above-average rates of obesity in the U.S. However, there is no further information explaining how this commitment is translated into practice through a strategy or a commentary of its activities.

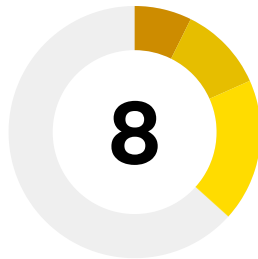
Areas of improvement

- KDP is recommended to commit to addressing the affordability of its healthy products and develop a strategy to make this a reality, to encourage a shift in consumption toward healthier options. The company is advised to start by tracking the relative prices (per serving) of its healthy products, disclose the results, and develop targets (with a baseline and target year) to improve the price differential between them. Conducting analyses into how products can be priced appropriately for low-income consumers specifically is also recommended.
- KDP is encouraged to develop a commercial strategy regarding the accessibility and distribution of its “well-being offerings”. The company could also consider setting targets (with a baseline and target year) to drive accountability on this topic.
- KDP is encouraged to work with retailers and distribution partners to ensure the affordability and accessibility of its healthy products in the US at point-of-sale, and to disclose a commentary on the steps taken to achieve this.
- While the company does not currently make in-kind donations of its products in the US (with the exception of water and coffee), it is encouraged to codify this in a policy statement, or adopt a policy that, in the case that it does make such donations in the future, it will do so responsibly, with nutritious products prioritized.



Marketing

20% of overall score



Rank 8 / Score 3.6

Rank 10 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- KDP is one of the three Index companies (together with General Mills and Kellogg's) that makes their Children's Food and Beverage Advertising Initiative audited marketing compliance levels for children for TV and digital marketing publicly available.
- The company commits to and discloses its commitment to increase marketing spending of healthy products relative to products not meeting healthy standards. It is also the only Index company to disclose its marketing budget relative to their overall budget assigned to promote healthy products.

Areas of improvement

- In its BCI report, KDP states "our 2017 marketing spend on zero sugar and reduced sugar beverages increased 450% since 2015." Recent numbers on marketing spending of healthier products were not found, so ATNI recommends KDP publishes updated percentages – including a commentary outlining the changes to the company's marketing spending in support of healthier eating.
- Where KDP's policy for children indicates not to market or advertise in primary schools, no such commitment is made for secondary schools or other places where children gather. The company is recommended to extend its policy of no marketing to children to the aforementioned places.
- KDP is advised to commit to or demonstrate that its non-commercial US programs relating to nutrition education exclude product- or brand-level branding in all programs.



Workforce

5% of overall score



Rank 7 / Score 2.5

Rank 9 (2018)

Highest score 7.3

Average score 3.7

E1 Employee health

E2 Breastfeeding support

▪ KDP's Live Well program includes a focus on nutrition. This is a voluntary program available to all employees and family members.

Areas of improvement

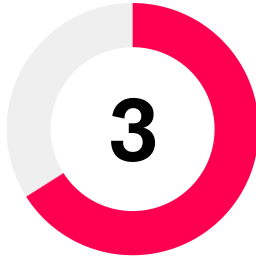
- KDP should ensure its workforce nutrition programs include expected outcomes (such as healthy behavior, health-related, or employee absenteeism outcomes).
- For all its workforce nutrition programs, KDP should consider:
 - 1) A commitment to making the program available to all employees and all family members;
 - 2) Including healthy food at work, nutrition education, and nutrition-focused health checks;
 - 3) Disclosing the percentage of employees that participate in the program.
- KDP is encouraged to evaluate the health impact of its workforce nutrition program(s) in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.
- KDP could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US), through programs focused on nutrition.
- KDP is encouraged to extend its current paid parental leave of four weeks to ideally six months or more.
- KDP is advised to develop and publish a US policy on supporting maternal health and breastfeeding mothers at work, which applies equally in all facilities. The company currently has a Californian lactation policy which should be extended to cover the whole US and should include the following arrangements: 1) provide private, hygienic, safe rooms for expressing breastmilk (including refrigerators); 2) allow breastfeeding mothers breaks to express breastmilk; and 3) offer flexible working arrangements to support breastfeeding mothers.





Labeling

5% of overall score



Rank 3 / Score 6.6

Rank 8 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- KDP is part of the 'Clear on Calories' initiative from the ABA, in which it commits to placing calorie information on the front of its products. This front-of-pack (FOP) labeling has been rolled out on 100% of its products in the US.
- Online information is available for all KDP products on its website.

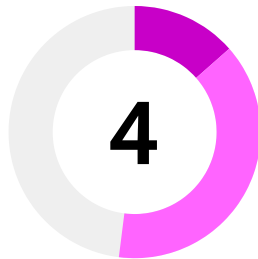
Areas of improvement

- KDP is advised to adopt an interpretive FOP labeling system, displaying multiple nutrients FOP, and apply this to all products in its portfolio. Information on the type of FOP labeling used by the company should be disclosed publicly.
- KDP is encouraged to further track the percentage of its portfolio that is compliant with its approach to FOP labelling and publicly report on this.
- KDP should use an externally recognized NPM to underpin FOP labeling information in the US
- KDP is encouraged to commit to providing fruit and vegetable content information on all relevant products.



Engagement

5% of overall score



Rank 4 / Score 5.2

Rank 9 (2018)

Highest score 5.8

Average score 4.4

- G1** Influencing policymakers
- G2** Stakeholder engagement

- KDP's Board of Directors has ultimate oversight of the company's political engagement activities, with the Vice President of Government Affairs periodically updating the Board on the company's activities.
- KDP shared no evidence of lobbying in support of government policies to address malnutrition (including obesity and diet-related non-communicable diseases (NCDs)) in the US, at federal, state, or local levels.
- KDP discloses a highly comprehensive list of trade association memberships. In addition to indicating the range of total membership dues it pays to these, it also discloses the precise dues used for lobbying purposes for the associations that receive more than \$25,000 in such dues.
- KDP discloses that it has not made any political contributions from the company treasury in the last three years. The company also discloses that it has an employee-run Political Action Committee (PAC) – the KDP US Political Action Committee (KDP PAC), and publishes a link to its Federal Election Committee (FEC) filings, but does not publish details about its expenditures directly on its domain.
- KDP now reports that it engages with external, credentialed experts in public health, nutrition, fitness, mindfulness, and academia, as well as the Partnership for Healthier America and other public health-oriented civil society organizations, to help shape its nutrition-related activities. This includes the development of its 'Positive Hydration' strategy and discussing the marketing of its beverages.
- KDP engages in consumer education via the BCI, which partners with a range of organizations – including Barrio Action Youth & Family Center, The Campaign Against Hunger, Washington Literacy Center, Positive Atmosphere Reaches Kids, and Casa Familiar – in implementing nutrition education, particularly concerning reducing sugar consumption. It is not clear the extent to which the industry initiative is involved in designing these programs.

Areas of improvement

- KDP is advised to undertake audits of the company's lobbying activities, disclosure, and compliance with its lobbying policies.
- KDP is strongly encouraged to actively support (or commit to not lobby against) key World Health Organization-endorsed public policy measures to address obesity and diet-related NCDs, such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at federal, state, or local levels. It is also encouraged to improve its disclosure regarding its lobbying positions on key public health policies. These positions should be as specific and unambiguous as possible. Publishing links to specific documents used in government engagements is also encouraged.
- KDP is recommended to publish the dues used for lobbying purposes for all trade associations it discloses, and indicate which Board it holds seats on, if any.
- While KDP publishes a link to its Lobbying Disclosure Act reports, the company should also be more transparent in its own domain about its lobbying expenditures and activities, including publishing the names of its lobbyists/lobbying firms, and what state jurisdictions it is actively lobbying in.
- KDP is strongly encouraged to improve its transparency regarding the identities of experts it consults and organizations it engages with on nutrition-related topics, as well as indicating the degree of financial compensation for these engagements.

Product Profile ^{i 229}



10

Rank 10/11 / Score 1.4/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more)) | | | Range of total 2021 US sales covered ^{i 230} |
|---|--|-------------------------------------|-------------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 1.4 | 717 | 23% | 21% | 90-100% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- KDP's average sales-weighted HSR is 1.4 (stars) out of 5 (1.6 unweighted), ranking 10th out of the 11 companies assessed in the Product Profile. A total of 717 products across the company's five best-selling product categories were assessed using the HSR system. KDP's plain coffee products were not included in this analysis.
- 23% of distinct products analyzed for KDP met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 21% of its 2021 US retail sales from healthier products. These results are largely influenced by the fact that the company derives a majority of its US sales from the Carbonates category.



Mean Health Star Rating by category for Keurig Dr Pepper

| | No. of products assessed | Mean HSR |
|--------------------------------|--------------------------|----------|
| Bottled Water - Other | 61 | 3.2 |
| Carbonates | 401 | 1.2 |
| Juice | 171 | 1.5 |
| Processed Fruit and Vegetables | 39 | 3.9 |
| RTD Tea | 45 | 2.1 |

▪ Among categories assessed, KDP's products in the Processed Fruit and Vegetables category (Mott's brand) had the highest mean HSR (3.9 out of 5.), followed by the Bottled Water – Other category (3.2 out of 5). A total of 39 products from the Processed Fruit and Vegetables category were analyzed and all of them met the 'healthy' threshold. Regarding the company's largest category, a total of 401 Carbonates products were analyzed with 83 of them (21%) meeting the 'healthy' threshold. These results illustrate KDP has significant scope to continue its sugar reduction programs and increase marketing towards healthier beverages.

Kraft Heinz

Product categories assessed

Dairy|Juice|Ready Meals|Processed Meat, Seafood and Alternatives to Meat|Sauces, Dressings and Condiments

Percentage of company US sales covered by Product Profile assessment
80-90%

Headquarters
Chicago, Illinois, U.S.

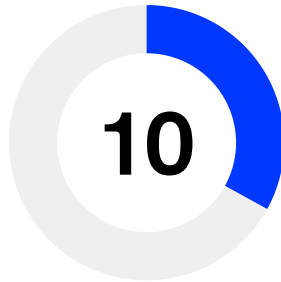
Number of US employees
~19,000

Type of ownership
Public

Sales revenue (range) of packaged foods and beverages
USD 18– 23 Billion

US share in global packaged food and beverage sales
60-65%

Euromonitor International Limited [2021]
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Rank 10 / Score 3.3
Rank 9 (2018)



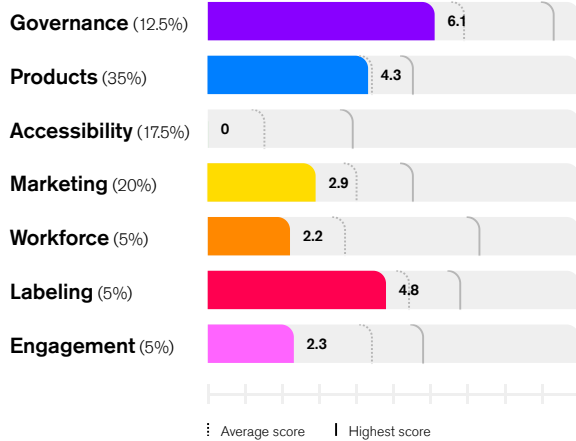
Product Profile ⓘ ²³¹

Rank 5 / HSR 2.3 ⓘ ²³²
Rank 2 (2018) ⓘ ²³³

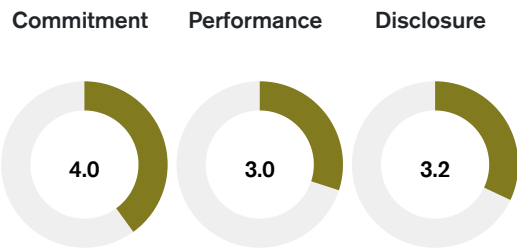
Important:

The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

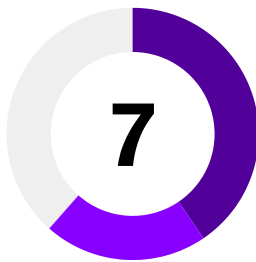
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 7 / Score 6.1

Rank 10 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- Kraft Heinz's ESG strategy is centered across three pillars: environmental stewardship, responsible sourcing and healthy living & community support. Within each pillar, the company sets multiple time-bound targets across metrics it considers most important, according to its materiality matrix.
- The company commits to improving product health and nutrition by achieving 85% compliance according to its own 'Global Nutrition Targets' by 2025, as well as to reducing sugar, sodium, saturated fat, and calories.
- The company adopts multiple approaches to support this commitment, including ongoing improvements to the nutrition of its product portfolio, transparent and responsible marketing and communications, and alignment with credible science and public health goals. The company commits to contribute to key priorities and target achievements outlined by the World Health Organization's (WHO) Global Action Plan for the Prevention and Control of Non-communicable Diseases (NCDs).
- The company has an Environmental, Social, and Governance (ESG) team in place that is responsible for the ESG strategy. The team is accountable to the company's Board of Directors, Operations, and Strategy Committee. The Board of Directors helps establish and oversee the company's global ESG objectives and framework, including matters related to nutrition. Members of the committee review all significant ESG policies, processes, and commitments, and receive regular updates from the ESG team on progress against key performance indicators and other relevant developments.

