



ACCESS TO
NUTRITION
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US Index 2022

Executive Summary

October 2022



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 healthier¹.**

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

Purpose of the Index

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.

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.

An important component of the Index methodology is the Product Profile — an independent analysis of the healthiness of companies’ product portfolios. The Product Profile results account for 20% of the total Index score. ATNI assesses products using the HSR nutrient profiling model, serving as an independent metric to compare companies’ portfolios. Compared to the 2018 US Index, where the Product Profile ranking was presented as a separate analysis, for this 2022 iteration the results from the Product Profile are integrated in Category B Products.

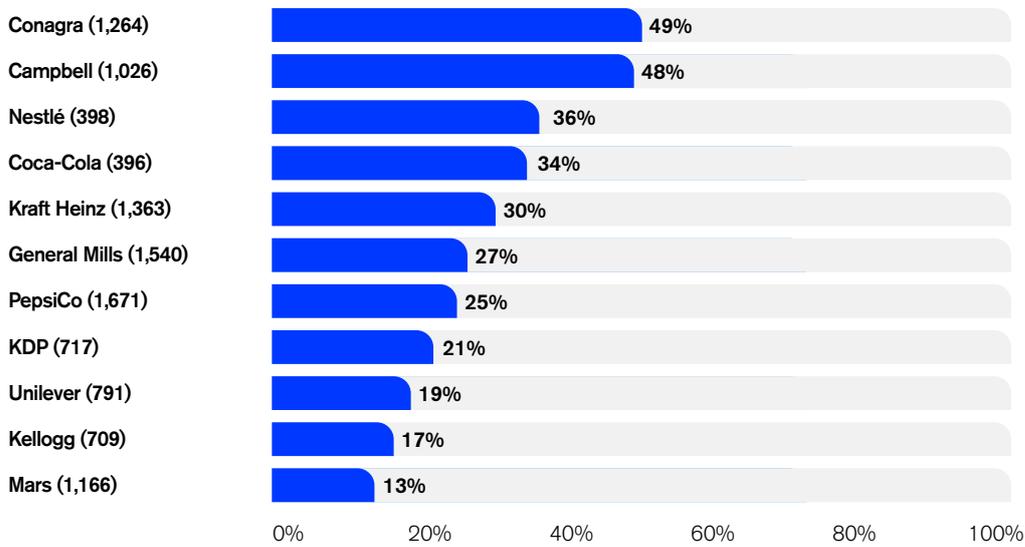
¹ Less than a third of the companies’ combined sales value is derived from products meeting the “healthy” threshold.



Company ranking

In terms of sales, no company was found to derive more than 50% of its sales from healthier products (HSR 3.5 or more). These findings illustrate the opportunity and need for companies to increase the proportion of sales derived from healthier 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. For example, with the acquisition of a brand of nut bars by one company, the company markedly increased its sales from healthier snacks. The improvements for another company are linked to divestment of its margarines segment and improved formulations for its ready meals and sauces.

