

Committing to Health: Food company policies for healthier food environments

New Zealand 2018



Company assessments and
recommendations using the
Business Impact Assessment
on **obesity** and **population
nutrition (BIA-Obesity) tool**

www.informas.org/bia-obesity/

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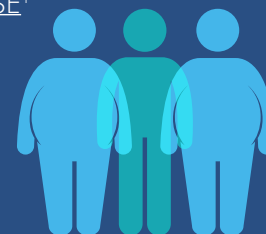
Obesity and diet-related chronic diseases are the major public health problems in New Zealand

Overweight and obesity contribute significantly to rates of disease (cancers, diabetes, heart disease, strokes) and death in New Zealand. This has a high cost to the economy, including large impacts on the health care system and productivity.

Unhealthy food environments are the major drivers of obesity and related chronic diseases. Actions from the government, the food industry and society all contribute to the healthiness of the food environment.

As one of the key actors, the food industry has an important role to play in creating healthier food environments.

IN NEW ZEALAND,
2 OUT OF EVERY 3
ADULTS ARE
OVERWEIGHT
OR OBESÉ¹



1 IN 3 CHILDREN
IS OVERWEIGHT
OR OBESÉ¹



Project aims

This project aimed to contribute to efforts to improve the healthiness of New Zealand food environments by assessing transparency, comprehensiveness and specificity of policies and commitments related to obesity prevention and population nutrition by the major New Zealand food companies. The objective was to highlight, in the New Zealand context, where food companies are showing leadership, identify best available practice examples, identify areas for improvement, and make specific recommendations.

Assessment methods

The BIA-Obesity (Business Impact Assessment on obesity and population nutrition) tool and process was developed by INFORMAS, a global network of researchers that benchmarks food environments in over 30 countries worldwide. The methods were based on the Access to Nutrition Index (ATNI)², a tool that benchmarks food company policies and commitments at the global level. The BIA-Obesity tool assesses company policies and commitments across six key domains. The most prominent food companies (N=25) in New Zealand were selected for assessment across four sectors: food manufacturers, non-alcoholic beverage manufacturers, supermarkets and quick service restaurants. The assessment included commitments until the end of 2017.

Process

Publicly available information on company policies and commitments was analysed for all 25 selected companies. This included an analysis of New Zealand and international company websites, annual reports, media releases, relevant industry associations and government websites. The project team liaised with companies to supplement and validate the publicly available information. Companies were assessed and ranked, highlighting overall performance, examples of best practice, and recommendations. Scores were combined across domains to derive an overall score out of 100.

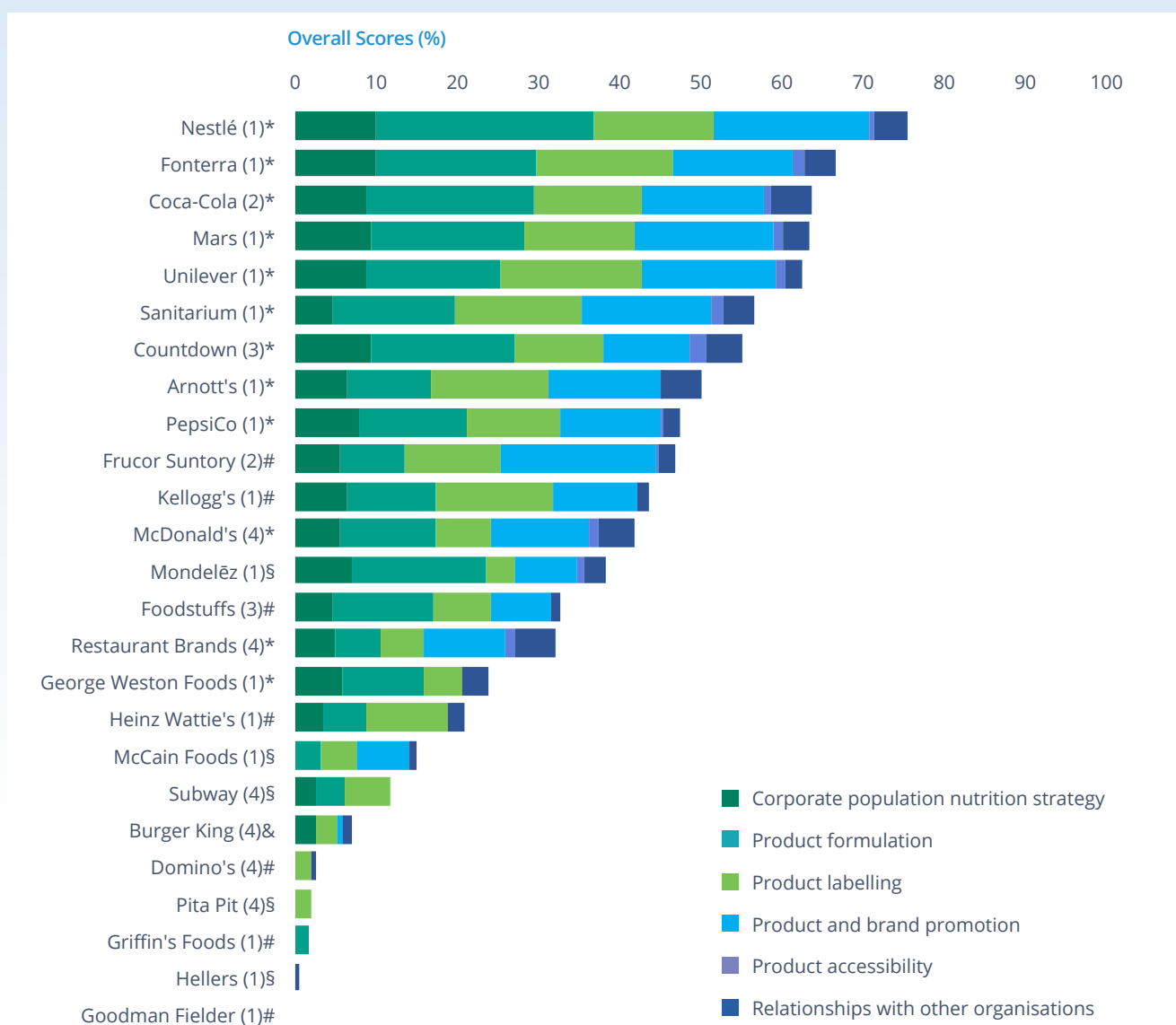
¹ New Zealand Health Survey 2016/17

² <https://www.accessstonutrition.org/>

Domains assessed and weighting

BIA-OBESITY DOMAIN	Food & non-alcoholic beverage manufacturers	Quick service restaurants	Supermarkets
Corporate population nutrition strategy	10%	10%	10%
Product formulation	30%	25%	25%
Product labelling	20%	15%	15%
Product and brand promotion	30%	25%	25%
Product accessibility	5%	20%	20%
Relationships with other organisations	5%	5%	5%

Dashboard of food company policies & commitments – New Zealand 2017



* Full engagement; § Unable to be contacted; & Willing to participate but survey not returned on time; # Declined participation
 For §, & and #: Assessment based on publically available information only
 (1) Packaged food manufacturers, (2) Non-alcoholic beverage manufacturers, (3) Supermarkets, (4) Quick service restaurants

Key findings

Some NZ food companies are performing well and are meeting good practice benchmarks, including:

All sectors

- Incorporating population nutrition and/or obesity prevention into the overarching corporate strategy to some extent

Food and non-alcoholic beverage manufacturers and supermarkets

- Reformulating products to reduce levels of sodium
- Having some existing targets to reduce sugar in specific food categories
- Committing to implement the New Zealand Government endorsed Health Star Ratings on food products
- Committing to comply with the Advertising Standards Authority Children and Young People's Advertising Code

Quick Service Restaurants

- Providing nutrition information about foods and meals online

However, there is considerable room for improvement for most companies. The conversion of commitments into practice needs further evaluation.

New Zealand food companies demonstrated some commitment to addressing obesity and population nutrition issues, but much stronger action is needed across all six BIA-Obesity domains and all four industry sectors. The best performing domain was *'corporate population nutrition strategy'* while the worst performing domain was *'product accessibility'*. The overall scores ranged from 0-75% with a median overall score of 38%. About half of the companies selected fully engaged with the research and provided feedback and comments during several steps in the process.

