Access to Nutrition Initiative

How ATNI assesses the marketing policies and practices of major baby food companies

3 May 2021
Agenda

- Introduction to ATNI
- ATNI’s approach to assessing BMS marketing
- Focus on the US
- Questions
ATNI’s goal: Improving the private sector’s contribution to healthy, affordable diets

Our vision is a world where:

- No one goes to bed hungry.
- Everyone eats a healthy, affordable diet that has all the nutrients they need to grow and develop fully.
- Deaths and illnesses from diets low in essential vitamins and minerals are confined to history.

Our ambition

Our aim is to drive change by tracking and driving the food industry to tackle obesity, diet-related chronic diseases and undernutrition at the local and global levels.

Our approach

We design and deliver a range of private sector accountability tools, using our own research and experience, and by leveraging the knowledge and expertise of our global stakeholder network.
How can an NGO engage with companies while avoiding conflict of interest?

ATNI is an independent, not-for-profit organisation, set up in 2013

Major funders

- No funding from food industry
- No representation on Board
F&B companies can – and must - take action to address the global nutrition crisis

What F&B companies can do:

- Improve the healthiness of their portfolios
- Improve the ‘food consumption environment’:
  - physical availability and accessibility of healthy food
  - affordability of healthy food
  - market and label their products responsibly
- Utilise their strengths in innovation, problem-solving, marketing reach etc
- Support health-promoting legal measures proposed by governments, cease opposition to them
ATNI publishes a series of Indexes that rank companies' performance contributing to addressing global and national nutrition challenges.

**Global Indexes** (since 2013)

- **Global Index 2018**
  - The Global Access to Nutrition Index 2018 is the third Global Index published by the Access To Nutrition Initiative (ATNI). It was published in 2013 and was second in 2016.

- **Global Access to Nutrition Index 2021**
  - Development, structure, scope, contents, scoring and results presentation.

- **BMS Marketing Report Global Index 2018**

**‘Spotlight’ Indexes** (since 2016)

- **U.S. Spotlight Index 2018**

- **India Spotlight Index 2020**

Each Index includes:
- Scores & rankings
- Rigorous analysis
- Recommendations
ATNI also develops accountability tools for other organisations

ATNI has drafted the assessment of the responses of the companies to this 2020 Call to Action by UNICEF, WHO, HKI, Save the Children, FHI360, 1000days and BRAC, supported by the Meridian Institute.

ATNI has been asked to develop a global monitoring mechanism to assess the industry’s accountability vis-a-vis WHO standards (specifically on reformulation).

ATNI is collaborating with FTSE, overseeing PwC’s research to provide BMS reports for the FTSE4Good Indexes.

Supporting and working with ATNI to develop the first ATNI UK Retailer Index.

Nutrition Business Monitor (NBM) Developed a voluntary self-assessment tool for F&B SMEs worldwide to provide tailored recommendations on their nutrition policies/practices to increase their capacity. Currently piloting in Nigeria and Bangladesh in partnership with GAIN and SUN Business Network.
ATNI also undertakes tailored thematic research projects

**Complementary Foods**
ATNI is piloting new national Landscape Studies for commercially produced complementary foods to inform national strategies on improving young children’s diets, with a focus on LMICs.

**Accessibility and Affordability**
ATNI is undertaking research to better understand the role that major F&B companies play in determining the affordability and availability of healthy foods, especially for communities and areas most in-need.

**Covid-19 Project**
ATNI is monitoring and reporting on the nutrition responses to the Covid-19 pandemic of major food and beverage companies.

**Action research on product inequities**
ATNI will look into product profiles of the same products across a number of countries, to identify if the nutritional composition is the same across the different geographies.

**Workforce Nutrition**
ATNI will look at how companies can drive better workforce nutrition across their value chain, including among suppliers and farmers.

**Landscape studies**
ATNI will conduct in-depth country studies, starting with Nigeria, to develop deeper understanding of their food and beverage sectors and their main malnutrition indicators, in order to develop optimised accountability tools for their contexts.

**Micronutrient-enhanced Nutrient Profiling**
ATNI was tasked by BMGF to develop a Nutrient Profiling model to include the micronutrient content of packaged foods and beverages to help address micronutrient deficiencies.
Summary of ATNI’s core capabilities and approach

- **Private Sector**: Research and consultation to inform the design of tools
- **Nutrition**: Designs and publishes tools/monitoring mechanisms; Build partnerships and capacity at national level to track + drive progress
- **Accountability**: Brokers, engages + supports stakeholders

Global and local dissemination and communication
Key audiences: companies and investors. NOT consumer focused
ATNI’s approach to assessing BMS (+ complementary food) marketing

Context, methodology and past studies
The baby food industry is large and growing, particularly in low-income countries.

- In 2019, global sales within the baby food sector (including all types of formulas and baby foods) were US$72.4 billion.
- Five companies hold 56% market share.
- China now accounts for nearly 25% of global market.