Areas of improvement

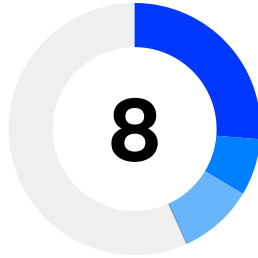
- While Kraft Heinz has a target to deliver 1.5 billion meals to people in need by 2025, and the company is involved in several non-commercial activities in this regard, it is encouraged to commit to increasing access to healthy foods for priority populations as part of its main commercial activities.
- The company is recommended to link executive remuneration to nutrition objectives and disclose these arrangements publicly.





Products

35% of overall score



Rank 8 / Score 4.3

Rank 9 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- Kraft Heinz released its 'Global Nutrition Guidelines' in 2020, establishing standardized upper limits per serving of product for calories, saturated fat, sodium, and sugar. The company aims to achieve 85% compliance (sales weighted volume) of its global portfolio with these limits by 2025. The company is encouraged to report progress against this target for its US portfolio on an annual basis.

Areas of improvement

- The company's nutrient profiling model (NPM) – 'Global Nutrition Guidelines' – only takes into account negative nutrients. To improve performance, the company is encouraged to revise these guidelines to incorporate positive nutrients and ingredients and develop a ranking system, allowing for better tracking improvements at portfolio and category levels. Importantly, the company is encouraged to show how criterion align with external benchmarks.
- With the US being the largest market for Kraft Heinz, the company is encouraged to set time-bound and US-specific product (re)formulation targets, including a focus on increasing the proportion of positive nutrients and/or ingredients in its products like wholegrains, fruits and vegetables, and micronutrients of public health relevance.
- The company has committed to reducing total sugar in its products by more than 60 million lbs across its global portfolio, but US-specific reporting was not available. In addition, this target is not externally verifiable. The company should also consider expanding its sodium target to cover all relevant categories and show alignment with the recently released United States Food and Drug Administration (FDA) voluntary sodium reduction guidelines. Apart from aiming to comply with its Global Nutrition Guidelines, Kraft Heinz is currently committed to reducing sodium in only two categories – BBQ Sauce and Kraft Salad Dressings – in North America by an additional 5% by 2025.
- Kraft Heinz is recommended to provide more information about the products it sells in schools (Smart Snacks in School program). It is encouraged to publicly commit to sell products through retail and other outlets that have the same 'look and feel' as products sold under the Smart Snacks in School regulation, but only when they meet the same nutritional standards.





Accessibility

17.5% of overall score



Rank 11 / Score 0

Rank 7 (2018)

Highest score 3.9

Average score 1.5

C1 Product pricing

C2 Product distribution

- Kraft Heinz makes philanthropic product donations from its manufacturing operations to hunger relief organizations in the US: In 2020, it donated 20 million pounds of product to Feeding America. It also provides food directly to food-insecure families. However, it does not have a policy for responsible food donations, nor commits to donate predominantly healthier products (according to either an internal or internationally-recognized 'healthy' criteria).

Areas of improvement

- Kraft Heinz has neither a commitment nor a commercial strategy to improve the affordability of its healthy products, nor to ensure that these are affordable or accessible to low-income consumers in the US. It is recommended to commit to addressing the affordability of its healthy products and develop a strategy to make this a reality, to encourage a shift in consumption toward healthier options. The company could start by tracking the relative prices (per serving) of its healthy products against its general portfolio, and developing targets to improve the price differential between them. Conducting analysis into how products can be priced appropriately for low-income consumers specifically is also encouraged. Kraft Heinz is recommended to work with retailers and distributors to ensure that its healthy products are offered at an affordable point-of-sale price in low-income neighborhoods.

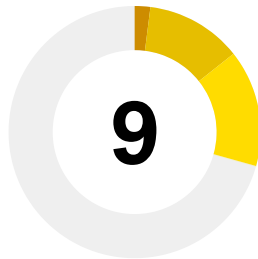
- Kraft Heinz has neither a commitment nor a commercial strategy to improve the accessibility of its healthy products, or to ensure that these are distributed and accessible in low-income and/or food-insecure communities in the US. It is encouraged to commit to and develop a commercial strategy to address the accessibility and distribution of its healthy and affordable products. The company could also consider setting targets to drive accountability on this topic. Kraft Heinz is recommended to work with retailers and distributors to ensure that its healthy products are distributed in food-insecure neighborhoods.

- The company makes sizeable product donations to hunger relief organizations in the US. Thus, it is encouraged to adopt a policy for responsible food donations which prioritizes nutritious healthy products and limits the donations of unhealthy products, in order to prevent its philanthropic efforts from inadvertently contributing to obesity and other diet-related NCDs. For example, it could commit to responsible donation guidelines such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs.



Marketing

20% of overall score



Rank 9 / Score 2.9

Rank 9 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- Kraft Heinz's marketing policy for children includes information on the forms of marketing it entails and gives an extensive list of commitments regarding a fair representation of their products. It also commits to not advertise in schools, both at primary and secondary level.

Areas of improvement

- Kraft Heinz undergoes auditing by the Children's Food and Beverage Advertising Initiative (CFBAI), an industry-led third-party, which publishes aggregated results of its members. The company is encouraged to make its individual compliance results publicly available on its own domain. Kraft Heinz could also ensure corrective measures are taken regarding any non-compliance with its marketing policy.
- Kraft Heinz is encouraged to adopt a more comprehensive responsible marketing policy for all audiences, for example, by pledging to the International Chamber of Commerce (ICC) Advertising and Marketing Communications Code.
- Kraft Heinz is encouraged to commit to increasing the proportion of marketing spending on healthy products relative to overall marketing spending and publish a commentary outlining the changes to the company's marketing spending in support of healthier eating.



Workforce

5% of overall score



Rank 8 / Score 2.2

Rank 10 (2018)

Highest score 7.3

Average score 3.7

 Employee health

 Breastfeeding support

- The Kraft Heinz Live Well program includes a focus on nutrition, involving nutrition-focused health-checks, and is available to some employees.
- Kraft Heinz supports breastfeeding mothers by providing private, hygienic, safe rooms to express breastmilk, which include refrigerators to store breastmilk.

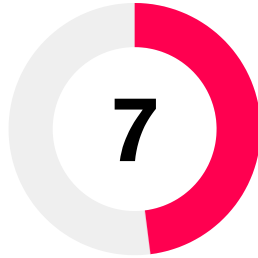
Areas of improvement

- Kraft Heinz should ensure its workforce nutrition programs include expected outcomes (such as healthy behavior, health-related or employee absenteeism outcomes).
- For its workforce nutrition program, Kraft Heinz should consider:
 - 1) A commitment to making the program available to all employees and all family members;
 - 2) Including healthy food at work and nutrition education;
 - 3) Disclosing the percentage of employees that participate in the program.
- Kraft Heinz is encouraged to evaluate the health impact of its workforce nutrition program in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.
- Kraft Heinz could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US and abroad), through programs focused on nutrition.
- Kraft Heinz is encouraged to publish its paid parental leave policy and extend its current paid parental leave to ideally six months or more.
- Kraft Heinz could extend arrangements to support breastfeeding mothers by offering flexible working arrangements, along with daily intermittent breaks to express milk.



Labeling

5% of overall score



Rank 7 / Score 4.8

Rank 9 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- Kraft Heinz displays online nutrition information for more than 80% of its products through SmartLabel.
- Kraft Heinz uses the Facts up Front (FuF) labeling icons to display FOP information, including the calories, saturated fat, sodium and total sugar contained in each serving of a food or beverage product.

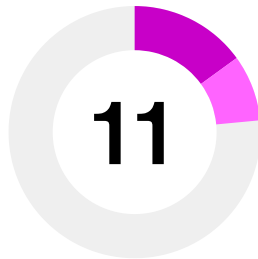
Areas of improvement

- Kraft Heinz is advised to adopt an interpretive FOP labeling system and apply this to all products in its portfolio. Information on the type of FOP labeling used by the company should be disclosed publicly.
- Kraft Heinz is encouraged to further track the percentage of its portfolio that is compliant with its approach to FOP labelling and publicly report on this.
- Kraft Heinz is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US. Kraft Heinz currently uses the FuF labeling system, which pulls nutrient information from the Nutrition Facts Panel. However, this does not tell consumers what products the company considers healthier and the criteria used for that purpose.
- To ensure transparency and assist consumers in making informed decisions on the healthiness of products, if making claims about content of wholegrains or fruit and vegetables, Kraft Heinz should provide the following information on product labels:
 - 1) The percentage of wholegrain relative to all grain or refined grains;
 - 2) The amount of fruit and vegetables in the product.
- It is recommended that Kraft Heinz ensures 100% of its portfolio displays online nutrition information to ensure that, with growing online retail sales, consumers can easily access nutritional information.



Engagement

5% of overall score



Rank 11 / Score 2.3

Rank 9 (2018)

Highest score 5.8

Average score 4.4

G1 Influencing policymakers

G2 Stakeholder engagement

- The Kraft Heinz Board of Directors receives an annual update on political and lobbying activities and discusses with management their strategies and recommendations. The company's outside counsel conducts internal audits of all lobbying practices and reporting.
- Kraft Heinz shared no evidence of lobbying in support of government policies to address malnutrition (including obesity and diet-related NCDs) in the US, at federal, state, or local level, and the company does not publish its position on these policies.
- Kraft Heinz only discloses trade associations to which it pays over \$50,000 in membership dues. For each that it discloses, it publishes the dues used for lobbying.
- Kraft Heinz publishes a detailed breakdown of the political contributions made by the Kraft Heinz PAC, but does not disclose its corporate contributions to political committees, state candidates, and state political parties.
- Kraft Heinz reports that it engages with the Portion Balance Coalition, which convenes different stakeholders, including the USDA and several reputable civil society organizations and academic institutions, to address obesity.
- Kraft Heinz reports that it does not support commercial nutrition education programs in the US.

Areas of improvement

- Kraft Heinz is recommended to enhance and publish its processes relating to the review and management of relationships with trade associations.
- Kraft Heinz is encouraged to actively support (or commit to not lobby against) key WHO-endorsed public policy measures which address obesity and diet-related NCDs – such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at federal, state, or local level. It could also significantly improve its disclosure regarding its lobbying positions on these key public health policies. These positions should be as specific and unambiguous as possible. Publishing links to specific documents used in government engagements is also encouraged.
- While it publishes a link to its Lobbying Disclosure Act reports on its website, Kraft Heinz should also be more transparent in its own domain about its lobbying expenditures and activities, including publishing the names of its lobbyists/lobbying firms, and what state jurisdictions it is actively lobbying in.
- Kraft Heinz is encouraged to disclose a more comprehensive list of trade association memberships, reducing the threshold for disclosure to \$10,000 in membership dues, for example. Moreover, it could indicate on which Board it holds seats on, if any.
- Kraft Heinz should ensure it engages with a wide range of nutrition-specific stakeholders in one-to-one discussions regarding its nutrition strategies and activities in the US. Engagement should seek to inform these stakeholders about the companies' existing activities and future plans, and aim to solicit feedback and gather insights to ensure these are sufficiently aligned with the public health interest.
- Kraft Heinz is recommended to be transparent about the identities of experts it consults and organizations it engages with, as well as indicating the degree of financial compensation for these engagements.
- Kraft Heinz is encouraged to improve its public reporting of the content of discussions during stakeholder engagements, and which aspects of the company's nutrition-related activities are being discussed. Importantly, the company should also be clear about the outcomes of the engagements, and how they were used to change its practices or plans.

Product Profile ^{i 234}



Rank 5/11 / Score 2.3/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more)) | | | Range of total 2021 US sales covered ^{i 235} |
|---|--|----------------------------------|----------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2.3 | 1363 | 30% | 30% | 80-90% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- Kraft Heinz's average sales-weighted HSR is 2.3 (stars) out of 5 (2.3 unweighted), ranking fifth out of the 11 companies assessed in the Product Profile. A total of 1363 products across the company's five best-selling product categories were assessed using the HSR system.
- 30% of distinct products analyzed for Kraft Heinz met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 30% of its 2021 US retail sales from healthier products. Most of the company's healthier sales are derived from the following categories: Dairy, Ready Meals and Processed Meat, Seafood, and Alternatives to Meat.



Mean Health Star Rating by category for Kraft Heinz

| | No. of products assessed | Mean HSR |
|--|--------------------------|----------|
| Dairy | 98 | 2.2 |
| Juice | 43 | 1.6 |
| Processed Meat, Seafood and Alternatives to Meat | 162 | 2.4 |
| Ready Meals | 569 | 2.7 |
| Sauces, Dressings and Condiments | 491 | 2 |

▪ Among categories assessed Kraft Heinz's products in the Ready Meals category (including Oscar Mayer, Kraft, and Ore-ida brands) had the highest mean HSR (2.7 out of 5). A total of 569 products from the Ready Meals category were analyzed, and 244 (or 43%) met the 'healthy' threshold.

Mars

Product categories assessed

Confectionery|Ice Cream|Rice, Pasta and Noodles|Savoury Snacks|Sweet Biscuits, Snack Bars and Fruit Snacks

Percentage of company US sales covered by Product Profile assessment
90-100%

Headquarters
McLean, Virginia, U.S.

