Nestlé's efforts to tackle undernutrition are almost exclusively delivered through commercial strategies focused on children, women and key priority groups. These strategies focus on developing countries, including high-priority countries. It also pursues initiatives to promote healthy diets, nutrition education and active lifestyles through its Creating Shared Value program.

Areas for improvement
- Nestlé makes significant efforts to reformulate its products, but there is no evidence that it has introduced new products which meet its Nutrition Foundation criteria in recent years.
- While Nestlé’s policy on marketing to children is considered relatively strong, the company has not addressed areas for improvement identified in 2013, including: raising the definition of the age of a child to 16; lowering the threshold for defining a child audience to 25%; and extending its policy to apply to secondary schools. However, it should be noted that the company’s definition of a child audience applies to new media, an improvement from 2013.
- Nestlé has not improved its approach to developing and implementing independent consumer-oriented healthy eating and active lifestyle programs. It does not commit to exclusively supporting independent programs implemented by third parties with relevant expertise, but rather maintains involvement in their design and implementation.
- The company does not have a strategic and comprehensive approach to funding non-commercial initiatives to address undernutrition either through its own programs or other organizations. A commitment to do this could generate a meaningful impact on quality for life of undernourished people.
- Nestlé should develop a commitment to playing an active and constructive part in supporting the efforts of developing country governments to address undernutrition.
- Nestlé ranked first on the breast-milk substitutes (BMS) sub-ranking. Its policy commitments align strongly with the International Code of Marketing of Breast-milk Substitutes (The Code) and subsequent World Health Assembly (WHA), although they are not applied to all products in all markets. In both Vietnam and Indonesia, multiple observations of non-compliance with The Code were made.
Nestlé S.A.

Category analysis

A Governance

Nutrition general
- Nestlé’s stated ambition is to be the world’s ‘Leading Nutrition, Health and Wellness company’. Nutrition as a pillar of its global growth strategy and nutrition, health and wellness is central to its Creating Shared Value (CSV) philosophy and activities. The company acknowledges it has a role to play in tackling the challenges of increasing obesity and diet-related chronic diseases, and has committed to deliver more healthy foods to market, and to making such products affordable to low-income consumers.
- Nestlé conducts nutrition-related risk assessments through its proprietary Enterprise Risk Management Framework.
- Nestlé’s comprehensive nutrition strategy can be publicly accessed and comprises 15 distinct objectives. It addresses product formulation, undernutrition, encouraging healthy and active lifestyles, product labeling, responsible marketing and stakeholder collaboration, and is the principal means by which the company advances its practices across global operations.
- Nestlé is transparent about its nutrition governance. Formal accountability rests with the company’s CEO and the members of Nestlé’s Executive Board, demonstrating a strong organizational commitment to nutrition. The success of Nestlé’s approach is evidenced by the significant proportion of revenues derived from products that meet its nutritional standards.
- To improve further, the company could link remuneration of the CEO and other senior executives to performance on nutrition targets and publish a commentary about this in its annual Compensation Report. Nestlé’s quality of reporting on nutrition themes is high. The topic is covered extensively on an annual basis in a range of publications, including in its annual report and accounts, as well as in its dedicated sustainability report and the company websites.

Undernutrition
- Nestlé has committed to playing a role in addressing undernutrition on a global scale primarily through its commercial activities. It has implemented a robust strategy that combines micronutrient fortification and products designed to appeal to low income consumers which are also affordable and accessible.
- The company has set a clear objective of reaching 200 billion micronutrient-fortified servings of food and beverages annually worldwide by 2016, to help address global micronutrient deficiencies, with a focus on both children and women of childbearing age.
- Overall, Nestlé’s commercial approach to addressing micronutrient deficiencies is based on a well-structured strategy that is implemented across a number of countries. Oversight rests with the ‘Nestlé in Society’ Board which is chaired by the CEO.
- Nestlé continues to drive growth through this strategy. Sales of products specifically formulated to address undernutrition increased between FY2012 and FY2014 and accounted for over 10% of revenue in FY2014.
- Nestlé’s commercial undernutrition activities are focused on both higher and lower priority developing countries as well as key stakeholder groups, such as children and women. These activities are underpinned by a formal process of market research to assess the commercial need and/or potential for fortified products, with studies conducted in many countries. This practice is not widely demonstrated by other assessed companies.
- Nestlé does not seem to have a strategy to fund programs to tackle undernutrition through product fortification through any philanthropic giving or non-commercial channels, which is a weakness compared to other companies assessed.