Breakdown of global market share, 2019:

- Nestlé: 17%
- Danone: 13.5%
- Reckitt: 10%
- Abbott: 9%
- China Feihe: 7%
- Other: 49%
ATNI’s standpoint on breastfeeding and BMS / CF marketing

• Nutrition within the first 1,000 days of a child’s life is crucial for a child’s development.

• ATNI supports the WHO recommendation of exclusive breastfeeding up to 6 months of age, along with appropriate introduction of complementary foods, with continued breastfeeding up to two years of age or beyond.

• ATNI considers the International Code of Marketing of BMS as the gold standard that all companies should adhere to voluntarily, irrespective of national regulation to implement it – this is the standard against which ATNI assesses companies.
Breastfeeding rates below WHO target globally, and in many regions

TARGET 5:
Increase the rate of exclusive breastfeeding in the first 6 months to at least 50%

US exclusive breastfeeding rate in the first 6 months is 34.7% (NHANES 2016)
What are the barriers to and influences on breastfeeding rates?

**Structural barriers/access to services**
- Lack of employer maternity/family leave
- Lack of clean, private spaces to express + store milk

**Access to services**
- Lack of support services + access to those services
- Need for more training of healthcare professionals in all settings about breastfeeding

**Cultural barriers**
- Embarrassment
- Mothers report that they feel it would tie them down; prevents them doing what they want to do, exercising etc
- Lack of awareness of benefits of breastfeeding
- Advice/influence of family members + friends
- Cultural norms and expectations

**Influence of BMS companies’ marketing**

**Misinformation**
- Widespread misconception that breastfeeding is largely unnecessary because formula milk is seen as a close second best, due to decades of marketing

- Misleading marketing of BMS can lead women to:
  - Question the value of breastfeeding
  - Doubt their ability to breastfeed
  - Be confused about which formula to buy
A key component of ATNI’s work is analysis and ranking of major BMS companies’ marketing practices.

**ATNI’s BMS Marketing Index** is the only comprehensive analysis of the marketing practices of the world’s largest baby food companies available.

- ATNI’s methodology is based on The Code, developed through extensive consultation with all stakeholders in 2015, with amendments/improvements for each Index cycle.

**Two elements:**

1. Rigorous assessment of alignment of companies' policies, management systems and disclosure
2. In-country studies in higher risk countries using NetCode Protocol to assess companies’ marketing practices on-the-ground
   - 5 completed to date (India, Vietnam, Indonesia, Nigeria and Thailand); 2 forthcoming (Philippines and Mexico)
   - To date always in higher-risk countries (based on infant mortality and malnutrition rates)

- Dedicated BMS Expert Group advises ATNI
- Wide stakeholder input to, and support, for our analysis and outputs
BMS companies scored and ranked on compliance with the Code; progress over time is tracked. Next ranking due end May 2021, extended to 9 largest companies.

A score of 100% indicates company’s policy fully aligns to The Code, as do practices in countries assessed.

Detailed scorecard published for each company.
All Index reports, scorecards, other materials freely available on our website

www.accesstonutrition.org
How ATNI hopes our work will be used

1. ATNI publishes Indexes: in-depth comparative analysis
2. ATNI presents results and recommendations to companies
3. Other stakeholders use ATNI’s work in their advocacy, research etc
4. BMS companies hear stakeholder concern/pressure
5. BMS companies improve policies and practices

ATNI's work is utilized in various ways to drive improvements and advocacy.
Focus on the US context
In 2020 baby food market size in US totaled US$8 billion

US$5.5 billion from the milk formula market (steady growth over the past 5 years across all categories, mainly prepared foods and special milk formulas)

Compound annual growth rate expected of 5.5% during 2020-2025.
ATNI published first US Index in 2018; second one due end 2021

- Included Chapter on BMS Marketing with US legal / regulatory and market context

- Presented summary of analysis of BMS companies’ policies in US market undertaken for 2018 Global Index

- No NetCode study undertaken of marketing within the US as it was a foregone conclusion it would be extensive, given companies’ policies didn’t apply in the US market, and no regulation

- Similarly, second US Index will draw on our update on companies’ policies from 2021 Global Index – not likely to be any notable changes in respect of the US context.
In 2018, 3 major players – 80% total market share – no real change

The rest of the BMS companies in the US are: the Hain Celestial Group, Campbell Soup, Hero Group, Danone, Lactalis and other smaller players.
Major BMS companies in US markets all make statements about supporting breastfeeding, acknowledge the Code

<table>
<thead>
<tr>
<th>Does the company publish a statement, applicable in the United States</th>
<th>Nestlé</th>
<th>Abbott</th>
<th>RB/MJN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting exclusive breastfeeding for the first six months</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Supporting continued breastfeeding for two years or more</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Supporting introduction of appropriate CF from six months and not earlier*</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Acknowledge the importance and aims of The Code</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Acknowledge the importance and aims of all relevant WHA resolutions</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
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* Source: ATNI US Index report, 2018
**Summary of companies’ BMS marketing policies - Abbott**

- **Abbott**’s new BMS policy has been effective since May 2020

- Geographic scope updated: the restrictions on marketing Abbott’s infant formula products (intended for 0-6 months) are applied globally (in both higher and lower risk contexts). **Therefore applies in the US.**

- Its commitments apply only in higher risk countries for follow-on formula (6-12 months). Excludes Foods for Special Medical Purposes (FSMPs).