Key overall recommendations

Stronger action is needed across all four sectors to improve food environments and population nutrition:

Corporate population nutrition strategy

- 1| Prioritise population nutrition as part of the overall corporate strategy, including relevant objectives, targets, appropriate resourcing and regular reporting against objectives and targets
 - 2| Link the Key Performance Indicators of senior managers to nutrition targets in the corporate strategy
-

Product formulation

- 1| Commit to SMART (specific, measurable, achievable, relevant, time-bound) targets on sodium, sugar, saturated fat and trans fat reduction across the product portfolio
 - 2| Use the Health Star Rating system to guide efforts on product development and reformulation
-

Product labelling

- 1| Support the implementation of regulations by Government on added sugar labelling on food products
 - 2| Commit to labelling products with nutrition claims only when products are healthy (i.e. meet the FSANZ Nutrient Profiling Scoring Criterion (NPSC))
-

Product and brand promotion

- 1| Develop a marketing policy that applies to children up to the age of 18 years
 - 2| Eliminate the use of promotion techniques (e.g., cartoon characters, interactive games) with strong appeal to children on 'unhealthy' food products
-

Product accessibility

- 1| Support evidence-informed government policies such as a tax on sugar-sweetened beverages
 - 2| Make a commitment to increase the proportion of healthy food products in the overall company portfolio
-

Relationships with other organisations

- 1| Publish all national relationships and funding for external research on the Zealand website
 - 2| Disclose all political donations in real time, or commit to not make political donations
-

Unhealthy diets and obesity are the leading contributors to poor health in New Zealand

Obesity and diet-related diseases are major public health problems in New Zealand.¹ Two in three New Zealand adults and one in three children are now overweight or obese.² Overweight and obesity contribute significantly to rates of disease (cancers, diabetes, cardiovascular disease, strokes) and death. This has a high cost to the economy, including large impacts on the health care system and productivity.³



Improved diets are critical for sustainable development

Improving population nutrition represents an important step in achieving the United Nations Sustainable Development Goals (SDGs). Nutrition is a component of all 17 SDGs,⁴ and can be definitively linked to performance targets of several SDGs including:

- **SDG 2** No hunger and reducing malnutrition in all its forms
- **SDG 3** Good health and wellbeing
- **SDG 12** Responsible consumption and production



The food industry has an important role to play in preventing obesity and improving population diets

Tackling obesity and improving population nutrition requires a comprehensive societal response, including government policies, community support, and wide-scale action from the food industry. The World Health Organization (WHO) has identified a number of actions that the food industry can take to improve population nutrition and create healthier food environments,⁵ including:

- Reformulating products to reduce nutrients of concern (sugar, saturated fat, trans fat, sodium).
- Ensuring that healthy and nutritious choices are available and affordable to all consumers.
- Restricting marketing of foods high in sugars, sodium and saturated fats, especially those foods aimed at children and teenagers.
- Providing consumers with clear, easily understood nutrition information and evidence-based interpretive food labels

Supporting food companies to improve their commitments on nutrition

The Business Impact Assessment on obesity and population nutrition (BIA-Obesity) tool has been used for the first time in New Zealand with the main purpose of providing support to companies to improve their commitments and transparency of commitments related to obesity prevention and population nutrition. Similar initiatives (e.g. Access to Nutrition Index, Oxfam Behind the Brands) have shown it is possible for such improvements to be made.

This report describes the results of Phase I of the BIA-Obesity assessment. Phases 2 and 3 will investigate the performance of companies (e.g. extent and nature of food marketing to children, healthiness of overall product portfolio) and compliance with commitments made respectively.

¹ <http://www.healthdata.org/new-zealand>

² New Zealand Health Survey 2016/17

³ Lal A, Moodie M, Ashton T, Siahpush M, Swinburn B. Health care and lost productivity costs of overweight and obesity in New Zealand. *Aust N Z J Public Health*. 2012 Dec;36(6):550-6.

⁴ Global Nutrition Report 2017: Nourishing the SDGs. Bristol, UK: Development Initiatives.

⁵ World Health Organization. *Global Strategy on Diet, Physical activity and Health*, 2004

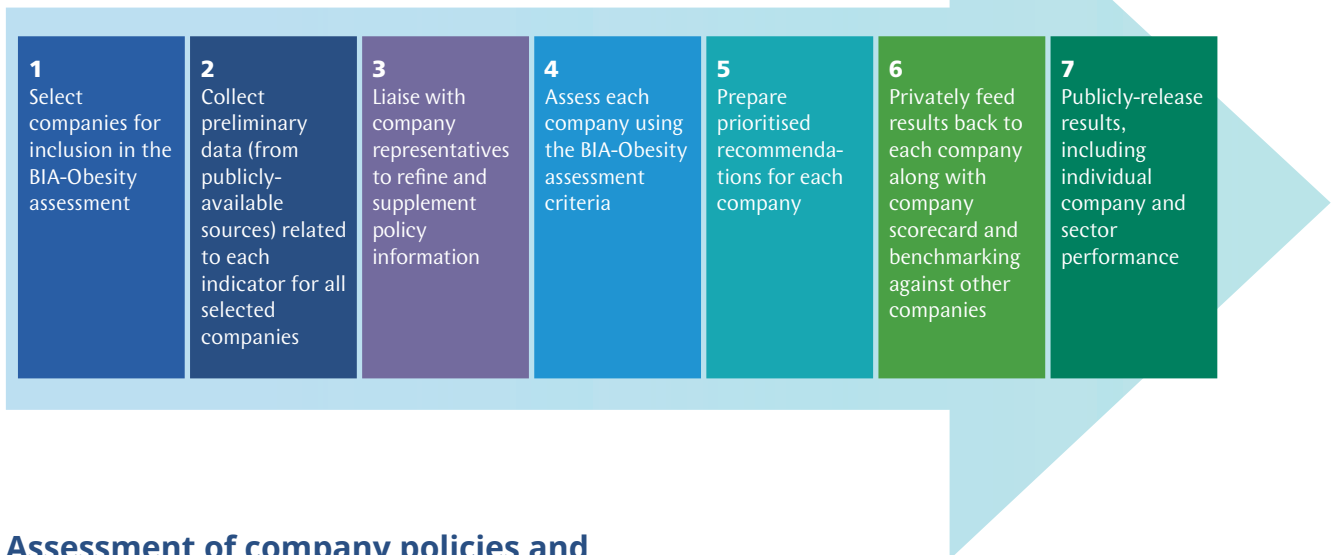
Study aims

This study assessed the largest New Zealand food companies on their policies and commitments related to obesity prevention and population nutrition. The study included four industry sectors: food manufacturers, non-alcoholic beverage manufacturers, supermarkets and quick service restaurants. The objective was to highlight where New Zealand companies are demonstrating leadership in relation to obesity prevention and nutrition, and to identify areas for improvement. The study forms part of a broader initiative (INFORMAS) to assess company policies, disclosure practices and performance across different countries globally.

Assessment tool

Company policies and commitments related to obesity prevention and nutrition were assessed using Phase I of the BIA-Obesity (Business Impact Assessment on obesity and population nutrition) tool developed by INFORMAS, a global network of public health researchers that monitors food environments in over 30 countries worldwide.¹ Phase 2 (performance) and Phase 3 (compliance with commitments) will be conducted in the future. These methods were adapted from the Access to Nutrition Index (ATNI) that benchmarks the nutrition-related commitments, performance and disclosure practices of global food and beverage manufacturers.² The BIA-Obesity tool includes sector specific indicators, that are tailored to the country context.³ Policies and commitments were included up to 31 December 2017.

Process for conducting the BIA-Obesity assessment



Assessment of company policies and commitments took into account four key criteria:

- ✓ Transparency/disclosure
- ✓ Relevance to the New Zealand context
- ✓ Comprehensiveness
- ✓ Specificity

¹ www.informas.org

² www.accesstonutrition.org

³ Full methods and all indicators of the BIA-Obesity tool are available at: www.informas.org/bia-obesity

Domains Assessed

The BIA-Obesity tool considers policies and commitments across six key domains related to obesity prevention and population nutrition. In each domain, the transparency, comprehensiveness and specificity of commitments were assessed. The score in each domain was weighted to derive an overall score out of 100. Although many of the indicators are the same across sectors, there are also differences, for example some indicators might not be applicable for a certain sector (e.g., commitments to reduce saturated fats for beverage companies) or some indicators are sector-specific (e.g., commitments related to confectionery free check-outs for retailers or free drink refills for quick service restaurants).