B Products

Nutrition general
- While Nestlé has committed to increasing R&D spending on innovation to improve its offering of healthy products, it does not publish or set specific targets.
- Nestlé has an extensive policy framework for product reformulation, which applies across all products and globally. It includes targets for reducing sodium, trans fat, saturated fats and added sugars. The level of accountability demonstrated through public disclosure of specific corporate policies relating to each of these nutrients is unmatched among the companies assessed.
- Nestlé has established a strong target to add wholegrains to relevant product categories across its global operations. However there is no evidence of similar goals for fruits, vegetables or fiber.
- Nestlé could provide more information on the number of products that contain fruits, vegetables, fibers and wholegrains, particularly how many contain at least one serving of these key ingredients within the overall serving size.
- Nestlé’s robust nutrition profiling system (NPS) calculates a score for the nutritional rating of products across its global portfolio and assesses the levels of energy, fat, added sugars, fiber, sodium and calcium. The system was established by incorporating recommendations from relevant authorities, such as the World Health Organization (WHO), the Institute of Medicine in the United States and the European Food Safety Authority. The company therefore achieves the maximum healthy multiplier, which is applied throughout the methodology.

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C Accessibility

Nutrition general
- To ensure that low-income consumers can access its healthy products, Nestlé has developed its PPP strategy. These products are widely consumed and developed to provide affordable nutrition to less affluent consumers. One objective of the strategy is the ongoing improvement of the nutritional profile of all PPP products. Through this strategy, Nestlé is seeking to drive business value and revenues by specifically addressing the challenges faced by low-income consumers in accessing nutritious foods. Nestlé is unique in setting specific targets related to business growth for its affordability and distribution strategy.
- The PPP approach is codified in formal strategy documents which are applicable to a range of Nestlé product categories and across global operations, and thereby embedded fully in the business. Accountability has been delegated to a named executive who acts as the initiative’s sponsor.
- Nestlé was unable to demonstrate that it had offers discounts, price promotions or coupons on healthy products at either the same or greater rate as for less healthy products.
- Similarly, Nestlé did not provide information about initiatives dedicated to improving the accessibility of healthier options, such as special arrangements with distributors regarding how healthy products are distributed or data to show that rural retailers or those in poor urban areas are supplied with healthy options as standard.

Undernutrition
- The PPP strategy is designed to tackle undernutrition; most PPP products have been fortified to meet the needs of undernourished consumers.
- Nestlé has improved the affordability of fortified products in priority countries by decreasing the size of individual product units. This allows undernourished low-income consumers to avoid making larger and more expensive purchases in order to access fortified foods. The company notes that in 2014, 81% of
Marketing

Nutrition general
- Nestlé subscribes to the International Chamber of Commerce’s Framework for Responsible Food and Beverage Marketing Communications (ICC Framework) to promote responsible advertising to all consumers.
- Nestlé’s compliance with its marketing commitments for all consumers is audited by the company’s internal Group Audit function. The company could improve its performance in future editions of the Global Index by appointing an independent external auditor to assess compliance on a regular basis.
- The Nestlé Consumer Communication Principles, which generally encompass key articles set out in the ICC Framework, is published online.
- Nestlé’s policy on marketing to children (dated January 2015) is relatively strong. It publishes its own policy and adheres to the International Food and Beverage Association (IFBA) Global Policy on Advertising and Marketing Communications to Children and the EU Pledge. The company’s policy covers all forms of media and it commits only to market healthy products to children aged 6-12. Nestlé does not market any products to children younger than six.
- Nestlé’s policy does not currently extend to packaging; the company could improve its commitments by including packaging within the scope of its policy.
- The company sets an audience threshold of 35% - in line with most of its peers - in order to determine whether programming or websites are directed at children.
- Nestlé refrains from advertising in or near primary schools, including via new media. The policy could be improved by extending its application to secondary schools and other places where children gather, as recommended by the WHO.
- Nestlé could be more explicit about the types of tools it uses to deter certain age groups from viewing online content that does not meet the necessary nutritional criteria to be advertised to children.
- Nestlé’s marketing to children is audited by an independent third-party through the IFBA and EU Pledge and compliance exceeds 90%. Compliance levels for TV and internet-based media are publicly available – such disclosure is a leading practice, demonstrated by only seven of the companies assessed.

E Lifestyles

Nutrition general
- Nestlé supports staff health and nutrition through its global Nutrition Quotient Training program which establishes a foundational level of nutrition knowledge for all staff.
- The company’s health and wellness programs are available to all employees and in some markets are extended to the families of employees. Nestlé could enhance its impact by extending these programs to the families of all employees and improve performance in future editions of the Global Index.
- Nestlé conducts its own evaluations on the health impact of the nutrition, diet and activity elements of its employee health and wellness programs and collects both quantitative and qualitative results from these programs including the number of participants/uptake and consolidated data on specific metrics, such as body mass index. Nestlé’s Maternity Protection Policy, supports breastfeeding mothers through access to flexible working arrangements, breaks/reduction of hours to accommodate breastfeeding and the provision of secure breastfeeding rooms. The policy is aligned with the ILO’s Maternity Protection Convention (C183), has a global scope and is approved by the company’s Executive Board.
- Nestlé’s consumer-oriented nutrition education, healthy diet and physical activity programs are global and primarily focused on children. Programs focused on nutrition education and healthy diets are aligned with national dietary guidelines. However, active lifestyle initiatives do not exclude brand-level sponsorship.
- Nestlé could improve its performance by committing to supporting only independently designed programs implemented by third parties with relevant expertise, and by not placing brand-level branding on the initiatives if funds.
- Nestlé’s education programs demonstrate integration of nutrition, diet and physical activity elements and promote a holistic approach to well-being.
- In some cases, Nestlé’s programs are audited by independent parties. For example, the Nestlé Healthy Kids Programs are audited at the country level by external groups. However, not all programs are monitored systematically.