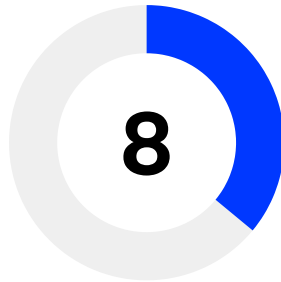
Number of US employees
-

Type of ownership
Private

Sales revenue (range) of packaged foods and beverages
USD 7–12 Billion

US share in global packaged food and beverage sales
35-40%

Euromonitor International Limited [2021]
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Rank 8 / Score 3.6
Rank 4 (2018)



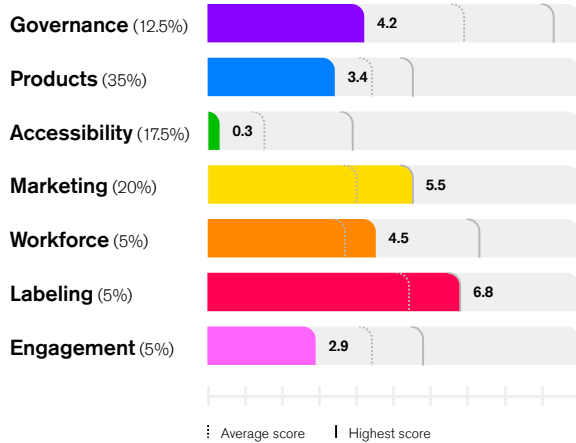
Product Profile ⓘ ²³⁶

Rank 11 / HSR 1.3 ⓘ ²³⁷
Rank 10 (2018) ⓘ ²³⁸

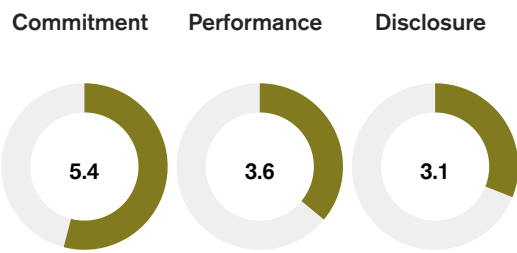
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Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

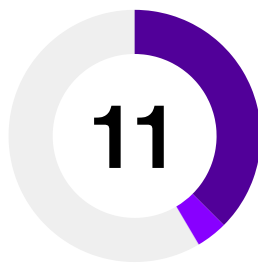
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 11 / Score 4.2

Rank 7 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- Mars' sustainability strategy is centered on its 'Sustainable in a Generation Plan', which details the company's strategic commitments and is organized across three pillars: Healthy planet, thriving people, and nourishing wellbeing. The nourishing wellbeing pillar includes commitments to make the company's products healthier.
- This commitment applies to Mars Food and comprises several approaches, including nutrition transparency, reducing sodium and added sugar, and adding vegetables, wholegrains, and legumes. Mars Wrigley also has targets in place to reduce calories, trans fats, and sugars, while creating smaller portion-size offerings. The company tracks progress against these goals using the 'Mars Food Nutrition Criteria', which includes targets for calories, added sugar, salt, and fat content in all the company's products.
- Formal accountability for implementing the company's nutrition strategy lies with the President of each of the three human food segments (Mars Food, Mars Wrigley, and Mars Edge). This person holds responsibility for their respective segment's strategy, which is ultimately subject to the Board's approval.

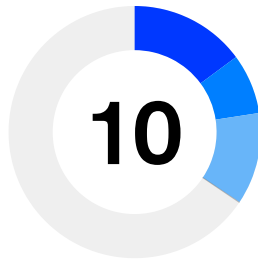
Areas of improvement

- The company is encouraged to commit to increasing access to healthy foods for priority populations as part of its main commercial activities.
- The company is recommended to link executive remuneration to nutrition objectives and disclose these arrangements publicly.
- Mars is recommended to further improve its nutrition governance and management systems by performing standard internal audits and management reviews of its nutrition strategy.



Products

35% of overall score



Rank 10 / Score 3.4

Rank 4 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- Mars has committed to continue improving the nutritional quality of its products by reducing levels of sodium, added sugar, saturated fat, and calories in its food segment, and improving the content of whole grains, vegetables, legumes, and fiber. To strengthen its (re)formulation strategy, the company released the third edition of its nutrient profiling model (NPM) – Mars Food Nutrition Criteria – in 2021. The company commits to aim to have 95% of its global food portfolio meet these standards by 2025, and discloses progress over time. Mars shows industry best practice by providing a benchmarking of its sodium limits against external standards (UK's Public Health England target 2024 and World Health Organization's (WHO) global sodium benchmarks).
- In addition, to meet its ambition to provide 5.5 billion healthy meals to families globally by 2025, the company plans to provide four billion servings of vegetables, increase fiber servings in its products by 30%, and reduce sodium in its portfolio by 5% by 2025. The company is encouraged to report US-specific progress over time.

Areas of improvement

- While the company has released a new edition of its NPM, the standards are only applicable to its food segment. Mars continues to derive most of its US sales from Mars Wrigley (chocolate, candies, and gums products); therefore, the company is encouraged to further connect its overall nutrition and wellbeing strategies and to set ambitious sugar/calorie reduction targets for its confectionery products. Indeed, the company's confectionery segment has committed to offering treats and snacks which contain no more than 250 calories per serving, and has defined the ambition for half of its global portfolio to provide no more than 200 calories per single serving by 2023. No US-specific reporting could be found, although there is evidence the company is collaborating with Partnerships for Healthier America to track progress over time.
- The company has committed to 95% of its global food portfolio meeting its nutrition standards (Mars Food Nutrition Criteria) by 2025. However, no US-specific targets to increase sales of its 'healthy' foods was defined. To improve performance and enhance transparency, ATNI recommends the company adopts a time-bound sales target covering its entire Mars Food and Mars Wrigley portfolios.
- Mars is encouraged to provide more information about the products it sells in schools (Smart Snacks in School program). ATNI recommends that Mars publicly commits to sell products through retail and other outlets that have the same 'look and feel' as products sold under the Smart Snacks in School regulation, but only when they meet the same nutritional standards. Currently, the only relevant information is included in Mars' marketing policy, whereby the company commits not to place vending machines offering its products in primary schools or in locations where the majority of users are under 13.



Accessibility

17.5% of overall score



Rank 9 / Score 0.3

Rank 7 (2018)

Highest score 3.9

Average score 1.5

C1 Product pricing

C2 Product distribution

- Mars demonstrates awareness of the importance of ensuring the affordability of its healthy products, stating that it is committed to make its products healthier without compromising affordability. Meanwhile, its Mars Food segment aims to provide consumers “with healthy, easy, [and] affordable” meals. However, beyond these statements, Mars showed no evidence of a strategy, targets, or practical examples of making its healthy products more affordable in the US.
- Accessibility of healthy food is featured as a core commitment of Mars Food’s ‘Open Access to Better Food’ strategy, which states that, by 2025, it will “build strategic partnerships to tackle hunger and provide access to healthy food, which gives more people the opportunity to share a meal.” The commitment is not specific to the US, however, and only appears to relate to one of Mars’ food-related business segments, Mars Food. Moreover, as with affordability, no evidence of a commercial strategy, targets, or practical examples of making its healthy products more accessible in the US was provided by the company.
- Mars Food makes philanthropic food donations to hunger relief organizations. For example, in 2021, it donated \$3.1 million-worth of Ben’s Original™ products to Feeding America and CARE. However, details of the healthiness of its product donations are not provided, and the company does not have a formal policy to ensure it donates predominantly healthy products.

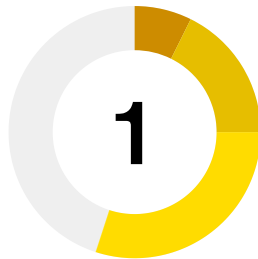
Areas of improvement

- Given that Mars recognizes the importance of affordability of healthy products, it is recommended to develop a strategy to make this a reality, to encourage a shift in consumption toward healthier options. The company could start by tracking the relative prices (per serving) of its healthy products vs its general portfolio, and developing targets to improve the price differential between them. Conducting analysis into how products can be priced appropriately for low-income consumers specifically is also encouraged.
- Mars is encouraged to develop a commercial strategy to address the accessibility and distribution of its healthy and affordable products. The company could also consider setting targets to drive accountability on this topic.
- Mars could also work with retailers and distributors to ensure its healthy products are offered at an affordable point-of-sale price and are distributed in food-insecure neighborhoods.
- Since the company makes sizeable product donations to hunger relief organizations in the US, Mars is encouraged to adopt a policy for responsible food donations which prioritizes nutritious products and limits the donations of unhealthy products, to prevent its philanthropic efforts from inadvertently contributing to obesity and other diet-related non-communicable diseases (NCDs). For example, it could commit to responsible donation guidelines such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs.



Marketing

20% of overall score



Rank 1 / Score 5.5

Rank 1 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- Mars has an extensive auditing system in place, and it is the only company assessed where an external auditing organization annually examines marketing compliance for the general audience and children as a special group. This audit assesses the commitments made in the marketing policy for all audiences and children, and both give extensive information on the forms of marketing it entails and a vast list of commitments regarding fair representation of their products. It also has a robust and well-structured process in place to take corrective measures when non-compliances are detected.
- Mars is one of the two companies (together with General Mills) that has an extensive mechanism in place to ensure its digital marketing does not reach younger age groups. Mars Global Marketing Code 2022 mentions that the company partners with social media platforms and services that offer age screening – and, if such mechanisms are not present, Mars seeks parental controls or notices to uphold this commitment.
- The company commits not to market products to children under the age of 13.

Areas of improvement

- Mars is encouraged to commit to increasing the proportion of marketing spending on healthy products relative to overall marketing spending, and publish a commentary outlining the changes to the company's marketing spending in support of healthier eating.
- Where Mars does include commitments regarding marketing to children in schools, both primary and secondary, the marketing policy does not include other places where children gather (e.g., YMCA, boys/girls clubs, zoos, etc.) The company could consider including such places in their policy.
- Where Mars does disclose auditing results, these could be more specific regarding the compliance for the different forms of marketing. It could also disclose results for its main markets on country level (including the US).
- Mars is advised to commit to or demonstrate that its non-commercial US programs relating to nutrition education exclude product- or brand-level branding in all programs.



Workforce

5% of overall score



Rank 5 / Score 4.5

Rank 4 (2018)

Highest score 7.3

Average score 3.7

E1 Employee health

E2 Breastfeeding support

- The Mars Be Well program includes a focus on nutrition, has measurable and specific outcomes, and is available to all employees.
- Mars formally commits to granting paid parental leave, and to providing private safe and hygienic rooms for mothers to breastfeed at work.

Areas of improvement

- For the Be Well program and other workforce nutrition programs run by Mars, the company should consider:

- 1) A commitment to making the program available to all employees and all family members;
- 2) Including healthy food at work and nutrition-focused health checks;
- 3) Disclosing the percentage of employees that participate in the program.

- Mars is encouraged to evaluate the health impact of its workforce nutrition program(s) in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.

- Mars could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US and abroad), through programs focused on nutrition.

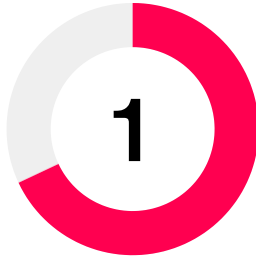
- Mars is encouraged to publicly disclose its paid parental leave policy and extend its current policies to ideally six months or more.

- Mars could extend arrangements to support breastfeeding mothers by ensuring refrigerators are available to store breast milk at all locations, and by providing daily intermittent breaks for mothers to express milk.



Labeling

5% of overall score



Rank 1 / Score 6.8

Rank 5 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- Mars provides front-of-pack (FOP) information on the amount of calories, sodium, sugar, and fats per serving on 100% of product labels, with exemptions including “gum, mints, drops, medicated confectionery, herbs, spices and condiments.” Exempted foods are those with nutritional or dietary insignificance, or foods in small packs. The company confirmed that this commitment spans both Mars Food and Mars Wrigley.
- Mars displays online nutrition information for 96% of Mars Food products. Mars provided evidence of some Mars Wrigley’s products displaying online information, but the proportion is unclear.

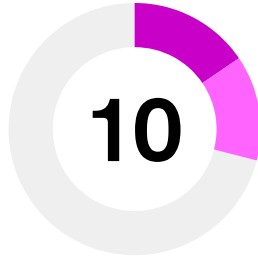
Areas of improvement

- Mars should publicly provide more clarity on the policies and practices that drive decisions for the Mars Wrigley brand of products. In some cases during engagement Mars provided this information, but not on the company website or in public reports.
- Mars is advised to adopt an interpretive FOP labeling system for all products and apply this to all products in its portfolio. Information on the type of FOP labeling used by the company should be disclosed publicly.
- Mars encouraged to use an externally recognized NPM to underpin FOP labeling information in the US.
- Mars could provide the percentage of wholegrain relative to all grain or refined grains on all relevant products, to assist consumers in making informed decisions on the healthiness of products. Some Mars products carry the Whole Grain Stamp.
- Mars is encouraged to commit to providing fruit and vegetable content information on all relevant products.
- It is recommended that Mars ensures 100% of its portfolio displays online nutrition information to ensure that, with growing online retail sales, consumers can easily access nutritional information.