Domain	Policy content	Examples of key indicators
A Corporate population nutrition strategy	Overarching policies and commitments to improving population nutrition and preventing obesity	<ul style="list-style-type: none"> ✓ Commitment to improve population nutrition and health in corporate strategy ✓ Reporting against nutrition and health objectives and targets ✓ Key Performance Indicators of senior managers linked to nutrition targets
B Product formulation	Policies and commitments regarding product development and reformulation related to nutrients of concern (i.e. sodium, saturated fat, trans fat, added sugar) and energy content	<ul style="list-style-type: none"> ✓ Targets and actions related to reduction of sodium, saturated fat, trans fat, sugar and portion size/energy content across portfolio ✓ Engagement with government-led initiatives related to product formulation (e.g., the Healthy Kids Industry Pledge)
C Product labelling	Policies and commitments regarding disclosure and presentation of nutrition information on product packaging and online	<ul style="list-style-type: none"> ✓ Commitment to implement the Health Star Rating system across the product portfolio ✓ Online nutrition information about foods and meals ✓ Use of nutrition claims on healthy products only
D Product and brand promotion	Policies and commitments for reducing the exposure of children and adolescents to promotion of unhealthy foods	<ul style="list-style-type: none"> ✓ Broadcast and non-broadcast media policy for children up to 18 years ✓ Not using marketing techniques that appeal to children and adolescents on unhealthy food products ✓ Sponsorships, in-store promotion practices, and products featured in catalogues ✓ Advertising or displaying 'healthy' sides and 'healthy' drinks in children's combination meals
E Product accessibility	Policies and commitments related to the accessibility (including availability and affordability) of healthy compared to 'less healthy' foods	<ul style="list-style-type: none"> ✓ Increasing proportion of healthy products in product portfolio ✓ Supporting a tax on sugar-sweetened beverages ✓ Using price promotions and 'value deals' only on healthy products ✓ Check-outs free from unhealthy items ✓ Not provide free refills for caloric soft drinks
F Relationships with other organisations	Policies and commitments related to support provided to external groups (e.g., professional organisations, research organisations, community and industry groups) related to health and nutrition	<ul style="list-style-type: none"> ✓ Disclosure of relevant relationships ✓ Disclosure of funding for scientific research ✓ No political donations or declaration of those in real-time

Weightings

The weightings indicate the relative importance of the company policies in each of the six domains and have been derived from discussions with international food policy experts within INFORMAS. The weightings are slightly different from sector to sector, as the relative importance of certain domains (i.e. product accessibility as the main example) may be higher for certain sectors (i.e. supermarkets and quick service restaurants) than for others (food and non-alcoholic beverage manufacturers) since more actions are possible.

BIA-OBESITY DOMAIN	Food & non-alcoholic beverage manufacturers	Quick service restaurants	Supermarkets
Corporate population nutrition strategy	10%	10%	10%
Product formulation	30%	25%	25%
Product labelling	20%	15%	15%
Product and brand promotion	30%	25%	25%
Product accessibility	5%	20%	20%
Relationships with other organisations	5%	5%	5%

Company selection

In total, 25 companies (15 packaged food manufacturers, 2 non-alcoholic beverage manufacturers, 2 supermarkets and 6 quick service restaurants), with a combined market share of over 50% in each of the four sectors, were selected using the 2016 Euromonitor market share data for New Zealand. In some cases, entities selected were adjusted to the company context (i.e. Countdown instead of Progressive Enterprises and Mondelez International instead of Cadbury), to account for the level at which company policy decisions are made and reported, and in other cases, global-level commitments were sourced in addition to local-level commitments from parent companies with a different name (i.e. Kraft Heinz in the case of Heinz Wattie's, Campbell Soup Company in the case of Arnott's, Associated British Foods in the case of George Weston Foods and PepsiCo in the case of Bluebird). Supermarkets were assessed both as a retailer as well as a packaged food manufacturer, so the scores are a hybrid assessment.

SECTOR	Market share	Companies included (in order of market share)
Packaged food manufacturers	57.6 % ¹	Fonterra, Goodman Fielder, (Foodstuffs), Heinz Wattie's, (Progressive Enterprises ²), Cadbury ³ , Griffin's Foods, Unilever, Nestlé, Arnott's, George Weston Foods, PepsiCo, Hellers, Sanitarium, Mars, Kellogg's, McCain Foods
Non-alcoholic beverage manufacturers	76.4%	Coca-Cola, Frucor Suntory
Supermarkets	71.5%	Foodstuffs, Progressive Enterprises ²
Quick service restaurants	51.3%	McDonald's, Yum! Brands ⁴ , Doctor's Associates ⁵ , Restaurant Brands International, Domino's, Pita Pit International

¹ Excluding the supermarkets as packaged food manufacturers

² The entity evaluated was Countdown as commitments are made and reported at this level

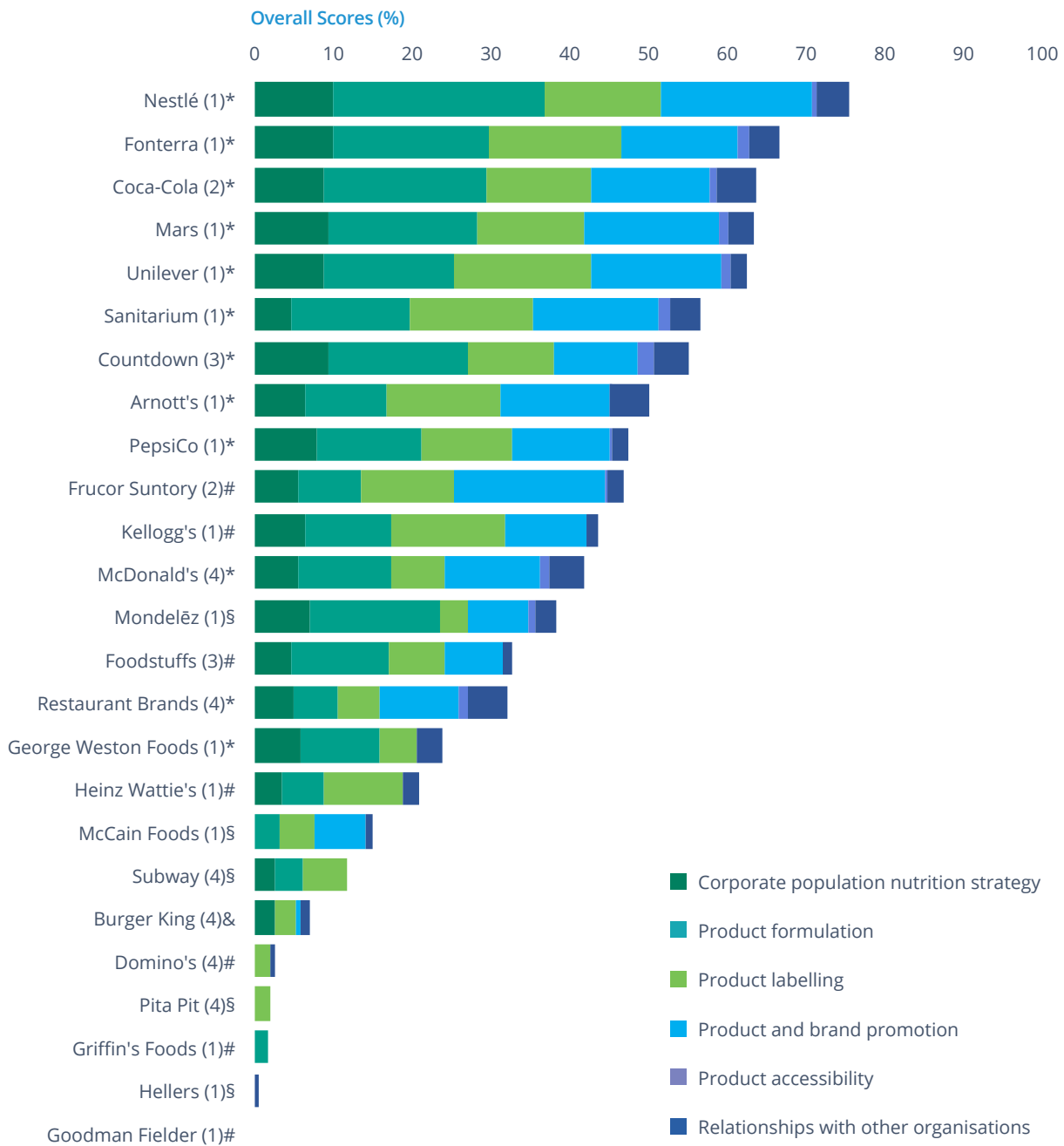
³ The entity evaluated was Mondelez International as commitments are made and reported at this level

⁴ The entity evaluated was Restaurant Brands, as commitments are made and reported at this level

⁵ The entity evaluated was Subway, as this is the only brand owned by Doctor's Associates

KEY FINDINGS

Ranking of companies based on specificity, comprehensiveness and transparency of their commitments related to obesity prevention and population nutrition



* Full engagement; § Unable to be contacted; & Willing to participate but survey not returned on time; # Declined participation
 For §, & and #: Assessment based on publically available information only
 (1) Packaged food manufacturers, (2) Non-alcoholic beverage manufacturers, (3) Supermarkets, (4) Quick service restaurants

New Zealand food companies demonstrated some commitment to addressing population nutrition issues, but much stronger action is needed across all four industry sectors. There was a wide range in the overall scores from 75% for Nestlé to 0% for Goodman Fielder with a median score across the companies of 38%. The best performing domain of the BIA-Obesity was 'corporate population nutrition strategy' while the worst performing domain was 'product accessibility'.

