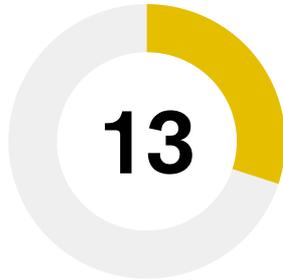


Coca-Cola ^{i 1}

Reported product categories

Carbonates, Dairy, Concentrates, Juice, Sports and Energy Drinks, Ready-to-drink Coffee and Tea



↓ Rank 13 / Score 3

Rank 12 (2016)



Product Profile

Rank 14 / Score 3.7

Headquarters
U.S.

Market capitalization
\$178,408 m

Reported revenue by geography ^{i 3}

North America 46%, Asia Pacific 12%, Corporate 12%, Europe 12%, Latin America 10%, Eurasia & Africa 6%

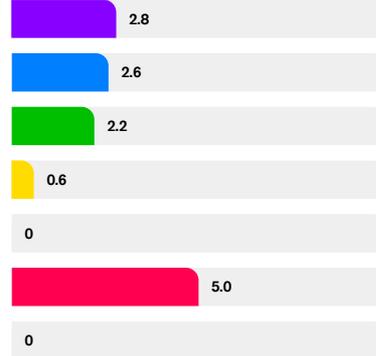
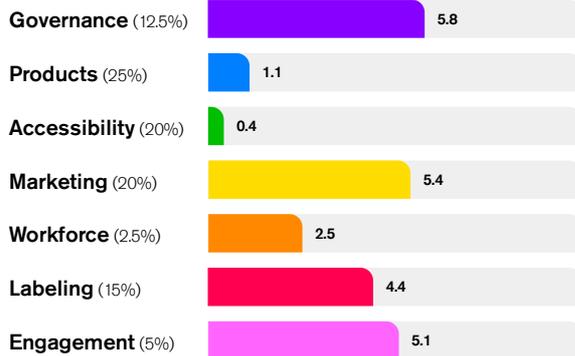
Number of employees
100,300

Total revenue ^{i 2}
\$41,863 m

Corporate Profile

Nutrition 13/3.1

Undernutrition 11/2.3



Main areas of strength

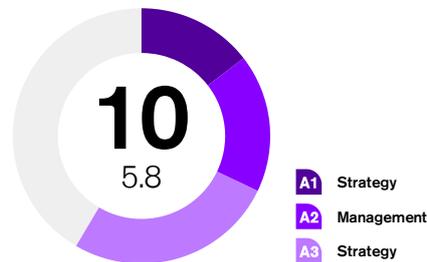
- The score of the Coca-Cola Company (Coca-Cola) has increased from 2.4 in 2016 to 3.0 out of 10 in 2018. Since 2016, the company has strengthened its performance in some categories, most notably in Category D responsible marketing to all consumers.
- As in 2016, Coca-Cola performs strongly on nutrition governance and strategy. The company commits to supporting the nutrition-related SDGs and recognizes that it has a role to play in addressing obesity. The company has adopted a new strategy, the 'Way Forward', which includes a stronger focus on sugar intake reduction than in the past. In addition, Coca-Cola is one of the few companies to publish separate reports in its major markets.
- The company has continued its efforts to develop new low- or no-calorie products. It reduced sugar in 200 products in 2016 and defined a target to reduce sugar in 500 products in 2017, out of a total product portfolio of 3,600 products.
- The company has strengthened its responsible marketing commitments by extending it to cover marketing to all consumers. As in the past, Coca-Cola shows strong performance by not marketing any products to children under 12.
- Coca-Cola has implemented a new employee health and well-being program that integrates aspects of healthy diets, physical activity and mental well-being. In addition, it has made a new commitment to assist breastfeeding mothers by providing parental leave arrangements and other facilities.
- Despite limited public disclosure, Coca-Cola has shared relevant evidence of a new commercial program to address undernutrition through specifically fortified products, a positive development since 2016. Its approach builds on earlier pilots and non-commercial programs, focusing on children over two. In addition, the company runs a philanthropic program to address undernutrition in school-age children in the Philippines.

Priority areas for improvement

- Coca-Cola ranks fourteenth in the Product Profile assessment with a score of 3.7 out of 10, based on an assessment of its major product categories in nine countries. The company was estimated to derive only 13% of its total sales from healthy products, i.e. those achieving a rating of 3.5 stars or more in the Health Star Rating (HSR) system. This indicates that Coca-Cola has significant scope to improve the healthiness of its portfolio through product reformulation, innovation and/or portfolio changes.
- The company's nutrition strategy lacks several nutrition objectives, e.g. regarding affordability/accessibility and consumer-oriented nutrition education programs, and limited information is disclosed. The company should address this and could further improve its nutrition governance, for example by linking CEO compensation to performance on these objectives.
- Coca-Cola has not defined a comprehensive set of product reformulation targets. Its commitments to reduce sugar in a number of products are short-term and lack relevant details. The company is encouraged to show leadership by defining ambitious, long-term and globally applicable targets.
- As in 2016, Coca-Cola has not implemented an NPS, nor has it defined nutritional criteria for healthy products. The company should do so to have a clear basis for its nutritional strategy, making its portfolio healthier.
- Coca-Cola should formalize and disclose commitments on the type of consumer-oriented nutrition education programs and healthy lifestyle programs it will support. It should step up its efforts in this area by supporting independently developed and implemented programs.
- Coca-Cola should disclose a commitment to follow Codex guidance for health and nutrition claims where weak or no regulation is in place. It should also track and disclose information about the number of products carrying such claims.
- Coca-Cola should define and disclose commitments on various aspects of addressing undernutrition, such as product development and specific marketing strategies, and it should disclose more information on its approach.

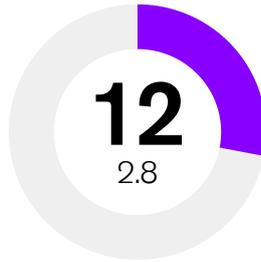
Category Analysis

Category A - Governance 12.5% - Nutrition



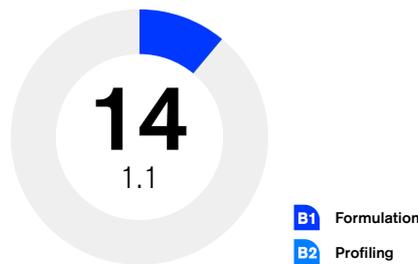
- Coca-Cola has adopted the 'Way Forward' plan as its long-term business strategy. The company links its growth ambition to encouraging and enabling consumers to control their intake of added sugar from beverages. This is a change compared to 2016, illustrating a strategic focus on nutrition and health. The company does not make an explicit commitment to deliver more healthy products. The company could show vision and leadership by doing so.
- Coca-Cola recognizes that it has a role to play in addressing obesity and commits to contribute to the SDGs, clarifying on its website how it contributes to SDG 2 and SDG 3.
- The company discloses extensive nutrition-related business risk assessments in its annual report, showing that nutrition considerations are integrated into its business strategy. However, the company has room to improve its transparency, e.g. by disclosing how nutrition considerations play a role in mergers and acquisitions, and how much of its sales are derived from healthy products.
- Senior executives on the Board oversee the nutrition strategy, which contains a limited set of objectives and is subject to annual management review. Coca-Cola could further improve by defining a comprehensive set of nutrition-related objectives that cover aspects such as affordability/accessibility, consumer education and lobbying. To implement industry-leading practice, the company should specifically link CEO compensation to performance on nutrition-related objectives.
- Similar to 2016, there is no evidence to indicate that Coca-Cola takes advice from external experts on its nutrition strategy in a systematic manner, although some input is solicited. The company should install a formal panel with a broad range of relevant expertise to gather regular advice on preventing and addressing obesity and diet-related chronic disease on a strategic level.
- The company regularly publishes its progress on implementing its nutrition strategy for its global operations in its annual report and other publications. The company is commended for providing separate annual sustainability reports for its major markets, which includes reporting on sugar reduction and supporting health from a local perspective. The reporting is done in part through Coca-Cola bottlers, as this approach is most relevant for its local stakeholders and reflects the integrated approach of Coca-Cola and its bottlers. The company could further improve its reporting by arranging external verification of the nutrition reporting.

Category A - Governance 12.5% - Undernutrition



- Coca-Cola does not make an explicit commitment to address undernutrition commercially, nor has it formalized its approach in a policy. However, the company provided evidence to ATNF of relevant, long-term programs and of having undertaken a strategic review to explore commercial opportunities.
- Coca-Cola has provided evidence to ATNF of working on a new commercial roll-out of a program focused on children over two in multiple higher-priority developing countries, based on pilots and non-commercial programs spanning more than a decade. The company could improve by focusing on women of childbearing age and children under two, and by disclosing information about this program and its strategy to address undernutrition publicly.
- Coca-Cola's philanthropic program focuses on school-age children in the Philippines and is disclosed on its website.
- Although evidence of interaction with relevant technical experts was provided, Coca-Cola has room to improve through setting up a formal panel of experts with a broad range of expertise. This will allow it to obtain structural and strategic advice on preventing and addressing undernutrition, as well as providing feedback on existing initiatives and programs.
- The company collaborates with the Global Alliance for Improved Nutrition (GAIN) to address undernutrition in low-income countries.

Category B - Products 25% - Nutrition



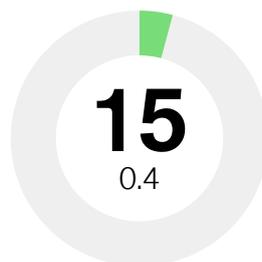
- Coca-Cola's score in this category is comparable to 2016. Its approach remains largely unchanged and the company has made incremental improvements.
- The company continues its efforts to reduce sugar in its products. Zero and low-calorie beverages now make up around 30% of its product portfolio and the company reports to have reduced sugar in 200 products in 2016. However, it should include more detail in its reporting, e.g. stating how much sugar was reduced in these products. Coca-Cola does not articulate long-term commitments or targets to increase spending on R&D to develop healthier products. The company could define long-term targets to improve the healthiness of its product portfolio.
- Coca-Cola does not report a definition of healthy products based on nutritional criteria. However, the company does now acknowledge the WHO recommendation to limit added sugars to 10% of daily energy intake and applies it as the basis for its product reformulation approach. For the ATNI methodology, low- or no-calorie products have been accepted in the company's assessment of healthy products.
- Coca-Cola reports to offer low- or no-calorie options across the majority of its brands. The company could improve by offering healthy product choices across all brands without exception.
- Reformulation targets were assessed for Coca-Cola's 'Carbonates' and 'Juice' major product categories. No evidence was found of globally applicable reformulation targets, but five-year local sugar reduction targets have been defined that apply to the 'Carbonates' category in the EU and India. The company currently does not report on its progress towards these targets. Furthermore, the company articulates an objective to reduce sugar in 500 products in 2017 without further specification, e.g. regarding the level reduction or the scope of products covered.
- Furthermore, the company states high-level goals of increasing protein and micronutrients as 'positive nutrients' in its products but no evidence was found of concrete 'positive nutrient' reformulation targets that are considered relevant to the ATNI methodology. The company should define a comprehensive set of product reformulation targets that cover all relevant nutrients for all products globally and report publicly on its progress.
- The company-reported percentage of healthy products, based on a definition of low- and no-calorie products, did not differ substantially from the Product Profile results with 29% of the product portfolio being considered healthy (based on an HSR of 3.5 or above). For transparency and as a basis for the company's nutrition strategy, the company should define healthy products based on nutritional criteria that is aligned with internationally accepted systems such as the HSR.
- Related to the previous point, Coca-Cola has not yet adopted an NPS to guide product reformulation and innovation. No healthy multiplier was applied, as was the case in the 2013 and 2016 Global Index. It is important that the company adopts an internationally recognized NPS, taking 'positive nutrients' and 'negative nutrients' into account and adapting it to the company context.

Category B - Products 25% - Undernutrition



- The company commits to tackle undernutrition and micronutrient deficiencies in developing countries through long-term initiatives to develop new fortified products, especially for undernourished children. It does not define specific targets to increase its R&D efforts. Coca-Cola does not commit to only fortify products of high underlying quality, or to base its approach on international guidance. The company should make public commitments related to these aspects.
- Coca-Cola provided evidence of having performed research to develop nutritional solutions to undernutrition. The company should disclose this information publicly.
- Products developed as part of Coca-Cola's commercial undernutrition strategy were not yet on the market at the time of assessment. Launching these products is necessary to positively and concretely impact the nutritional status of undernourished consumers and would increase the company's score.
- Coca-Cola provided evidence of developing products specifically formulated for undernourished groups as part of its philanthropic Nurisha program in the Philippines and discloses information about the program on its website.

Category C - Accessibility 20% - Nutrition



C1 Pricing
C2 Distribution

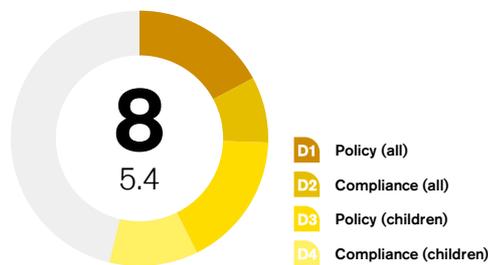
- Coca-Cola does not make any commitments to address the affordability or accessibility of its healthy products for low-income consumers, nor does it define objectives related to it. The only related information the company discloses is a target to offer low- or no-calorie options in every market with annual reporting on progress. However, this is not considered concrete enough to score as a relevant commitment or objective.
- It is recommended that Coca-Cola formalizes written commitments, measurable objectives and targets to improve the affordability and availability of its healthy products for all consumers worldwide. The company should explore the possibilities within its business model, as it works with bottlers and retailers. A clear definition of healthy products should be articulated in its approach.
- It should publicly disclose its commitments, objectives and targets on accessibility and affordability.
- It is recommended that Coca-Cola applies its approach to affordability and availability for low-income consumers to all markets in which it operates, including developed and emerging markets. It should also provide evidence of doing so.

Category C - Accessibility 20% - Undernutrition



- Coca-Cola provided evidence of a commitment to improve the affordability and accessibility of products specifically formulated for specific undernourished groups, as part of a commercial program that is under development. The company is encouraged to publicly disclose its commitments, to define and disclose concrete objectives and to report on its progress.
- Coca-Cola's Nurisha program delivers specifically fortified products to school-age children in the Philippines, which is a relevant non-commercial program to improve accessibility.

Category D - Marketing 20% - Nutrition



- Coca-Cola commits to follow the ICC framework explicitly in its global marketing policy. This is an improvement compared to the 2016 Global Index assessment as the ICC framework covers a wide range of commitments on responsible marketing to all consumers. The company is commended for this change, but should go beyond ICC commitments, e.g. by committing not to use models with a BMI of under 18.5. Furthermore, it could increase its transparency by describing in the policy what the commitment to follow the ICC framework means concretely within the company context.
- The company does not audit its compliance with the ICC framework regarding marketing to all consumers. However, the company audited the implementation of its marketing policy on the process level through a competent third-party. Although not relevant for scoring, Coca-Cola is commended for disclosing this information. However, the company should also implement a formal external audit of its marketing compliance to all consumers.
- Coca-Cola covers responsible marketing to children explicitly in its marketing policy. In addition, it pledges to global IFBA commitments, E.U. Pledge commitments and CFBAI commitments in the U.S. Coca-Cola is one of the few companies that commits to not marketing any products to children under 12. It applies a strong set of commitments, however it applies an audience threshold of <35%. It could improve further by lowering it to the leading practice level of <25%. In addition, no commitment was recognized to avoid using own fantasy or animation characters with a strong appeal to children, as characters already in use are excluded. This is a point it could improve on.
- The company is committed to avoid marketing activities in primary schools. Coca-Cola is encouraged to extend this commitment to places near primary schools, in or near secondary schools and to other places popular with children. In addition, industry-leading practice extends responsible marketing commitments beyond the age of 12.
- Compliance with the IFBA, CFBAI and E.U. pledge commitments are assessed on an annual basis by third-party auditors commissioned by those organizations. Coca-Cola could improve by commissioning independent third-party audits and formulating a commitment to corrective action in the case of non-compliance.

Category D - Marketing 20% - Undernutrition



- Coca-Cola did not provide evidence of a commitment to develop and deliver marketing strategies specifically intended to reach undernourished consumers. It did provide evidence to ATNF of having generated consumer and marketing insights to design effective marketing strategies in relation to its commercial program that is under development. The company could increase its score by disclosing its commitment publicly. In addition, it should further develop specific marketing strategies to reach undernourished consumers and to drive desired behavior change, for example by engaging behavioral specialists.

Category E - Workforce 2.5% - Nutrition



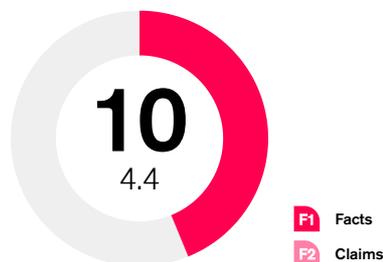
- Coca-Cola has implemented a new global employee health and well-being program that integrates aspects of healthy diets, physical activity and mental well-being, and disclosed information about it on its corporate website. It is available to all employees globally. The company can further improve by disclosing expected health and business outcomes, by tracking employee participation and by extending the program's availability to family members.
- Since 2016, the company has expressed a commitment to providing breastfeeding mothers with appropriate working conditions and facilities at work. However, Coca-Cola did not provide evidence of a formal policy and commitments refer only to the company's home market, the U.S. Coca-Cola should formalize its commitments in a formal policy, setting a minimum standard for paid maternity leave around the world and arranging comprehensive facilities to support breastfeeding mothers globally.
- No evidence was found of commitments to support integrated, comprehensive consumer-oriented healthy diet and active lifestyles programs and campaigns globally, which is a decrease in performance compared to 2016. Coca-Cola only provided some examples of running programs that educate about the benefits of a healthy diet and of being active, leaving room for improvement. It should commit to support programs that are aligned to national dietary guidelines, that exclude brand-level sponsorship and that are developed, implemented and evaluated by independent organizations with relevant expertise.

Category E - Workforce 2.5% - Undernutrition



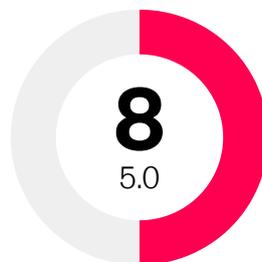
- Coca-Cola did not share evidence of commitments to supporting undernutrition-focused consumer education programs, or of funding relevant programs.
- Coca-Cola should commit to supporting well-designed programs educating undernourished consumers about the importance of breastfeeding, micronutrient fortification and healthy diets.
- Coca-Cola is encouraged to publish its commitments as well as the content and results of the consumer education programs it supports.

Category F - Labeling 15% - Nutrition



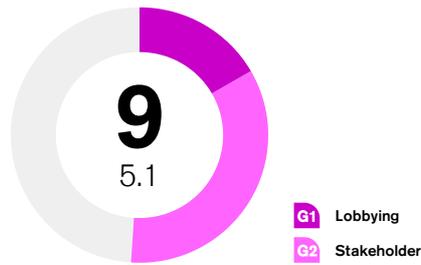
- As in 2016, Coca-Cola commits to disclose back-of-pack (BOP) and front-of-pack (FOP) nutritional information and to provide guidance for consumers expressed in daily amounts of key nutrients. The company discloses its labeling commitments on its corporate website, as well as through its membership of IFBA.
- Coca-Cola has nearly completed its roll-out of its BOP and FOP labeling commitments. It reported the progress on the implementation of its FOP labeling commitments as one of its 2020 goals, using externally verified data.
- Coca-Cola is part of an initiative to develop a new FOP labeling system in the EU but does not make a commitment to implement interpretative FOP labeling globally. The company should do so and, like all companies, it should ensure to not undermine existing local interpretative FOP labeling systems by implementing alternative or additional systems.
- As in 2016, Coca-Cola does not make a commitment to follow Codex guidance for health and nutrition claims where no or weak regulation is in place, nor does it not appear to track or publish data on the number of products carrying health and nutrition claims. It is recommended to publish an explicit commitment in relation to follow Codex guidance on the use of health and nutrition claims, and to track and disclose the number of products with such claims.

Category F - Labeling 15% - Undernutrition



- Coca-Cola discloses its commitment to labeling micronutrients for products that are targeted at consumers at risk of undernutrition, as part of its global commitment to label fortified products and to follow Codex guidance.
- A public commitment to use nutrition or health claims on fortified products only when they meet Codex standards in countries where the use of claims is not regulated or is weaker than those standards was not found.

Category G - Engagement 5% - Nutrition



- Coca-Cola does not make a commitment to only engage with governments and policymakers with the intention to support measures to prevent and address obesity and diet-related chronic diseases. It should make an explicit commitment not to lobby against public health-supporting initiatives. The company provides a brief narrative on its activities and discloses a relevant Code of Business Conduct.
- Coca-Cola provides transparency on its membership of organizations that lobby on its behalf, as well as on financial support of these. It could improve by disclosing any potential governance conflicts of interests and Board seats it holds on industry associations or advisory bodies that work on nutrition issues. It should also report on policy positions used in lobbying on key nutrition issues.
- Overall, evidence of the company's stakeholder engagement for the purpose of developing its nutrition policies and programs is limited. Coca-Cola discloses that stakeholder engagement has led to prioritizing topics, including addressing obesity. However, available evidence does not demonstrate that a comprehensive, well-structured approach is in place. The company should ensure that extensive engagement with international and local stakeholders is in place and disclose relevant information.

Category G - Engagement 5% - Undernutrition



- Coca-Cola does not articulate a clear commitment to supporting governments in their efforts to address undernutrition. It is encouraged to do so and should disclose information about its activities.
- Coca-Cola should also provide evidence of engagement with relevant organizations on undernutrition to inform its strategy and publicly disclose a narrative on this topic.

Product Profile



14

Rank 14 / Score 3.7

Average HSR score products (sales-weighted)	Percentage of healthy products (sales-weighted)	Percentage of healthy products suitable to market to children (sales-weighted)	Number of products included in HSR and WHO EURO assessments		Number of countries included in the assessment
			HSR	WHO EURO	
1.8 stars	13%	16%	1188	1219	9

- Coca-Cola's average sales-weighted HSR is 1.8 (2.4 unweighted), generating a Product Profile score of 3.7 out of 10, and it ranks fourteenth.
- The estimated percentage of products that meet the healthy threshold, weighted by sales, is 13% (29% unweighted). The proportion of products suitable to be marketed to children, based on WHO EURO nutritional criteria, was estimated to be 16% based on sales-weighted data (12% unweighted).
- Examined by category, the highest mean HSR was seen in the 'Processed Fruit and Vegetables' category (3.6), followed by 'Juice' (3.4) and 'Dairy' (3.3), with 'Carbonates' having the lowest mean HSR (1.5). Carbonates represented the largest selling category across the nine countries, while estimated sales for 'Dairy' and 'Processed Fruit and Vegetables' were relatively low.
- Of the nine countries included in Coca-Cola's analysis, the U.K. had the highest mean sales-weighted HSR (2.2) followed by China (2.1), while South Africa had the lowest (1.4). For seven of the nine countries the overall mean HSR fell after sales-weighting, indicating that the majority of product sales in those countries were derived from less healthy products. Similar results were found for the percentages of healthy products (having an HSR of 3.5 or more) in all countries except India.
- India had the highest proportion of products eligible for marketing to children (25%) followed by South Africa with 20%, while the U.K. and Australia had the lowest proportion (6% and 8% respectively). Under the WHO EURO criteria, no fruit juice products are eligible for marketing to children. The 'Bottled Water' category had the highest proportion of products eligible for marketing to children for Coca-Cola products.
- The Product Profile assessment shows that Coca-Cola generates a low proportion of sales from healthy products and overall only 29% percent of its portfolio is considered healthy. Although the company reports to focus on sugar reduction, it should step up its efforts to improve the healthiness of its portfolio through product reformulation and other means, guiding its efforts by implementing a clear definition of healthy products.

For full details, see the company's Product Profile scorecard.

Disclaimer

Global Index

2018

General Disclaimer

As a multi-stakeholder and collaborative project, the findings, interpretations, and conclusions expressed in the report may not necessarily reflect the views of all companies, members of the stakeholder groups or the organizations they represent or of the funders of the project. This report is intended to be for informational purposes only and is not intended as promotional material in any respect. This report is not intended to provide accounting, legal or tax advice or investment recommendations. Whilst based on information believed to be reliable, no guarantee can be given that it is accurate or complete.

Sustainalytics participated in the data collection and analysis process for the Global Index 2018, contributed to the company scorecards and supported writing the report.

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country specific regulations related to marketing of these products in Bangkok, Thailand and Lagos, Nigeria. Westat is responsible for the analysis of the data related to compliance with the BMS Marketing standards and for the preparation of its final study report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report and the scoring of company performance for the same Index.

The George Institute for Global Health (TGI) is responsible for the data collection for the Product Profile assessment, using data from available databases that was supplemented with data provided by companies to ATNF. TGI is also responsible for the analysis of the data related to the Product Profile and the TGI Product Profile final report, the results of which have been incorporated by ATNF into the 2018 Global Access to Nutrition report. Furthermore, TGI is responsible for the data collection and analysis related to the historic sodium reduction assessment in Australia, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

Innova Market Insights (Innova) is responsible for the data collection and analysis related to the historic sodium reduction assessment that was performed in four countries, the results of which have been incorporated into the Product Profile chapter of the 2018 Global Access to Nutrition report.

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Footnotes

1. Scorecard version 2, 31 October 2018.
2. Source: Morningstar, USD historic exchange rate
3. Source: Morningstar