Engagement

5% of overall score





Rank 10 / Score 2.9

Rank 1 (2018)

Highest score 5.8

Average score 4.4

-  Influencing policymakers
-  Stakeholder engagement

- Mars is a member of the Sustainable Food Policy Alliance (SFPA), which engages with the government on reducing dietary sodium and added sugar in consumers' diets; updating definitions of terms like 'healthy'; encouraging timely implementation of the new nutrition facts panel; and advocated for increased flexibilities in the United States Department of Agriculture food and nutrition programs to extend access to WIC, School Lunch and Breakfast Programs, and SNAP for food insecure families and children during the COVID-19 pandemic.
- However, the company provides no examples of lobbying in support of World Health Organization (WHO)-endorsed government policies to address malnutrition (including obesity and diet-related NCDs) in the US, at federal, state, or local levels, and it does not publish its position on these policies.
- Mars publishes a partial list of trade association memberships in the US, and indicates which it holds Board seats on.
- Mars does not make any political contributions in the US from the company treasury, nor does it have an employee political action committee.
- Regarding stakeholder engagement in the US, Mars is a member of several nutrition-related multistakeholder platforms, including the Obesity Roundtable, NASEM/IOM Food Forum, and Tufts University Food and Nutrition Innovation Council.

Areas of improvement

- Mars is encouraged to: assign to its board oversight of its lobbying activities and policies; enhance its processes to review and manage relationships with trade associations; and undertake audits of the company's lobbying activities, disclosure, and compliance with its lobbying policies.
- Mars is strongly encouraged to actively support (or commit to not lobby against) key WHO-endorsed public policy measures to address obesity and diet-related NCDs, such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at federal, state, or local level. It could also significantly improve its disclosure regarding its lobbying positions on these key public health policies. These positions should be as specific and unambiguous as possible. Publishing links to specific documents used in government engagements is also encouraged.
- Mars is also recommended to be more explicit on its website about the role of the SFFPA as one of the company's key channels for nutrition-related lobbying in the US.
- Mars is recommended to disclose a more comprehensive list of trade association memberships in the US, and to disclose the amount of dues used for lobbying purposes for each.
- While it publishes a link to its Lobbying Disclosure Acts reports on its website, Mars should also be more transparent in its own domain about its lobbying expenditures and activities, including publishing the names of its lobbyists/lobbying firms, and what state jurisdictions it is actively lobbying in.
- Mars should ensure it engages with a wide range of nutrition-specific stakeholders in one-to-one discussions regarding its nutrition strategies and activities in the US. This engagement should seek to inform these stakeholders about the companies' existing activities and future plans, and aim to solicit feedback and gather insights to ensure these are sufficiently aligned with the public health interest.
- Mars is recommended to be transparent about the identities of any experts it consults and the organizations and platforms it engages with, as well as indicating the degree of financial compensation for these engagements.
- Mars is encouraged to improve its public reporting of the content of discussions during stakeholder engagements, and which aspects of the company's nutrition-related activities are being discussed. Importantly, the company should also be clear about the outcomes of the engagements, and how they were used to change its practices or plans.

Product Profile ^{i 239}



11

Rank 11/11 / Score 1.3/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more)) | | | Range of total 2021 US sales covered ^{i 240} |
|---|--|-------------------------------------|-------------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 1.3 | 1166 | 15% | 13% | 90-100% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- Mars' average sales-weighted HSR is 1.3 (stars) out of 5 (1.4 unweighted), ranking 11th out of the 11 companies assessed in the Product Profile. A total of 1166 products across the company's five best-selling product categories were assessed using the HSR system.
- 15% of distinct products analyzed for Mars met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 13% of its 2021 US retail sales from healthier products. These results are largely influenced by the fact that Mars derives majority of its US sales from the Confectionery category (leading brands include M&M's, Snickers and Extra).

Mean Health Star Rating by category for Mars

| | No. of products assessed | Mean HSR |
|---|--------------------------|----------|
| Confectionary | 920 | 1.1 |
| Ice Cream | 45 | 1.3 |
| Rice, Pasta and Noodles | 82 | 3 |
| Savoury Snacks | 19 | 0.7 |
| Sweet Biscuits, Snack Bars and Fruit Snacks | 100 | 2.9 |

▪ Among categories assessed, Mars' products in the Rice, Pasta and Noodles category (including Ben's original and Seeds of Change brands) had the highest mean HSR (3.0 out of 5), followed by the Sweet Biscuits, Snack Bars and Fruit Snacks (KIND Bars and Nature's Bakery) category (2.9 out of 5). A total of 82 products from the Rice, Pasta and Noodles category were analyzed, and 48 (or 59%) met the 'healthy' threshold. A total of 100 Sweet Biscuits, Snack Bars and Fruit Snacks products were analyzed, with 27 meeting the 'healthy' threshold. A total of 920 Confectionery products were analyzed, with 98 (11%) meeting the 'healthy' threshold.

Nestlé ²⁴¹

Product categories assessed

Bottled Water - Other|Dairy|Other Hot Drinks|Ready Meals|Bottled Water - Pure

Percentage of company US sales covered by Product Profile assessment
90-100%

Headquarters

Vevey, Switzerland (Global HQ); Rosslyn, Virginia (USA HQ)

Number of US employees

31,000

Type of ownership

Public

Sales revenue (range) of packaged foods and beverages

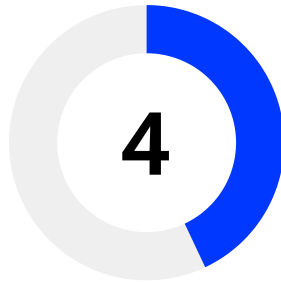
USD 16 –21 Billion

US share in global packaged food and beverage sales

17-22%

Euromonitor International Limited [2021]

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Rank 4 / Score 4.3

Rank 1 (2018)



Product Profile ²⁴²

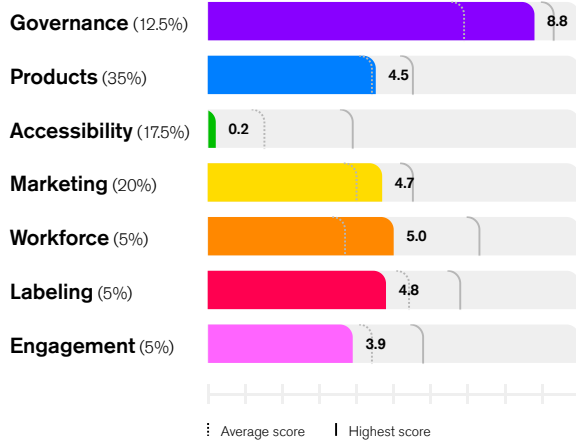
Rank 4 / HSR 2.5 ²⁴³

Rank 4 (2018) ²⁴⁴

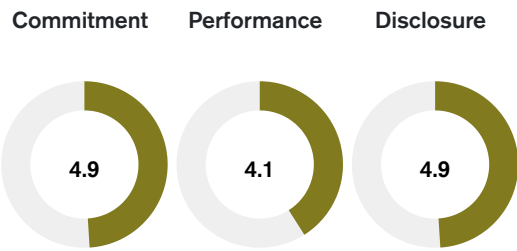
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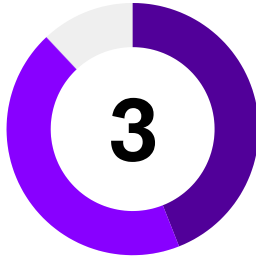
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 3 / Score 8.8

Rank 1 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- Nestlé commits to launching more nutritious foods and beverages, simplifying ingredient lists, and removing artificial colors, while adding micronutrients where they are deficient in the local population and further reducing sodium.
- Nestlé adopts a comprehensive approach to deliver on its nutrition strategy and help tackle obesity. The company's commitments cover: Reformulation (decreasing sugars, sodium, and saturated fat, and increasing vegetables, fiber-rich grains, pulses, nuts, and seeds in their foods and beverages), marketing (leveraging marketing efforts to promote healthy cooking, eating, and lifestyles), and portion control (offering guidance on portions for its products). These commitments are accompanied by several time-bound targets in the company's 'Creating Shared Value' report. Nestlé also publicly commits to support US Dietary Guidelines. As a 'National Strategic Partner' with the United States Department of Agriculture's (USDA) Nutrition Communicator's Network, several Nestlé US brands will develop a series of innovative communications efforts to promote the Dietary Guidelines Consumer Messages, encouraging consumers to make healthier food choices and exercise more.
- Nestlé links remuneration of senior leadership to ESG objectives. According to Nestlé's Remuneration Policy, which applies to the US, leadership remuneration at the company is based on the following principles: 1) performance of short-term and long-term objectives, and 2) alignment with long-term group strategy and shareholder interest. Group strategy is clearly defined in its strategic roadmap, with nutrition, health, and wellness included in this. Individual objectives of Executive Board members are integrated into the business and functional objectives. Quantitative and qualitative objectives set by the Board of Directors determine the Nestlé Group performance and reflect Nestlé's Creating Shared Value framework – and include the proportion of products with nutrition, health, and wellness benefits. These objectives are kept under review by the Board of Directors to ensure they are aligned with Nestlé's business objectives and strategic ambition. In addition to the bonus-able financial elements, the Board of Directors also approves additional quantitative targets and projects that include nutrition.

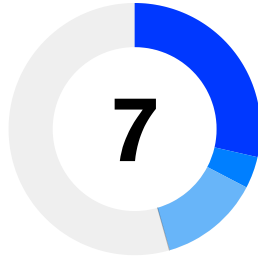
Areas of improvement

- While Nestlé seems to have strong commitments in place to improve nutrition and address diet-related diseases, it is recommended it translates these into concrete actions and reports on progress regularly at a country-level. This is especially the case for the US, as it is one of the company's major markets.
- Nestlé adopts a multi-faceted approach to tackle childhood obesity in the US. However, it is recommended to also develop strategies to increase access to healthy foods relative to unhealthy products for communities that may face food and nutrition insecurity, or that may be at a higher risk than average of experiencing diet-related diseases.



Products

35% of overall score



Rank 7 / Score 4.5

Rank 2 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- Nestlé met its global sugar reduction target in 2021 to reduce sugars added to its products by 5%. According to the company, between 2014 and 2020, it reported a removal of more than 99,000 equivalent tons of sugars. However, no US-specific progress reporting on this metric was found.

- Nestlé’s nutrient profiling model (NPM) – Nestlé Nutritional Foundation (NF) – is currently being updated. The company informed ATNI that the new model is expected to be released by the end of 2022. Moreover, the company has used the Health Star Rating (HSR) model to assess the nutritional content of its products. No benchmarking exercise applicable to its US portfolio was found in the public domain. However, the company informed ATNI that its revised NF takes into account United States Food and Drug Administration (FDA) and International Food and Beverage Association sodium reduction targets.

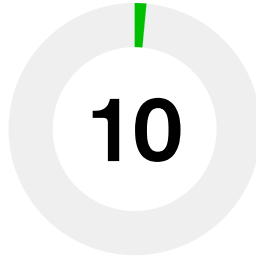
Areas of improvement

- While Nestlé commits to developing products that are good for people and good for the planet, no US-specific nutrient reformulation targets were found. Nestlé is encouraged to set an ambitious quantitative target (with baseline and target year) to increase sales of healthier foods and to disclose progress against this target on an annual basis.
- The company is encouraged to publish its updated NPM online and in a peer-reviewed journal article, so that stakeholders can better assess and understand it. To improve performance, Nestlé is recommended to benchmark its new criteria against US-specific standards; for example, the FDA’s upcoming updated definition of ‘healthy’. When FDA releases its new definition of ‘healthy’, ATNI hopes all companies, including Nestlé, can benchmark their internal nutrition criteria against these new standards.



Accessibility

17.5% of overall score



Rank 10 / Score 0.2

Rank 3 (2018)

Highest score 3.9

Average score 1.5

C1 Product pricing

C2 Product distribution

- Nestlé has a broad commitment at the global level “to create more accessible, affordable, and nutritious products that are good for people and for our planet.” It relies primarily on government intervention through SNAP and WIC to reach low-income consumers.
- The company donates both cash and products to hunger relief organizations in order to address food insecurity in the US, as well as diverting food loss and waste from its commercial operations and providing disaster relief. For example, it provided 8.2 million lbs of food and beverages in 2021. However, it does not have a policy for responsible food and beverage donations, nor does it commit to predominantly donate healthy products.

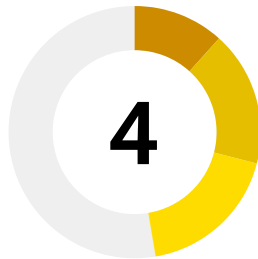
Areas of improvement

- Given that Nestlé commits to address the affordability of healthy products on a global level, it is advised to develop a strategy to do so in the US, specifically for its healthy products, in order to encourage a shift in consumption toward healthier options. The company could start by tracking the relative prices (per serving) of its healthy products and developing targets to improve the price differential between them. Conducting analysis into how products can be priced appropriately for low-income consumers specifically is also encouraged.
- Nestlé is encouraged to develop a commercial strategy to address the accessibility and distribution of its healthy and affordable products. The company could also consider setting targets to drive accountability on this topic.
- Nestlé could work with retailers and distributors to ensure its healthy products are offered at an affordable price at point-of-sale and are distributed in food-insecure neighborhoods.
- Since the company makes sizeable product donations to hunger relief organizations in the US, Nestlé is encouraged to adopt a policy for responsible food donations which prioritizes nutritious products and limits the donations of unhealthy products. This will prevent its philanthropic efforts from inadvertently contributing to obesity and other diet-related non-communicable diseases (NCDs). For example, it could commit to responsible donation guidelines such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs.