The top scoring companies were all companies that fully engaged with the BIA-Obesity tool and process. In total 12 out of 25 New Zealand food companies fully engaged with the BIA-Obesity; supplemented the publically available commitments with additional information and provided feedback on the tool and process along the way.

It is important to note that company scores significantly improved after engagement with the tool and process and that the average overall score of companies that did engage was significantly higher than the average overall score of those companies that didn't. We were unable to contact 5 out of 25 companies and 7 out of 25 companies declined participation in the process. One company engaged with the tool and process but was unable to return the survey in time.

Areas of strength:

New Zealand food companies were performing well in several areas and were meeting good practice benchmarks, including:

- Incorporating nutrition and health into the overarching corporate strategy to some extent
- Committing to implement the New Zealand government's Health Star Rating system
- Committing to implement the Advertising Standards Authority Children and Young People's Advertising Code

Key recommendations

Stronger action is needed across all four sectors to improve population nutrition and food environments:

Corporate population nutrition strategy

- 1| Prioritise population nutrition as part of the overall corporate strategy, including relevant objectives, targets, appropriate resourcing and regular reporting against objectives and targets
- 2| Link the Key Performance Indicators of senior managers to nutrition targets in the corporate strategy

Product formulation

- 1| Commit to SMART targets on sodium, sugar, saturated fat and trans fat reduction across product portfolio
- 2| Use the Health Star Rating system to guide efforts on product development and reformulation

Product labelling

- 1| Support the implementation of regulations by Government on added sugar labelling on food products
- 2| Commit to labelling products with nutrition claims only when products are healthy (i.e. meet the FSANZ Nutrient Profiling Scoring Criterion (NPSC))

Product and brand promotion

- 1| Develop a marketing policy that applies to children up to the age of 18 years
- 2| Eliminate the use of promotion techniques (e.g., cartoon characters, interactive games) with strong appeal to children on 'unhealthy' food products

Product accessibility

- 1| Support evidence-informed government policies such as a tax on sugar-sweetened beverages
- 2| Make a commitment to increase the proportion of healthy food products in the overall company portfolio

Relationships with other organisations

- 1| Publish all national relationships and funding for external research on the Zealand website
- 2| Disclose all political donations in real time, or commit to not make political donations

Packaged food manufacturers

The median overall score for packaged food companies was higher than the median overall score for all companies (including quick service restaurants, non-alcoholic beverage manufacturers and supermarkets). The best performing company was Nestlé with an overall score of 75% while the worst performing company was Goodman Fielder with an overall score of 0%.

The best performing domain for packaged food companies was *'corporate population nutrition strategy'* and the worst performing domain was *'product accessibility'*. Two out of 15 companies (Fonterra, Nestlé) obtained the maximum score for the domain *'corporate population nutrition strategy'* while one company (Arnott's) obtained the maximum score for the domain *'relationships with other organisations'*.

Four of the fifteen companies had no commitments on corporate population nutrition strategy, two had no commitments on disclosure of relationships with other organisations, two had no commitments on product reformulation, three had no commitments on product labelling, five had no commitments on product and brand promotion and seven had no commitments on product accessibility. Eight out of 15 companies fully engaged with the BIA-Obesity tool and process.

Scores of packaged food manufacturers by BIA-Obesity domain

DOMAIN	Weighting (%) of domain in overall score	Median score (%) All companies	Median score (%) Packaged food manufacturers	Range of scores (%) Packaged food manufacturers
Corporate population nutrition strategy	10	55	63	0-100
Product formulation	30	34	37	0-89
Product labelling	20	47	57	0-87
Product and brand promotion	30	35	35	0-63
Product accessibility	5	4	4	0-33
Relationships with other organisations	5	38	44	0-100
OVERALL	100	38	44	0-75

Areas of strength across the sector

- Incorporating nutrition and health into the overarching corporate strategy to some extent
- Committing to implement the New Zealand Government Health Star Rating system
- Committing to implement the Advertising Standards Authority Children and Young People's Advertising Code
- Reformulation to reduce sodium in food products to some extent

Key recommendations for packaged food manufacturers

Corporate population nutrition strategy

- 1| Prioritise population nutrition as part of the overall corporate strategy, including relevant objectives, targets, appropriate resourcing and regular reporting against objectives and targets
- 2| Link the Key Performance Indicators of senior managers to nutrition targets in the corporate strategy

Product formulation

- 1| Commit to SMART (specific, measurable, achievable, relevant, time-bound) targets on sodium, sugar, saturated fat and trans fat reduction across the product portfolio
- 2| Use the Health Star Rating system to guide efforts on product development and reformulation

Product labelling

- 1| Support the implementation of regulations by Government on added sugar labelling on food products
- 2| Commit to labelling products with nutrition claims only when products are healthy (i.e. meet the FSANZ Nutrient Profiling Scoring Criterion (NPSC))

Product and brand promotion

- 1| Develop a marketing policy that applies to children up to the age of 18 years
- 2| Eliminate the use of promotion techniques (e.g., cartoon characters, interactive games) with strong appeal to children on 'unhealthy' food products

Product accessibility

- 1| Support evidence-informed government policies such as a tax on sugar-sweetened beverages
- 2| Make a commitment to increase the proportion of healthy food products in the overall product portfolio

Relationships with other organisations

- 1| Publish all national relationships and funding for external research on the Zealand website
- 2| Disclose all political donations in real time, or commit to not make political donations

Non-alcoholic beverage manufacturers

The overall BIA-Obesity scores for both beverage manufacturers were higher than the median overall score for all companies (including quick service restaurants, packaged food manufacturers and supermarkets).

The best performing domain was *'relationships with other organisations'* for Coca-Cola and *'product and brand promotion'* for Frucor Suntory.

The worst performing BIA-Obesity domain was *'product accessibility'* for both companies. Coca-Cola obtained the maximum score for *'relationships with other organisations'* and there were no domains for which companies had no commitments. Only one company engaged with the BIA-Obesity tool and process.

Scores of non-alcoholic beverage manufacturers by BIA-Obesity domain

DOMAIN	Weighting (%) of domain in overall score	Median score (%) All companies	Score (%) Frucor Suntory	Score (%) Coca-Cola
Corporate population nutrition strategy	10	55	55	87
Product formulation	30	34	27	69
Product labelling	20	47	59	67
Product and brand promotion	30	35	63	50
Product accessibility	5	4	7	18
Relationships with other organisations	5	38	38	100
OVERALL	100	38	47	64

Areas of strength across the sector

- Clear commitment to improve population nutrition on national websites
- Public disclosure of health and wellbeing related partnerships, active lifestyle programs and philanthropic funding on the national websites
- Some existing targets to reduce sugar and portion sizes
- Support of and commitment to implementation of the Health Star Rating system
- Commitment to comply with the Advertising Standards Authority Children's and Young People's Advertising Code
- Disclosure of policy position on sugar-sweetened beverage taxes on the website
- Commitment to have one in three products sold to be low or no sugar by 2030 (Fruco Suntory) or commitment to not directly supply any school in New Zealand with full sugar carbonated beverages or energy drinks (Coca-Cola)

Key recommendations for non-alcoholic beverage manufacturers

Corporate population nutrition strategy

- 1| Prioritise population nutrition as part of the overall corporate strategy, including relevant objectives, targets, appropriate resourcing and regular reporting against objectives and targets
- 2| Link the Key Performance Indicators of senior managers to nutrition targets in the corporate strategy

Product formulation

- 1| Develop SMART (specific, measurable, achievable, relevant and time bound) New Zealand specific targets for reduction of added sugar and portion sizes across product portfolio
- 2| Use the Health Star Rating system to guide efforts on product development and reformulation

Product labelling

- 1| Support the implementation of regulations by Government on added sugar labelling on products
- 2| Commit to labelling products with nutrition claims only when products are healthy (i.e. meet the FSANZ Nutrient Profiling Scoring Criterion (NPSC))

Product and brand promotion

- 1| Develop a marketing policy that applies to children up to the age of 18 years and eliminate the use of promotion techniques (e.g., cartoon characters, interactive games) with strong appeal to children in relation to 'unhealthy' products
- 2| Adapt a stricter definition of 'target audience' or 'audience exposed' (e.g. using children's peak viewing times instead of proportion of population watching that are children)

Product accessibility

- 1| Support evidence-informed government policies such as a tax on sugar-sweetened beverages
- 2| Take on board the area of strength identified for the competitor company

Relationships with other organisations

- 1| Disclose all political donations in real time, or commit to not make political donations

Quick service restaurants

The median overall BIA-Obesity score for quick service restaurants was about one-quarter of the median overall score for all companies (including packaged food and non-alcoholic beverage manufacturers and supermarkets). The best performing company was McDonald's with an overall score of 42% while the worst performing company was Pita Pit with an overall score of 2%. The best performing domain for quick service restaurants was *'product labelling'* and the worst performing domain was *'product accessibility'*. No company obtained the maximum score for any of the domains.