- However, Abbott’s commitments do not align strongly to the Code; they minimally align with only some aspects of the Code.

- Abbott made no new commitments through the BMS Call to Action.
• **Reckitt** was called RB until March this year. In 2017 it bought Mead Johnson Nutrition

• Its latest BMS Marketing policy was published in 2018. Covers only infant formula and follow—on formula (not GUM) and only in higher risk markets. Excludes FSMPs. **Does not apply in the US.**

• 2018 policy is a marked improvement on MJN’s policy.

• Wording aligns to the Code fairly well (but not fully to WHA resolutions).

• Reckitt made no new commitments through the BMS Call to Action
Summary of companies’ BMS marketing policies - Nestlé

• Nestlé’s policy dates to 2017. Is the most closely aligned to the Code, with clearly stated commitments for all articles of the Code.

• It covers only infant formula and follow-on formula (not GUM) and only in higher risk markets. Excludes 3 types of FSMPs. Does not apply in the US.

• Nestlé shared a commitment through the 2020 BMS Call to Action to extend its current policy by the end of 2022 in respect of infant formula products (0-6 months) to ALL countries, i.e. countries such as the United States, Canada and Japan where no relevant regulations are in place.

• Will affect markets that generate >US$ 750 million revenue for the company – a very big commitment
Conclusions in relation to BMS marketing in the US

• BMS marketing is essentially unrestricted in the US
  
  • Currently no regulation to implement The Code
  • At present, the largest players in the US market make no or few voluntary commitments to market their products in accordance to the International Code of Marketing of BMS

• Nestlé has made a voluntary commitment to apply in the US it’s current, BMS marketing policy that strongly aligns with the Code, from 2023.

• Reckitt and Abbott’s policies lag those of Nestlé

• Regular, consistent monitoring and reporting in the US on BMS companies’ compliance with the Code’s provisions (using the NetCode Protocol for Periodic Monitoring, designed for that purpose) does not currently take place and could be a valuable accountability and advocacy tool.

• Clear need for regulation to be introduced to implement The Code, to restrict marketing, ensure that mothers and caregivers receive only objective, factual information about BMS, to protect and encourage breastfeeding.
Other relevant ATNI work
ATNI’s is beginning to focus on BMS companies’ lobbying

- Many channels of indirect influence. Often difficult to trace:
  - Third parties
  - Indirect tactics
  - Various intermediary lobbying targets – national and international arenas

- Much of what’s happening is away from public eye, or ‘cloaked’ in unrelated/seemingly legitimate activities
First Responsible Lobbying benchmark forthcoming

Responsible Lobbying Framework

• Significant and growing concern among UN agencies and advocates about corporate influence on the political process, hindering adoption of laws and regulations to implement The Code.

• ATNI was among a small group of organizations that oversaw and contributed to the development of a Responsible Lobbying Framework (RLF) within the Meridian process during 2019.

• Comprises 5 key principles that should underpin responsible lobbying policies, management systems and disclosure.

• Launched in June 2020 with endorsements from a range of organisations: https://www.responsible-lobbying.org

➢ ATNI saw the potential to use this Framework to pioneer a benchmark of nine major BMS companies’ performance in this area, to drive better practices, and in the long term, and crucially to support the adoption of Code-aligned regulation in many more markets than currently (only 25, according to WHO in its 2020 State of the Code report).
Results will be published as a ranking for 9 global BMS companies

- Following ATNI’s standard approach, ranking will be published.
- ATNI will encourage all stakeholders to use the results to urge companies to align their policies, practices and disclosure more closely with the Responsible Lobbying Framework.
- ATNI hopes to secure funding to publish updates on a regular basis and to be able to undertake studies to monitor actual lobbying activity within countries in relation to efforts by governments to pass Code aligned regulations.
- Complementary to work that has been launched by Lucy Sullivan at Feed The Truth focusing on the US market.
Forthcoming ATNI Indexes and reports

• Marketing of BMS/CF in the Philippines report – 6 May 2021

• Marketing of BMS/CF in Mexico report – 26 May 2021

• 2021 BMS / CF Marketing Index - 26 May 2021
  • Extended to 9 largest baby food companies globally

• Responsible Lobbying Benchmark – 12 May 2021

• Global Index 2021 – 14 June 2021
Improving nutrition for all
Driving the private sector’s performance on healthy, affordable diets.

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