Marketing

20% of overall score



Rank 4 / Score 4.7

Rank 2 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- Nestlé commits not to conduct any advertising directed primarily to children under age 12.
- Nestlé has a detailed marketing policy for all audiences, including a specific policy section for children, which includes information on the forms of marketing it entails and provides an extensive list of commitments regarding a fair representation of their products.
- Nestlé is one of two companies (together with PepsiCo) in the Index who make a commitment for some of its non-commercial US programs relating to nutrition education to exclude product branding.
- The marketing policy for children is specific on marketing strategies in schools, both primary and secondary, and includes a commitment not to market or advertise in other places where children gather.

Areas of improvement

- Although Nestlé made a commitment to increasing spending of marketing on healthier products, it is recommended the company publishes a commentary outlining the changes to its marketing spending in support of healthier eating, relative to their overall marketing budget.
- Nestlé undergoes auditing by the Children's Food and Beverage Advertising Initiative (CFBAI), an industry-led third-party, which publishes aggregated results of its members. The company is encouraged to make its individual compliance results publicly available on its own domain.



Workforce

5% of overall score



Rank 4 / Score 5

Rank 1 (2018)

Highest score 7.3

Average score 3.7

 Employee health

 Breastfeeding support

- Nestlé has three global programs which comprise elements of nutrition: Know Your Numbers (KYNP), #HealthyLives, and Stress and Resilience. The Healthy Lives program offers healthy food at work, while KYNP includes nutrition-focused health checks.
- Nestlé formally commits to granting paid parental leave and to providing appropriate working conditions and facilities to facilitate breastfeeding on sites with more than 50 employees. Nestlé offers 14-18 weeks of paid parental leave for primary caregivers and one to four weeks to the secondary caregiver.

Areas of improvement

- Nestlé should ensure its workforce nutrition programs in the US include expected outcomes (such as healthy behavior, health-related, or employee absenteeism outcomes).
- For its workforce nutrition programs, Nestlé should consider:
 - 1) A commitment to making the program available to all employees and all family members;
 - 2) Including nutrition education;
 - 3) Disclosing the percentage of employees that participate in the program.
- Nestlé is encouraged to evaluate the health impact of its workforce nutrition programs in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.
- Nestlé could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US), through programs focused on nutrition.
- Nestlé is encouraged to extend its current paid parental leave policies to ideally six months or more.



Labeling

5% of overall score



Rank 7 / Score 4.8

Rank 1 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- Nestlé uses the Facts up Front (FuF) labeling icons to display front-of-pack (FOP) information, which shows the calories, saturated fat, sodium, and total sugar contained in each serving of a food or beverage product. This information is provided on 100% of 'applicable products' in the US.

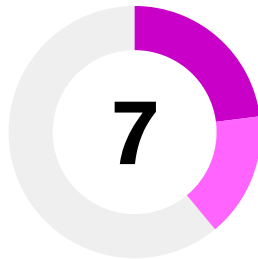
Areas of improvement

- Nestlé is advised to adopt an interpretive FOP labeling system and apply this to all products in its portfolio, such as color-coded systems, as it does in other markets.
- Nestlé is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US. Nestlé currently uses the FuF labeling system, which pulls nutrient information from the Nutrition Facts Panel. However, this does not tell consumers what products the company considers healthier and the criteria used for that purpose.
- Nestlé could provide the percentage of wholegrain relative to all grain or refined grains on all relevant products, to assist consumers in making informed decisions on the healthiness of products. The company is encouraged to continue its work on their 'GRAINSMART balance' system to provide this information.
- Nestlé discloses the amount of fruit and vegetable information on some product labels. It is encouraged to commit to providing fruit and vegetable content information on all relevant product labels.
- It is recommended Nestlé sees that nutrition information is displayed online for 100% of its portfolio, to ensure that with growing online retail sales, consumers can easily access nutritional information. Currently, between 50-79% of its products have information displayed online.
- Nestlé could provide an online 'healthy' filter that is aligned with FOP information and/or ensure a filter that allows a selection of at least three nutrients on its direct-to-consumer channels; e.g., 'high in fiber' or 'low in sugar'.



Engagement

5% of overall score





Rank 7 / Score 3.9

Rank 5 (2018)

Highest score 5.8

Average score 4.4

-  **Influencing policymakers**
-  **Stakeholder engagement**

- Nestlé’s lobbying policy is approved by its Board. The company also regularly reviews its involvement in trade associations, assessing the relevance of its participation and its alignment with the company’s strategy and positions – stating that it is prepared to withdraw memberships in situations of continued misalignment.
- Nestlé is a member of the Sustainable Food Policy Alliance (SFPA), which engages with the US government on: Reducing dietary sodium and added sugar in consumers’ diets; updating definitions of terms like ‘healthy’; and encouraging timely implementation of the new nutrition facts panel. SFPA also advocated for increased flexibilities in USDA food and nutrition programs to extend access to WIC, School Lunch and Breakfast Programs, and SNAP for food insecure families and children during the COVID-19 pandemic.
- However, the company provides no examples of lobbying in support of World Health Organization (WHO)-endorsed government policies to address malnutrition (including obesity and diet-related non-communicable diseases (NCDs)) in the US, at federal, state, or local levels.
- Nestlé discloses that its key global ‘advocacy priorities’ include “transparent nutrition information to consumers (on-pack labelling and digital)” and “responsible marketing to children”.
- Nestlé publishes a partial list of trade association memberships in the US, and indicates which it holds Board seats on.
- Nestlé has a policy that prohibits corporate contributions outside of its home country, including in the US. It does not have an employee-run Political Action Committee in its name.
- The company discloses the total amount it spends on lobbying in the US, and provides a link to the Lobbying Disclosure Act (LDA) website where its lobbying disclosure reports can be found.
- Regarding stakeholder engagement in the US, Nestlé is a member of several nutrition-related multistakeholder platforms, including the Portion Balance Coalition, Tufts University Food and Nutrition Innovation Council, and the Personalized Nutrition Initiative.

Areas of improvement

- Nestlé is encouraged to clarify the extent to which its Board has oversight over its lobbying policy positions, processes, and practices, and to undertake audits of the company's lobbying activities, disclosure, and compliance with its lobbying policies.
- Nestlé is strongly encouraged to actively support (or commit to not lobby against) key WHO-endorsed public policy measures to address obesity and diet-related NCDs, such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at the federal, state, or local level where proposals arise. Publishing links to specific documents used in government engagements is also encouraged.
- Nestlé is recommended to be more explicit on its website about the role of the SFPA as one of the company's key channels for nutrition-related lobbying in the US.
- Nestlé is recommended to disclose a more comprehensive list of trade association memberships in the US, and to disclose the amount of dues used for lobbying purposes by each.
- While it publishes a link to its LDA reports on its website, Nestlé should also be more transparent on its own domain and publish the names of its lobbyists/lobbying firms, and what state jurisdictions it is actively lobbying in.
- Nestlé could significantly improve its disclosure regarding its lobbying positions on key public health policies, such as those recommended by WHO. These positions should be as specific and unambiguous as possible.
- Nestlé should ensure that it engages with a wide range of nutrition-specific stakeholders in one-to-one discussions regarding its nutrition strategies and activities in the US, such as civil society organizations, academic institutions, and scientific bodies with recognized expertise in nutrition and public health. This engagement should seek to inform these stakeholders about the companies' existing activities and future plans, and aim to solicit feedback and gather insights to ensure these are sufficiently aligned with the public health interest.
- Nestlé is recommended to be transparent about the identities of any experts it consults and the organizations and platforms it engages with on nutrition-related topics, as well as indicating the degree of financial compensation provided for these engagements. Nestlé is also encouraged to improve its public reporting of the purpose and outcomes of the engagements, and how they were used to change its nutrition-related practices or plans.

Product Profile ^{i 245}



Rank 4/11 / Score 2.5/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more) | | | Range of total 2021 US sales covered ^{i 246} |
|---|---|----------------------------------|----------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2.5 | 398 | 33% | 36% | 90-100 |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- Nestlé's average sales-weighted HSR is 2.5 (stars) out of 5 (2.4 unweighted), ranking fourth out of the 11 companies assessed in the Product Profile. A total of 398 products across the company's five best-selling product categories were assessed using the HSR system.
- 33% of distinct products analyzed for Nestlé met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 36% of its 2021 US retail sales from healthier products. These results reflect Nestlé's recent divestments of confectionery, ice cream and bottled water brands in the US market.



Mean Health Star Rating by category for Nestlé

| | No. of products assessed | Mean HSR |
|------------------------------|--------------------------|------------|
| Bottled Water - Other | 39 | 2.5 |
| Bottled Water - Pure | 5 | 5 |
| Dairy | 110 | 1.1 |
| Other Hot Drinks | 8 | 0.5 |
| Ready Meals | 236 | 3 |

▪ Among product categories assessed, Bottled Water – Plain (which receives an automatic 5 stars) had the highest HSR, followed by the Ready Meals (including DiGiorno, Stouffer's, Lean Cuisine brands) category (3.0 out of 5.). A total of 236 products from the Ready Meals category were analyzed, and 94 (or 40%) met the 'healthy' threshold.

PepsiCo

Product categories assessed

Breakfast Cereals|Carbonates|Savoury Snacks|Energy Drinks|Sports Drinks

Percentage of company US sales covered by Product Profile assessment
80-90%

Headquarters
Purchase, New York, U.S.

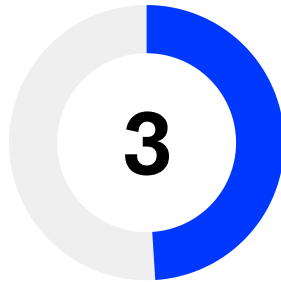
Number of US employees
-

Type of ownership
Public

Sales revenue (range) of packaged foods and beverages
USD 47-52 Billion

US share in global packaged food and beverage sales
42-47%

Euromonitor International Limited [2021]
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Product Profile ⓘ ²⁴⁷

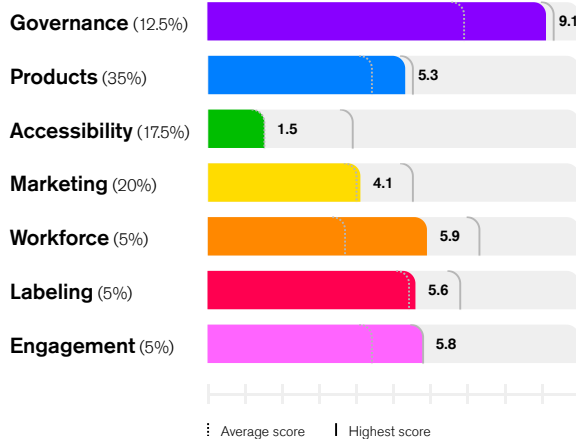
Rank 7 / HSR 2.2 ⓘ ²⁴⁸

Rank 6 (2018) ⓘ ²⁴⁹

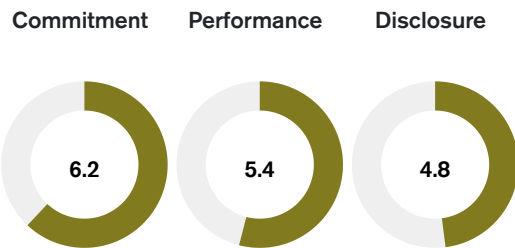
Important:

The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

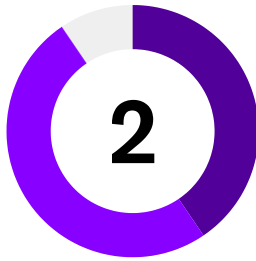
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 2 / Score 9.1