Two of the six companies had no commitments on corporate population nutrition strategy, two had no commitments to disclose relationships with other organisations, three had no commitments on product formulation, three had no commitments on product and brand promotion and four had no commitments on product accessibility. All companies had some commitments on product labelling, mainly related to providing nutrition information about their foods and meals online. Only two companies engaged with the BIA-Obesity process while one company engaged but did not fill in the survey in time, one company declined participation and two companies could not be contacted.

Scores of quick service restaurants by BIA-Obesity domain

DOMAIN	Weighting (%) of domain in overall score	Median score (%) All companies	Median score (%) Quick service restaurants	Range of scores (%) Quick service restaurants
Corporate population nutrition strategy	10	55	25	0-55
Product formulation	25	34	8	0-48
Product labelling	15	47	27	14-45
Product and brand promotion	25	35	1	0-48
Product accessibility	20	4	0	0-5
Relationships with other organisations	5	38	19	0-100
OVERALL	100	38	9	2-42

Areas of strength across the sector

- Commitment to improve population nutrition on global or national websites for some companies
- Disclosure of philanthropic funding and support for active lifestyle programs on the websites for most companies
- Comprehensive nutrition information of products provided on the national websites for most companies
- Commitment to remove toys from kids' meals for one company
- Some companies have a policy on food accessibility such as a commitment to swapping soft drinks for water at no extra cost or assigning healthier drinks to children's meals.

Key recommendations for quick service restaurants

Corporate population nutrition strategy

- 1| Prioritise population nutrition as part of the overall corporate strategy, including relevant objectives, targets, appropriate resourcing and regular reporting against objectives and targets
- 2| Link the Key Performance Indicators of senior managers to nutrition targets in the corporate strategy

Product formulation

- 1| Commit to New Zealand specific SMART (specific, measurable, achievable, relevant and time-bound) targets on sodium, sugar, saturated fat and trans fat reduction across the product portfolio
- 2| Develop commitments to reduce portion sizes for specific food categories where this is appropriate

Product labelling

- 1| Support government regulations on menu labelling in New Zealand
- 2| Commit to display comprehensive nutrition information on menus in-store

Product and brand promotion

- 1| Develop a marketing policy that applies to children up to the age of 18 years and that defines a target audience in terms of children's peak viewing times and includes restriction of use of celebrities and animation/fantasy characters and toys with kids' meals
- 2| Develop a policy on sponsorship of children's events

Product accessibility

- 1| Develop a commitment to using value deals only on healthy products and/or commit not to use price incentives such as supersizing
- 2| Commit to not provide free drink refills for caloric soft drinks

Relationships with other organisations

- 1| Disclose all political donations in real time, or commit to not make political donations
- 2| Disclose all relationships with other organisations, including funding for scientific research, on the national website

Supermarkets

The scores for supermarkets are a hybrid assessment for their role as a retailer, as well as a packaged food manufacturer. For one supermarket, the overall BIA-Obesity score was higher than the median overall score for all companies (including packaged food and non-alcoholic beverage manufacturers and quick service restaurants).

The best performing domain for supermarkets was *'corporate population nutrition strategy'* and *'relationships with other organisations'* for Countdown and *'product formulation'* for Foodstuffs. The worst performing domain was *'product accessibility'*. No company obtained the maximum score for any of the domains.

Foodstuffs obtained a score of 0% for the domain food accessibility. Only one company engaged with the BIA-Obesity tool and process.

Scores of supermarkets by BIA-Obesity domain				
DOMAIN	Weighting (%) of domain in overall score	Median score (%) All companies	Score (%) Countdown	Score (%) Foodstuffs
Corporate population nutrition strategy	10	55	93	47
Product formulation	15	34	71	50
Product labelling	25	47	72	47
Product and brand promotion	20	35	43	29
Product accessibility	5	4	10	0
Relationships with other organisations	25	38	93	25
OVERALL	100	38	55	33

Areas of strength across the sector

- Strong commitment to improving population nutrition on the national website, for one company there is annual reporting against specific objectives and targets and key performance indicators of senior managers are linked to nutrition targets
- Clear commitment to reformulate private label grocery products with respect to saturated fat, sugar, sodium
- Commitment to display the Health Star Ratings on all private label grocery products, including online for one retailer
- Commitment to comply with the latest Advertising Standards Authority Children and Young People's Advertising Code
- Commitment to ensure at least one confectionery food free checkout in 95% of stores among one of the retailers investigated

Key recommendations for supermarkets

Corporate population nutrition strategy

- 1| Regularly report on progress towards improving population nutrition, including specific objectives and targets
- 2| Refer to global priorities when constructing a nutrition strategy (e.g., World Health Organization recommendations or Sustainable Development Goals)

Product formulation

- 1| Commit to reduce portion sizes of categories of private label products where this is appropriate

Product labelling

- 1| Support the implementation of regulations by the Government on added sugar labelling on products
- 2| Use shelf tags to display summary nutrition information in-store
- 3| Commit to labelling products with nutrition claims only when products are healthy (i.e meet the FSANZ Nutrient Profiling Scoring Criterion (NPSC))

Product and brand promotion

- 1| Develop a marketing policy that applies to children up to the age of 18 years and includes restriction on celebrities, premium offers and fantasy and animation characters
- 2| Develop a marketing policy to all consumers, including limitation of in-store and flyer promotion of unhealthy products

Product accessibility

- 1| Limit multi-buy specials on unhealthy products
- 2| Commit to healthy check-outs in all stores
- 3| Develop a policy on the placement of unhealthy food in high-traffic areas, such as end-of-aisle displays

Relationships with external groups

- 1| Disclose all political donations in real time, or commit to not make political donations
- 2| Disclose all relationships with other organisations, including funding for scientific research, on the website

Best available company commitments to improve food environments

In addition to the recommendations made, best available practices may further stimulate companies to improve their commitments and policies. The table below gives a non-exhaustive list with New Zealand examples, supplemented with examples from other countries.

Domain	Examples of food industry leaders across sectors
A Corporate population nutrition strategy	<ul style="list-style-type: none"> Nestlé and Fonterra published annual national reports detailing their progress against their objectives and targets related to nutrition, and demonstrated that Key Performance Indicators of senior managers were linked to their nutrition strategy. Nestlé and Fonterra align their approach with priorities set out by the World Health Organization and/or the UN's Sustainable Development Goals.
B Product formulation	<ul style="list-style-type: none"> Nestlé has set specific, time bound reformulation targets for the reduction of saturated fat, sodium and added sugar across the company's global portfolio, and has reported removal of all artificially produced trans fats from its food and beverage products. Compliance with reformulation targets is audited and publicly disclosed on a regular basis.
C Product labelling	<ul style="list-style-type: none"> Countdown and Foodstuffs have committed to implement the New Zealand Government endorsed Health Star Ratings across all own-brand products. In addition, Countdown has committed to add the Health Star Ratings to products on its online shopping website. Sanitarium has a commitment to implement the government-endorsed Health Star Rating system across all products in its portfolio, and provides comprehensive online nutrition information for all products (per serve, per 100g and HSR).
D Product and brand promotion	<ul style="list-style-type: none"> Danone makes a global commitment to not use messaging that encourages a 'less healthy' lifestyle or overconsumption of any of its products. It discloses and independently audits its marketing spending on healthy products, with a view to increase marketing spending on these products over time. Danone implements a marketing to children policy (applying to children under 12 years) that covers broadcast and non-broadcast media. It commits to not use promotional techniques that appeal to children, and does not market in the vicinity of schools, in secondary schools, or in places where children gather (nurseries, day care centres, activity centres). Danone reports compliance across several forms of media.
E Product accessibility	<ul style="list-style-type: none"> Tesco UK has removed all confectionery from its checkouts across all stores nationally (from 2015). Countdown has a programme to provide free fruit for kids in store and the Odd Bunch programme provides odd looking fruit and vegetables at a cheaper price than the standard fruit and vegetables. From the farm to the class, Fonterra Farmers across the country are working together to bring healthy, nutritious milk to kids across New Zealand through Fonterra Milk for Schools. It's free, and it's for all Kiwi kids in any primary school that would like to take part. Currently 70% of primary schools are part of the programme. Frucor Suntory commits to have one in three products sold to be low or no sugar by 2030.
F Relationships with other organisations	<ul style="list-style-type: none"> Coca-Cola International publishes a list of some external groups it funds/supports, including details of the nature, date and amount of support/funding given to research institutions, health professionals, scientific experts, professional organisations and partnerships related to health and nutrition. They disclose nutrition programs and active lifestyle programs with which they are affiliated, and information is updated annually. As part of the global Campbell Soup Company, Arnott's has a strict policy prohibiting political donations.