US Access to Nutrition Index 2022: % sales from healthier products by company

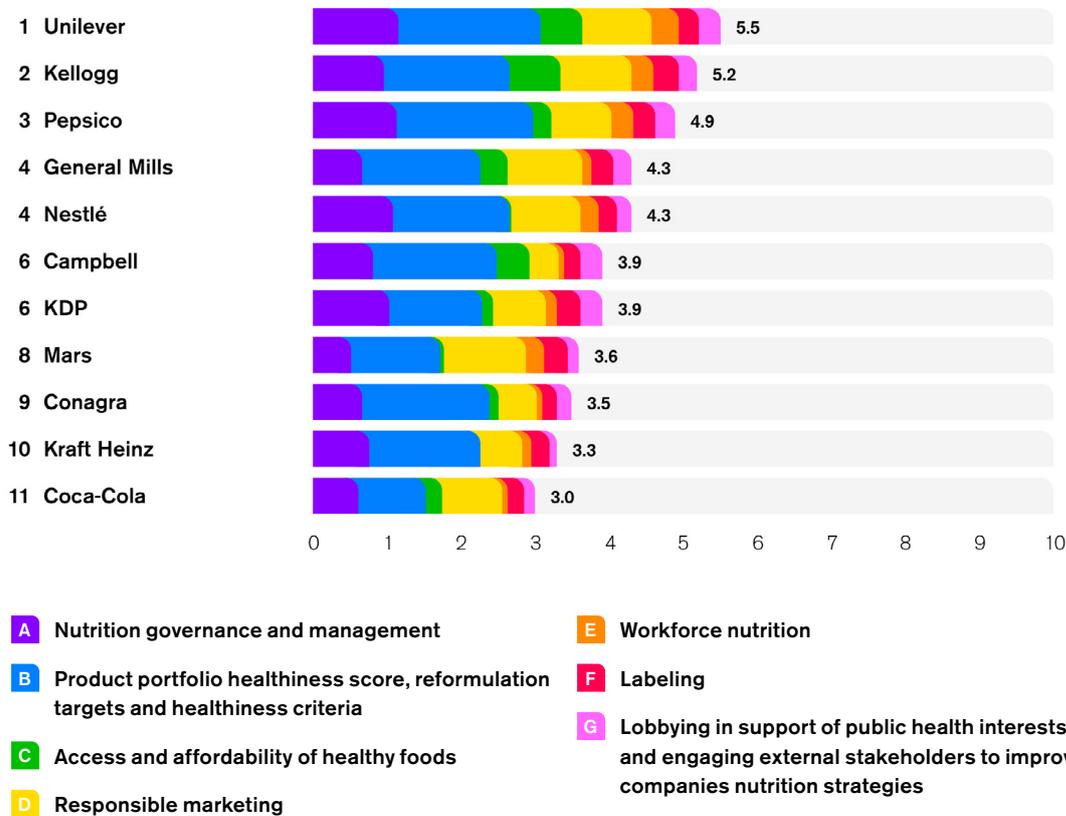


Note: in parenthesis number of products included in the assessment. ATNI uses the Health Star Rating (HSR) threshold of 3.5 stars or more to classify products as generally healthier.



Despite limited progress in sales derived from healthier products, overall, considering all topics included in the methodology, the 2022 results illustrate that companies have stronger nutrition commitments and strategies in place.

US Access to Nutrition Index 2022: Company overall ranking



The average total score increased from 3 out of 10 in 2018 to 4.2 out of 10 in 2022. Unilever achieved the highest overall score of 5.6 out of 10. The company scores better than competitors in topics pertaining to corporate nutrition strategy, governance, and accountability (together with Nestlé); formulating appropriate products; supporting healthy diets and nutrition programs in the workforce; and responsible lobbying and stakeholder engagement in support of nutrition. Kellogg ranks second, scoring 5.2. This is partly due to the company's relatively high scores on topics pertaining to delivering affordable and accessible products and product labeling (together with Mars) and its US-specific and well-structured reporting. PepsiCo ranks third, scoring 4.9, owing to nutrition commitments in the company's new sustainability strategy.

Most companies scored only marginally higher than in 2018. The top score of 5.6 and average score of 4.2 represent poor performance across all companies. To address nutrition and hunger challenges in the US, companies must urgently improve their product portfolios and prioritize marketing of healthier products over unhealthy varieties. 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.



Key findings

- The combined product portfolios of the eleven companies assessed– representing a sales value of around \$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. (Instead, 70 percent of food and beverage products are less healthy options with higher levels of added sugar, salt, and fat and not enough fruit, vegetables, wholegrains and fiber.)
- 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 somehow 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, including teens and adolescents, from the harmful effects of marketing unhealthy products, seems to be on the agenda for all companies, but they do not cover teens or adolescents, 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 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.



Recommendations

- Diet-related chronic health conditions continue to be rampant in the US. The limited progress in product healthiness of the companies' portfolios requires urgent attention. A comprehensive strategy to improve the overall nutritional quality of products and portfolios is needed. Product innovation, reformulation (e.g., less salt and sugar) and prioritizing marketing spending for the healthier lines are some of the ways companies can achieve this.
- The food and beverage manufacturers should accelerate integration of nutrition into their core business functions, developing specific targets and activities to improve nutrition outcomes and address hunger, including linking executive pay to performance on nutrition objectives. These commitments should then be translated into specific actions, and research into how best to use commercial opportunities to address specific needs of priority populations.
- The US food and beverage manufacturers should adopt a clear policy on affordability and accessibility of healthy products. These include explicit and clear, public commitments and targets to guide their actions. Of the companies with affordability strategies in place, most could improve the affordability of their “healthier” products specifically for consumers on low incomes.
- The US food and beverage manufacturers must invest in improving marketing policies and practices that accelerate sales of healthy options relative to and limiting the sales of unhealthier products/product varieties. While the Index shows that companies are slowly moving in the right direction, they should further increase the age threshold for their marketing restrictions to 18 years, as recommended by World Health Organization (WHO), to ensure all children are sufficiently safeguarded from the marketing of unhealthy products.
- 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. Companies should urgently improve and extend their workforce nutrition programs, for example by providing healthy food at work and addressing workplace conditions for breastfeeding mothers, to the benefit of all their employees and where possible workers in their supply chains and distribution channels.
- Having clear nutrition information on pack is essential for consumers to make healthier choices. In the absence of clear government guidelines, companies are encouraged to adopt an interpretive front-of-pack labeling system in the US (as is in place in other countries). Companies could collaborate to identify or adapt an existing interpretive front-of-pack system and draw on experience from the use of such systems in other countries.
- Companies are encouraged to actively support (and commit to not lobby against) public policy measures in the US to benefit public health and address obesity as enshrined in the National Strategy on food, hunger, nutrition, and health. 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.
- Building on the actions announced in the Sept 2022 National Strategy on Hunger, Nutrition and Health the US government is urged to introduce more effective and enforceable standards and legislation that prevent the marketing of unhealthy products and pushes companies to apply reformulation strategies on their products.



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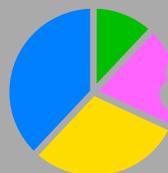
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