Rank 3 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- In 2021, PepsiCo, announced 'Pep+ (PepsiCo Positive)', the company's new framework for strategic end-to-end transformation, which places sustainability at the center of their business. While this new strategy is global and not US-specific, it builds upon the company's ongoing efforts to help establish a more sustainable food system – from sourcing ingredients and making and selling products in a more sustainable way to inspiring consumers through their brands to make better choices for themselves and the planet. This strategy includes two commitments focused on nutrition: (1) Advance Food Security: By 2030, the company aspires to partner with communities to advance food security and make nutritious food accessible to 50 million people; and (2) Positive Choices: PepsiCo continues to evolve its portfolio of food and beverage products including (a) incorporating more diverse ingredients in both new and existing food products that are better for the planet and/or deliver nutritional benefits, prioritizing chickpeas, plant-based proteins, and wholegrains; (b) expanding the company's position in the nuts and seeds category, where it is already the global branded leader; and (c) accelerating reduction of added sugars, sodium, and saturated fat within its portfolio through the use of science-based targets and cooking its foods with healthier oils.
- In addition, PepsiCo is part of the American Beverage Association's Balance Calories Initiative (BCI), together with Coca-Cola and KDP. The BCI has committed to decrease beverage calories in the American diet by 20% by 2025. Through this association, PepsiCo makes an implicit commitment to improving the nutritional quality of its products.
- Through its association with BCI, PepsiCo also commits to addressing the needs of priority populations in the US. BCI tracks calorie reduction efforts in five US communities where health disparities have led to higher obesity rates compared to national average, and where reducing beverage calories is expected to be most challenging. The most recent evaluation concluded that beverage calories per person fell in all five selected communities.
- PepsiCo adopts a multi-faceted approach to addressing obesity, which includes product innovation and reformulation to reduce added sugars, sodium and saturated fat; increasing nutritious offerings; transparent labeling about product ingredients; adhering to responsible marketing policies; and meeting food quality and safety standards. PepsiCo is also a member of the Portion Balance Coalition in the US, which is central to the company's efforts to address the prevalence of obesity and overweight by focusing on the volume (size), proportionality (variety), and quality (nutrient density) of food, drinks, and meals, by activating consumers to create demand and acceptance for balanced food portions. This thereby enables the industry to respond to the demand.
- PepsiCo's global reformulation strategy includes time-bound targets, grounded in public health authorities' dietary recommendations to reduce the incidence of various diet-related diseases. PepsiCo has also developed PepsiCo Nutrition Criteria, which guide product innovation and reformulation and set standards for nutrients to limit. They also inform the nutrients and food groups to encourage that are based on the latest science and country specific dietary guidelines, including the US Department of Agriculture and National Academy of Medicine.
- PepsiCo's senior leadership team – made up of the Chairman, CEO, Sector CEOs, and top functional leaders – assume direct oversight of the sustainability agenda, strategic decisions, and performance management. This includes the company's product-related sustainability goals, which focus on improving the nutritional profile of product portfolio. The company also discloses that the CEO's remuneration is tied to nutrition-related objectives.
- Progress against the company's Environmental, Social, and

Governance goals is overseen by the full senior leadership team on an annual basis. PepsiCo assesses and reports on progress toward its reformulation goals annually. Since 2017, PepsiCo has partnered with Partnership for a Healthier America (PHA) to independently verify the company's reported progress delivering on these goals. In addition, progress on the BCI annual reporting is audited through a third party.

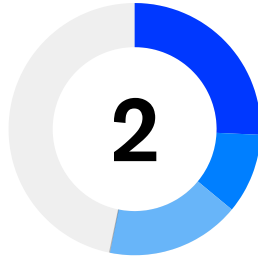
Areas of improvement

- While the company's association with the BCI illustrates a commitment to address the needs of priority populations, details of this work are only mentioned briefly in the company's own report. PepsiCo is encouraged to report on the progress against the work conducted with the BCI.



Products

35% of overall score



Rank 2 / Score 5.3

Rank 3 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- As part of its Pep+ strategy, PepsiCo has the goal of expanding its portfolio to provide more consumer choice with products that are better for planet and people. The company has committed to reducing added sugars in its beverage portfolio, and sodium and saturated fat in its foods, by 2025. The company has been working with PHA, to use their third-party verification process to verify PepsiCo's 2025 nutrient reduction goals. However, a US- specific report against these targets was not disclosed.

- In 2019, the company updated its nutrient profiling model (NPM), the PepsiCo Nutrition Criteria (PNC). The PNC generates scores based on more than one nutritional attribute, enabling products to be ranked on their overall nutritional value. PepsiCo is one of the two Index companies found to have such a model. The PNC were designed to be inclusive of its relevant portfolio, comprising both nutrients of concern and positive nutrients. Furthermore, the PNC has been published, with the rationale behind it, in a peer-reviewed journal, explaining how the PNC is used to guide innovation and the reformulation of products by applying a progressive system.

- PepsiCo offers a variety of food and beverage products that are compliant with United States Department of Agriculture standards to be sold in K-12 Schools and High Schools. The company commits to formulate all products sold through retail and other outlets, which have the same 'look and feel' as products sold under the Smart Snacks in School regulation, with the same nutritional standards. To improve performance, the company is encouraged to continue reviewing its current schools portfolio to reformulate products to be healthier.

- The company has committed to using more diverse ingredients (legumes, wholegrains, plant-based proteins, fruits and vegetables, and nuts and seeds) that are better for the planet or deliver nutritional benefits. However, no US-specific time-bound targets and/or report on progress was found.

Areas of improvement

- PepsiCo could improve its performance by adopting a time-bound and US-specific target to increase overall sales from healthier foods and beverages (compliant at minimum with PNC). Similar to its Pep+ strategy, the company is encouraged to report progress against this target on an annual basis.

- The company shows how its PNC is aligned with government guidelines. However, there is no information about overall portfolio performance of the PNC against external standards (i.e., from comparing against an externally validated, government-endorsed NPM). The company is encouraged to publicly disclose how its PNC aligns with relevant US benchmarks – for example the United States Food and Drug Administration's voluntary sodium guidelines and updated definition of "healthy."

- PepsiCo is encouraged to continue reviewing its current schools portfolio to reformulate products to be healthier.





Accessibility

17.5% of overall score



Rank 5 / Score 1.5

Rank 2 (2018)

Highest score 3.9

Average score 1.5

C1 Product pricing

C2 Product distribution

- On a global level, PepsiCo developed the 'Pep+ sustainability strategy', launched in September 2021, which seeks to "advance food security and make nutritious food accessible to 50 million people by 2030" through both commercial and philanthropic activities. The commercial aspect involves products that meet nutritional criteria, affordability metrics, and a focus on "lower-income consumers at risk for undernutrition, as determined at the market level and informed by local socioeconomic indicators and externally available data." However, the extent to which this strategy will be rolled out in the US is unclear.
- That said, PepsiCo showed evidence of a US-specific affordability strategy for its healthier snack options (which include legumes, fruits, vegetables, and wholegrains), which includes a focus on reaching consumers of color and low-income groups. The strategy involves developing a range of pack sizes to meet all price points, as well as working across mainstream retail and online channels to ensure its healthier products reach consumers across the income spectrum.
- PepsiCo also partners with E-commerce partners to offer free delivery for zero sugar and better-for-you snack products, to help reach those without proximate access to convenience stores. The company also uses digital tools to prioritize its 'better-for-you' options in online search results to nudge consumers towards these healthier alternatives.
- PepsiCo primarily addresses accessibility and food insecurity in the US through its philanthropic partnership with Feeding America, as well as through its 'Food for Good' program. The latter sees the company manufacture, distribute, and sell (at cost) "nutritious meals" to non-profit organizations in the US, who then distribute them through non-commercial programs like summer and afterschool programs.

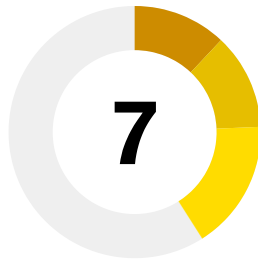
Areas of improvement

- PepsiCo is encouraged to ensure that the commercial aspect of its 'Pep+ sustainability strategy' is also implemented in the US. In doing so, it is advised to set targets on reaching low-income consumers with the products that meet its affordable nutrition criteria.
- PepsiCo is encouraged to disclose information about its affordability strategy for its 'better-for-you' snack options, including working with retailers, as well as its activities as part of the BCI with zero sugar beverages. It is also advised to track the relative prices per serving of these options compared to its broader snacking and/or beverage portfolios, and work to improve the price differentials between them.
- PepsiCo is recommended to be more transparent about how it defines 'nutritious meals' as part of its Food for Good program. It is also encouraged to develop a policy to ensure that its product donations are made responsibly, consisting predominantly of healthy nutritious products, so they do not unintentionally exacerbate public health issues. For example, PepsiCo could commit to responsible donation guidelines, such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs.



Marketing

20% of overall score



Rank 7 / Score 4.1

Rank 3 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- PepsiCo has a detailed marketing policy for all audiences, including a specific policy section for children, which includes information on the forms of marketing it entails, and gives an extensive list of commitments regarding a fair representation of their products. Furthermore, it has an ad hoc or unstructured process in place when a case of non-compliance is detected.
- PepsiCo is one of the two Index companies who make a commitment for some of its non-commercial US programs relating to nutrition education (GenYouth) to exclude product branding.

Areas of improvement

- Where the PepsiCo's policy for children indicates no marketing or advertising in primary schools, no such commitment is made for secondary schools or other places where children gather. The company is recommended to extend its policy of no marketing to children to the aforementioned places.
- PepsiCo undergoes Children's Food and Beverage Advertising Initiative auditing and is encouraged to make the marketing compliance levels public. No information on auditing the compliance of marketing for the general audience was found. This is therefore recommended to ensure annual independent external auditing of the company's compliance with its general marketing policy (applicable to the US), covering all media specified in the policy.
- Although PepsiCo made a commitment to increase spending of marketing for healthier products, it is recommended PepsiCo publishes a commentary outlining the changes to the company's marketing spending in support of healthier eating, relative to their overall marketing budget.



Workforce

5% of overall score



Rank 3 / Score 5.9

Rank 3 (2018)

Highest score 7.3

Average score 3.7

E1 Employee health

E2 Breastfeeding support

- PepsiCo's Healthy Living program has a focus on nutrition and includes quantitative information on the outcomes of the program.
- PepsiCo provides some nutrition education to employees through its Kurbo Health Coaching program, which is a weight management program "that offers one on one coaching to help users eat better, exercise more, and lose weight."
- PepsiCo is one of two companies assessed in this Index to provide information on the health impact of its nutrition programs in the US.
- PepsiCo has a public paid parental leave policy in the US of six to 14 weeks.

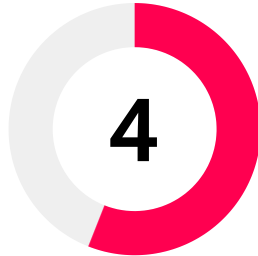
Areas of improvement

- PepsiCo should consider a commitment to making its workforce nutrition program available to all employees and all family members, and continue to publish information on the percentage of employees that participate. PepsiCo has various workforce programs but extensive information was not found in the public domain for all of these. Eligibility varies by program but can include either all employees or benefits eligible employees (including covered spouses/partners/dependents).
- PepsiCo could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US), through programs focused on nutrition.
- PepsiCo is encouraged to extend its current paid parental leave policies to ideally six months or more.
- PepsiCo is advised to develop and publish a US policy on supporting maternal health and breastfeeding mothers at work, which applies equally in all facilities. The company should extend its current support of providing private, hygienic, safe rooms to express breastmilk with a refrigerator, along with other flexible working arrangements to support breastfeeding mothers, by ensuring this is available in all locations. Currently, this only occurs in locations with more than 500 employees.



Labeling

5% of overall score



Rank 4 / Score 5.6

Rank 5 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- PepsiCo uses the Facts up Front (FuF) labeling icons to display front-of-pack (FOP) information which shows the calories, saturated fat, sodium, and total sugar contained in each serving of a food or beverage product.
- Nutrition information is displayed online via SmartLabel for all of PepsiCo's US product portfolio.
- PepsiCo provides some filters on direct-to-consumer channels, including 'good or excellent sources of protein, fiber, or wholegrains' and 'low in sodium'.

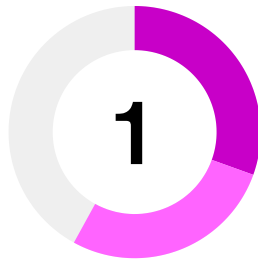
Areas of improvement

- PepsiCo is advised to adopt an interpretive FOP labeling system and apply this to all products in its portfolio. Information on the type of FOP labeling used by the company should be disclosed publicly.
- PepsiCo is encouraged to further track the percentage of its portfolio that is compliant with its approach to FOP labelling and publicly report on this.
- PepsiCo is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US.
- PepsiCo could provide the percentage of wholegrain relative to all grain or refined grains on all relevant products, to assist consumers in making informed decisions on the healthiness of products. Currently, some PepsiCo products carry the Whole Grain Stamp.
- PepsiCo is encouraged to commit to providing fruit and vegetable content information on all relevant products.
- PepsiCo is encouraged to use a healthy filter aligned with FOP information, or a filter that allows a selection of at least three nutrients on direct-to-consumer channels.



Engagement

5% of overall score



Rank 1 / Score 5.8

Rank 2 (2018)

Highest score 5.8

Average score 4.4

- G1** Influencing policymakers
- G2** Stakeholder engagement

- The Board's Sustainability, Diversity, and Public Policy Committee is responsible for reviewing PepsiCo's political activities and expenditures. PepsiCo also annually reviews its trade association membership, providing details about its engagement process.
- PepsiCo has lobbied with the American Beverage Association (ABA) and state-level trade associations in support of legislation in Chicago, New York City, and Ohio to support healthier 'default' beverage options for children's meals at restaurants in an effort to reduce child obesity.
- However, the company provides no examples of lobbying in support of World Health Organization (WHO)-endorsed government policies to address malnutrition (including obesity and diet-related non-communicable diseases (NCDs)) in the US, at federal, state, or local level.
- PepsiCo discloses all trade associations to which it pays membership dues over \$25,000, and indicates the dues used for lobbying (as a percentage) for those it pays over \$100,000 in total contributions only.
- PepsiCo comprehensively discloses its political contributions made directly from the company treasury at state and local levels and via political action committees (PACs), as well as those made by its employee-funded PAC, the Concerned Citizens Fund PAC.
- PepsiCo demonstrates leading practice in terms of disclosure regarding lobbying spending – disclosing the total amount spent in the US annually, a link to its Lobbying Disclosure Act reports, a list of the names of its lobbyists and lobbying firms, and indicating the states it is actively lobbying in.
- PepsiCo publishes a range of its policy positions on important WHO-endorsed measures. For example, it indicates that it would not support fiscal measures relating to nutrition or marketing restrictions, indicating that self-regulation are "more effective ways" of improving public health. It also indicates support for FOP labeling "to help consumers make informed choices about what they're eating."
- PepsiCo provided evidence of engaging with several recognized public health-oriented civil society organizations regarding its nutrition strategy and practices, discussing their marketing policies, product goals, performance and challenges, sugar reduction, and advocacy priorities in the US. Meanwhile, its research and development team frequently meet with academics to discuss PepsiCo's nutrition strategy, amongst other topics – for example, the Tufts University Food & Nutrition Innovation and Personalized Nutrition Initiative at University of Illinois.
- PepsiCo engages in consumer education via the ABA's BCI, which partners with a range of organizations – including Barrio Action Youth & Family Center, The Campaign Against Hunger, Washington Literacy Center, Positive Atmosphere Reaches Kids, and Casa Familiar – to implement nutrition education, particularly concerning reducing sugar consumption. It is not clear the extent to which the industry initiative is involved in designing these programs.

Areas of improvement

- PepsiCo is encouraged to undertake audits of the company's lobbying activities, disclosure, and compliance with its lobbying policies.
- PepsiCo is encouraged to actively support (or commit to not lobby against) key WHO-endorsed public policy measures to address obesity and diet-related NCDs, such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at federal, state, or local level. Publishing links to specific documents used in government engagements is also encouraged.
- PepsiCo is encouraged to disclose a more comprehensive list of trade association memberships, reducing the threshold for disclosure to \$10,000 in membership dues, for example. Moreover, it could indicate on which Boards it holds seats, if any.
- PepsiCo could improve its disclosure regarding its lobbying positions on key public health policies, such as those recommended by WHO, by making them as specific and unambiguous as possible.
- PepsiCo is strongly encouraged to improve its transparency regarding the stakeholder organizations it engages with for feedback on its nutrition-related topics, strategy and practices, as well as indicating the degree of financial compensation for these engagements (if any).
- PepsiCo is encouraged to improve its public reporting of the content of discussions during stakeholder engagements, and which aspects of the company's nutrition-related activities are being discussed. Importantly, the company should also be clear about the outcomes of the engagements, and how they were used to change its practices or plans.

Product Profile ^{i 250}



Rank 7/11 / Score 2.2/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more)) | | | Range of total 2021 US sales covered ^{i 251} |
|---|--|-------------------------------------|-------------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2.2 | 1671 | 28% | 25% | 80-90% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

▪ PepsiCo's average sales-weighted HSR is 2.2 (stars) out of 5 (2.4 unweighted), ranking seventh out of the 11 companies assessed in the Product Profile. A total of 1671 products across the company's five best-selling product categories were assessed using the HSR system.* 28% of distinct products analyzed for PepsiCo met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 25% of its 2021 US retail sales from healthier products. These results are largely influenced by the fact that the company derives majority of its US sales from the Savoury Snacks and Carbonates categories.

Mean Health Star Rating by category for PepsiCo

| | No. of products assessed | Mean HSR |
|-------------------|--------------------------|----------|
| Breakfast Cereals | 124 | 3.2 |
| Carbonates | 217 | 1.1 |
| Energy Drinks | 187 | 2.3 |
| Savoury Snacks | 943 | 2.7 |
| Sports Drinks | 200 | 2.1 |

▪ Among categories assessed, PepsiCo's products in the Breakfast Cereal category (Quaker brand) had the highest mean HSR (3.2 out of 5). A total of 124 products from the Breakfast Cereal category were analyzed, and 59 (48%) met the 'healthy' threshold. The category with the largest number of products assessed was Savoury Snacks (major brands include Lay's and Doritos). 268 (or 28%) of the unique 943 Savoury Snacks products analyzed met the 'healthy' threshold.

Unilever ²⁵²

Product categories assessed

Ice Cream|Ready Meals|RTD Tea|Soup|Sauces, Dressings and Condiments

Percentage of company US sales covered by Product Profile assessment
90-100%

Headquarters
London, UK (Global); New Jersey, U.S.

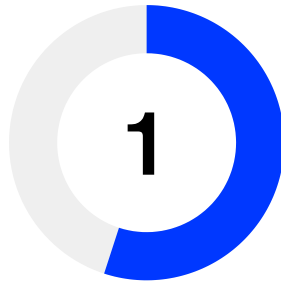
Number of US employees
7500

Type of ownership
Public

Sales revenue (range) of packaged foods and beverages
USD 5–10 Billion

US share in global packaged food and beverage sales
18-23%

Euromonitor International Limited [2021]
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Rank 1 / Score 5.5
Rank 2 (2018)



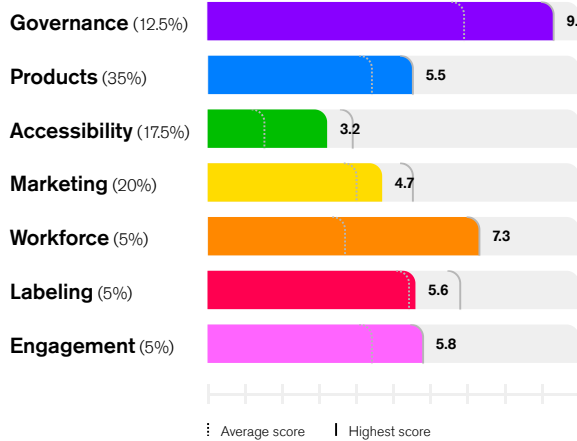
Product Profile ²⁵³

Rank 8 / HSR 2.1 ²⁵⁴
Rank 7 (2018) ²⁵⁵

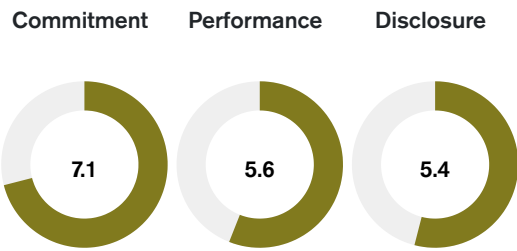
Important:

The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

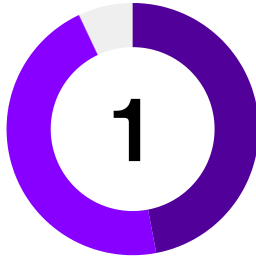
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 1 / Score 9.3

Rank 2 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- Unilever is one of four companies that make nutrition and health part of their mission statement in addition to their core commercial strategies. In 2020, Unilever launched its new strategy – The Unilever Compass – which builds upon the Unilever Sustainable Living Plan (USLP) 2010-2020. The company's purpose is to “make sustainable living common place.” Under the 'Improve people's health, confidence, and wellbeing' pillar, the company has set six goals on positive nutrition, including to “double the number of products sold that deliver positive nutrition by 2025” and for “70% of our portfolio to meet World Health Organization (WHO)-aligned nutritional standards by 2022.” These goals are part of the company's 'Future Foods' strategy.
- In July 2020, the company published a plan called 'Transforming the world's food system for a more nutritious, more sustainable, and fairer future', in which it outlines four ways the company is leading change. These include: 1) Nutritious foods and balanced diets; 2) Making plant-based choices available for all; 3) Less food waste; and 4) Food that is fair and doesn't cost the earth. On its US website, the company states: “As one of the biggest consumer goods companies in the world, with a large Foods & Refreshment portfolio, we're mindful of the huge impact we can make through our scale and reach. We aim to produce tasty, accessible, affordable, and nutritious products, and encourage people to make nutritious choices through transparent labelling and balanced portions.”
- Also on its US website, Unilever has a dedicated section to report progress on its nutrition efforts, including US-specific progress on nutrition targets. In addition, in the section "Sustainability performance data" on its global website, Unilever publishes progress by country.
- The company recognizes childhood obesity as one of the most serious public health concerns.
- Accountability of Unilever's nutrition strategy lies with senior leadership, and it is one of four companies that link remuneration of senior leadership to nutrition objectives.

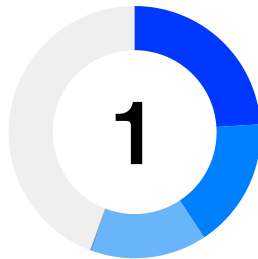
Areas of improvement

- Unilever has a commitment in place to tackle childhood obesity in the US. However, it is also recommended to develop strategies to increase access to healthy foods relative to unhealthy products for communities that may face food and nutrition insecurity, or that may be at a higher-than-average risk of experiencing diet-related diseases.



Products

35% of overall score



Rank 1 / Score 5.5

Rank 1 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- As part of its new Compass strategy and 'Future Foods' commitments, Unilever has pledged that 70% of its global portfolio will meet its highest nutritional standard (HNS) by 2022. The company obtains the highest score in this indicator, as it links its 2022 target to sales volumes measured in tons sold. Furthermore, Unilever externally verifies this metric. Furthermore, Unilever publishes progress against its 2022 goal on its global website, including progress by country. For its US market, 64% of Unilever's products met the HNS in 2021 (up from 59% in 2020). The company is encouraged to publish this information on its US-specific site.

- Unilever is in the process of reviewing its internal HNS, and has shared with ATNI evidence that all relevant categories now include added sugar benchmarks. Unilever has committed to doubling the sales of products that deliver against the company's own standards for 'positive nutrition' (when a product is considered to deliver a meaningful amount of positive nutrients or ingredients, such as fruits and vegetables) by 2025. Unilever publishes full details of its global 'Nutrition Standards,' which include its nutrient profiling model (HNS) and 'positive nutrition' criteria online.

- Unilever continues to report against sugar and sodium reduction targets. The company has the ambition to have 85% of its foods portfolio to help consumers reduce their salt intake to no more than 5g per day by 2022. According to Unilever, for the US market, 91% of its portfolio met the salt target in 2021 (up from 87% in 2020). The company shared with ATNI (under NDA) an internal evaluation of how selected products perform against the United States Food and Drug Administration's voluntary sodium reduction guidelines. Concerning sugar, Unilever reports that by 2021, 91% of its US portfolio met the global target to reach 95% of packaged ice cream to contain no more than 250 kcal per serving by 2025.

- While Unilever has indirect saturated fat and sugar reduction targets (benchmarks for these nutrients included as part of Unilever's HNS), as well as 'positive nutrition' targets, the company does not report on US-specific progress against these.

- Although the announcement was made after the cut-off date for this Index to accept new evidence and thus not scored, ATNI does commend Unilever for its announcement March 2022 to publish an annual assessment of its product portfolio against at least six different government-endorsed NPMs globally, and for 16 key markets (including the US), as along with its own HNS. The company is encouraged to publish these results on its global and US-specific website, and to adopt a US-specific target to increase sales of healthier products. When FDA releases its new definition of 'healthy', ATNI hopes all companies, including Unilever, can benchmark their internal nutrition criteria against these new standards.

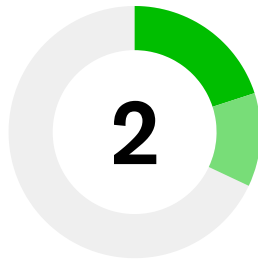
Areas of improvement

- Unilever's Nutrition Standards include its HNS and positive nutrition standards (PNS), and are applicable to its complete portfolio. While the HNS and PNS are composed of category-specific nutrient/ingredient thresholds, the two metrics are not combined to generate scores, enabling foods to be ranked on their overall healthiness. The company is encouraged to revise its Nutrition Standards to strengthen its commitment to increase sales from healthier products, and also to publish results in a peer-reviewed journal.
- ATNI's Product Profile outcome was that 19% of the company's US sales in 2021 were derived from products meeting the HSR 'healthy' threshold (3.5 stars or more out of 5). Unilever is encouraged to improve its product mix, and channel more marketing resources to increase sales from healthier products and product categories.
- Unilever is encouraged to improve transparency on how its (re)formulation strategy aims to address US-specific nutrition challenges, including performance against external benchmarks (e.g., FDA sodium targets). Unilever is encouraged to set a timebound sugar reduction target that is relevant and specific to its US portfolio. As part of its previous strategy (Unilever Sustainable Living Plan), in 2010 Unilever committed to removing 25% of sugar across all sweetened tea-based beverages by 2020. In the US, the company achieved a 20% reduction. As ready-to-drink tea (RTD) continues to represent a significant proportion of company's sales in the US, the company is encouraged to continue and strengthen its sugar reduction journey. Indeed, in 2021, the company announced a new global sugar reduction commitment to reach 80% of its global beverage portfolio to contain no more than 5 g per 100 ml of total sugar, by 2025. Reporting of US-specific compliance against this target is encouraged.



Accessibility

17.5% of overall score



Rank 2 / Score 3.2

Rank 6 (2018)

Highest score 3.9

Average score 1.5

C1 Product pricing

C2 Product distribution

- Unilever was the only company in this research found to explicitly commit to reaching low-income consumers, stating on its Knorr website: "Make Nutritious Food Accessible & Affordable: Knorr believes that wholesome, nutritious food should be accessible and affordable to all, but unfortunately, that is not a reality for everyone today in America." Moreover, the company provided evidence of how it tries to make this a reality, conducting analyses of appropriate price positioning and offering a variety of pack sizes that can reach low-income households, and designing 'Better for you' recipes for its rice, pasta, and sides dishes that meet its HNS criteria at affordable price points for low-income consumers.
- Unilever primarily seeks to address access to healthy foods in the US through philanthropic activities. For example, in partnership with The Food Trust, it provided mini-grants to small grocery store owners that sold nutritious food in United States Department of Agriculture (USDA)-identified 'food deserts' during the pandemic, and has supported stores in the Navajo Nations' healthy retail program. It is also a partner of Feeding America, to which it donates both funds and products.
- While it does not have a policy for ensuring responsible donations of products, Unilever was the only company to show evidence of keeping detailed records of its product donations. Between 70-80% of the products it donated were estimated to meet the HNS criteria.

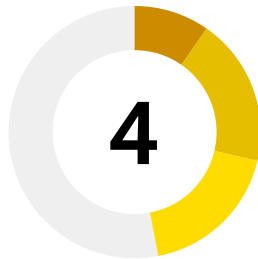
Areas of improvement

- Unilever is encouraged to publicly report about its strategies in the US designed to increase the affordability of its Knorr products for low-income consumers. It is also recommended to set SMART (specific, measurable, achievable, relevant, and time-bound) targets in this regard.
- Unilever is encouraged to commit to and develop a commercial strategy to address the accessibility and distribution of its healthy and affordable products relative to less healthy and less affordable varieties. The company could also consider setting targets to drive accountability on this topic.
- Unilever could work with retailers and distributors to ensure its healthy products are offered at an affordable price and are distributed in food-insecure neighborhoods.
- While the company demonstrated that it primarily donates products that meet its internal HNS nutrition criteria, Unilever is encouraged to adopt a policy for responsible food donations to formalize this practice. Such a policy should limit the donations of products that are not part of a healthy diet, in order to prevent its philanthropic efforts inadvertently contributing to obesity and other diet-related non-communicable diseases (NCDs). For example, it could commit to responsible donation guidelines such as the Healthy Eating Research (HER) Nutrition Guidelines for relevant product categories.



Marketing

20% of overall score



Rank 4 / Score 4.7

Rank 5 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- Unilever commits not to market products to children under the age of 13 at all. According to its updated Markets to Kids Principles, Unilever commits to stop marketing food and beverages to children under the age of 16, effective from 31st December 2022.
- Unilever has a detailed marketing policy for all audiences, including a specific policy section for children, which includes information on the forms of marketing it covers, and provides an extensive list of commitments regarding making a fair representation of their products. Furthermore, it has a well-structured response mechanism to ensure corrective measures are taken regarding any non-compliance with its marketing policy.
- The marketing policy for children is specific on marketing strategies in schools, both primary and secondary, and also commits to only market or advertise 'healthy' products in other places where children gather.

Areas of improvement

- Unilever undergoes Children's Food and Beverage Advertising Initiative (CFBAI) auditing and is encouraged to make the marketing compliance levels public. No information on auditing the compliance of marketing for the general audience was found. It is therefore recommended they ensure annual independent external auditing of the company's compliance with its general marketing policy applicable to the US, covering all media specified in the policy.
- Unilever is encouraged to commit to increasing the proportion of marketing spending on healthy products or healthier product varieties relative to overall marketing spending or spending on the marketing of less healthy product varieties. They are also encouraged to publish a commentary outlining the changes to the company's marketing spending in support of healthier eating.
- Unilever is advised to commit to or demonstrate that its non-commercial US programs relating to nutrition education exclude product- or brand- level branding in all programs.



Workforce

5% of overall score



Rank 1 / Score 7.3

Rank 2 (2018)

Highest score 7.3

Average score 3.7

 Employee health

 Breastfeeding support

- Unilever's Health Improvement Program and Lamplighter program both have a focus on nutrition, and include measurable and verifiable expected outcomes.
- Unilever commits to work with the Workforce Nutrition Alliance to "improve the health and wellbeing of Unilever employees focusing on nutrition behavior changes, physical activity and mental health, and other aspects of a healthy lifestyle."
- Unilever's workforce nutrition programs are available to all employees and offer healthy food at work, nutrition education, and nutrition-focused health checks.
- Unilever is one of two companies assessed in this Index to provide information on the health impact of its nutrition programs in the US.
- Unilever formally commits to offering paid maternity leave of 16 weeks and paid parental leave of eight weeks for non-birth giving parents.
- Unilever has a Global Maternal Wellbeing standard, which is publicly available and lays out the company policy on supporting maternal health and breastfeeding mothers at work. It applies equally in all facilities. Lactation facilities are available at all sites with more than 50 employees.

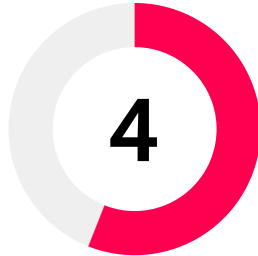
Areas of improvement

- Unilever is encouraged to make efforts to increase the percentage of employees that participate in its workforce nutrition programs. Unilever could also consider making these programs available to all family members.
- Unilever is encouraged to evaluate the health impact of its workforce nutrition program(s) in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.
- Unilever could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US), through programs focused on nutrition.
- Unilever is encouraged to extend its current paid parental leave policies to ideally six months or more.



Labeling

5% of overall score



Rank 4 / Score 5.6

Rank 1 (2018)

Highest score 6.8

Average score 5.4

 Product labeling

- Unilever uses the Facts up Front (FuF) labeling icons to display front-of-pack (FOP) information, which shows the calories, saturated fat, sodium, and total sugar contained in each serving of a food or beverage product. This FOP label is displayed on all of Unilever's US food and beverage products.
- All of Unilever's US food and beverage products' nutritional information is displayed online through SmartLabel.

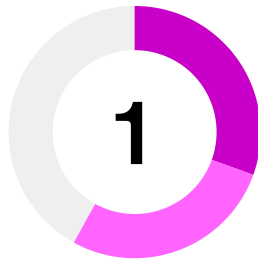
Areas of improvement

- Unilever is advised to adopt an interpretive FOP labeling system and apply this to all products in its portfolio. Information on the type of FOP labeling used by the company should be disclosed publicly.
- Unilever is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US. Unilever currently uses the FuF labeling system, which pulls nutrient information from the Nutrition Facts Panel. However, this does not tell consumers what products the company considers healthier and the criteria used for that purpose.
- Unilever could provide the percentage of wholegrain relative to all grain or refined grains on all relevant products, to assist consumers in making informed decisions on the healthiness of products. Currently, the company displays wholegrain first in the ingredients list – but for consumers to easily decipher the ratio of wholegrain to refined grains in a product, either the quantity of both grains or the percentage of wholegrains is needed on the product label.
- Unilever displays the amount of vegetables on pack for some products. The company is encouraged to commit to providing fruit and vegetable content information on all relevant products.
- Unilever is encouraged to use a healthy filter aligned with FOP information, or a filter that allows a selection of at least three nutrients on direct-to-consumer channels, such as Ice Cream Now and Food Service Direct. These filters could be 'high in fiber' or 'low in sugar/calories'.



Engagement

5% of overall score





Rank 1 / Score 5.8

Rank 4 (2018)

Highest score 5.8

Average score 4.4

-  Influencing policymakers
-  Stakeholder engagement

- Unilever's Board is responsible for the company's Code of Business Principles, which covers engagement with government and regulators, political activities, and donations. The President of 'Food & Refreshment' is responsible for the company's lobbying activities and positions, and reports to the CEO. The company has an internal policy governing its engagement with trade associations.
- Unilever is a member of the Sustainable Food Policy Alliance (SFPA), which engages with the US government on reducing dietary sodium and added sugar in consumers' diets, updating definitions of terms like 'healthy', and encouraging timely implementation of the new nutrition facts panel. SPFA also advocates for increased flexibilities in USDA food and nutrition programs to extend access to WIC, School Lunch and Breakfast Programs, and SNAP for food insecure families and children during the COVID-19 pandemic.
- Unilever discloses all trade associations in the US to which it pays \$10,000 or more in membership dues. In its Annual Report of Accounts, it also discloses the associations that members of its Unilever Leadership Executive team hold Board seats on.
- Unilever's policy prohibits political contributions to political parties or candidates, including via intermediary organizations. The company does not have a political action committee.
- Unilever demonstrates leadership in terms of the extent to which it discloses its lobbying positions on important nutrition-related policies, publishing a range of 'advocacy and policy asks' covering fiscal measures, FOP labelling, and marketing, among others. Moreover, the company provides further detail on the conditions under which it would support government regulation to limit sugar and FOP labeling requirements in its 'Position on Sugar' and 'Position on Nutrition Labelling' documents respectively.
- Unilever reports that it engaged external nutrition experts on its new HNSNPM and its product development, several of which were US-based, and shared evidence of this how input was used. It is also a member of the Portion Balance Coalition and Tufts University Food and Nutrition Innovation Council in the US.
- Unilever's Knorr brand supports several non-commercial nutrition education programs designed and implemented by external organizations with relevant expertise. These include Boys & Girls Clubs of America, which teaches youths about cooking healthy and affordable meals, and FoodRight, a Milwaukee-based nonprofit which works with schools and community organizations to offer gardening and culinary nutrition education to youths.

Areas of improvement

- Unilever is encouraged to assign to its Board direct oversight of its public policy positions. It is also advised to undertake audits of the company's lobbying activities, disclosure, and compliance with its lobbying policies.
- Unilever is strongly encouraged to actively support (or commit to not lobby against) key WHO-endorsed public policy measures to address obesity and diet-related NCDs in the US where proposals arise, whether at federal, state, or local level, . Publishing links to specific documents used in government engagements related to nutrition is also encouraged.
- Unilever is also recommended to be more explicit on its website about the role of the SFPA as one of the company's key channels for nutrition-related lobbying in the US.
- For the trade associations it discloses, Unilever is encouraged to disclose the precise amount of its membership dues that are used for lobbying purposes. It is also recommended to disclose the Board seats its Unilever Leadership Executive (ULE) holds in the same space as its trade association disclosure.
- While it publishes a link to its Lobbying Disclosure Act reports on its website, Unilever could also be more transparent in its own domain about its lobbying expenditures and activities, including publishing the names of its lobbyists/lobbying firms and what state jurisdictions it is actively lobbying in.
- While Unilever demonstrates stakeholder engagement at a global-level, it should ensure it engages directly with a wider range of US-based stakeholders specifically regarding its nutrition strategies and activities in the US. These could include civil society organizations, academic institutions, and scientific bodies with recognized expertise in nutrition and public health. Unilever is strongly encouraged to improve its transparency regarding the identities of experts it consults in the US, as well as the degree of financial compensation provided for these engagements.
- Unilever is encouraged to improve its public reporting of the topics and outcomes of discussions during stakeholder engagements, which aspects of the company's nutrition-related activities are being discussed, and how it was used to change its practices or plans. Per the AccountAbility 1000 Stakeholder Engagement Standard, improving transparency in this regard enables other stakeholders to better understand and scrutinize the quality of the company's stakeholder engagement, and perspectives are shaping the company's nutrition-related activities.

Product Profile ^{i 256}



Rank 8/11 / Score 2.1/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of (3.5 stars or more)) | | | Range of total 2021 US sales covered ^{i 257} |
|---|--|-------------------------------------|-------------------------------------|---|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2.1 | 791 | 17% | 19% | 90-100% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- Unilever's average sales-weighted HSR is 2.1 (stars) out of 5 (2.1 unweighted), ranking eight out of the 11 companies assessed in the Product Profile. A total of 791 products across the company's five best-selling product categories were assessed using the HSR system. Unilever's plain tea products were not included in this analysis.
- 17% of distinct products analyzed for Unilever met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 19% of its 2021 US retail sales from healthier products. These results are largely influenced by the fact that the company derives majority of its US sales from the Ice Cream category.



Mean Health Star Rating by category for Unilever

| | No. of products assessed | Mean HSR |
|----------------------------------|--------------------------|----------|
| Ice Cream | 471 | 2 |
| Ready Meals | 141 | 3.7 |
| RTD Tea | 68 | 2.1 |
| Sauces, Dressings and Condiments | 96 | 1.8 |
| Soup | 15 | 2.2 |

▪ Among categories assessed, Unilever's products in the Ready Meals category (Knorr brand) had the highest mean HSR (3.7 out of 5), followed by the Soup category (2.2 out of 5). A total of 141 products from the Ready Meals category were analyzed, and 60 (or 43%) met the 'healthy' threshold. A total of 15 Soup products were analyzed, with seven (47%) meeting the 'healthy' threshold. A total of 471 Ice Cream products were analyzed, with 22 (5%) meeting the 'healthy' threshold.

Footnotes

1. Less than a third of the companies' combined sales value is derived from products meeting the "healthy" threshold.
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148. Companies are expected to commit not only to comply with local laws and regulations, but to go further and uphold their policies in full in all markets where legal measures are weaker than the Code, or where they are absent altogether.
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