A] Corporate population nutrition strategy

Good practice statement

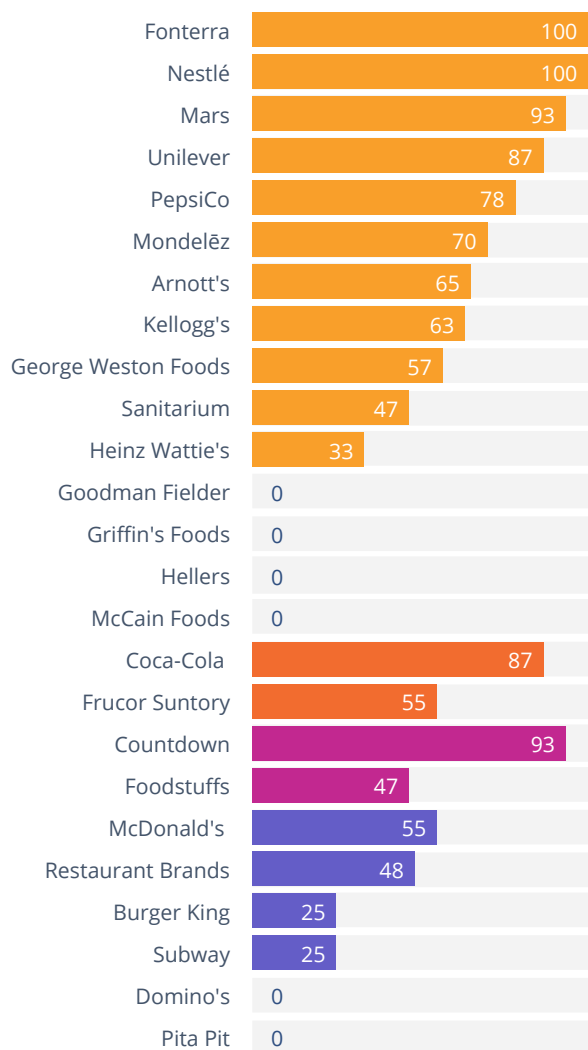
The company has a strategic document or collection of documents that outline the company's overarching commitment to population nutrition and health. This may include mission statements, strategies and/or overarching policies that are publicly available and apply to the national context.

Median score 55/100

Key findings

This is the best performing domain within the BIA-Obesity tool

- Six out of the 25 companies did not have any corporate population nutrition strategy, while two companies achieved the maximum score for this BIA-Obesity domain.
- Both Nestlé and Fonterra recognized both national (i.e. The Healthy Kids Industry Pledge) as well as international (i.e. The United Nations Sustainable Development Goals or the World Health Organization global NCD action plan) priorities within their corporate nutrition strategy.
- Nestlé, Fonterra and Countdown published annual national reports detailing their progress against their objectives and targets and demonstrated that Key Performance Indicators of senior managers were linked to their nutrition strategy. Other companies had limited disclosure of specific progress in meeting population nutrition objectives and targets.
- Most companies did not identify population nutrition as a clear priority focus area, when compared to environmental and social priorities.



■ Packaged food manufacturers
 ■ Non-alcoholic beverage manufacturers
 ■ Supermarkets
 ■ Quick service restaurants

Recommendations for action:

- **Identify** population nutrition as a priority focus area for the company, with relevant objectives, targets and appropriate resourcing
- **Report** progress against specific population nutrition targets and objectives on a regular basis
- **Refer** to international (i.e. The United Nations Sustainable Development Goals or the World Health Organization global NCD action plan) priorities within the corporate nutrition strategy
- **Participate** in / implement a strategy to adopt relevant recommendations from government-led programs (e.g., Healthy Kids Industry Pledge) to improve the healthiness of food environments, including nutritional quality of product portfolio and restrictions on unhealthy food marketing to children

B] Product formulation

Good practice statement

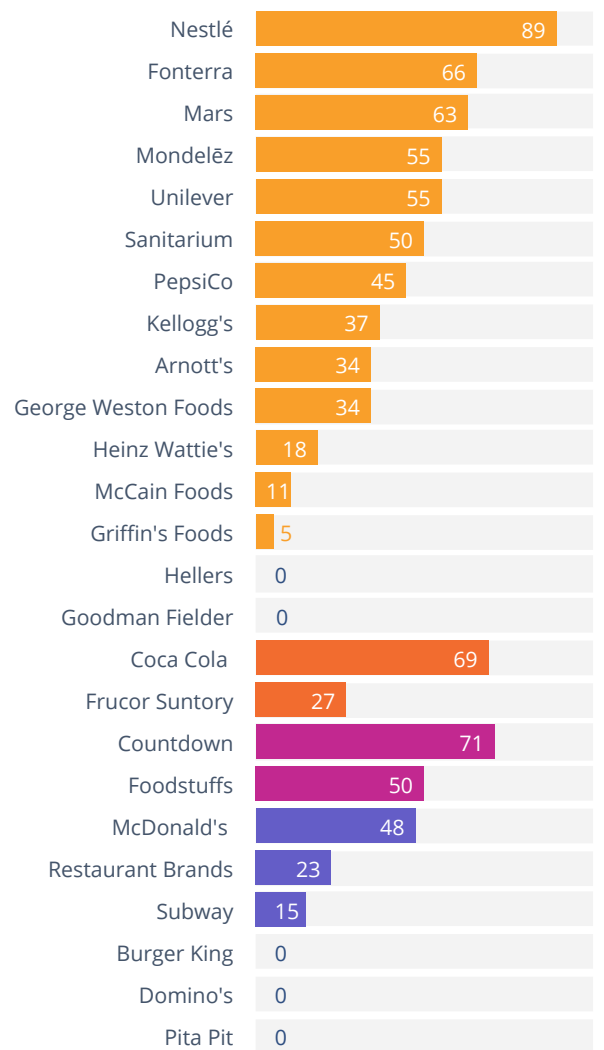
The company has a set of product formulation commitments relating to new product development and reformulation of existing products to limit or reduce nutrients of concern (including sodium, saturated fat, trans fat and added sugars) and reduce energy content per serving / provide smaller portion sizes.

Median score 34/100

Key findings

Some companies had commitments to reduce sodium content of their food products

- No companies obtained the maximum score for this domain while five companies did not have any commitments on product formulation.
- The best performing company, Nestlé, had a SMART target for each nutrient of concern, making commitments to ‘further reduce sodium, sugar and saturated fat content by 10% in products that do not meet the ‘Nestlé Nutritional Foundation Criteria’.
- Thirteen out of 17 packaged food and non-alcoholic beverage manufacturers had some targets in relation to reducing added sugar content of foods and/or meals.
- Nine out of 17 packaged food and beverage manufacturers had targets in relation to reducing portion sizes where relevant, while only one out of six quick service restaurants had such targets.



■ Packaged food manufacturers
 ■ Non-alcoholic beverage manufacturers
 ■ Supermarkets
 ■ Quick service restaurants

Recommendations for action

- **Develop** SMART (specific, measurable, achievable, relevant and time-bound) targets for the reduction of nutrients of concern (sodium, added sugar, saturated fat, and artificially produced trans-fat) in food products across the portfolio. Routinely report on progress in achieving those reformulation targets.
- **Develop** portion size reduction targets for food categories where this is relevant

C] Product labelling

Good practice statement

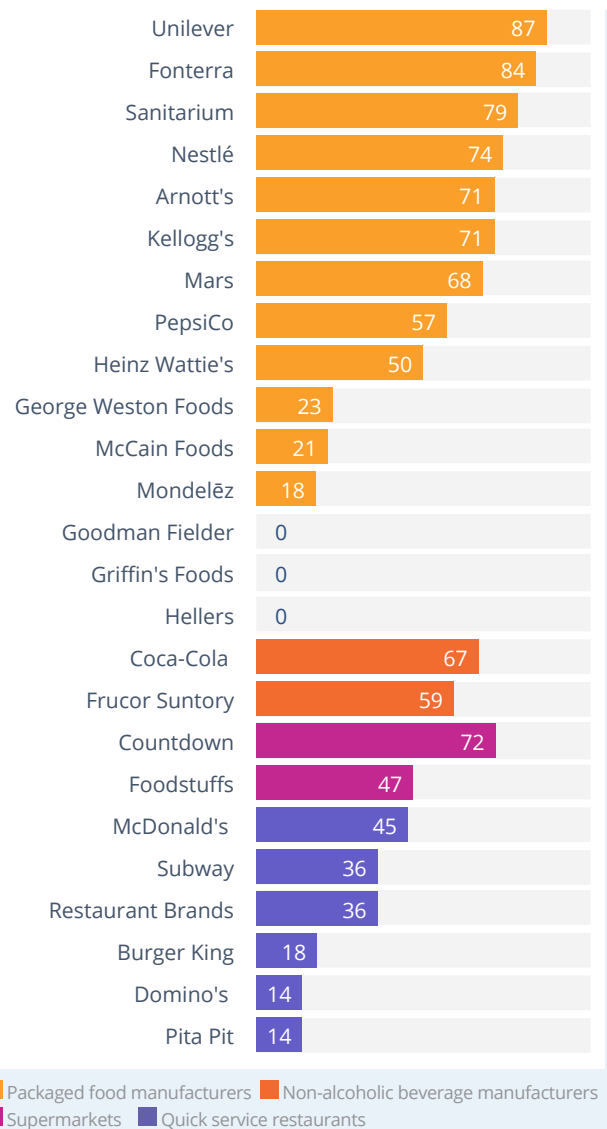
The company has a set of published commitments relating to nutrition labelling that are designed to inform consumers about the nutrient composition of products, including nutrition claims, implementation of interpretive front-of-pack labelling, and the provision of comprehensive online nutrition information.

Median score 47/100

Key findings

Some companies were demonstrating clear commitments in the area of product labelling, including implementation of the Health Star Rating system and/or providing nutrition information about foods and meals online

- No companies obtained the maximum score for this domain while three companies did not have any commitments for product labelling.
- The top performer in this domain (Unilever) committed to introduce the government-endorsed Health Star Rating system on their products and provided online nutrition information for their products through brand websites. They also used a publicly available nutrient-profiling system (Unilever Nutrition Criteria) to determine the type of nutrition or health claims that were acceptable for each product to carry.
- Countdown committed to providing the Health Star Ratings on their online shopping website, but none of the supermarkets committed to displaying shelf tags with Health Star Ratings in-store.
- None of the companies routinely labelled added sugars or artificially produced trans fats on products.
- All quick service restaurants provided nutritional information about food and meals online to some extent and half of the quick service restaurants committed to providing nutrition information about meals on-site upon specific request.



Recommendations for action:

- **Commit** to implement the Health Star Rating system across all products, with specific roll-out plan and timelines (packaged food and non-alcoholic beverage manufacturers)
- **Commit** to provide calorie labelling for foods and meals on-site (quick service restaurants) or Health Star Rating shelf tags in-store (supermarkets)
- **Support** potential government regulations for added sugar labelling on food products
- **Introduce** a policy to only make nutrition claims (e.g., '99% fat free') on products that are classified as 'healthy' (using government guidelines for defining 'healthy' foods such as the FSANZ nutrient profiling scoring criterion)

D] Product and brand promotion

Good practice statement

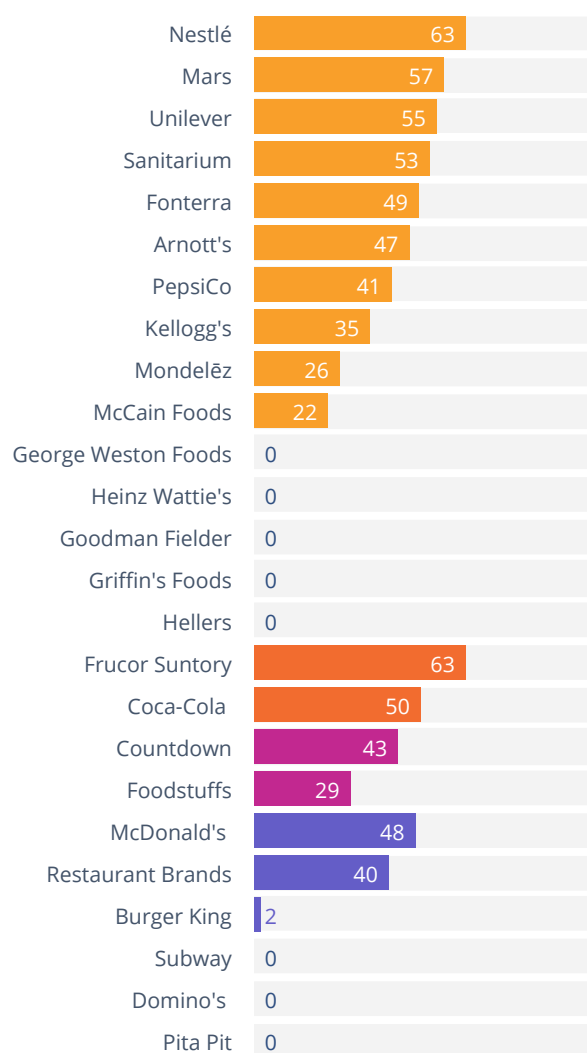
The company has a comprehensive policy/commitment to reduce the exposure of children and adolescents to unhealthy food marketing. This policy includes marketing of unhealthy foods in-store, online, in broadcast and non-broadcast media, and all marketing techniques designed to appeal to children and adolescents. Compliance with this policy is audited by third party auditors on a regular basis. The company also commits to practice responsible marketing to all consumers, including limits on promotion of unhealthy products in-store and in catalogues.

Median score 35/100

Key findings

Some companies publically committed to compliance with the Advertising Standards Authority Children and Young People's Advertising Code

- Eight out of 25 companies had no commitments in this domain and no company obtained the maximum score for this domain.
- No companies had developed formal responsible marketing to children policies that would effectively restrict the exposure of children and adolescents to unhealthy food promotion.
- No companies had developed marketing policies for children up to 18 years of age.
- Countdown committed to increasing promotions for fresh produce on their flyer covers.
- Burger King committed to remove toys from children's meals



■ Packaged food manufacturers
 ■ Non-alcoholic beverage manufacturers
 ■ Supermarkets
 ■ Quick service restaurants

Recommendations for action

- **Implement** a marketing to children policy that effectively restricts the exposure of children and adolescents (up to age 18) to promotion of unhealthy foods across broadcast and non-broadcast media, using government-endorsed standards for defining unhealthy foods. Routinely report on compliance with the policy
- **Commit** to increase the proportion of healthy products (using government guidelines for defining 'healthy' foods) featured in catalogues and other advertising
- **Eliminate** use of promotion techniques (e.g., cartoon characters, interactive games) with strong appeal to children in relation to unhealthy products

E] Product accessibility

Good practice statement

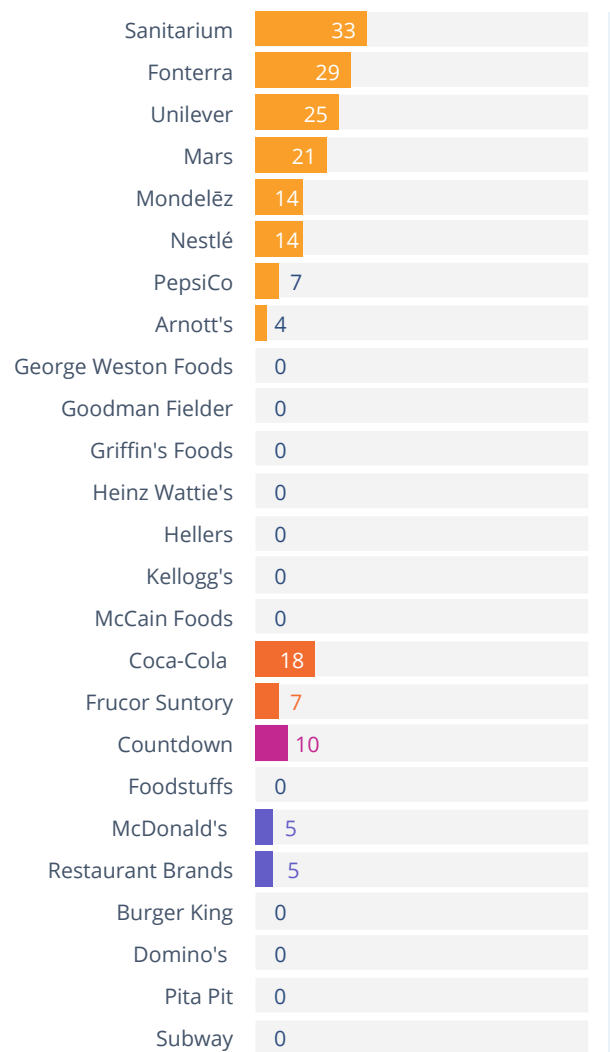
The company has a commitment to address the availability and affordability of healthy products relative to their 'less healthy' counterparts. This includes commitments around pricing, positioning and display of healthy compared to 'less healthy' products, and availability of healthy compared to 'less healthy' products