Undernutrition
- Nestlé has some consumer-oriented educational programs in the area of undernutrition, including the resources available to parents through the Start Healthy Stay Healthy programme. There is evidence that commitments related to education are targeted at higher priority developing countries, and that relevant programs have been rolled out in India and China, among other countries.
- Nestlé could improve its performance in future editions of the Global Index and amplify its contribution to tackling undernutrition by funding programs developed by independent expert groups in priority countries to help educate those at risk of undernutrition. Such programs could cover the benefits of fortified foods, maternal, infant and child micronutrient supplements, exclusive breastfeeding, safe, timely and adequate complementary feeding for infants and young children, dietary supplementation for infants and young children and eating a diverse diet.
- Nestlé does not have a written policy or guidelines on the type of programs it will sponsor or fund through non-commercial budgets or channels.

F Labeling

Nutrition general
- Nestlé is committed to providing consumers with nutritional information on back-of-pack (BOP) and front-of-pack (FOP) labels. This global commitment encompasses guidance for consumers expressed in daily amounts of all key nutrients except trans fat, an area in which the company could strengthen its performance.
- Nestlé’s FOP labeling provides numeric information on the levels of key nutrients and the percentage intake based on recommended daily values. The company could better communicate the nutritional value of its products by using interpretive FOP labels.
- Nestlé should increase transparency with regards to how many markets have implemented full labeling commitments on all products. Currently, the proportion of markets in which Nestlé has achieved full compliance with its labeling commitments is unclear.
- Nestlé could improve consumers’ access to nutrition information by systematically providing nutrition content data for all products in an accessible online format. Currently, the extent to which nutrition information for products is available to consumers online is unclear.
- Nestlé commits only to placing a health or nutrition claim on a product when it complies with the Codex standards unless national regulation takes precedence over these standards.

Undernutrition
- Nestlé’s policy on Micronutrient Fortification of Food and Beverage Products commits to labeling all products in all markets that have been fortified with micronutrients. The company has guidelines in place to ensure that fortified products only carry health and nutrition claims when consistent with Codex standards in the absence of a national regulatory framework. Nestlé is one of few companies taking this best practice approach.
- Nestlé should publicly disclose the proportion of its products carrying a health and/or nutrition claim in order to increase transparency.
Nestlé S.A.

Category analysis

**Nutrition general**
- Nestlé is a member of a number of industry associations that play an active role in the ongoing social debate about obesity and diet-related chronic diseases. However, the company does not have an explicit commitment in place to lobbying governments and engaging political parties, policymakers and policymaking bodies in support of addressing obesity and diet-related chronic diseases.
- Nestlé discloses its membership in industry associations and other organizations. Transparency and accountability could be strengthened through the disclosure of any financial support for these organizations, and any potential conflicts of interests and board seats on these organizations.
- Nestlé is one of the few companies using the AA1000 standards to structure stakeholder engagements, indicating a formal and consistent approach to dialogue on nutrition issues. Nestlé’s annual stakeholder meetings are organized and hosted by external experts.
- Stakeholder meetings include a focus on nutrition. The most recent centered around ‘Advancing Health and Nutrition at a Community Level’ and ‘Reducing the Incidence of Obesity and non-communicable diseases.’

**Undernutrition**
- Nestlé lacks formal commitments with regard to playing an active and constructive part in supporting the efforts of developing country governments to address undernutrition. The company’s limited role in this area was revealed by its inability to provide examples of supporting a developing country government in introducing policy or regulations to address undernutrition.

**Breast-milk substitutes (BMS)**
Nestlé was included in the ATNI BMS assessment, which comprised: i) assessing the company’s BMS marketing policy commitments, management systems and disclosure, and; ii) assessing its marketing practices in Vietnam and Indonesia over the summer of 2015. Nestlé scored 36% and was ranked first out of the six BMS companies assessed. The adjustment made to the Global Index score was -0.96. Key ways in which Nestlé could improve its compliance would be to:
- apply its policy consistently in all markets as recommended by The Code, rather than just in higher risk countries.
- strengthen its management systems where they are weak and make greater efforts to ensure they are applied consistently in all markets.
The full analysis and recommendations are available in the BMS chapter of the Global Index report and the company’s BMS Scorecard.

General disclaimer
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Note
Sustainalytics Research is responsible for the scoring and ranking of company performance for the Access to Nutrition Index. Sustainalytics Research contributed to the report and company scorecards for the Index, and engaged with food and beverage companies as part of the data collection and analysis process. The user of the report and the information in it assumes the entire risk of any use it may make or permit to be made of the information. NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS ARE MADE WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY,