

Coca-Cola

Product categories assessed

Bottled Water -
Other|Carbonates|Juice|Energy
Drinks|Bottled Water - Pure|Sports Drinks

**Percentage of company US sales
covered by Product Profile assessment**
90-100%

Headquarters

Atlanta, Georgia, U.S.

Number of US employees

~10,800

Type of ownership

Public

Sales revenue (range) of packaged foods and beverages

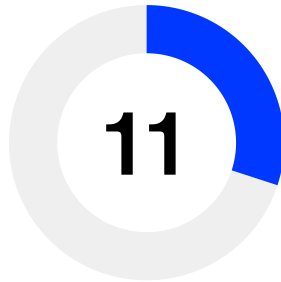
USD 23 – 28 Billion

US share in global packaged food and beverage sales

18-23%

Euromonitor International Limited [2021]

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Rank 11 / Score 3

Rank 7 (2018)



Product Profile ① ¹

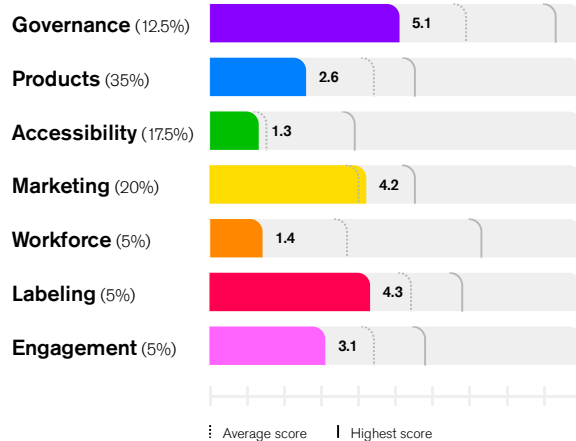
Rank 9 / HSR 2 ① ²

Rank 8 (2018) ① ³

Important:

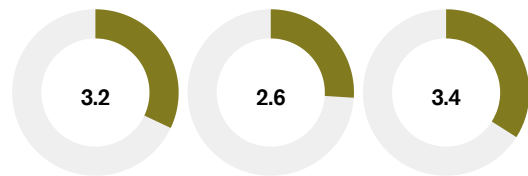
The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10

Commitment Performance Disclosure



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

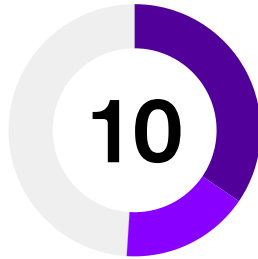
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 10 / Score 5.1

Rank 8 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

▪ Together with PepsiCo and KDP, Coca-Cola is part of the American Beverage Association's Balance Calories Initiative (BCI). The BCI has committed to decrease beverage calories in the American diet by 20% by 2025. Through this association, Coca-Cola makes an implicit commitment to improving the nutritional quality of its products. In addition, the company commits to addressing obesity through a number of approaches – including reducing sugar while providing more drinks with nutrition benefits, optimizing the mix of products, offering more small packaging choices, and providing consumers with clear nutrition information.

▪ Through its association with BCI, Coca-Cola also commits to addressing the needs of priority populations in the US. BCI tracks calorie reduction efforts in five US communities where health disparities have led to higher obesity rates compared to national average, and where reducing beverage calories is expected to be most challenging. The most recent evaluation concluded that beverage calories per person fell in all five selected communities.

▪ Progress against the company's Environmental, Social, and Governance (ESG) goals is overseen by the Board's ESG and Public Policy Committee, which meets periodically for a self-evaluation. In addition, progress on the BCI annual reporting is audited through a third party.

Areas of improvement

▪ The company is recommended to publish details of its nutrition efforts in the US more substantially in its global reporting. Currently, efforts to contribute to healthier diets in the US are mentioned sporadically and it is difficult to ascertain the commitments and progress specific to the US. While BCI reporting provides more details, it would be ideal if these details are also incorporated in Coca-Cola's own report.

▪ While the company's association with BCI illustrates a commitment to address the needs of priority populations, details of this work are only mentioned briefly in the company's own report. Coca-Cola is encouraged to report on the progress of the work conducted with BCI.

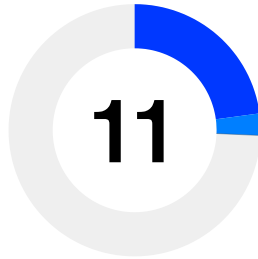
▪ Coca-Cola is advised to link executive compensation to performance on nutrition objectives and disclose this arrangement publicly.

▪ The company's ESG Committee of the Board receives periodic updates on priority ESG issues, including information on actions and progress toward goals. Annually, the Committee conducts a self-evaluation, which it presents to the full Board. However, it is unclear if this also applies to the company's nutrition strategy, as Coca-Cola's sustainability goals are not explicitly linked to nutrition targets. The company is encouraged to clearly develop nutrition targets and report on progress periodically.



Products

35% of overall score



Rank 11 / Score 2.6

Rank 8 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- Coca-Cola reports annually on volumes sold of low- or no-calorie sparkling soft drink beverages (at 28% in 2021, according to the company's 2021 Business & ESG Report). However, there is no US-specific disclosure, nor a time-bound target to grow this proportion.
- Together with PepsiCo and KDP, Coca-Cola is part of the BCI. The BCI has committed to decrease beverage calories in the American diet by 20% by 2025. A BCI report released in early 2022 found that average calories per 8oz. serving have declined between 10-15.5% since 2014 in five selected communities.

Areas of improvement

- With a diverse beverage portfolio, including more options in the dairy and ready-to-drink coffee categories, Coca-Cola is strongly encouraged to adopt a nutrient profiling system (NPM). Coca-Cola is the only company in the Index that has not yet adopted an NPM or other external criteria to guide its product (re)formulation efforts.
- The company is still encouraged to define products' formulation or reformulation targets for 'positive ingredients/nutrients' – e.g., fruits, vegetables, nuts, and legumes – particularly as it continues to grow its portfolio covering different beverage categories, like juices and dairy.
- While reporting on progress with the BCI is an important development, Coca-Cola is encouraged to establish its own US- and company-specific sugar or calorie reduction targets and to disclose progress annually.
- Coca-Cola is encouraged to publicly commit to sell products through retail and other outlets that have the same 'look and feel' as products sold under the Smart Snacks in School regulation, if they meet the same nutritional standards.



Accessibility

17.5% of overall score



Rank 6 / Score 1.3

Rank 7 (2018)

Highest score 3.9

Average score 1.5

- C1** Product pricing
- C2** Product distribution

- As part of its participation in BCI, Coca-Cola has developed a clear commitment to improve the distribution and promotion of its zero-/reduced-calorie beverages, specifically in five low-income areas with above-average rates of obesity in the US. Its strategy involves working with retailers and quick service restaurants to stock and display these beverages. This is a clear improvement since 2018.
- Coca-Cola makes in-kind donations of its products in the US, primarily for disaster relief efforts. However, the company does not have a policy in place to limit the donation of unhealthy products and prioritize donations of healthy products, nor does it track its product donations.

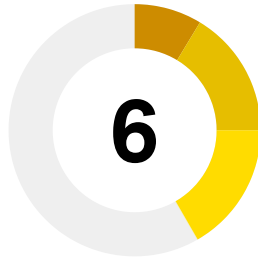
Areas of improvement

- Coca-Cola is recommended to develop an affordability strategy for its healthy (or low-/reduced-calorie) products, to complement its accessibility efforts and further encourage a shift toward consumption of healthier options. The company could start by tracking the relative prices (per serving) and developing targets to improve the price differential between its healthy (or low-/reduced-calorie) products, with a baseline and target year. It is also advised to carry out analysis to ensure pricing is affordable for those on low incomes, and to work with retail partners to ensure the price is reflected at point-of-sale.
- Coca-Cola is encouraged to publish a commentary on how it has improved the affordability and accessibility of its healthy (or low-/reduced-calorie) products.
- Coca-Cola is encouraged to develop a policy to ensure its product donations are made responsibly, consisting predominantly of nutritious products, so that they do not unintentionally exacerbate public health issues. For example, it could commit to responsible donation guidelines such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs, including disaster relief.



Marketing

20% of overall score



Rank 6 / Score 4.2

Rank 4 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- Coca-Cola updated its Global Responsible Marketing policy in early 2022. The marketing policy for all audiences, including the specific policy for children, includes information on the forms of marketing it entails and gives an extensive list of commitments regarding a fair representation of their products.
- Coca-Cola commits not to market their product to children at all (under age 13), based on an International Food and Beverage Associated (IFBA) pledge, and to not market or advertise in primary schools and other places where children gather.

Areas of improvement

- Coca-Cola undergoes Children's Food and Beverage Advertising Initiative auditing and is encouraged to make the marketing compliance levels public. No information on auditing the compliance of marketing for the general audience was found. It is therefore recommended to ensure annual independent external auditing of the company's compliance with its general marketing policy, applicable to the US, and covering all media specified in the policy. Coca-Cola could also ensure corrective measures are taken regarding any non-compliance with its marketing policy.
- Although Coca-Cola made a commitment to increase spending of marketing on healthier products, it is recommended the company publishes a commentary outlining the changes to its marketing spend in support of healthier products, relative to their overall marketing budget.
- Where Coca-Cola's policy for children indicates no marketing or advertising in primary schools, no such commitment is made for secondary schools. The company is recommended to extend its policy of no marketing to children to secondary schools.
- Coca-Cola is advised to commit to or demonstrate that its non-commercial US programs relating to nutrition education exclude product- or brand-level branding in all programs.