Median score 4/100

Key findings

Companies had few commitments to restrict accessibility of 'less healthy' foods and improve accessibility of healthy foods

- Product accessibility was the worst performing BIA-Obesity domain, with few clear commitments to address the accessibility of healthy compared to 'less healthy' products. About half of the companies did not have any commitments in this domain.
- The KickStart Breakfast Programme is a partnership between Sanitarium, Fonterra and the Government, with more than 125,000 nutritious breakfasts served each week in over 900 schools that run their own KickStart Breakfast club.
- Non-alcoholic beverage manufacturers committed to have one in three products sold to be low or no sugar by 2030 (Fruco Suntory) or made a commitment to not directly supply any school in New Zealand with full sugar carbonated beverages or energy drinks (Coca-Cola).
- One of the retailers committed to provide free fruit for kids in-store.
- Quick service restaurants commit to provide swapping soft drinks for water at no extra cost (McDonald's) or assigning healthier drinks to children's meals (Restaurant Brands).



■ Packaged food manufacturers
 ■ Non-alcoholic beverage manufacturers
 ■ Supermarkets
 ■ Quick service restaurants

Key recommendations for action

- **Support** the position of the World Health Organization on fiscal policies to make healthy foods relatively cheaper and less healthy foods relatively more expensive
- **Introduce** a commitment to increase the number/proportion of healthy products in the company's portfolio
- **Limit** price promotions (particularly 'buy-one-get-one-free' and 'buy two and save') on 'less healthy' products
- **Increase** the proportion of 'healthy' products displayed in high-traffic areas (e.g., end-of-aisle displays)
- Consistently **link** rewards through loyalty programs to healthy purchases
- **Introduce** universal healthy checkouts (with no confectionery or sugar-sweetened beverages) across all stores nationally
- **Commit** to not provide free refills for caloric soft drinks
- **Commit** to not open new stores near schools

F] Relationships with other organisations

Good practice statement

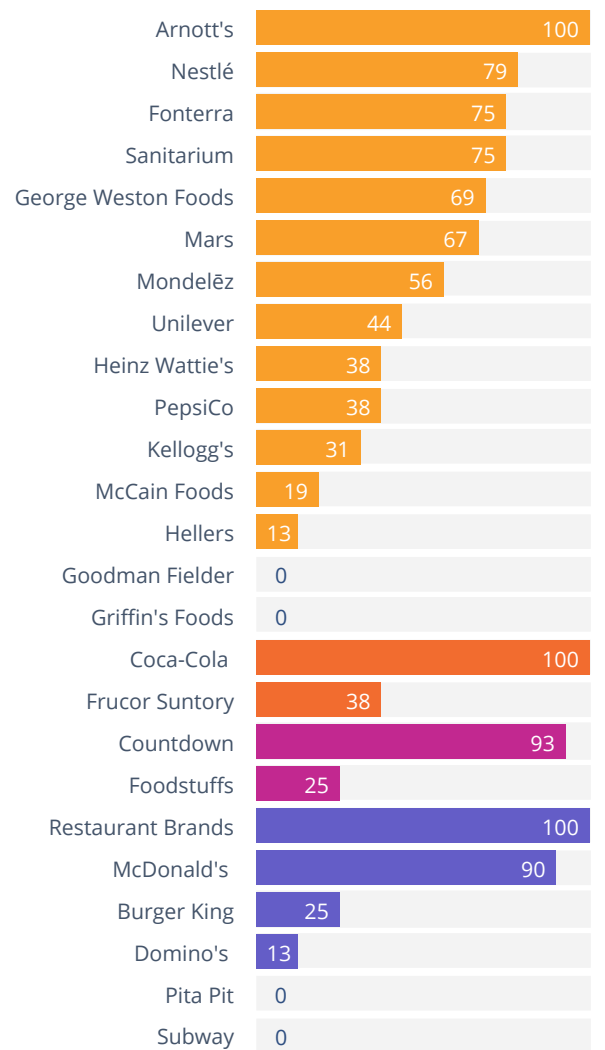
The company has a policy or document(s) that outlines the types of relationships with external organisations that the company will engage in. The company adopts full transparency regarding the amount and type of external support provided to external organisations.

Median score 38/100

Key findings

Most companies have adopted some transparency around relationships with other organisations

- Three companies obtained the maximum score for this domain and declared relationships, support for research and political donations (if any) on their national website.
- Four companies did not have any commitments for this domain
- Some companies specifically committed to not make any political donations



■ Packaged food manufacturers
 ■ Non-alcoholic beverage manufacturers
 ■ Supermarkets
 ■ Quick service restaurants

Key recommendations for action

- **Disclose** relationships (including funding and support) with external groups (e.g., professional organisations, research organisations, community and industry groups) related to health and nutrition
- **Disclose** all political donations in real time, or commit to not make political donations

CONCLUSION AND IMPLICATIONS

This study assessed for the first time the commitments and policies of the major food companies in New Zealand. The findings show that there is a large variation in the overall scores (0-75%) and that about half of the companies selected engaged with the BIA-Obesity tool and process.

This monitoring study offers key insights for companies about areas where they are doing well and areas where improvements are needed, especially compared to other companies in New Zealand. The main aim is for this assessment to be repeated over time so that specificity, comprehensiveness and transparency of company commitments can be improved, and the food industry can contribute to increasing the healthiness of food environments and reducing obesity and chronic diseases.

In general, it is recommended for population nutrition to become a priority focus within the corporate strategy and to have specific targets and objectives linked to key performance of senior managers with regular reporting and appropriate resources. In addition, all companies should be fully transparent about relationships with other organisations, political donations (if any) and research they fund. Among the food environment domains, companies performed best on product labelling, mainly due to the commitments in relation to implementation of the Health Star Rating system and providing nutrition information about foods and meals online. Food companies are encouraged to improve commitments in the domain of product and brand promotion to children and product accessibility.

About half of the companies fully engaged in the assessment. Since this is the first assessment, it is anticipated that more companies will engage with the assessment next time. Companies who engaged in the assessment were able to significantly improve their scores and the average score of companies who fully engaged was significantly higher than the average score of companies who did not engage with the tool and process. Some companies mentioned the assessment to be burdensome. Therefore, it has to be explored how the assessment can be simplified in the future.

The company scorecards can be found in the online [appendix](#). Each company can benchmark their commitments against those from other companies. Key strengths and recommendations are identified to support companies to take further actions to improve their nutrition-related commitments.

This study has measured **commitments** and **transparency**. It is important to note that **performance** of companies, for example in relation to healthiness of company portfolio or extent and nature of unhealthy food marketing to children, was not assessed in this study. Those aspects will be investigated in the BIA-Obesity phase II. It will be important to see whether better commitments also lead to better performance.

While New Zealand food companies have taken some positive steps as part of a societal response to unhealthy diets and obesity, there is a much greater role for them to play. The overall and domain-specific BIA-Obesity scores show that there is a lot of room for food companies across all four sectors to improve comprehensiveness, specificity and transparency of their commitments and policies related to population nutrition. This first BIA-Obesity assessment provides tailored recommendations for each company to support them to improve their commitments and policies. This process will be repeated regularly to assess progress. The next phases of the BIA-Obesity will also include an evaluation of performance of companies in relation to product formulation, labelling, promotion and accessibility. Bolder and more specific and comprehensive commitments by food industry actors are primordial to achieve the goals of the World Health Organization action plan on chronic diseases and the Sustainable Development Goals.

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Conflicts of interest

Professor Boyd Swinburn is engaged in legal proceedings against the New Zealand Food and Grocery Council for defamation. Some of the food companies in this report may be members of the New Zealand Food and Grocery Council, although its membership is not publically disclosed.