Workforce

5% of overall score



Rank 10 / Score 1.4

Rank 6 (2018)

Highest score 7.3

Average score 3.7

E1 Employee health

E2 Breastfeeding support

- Coca-Cola partners with Virgin Pulse, a wellbeing and health platform, although it is vague what is offered to employees and family members through this and whether workforce nutrition is a key element.
- Coca-Cola's paid parental leave policy provides a formal commitment to grant eight weeks' paid parental leave to eligible employees.
- Coca-Cola supports mothers at work by providing rooms in all US facilities for them to express breastmilk – and these rooms include refrigerators in which breastmilk can be stored.

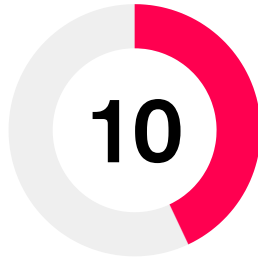
Areas of improvement

- Coca-Cola should make a public commitment to support employee health and nutrition in the US through a workforce nutrition program, which includes expected outcomes (such as healthy behavior, health-related, or employee absenteeism outcomes).
- For its workforce nutrition program, Coca-Cola should consider:
 - 1) A commitment to making the program available to all employees and all family members;
 - 2) Including healthy food at work, nutrition education, and nutrition-focused health checks;
 - 3) Disclosing the percentage of employees that participate in the program.
- Coca-Cola is encouraged to evaluate the health impact of their workforce nutrition program(s) in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.
- Coca-Cola could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US and abroad), through programs focused on nutrition.
- Coca-Cola is encouraged to extend its current paid parental leave policies to ideally six months or more. Furthermore Coca-Cola is advised to publish its paid parental leave policy.
- Coca-Cola should adopt a policy to support breastfeeding mothers, including offering flexible working arrangements and daily intermittent breaks to express breastmilk.



Labeling

5% of overall score



Rank 10 / Score 4.3

Rank 4 (2018)

Highest score 6.8

Average score 5.4

F1 Product labeling

- Coca-Cola displays numerical front-of-pack (FOP) information for calories on all packaging. This includes displaying the total calories per container on beverages 20 ounces or smaller (for containers larger than 20 ounces, calories are labeled per 12 ounces in most cases), as part of the Clear on Calories Initiative.

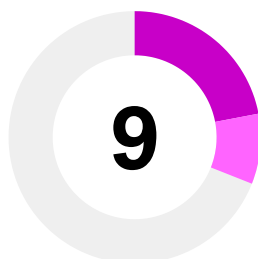
Areas of improvement

- Coca-Cola is advised to adopt an interpretive element to its FOP labeling system and apply this to all products in its portfolio, providing information on multiple nutrients. Information on the type of FOP labeling used by the company could be disclosed publicly.
- Coca-Cola is encouraged to further track the percentage of its portfolio that is compliant with this approach to FOP labelling and publicly report on this.
- Coca-Cola is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US
- Coca-Cola is encouraged to commit to providing fruit and vegetable content information on all relevant products.
- Coca-Cola provides information for most US products via SmartLabel, but it is recommended that the company ensures 100% of its portfolio displays online nutrition information to ensure that, with growing online retail sales, consumers can easily access nutritional information.
- Coca-Cola is encouraged to use a healthy filter aligned with FOP information or at least three nutrient-based filters on direct-to-consumer channels. These filters could be 'low in in sugar' or 'low in calories'.



Engagement

5% of overall score



Rank 9 / Score 3.1

Rank 8 (2018)

Highest score 5.8

Average score 4.4

G1 Influencing policymakers

G2 Stakeholder engagement

- The 'ESG and Public Policy Committee' of Coca-Cola's Board of Directors reviews the company's Political Engagement Policy and lobbying activities several times a year. The company also regularly reviews its participation in trade associations, indicating that, where instances of misalignment in lobbying positions are found, it chooses to work within the trade associations to find a balanced position.
- Coca-Cola shared no evidence of lobbying in support of government policies to address malnutrition (including obesity and diet-related non-communicable diseases (NCDs)) in the US, at federal, state, or local levels.
- Coca-Cola only discloses trade association memberships to which it contributes \$25,000 or more in membership dues. For these, it also discloses the precise portion of dues that are used for lobbying purposes.
- For each election cycle, the company discloses on its website all political contributions made directly by the company to state and local candidates, as well as all contributions from its federal PAC (Coca-Cola PAC), Georgia PAC, and Massachusetts PAC, to political candidates and groups at federal, state, and local levels.
- Coca-Cola discloses its quarterly Lobbying Disclosure Reports directly on its website, which include the names of lobbyists employed and the amounts spent lobbying at federal level.
- Coca-Cola indicates 'Key Advocacy Areas' in the US, in which it states that it "continue[s] to oppose taxes that single out beverages. We believe there are more effective ways to address obesity and address the budget needs of governments across the country." Aside from this, no other nutrition-related policy positions are clearly disclosed.
- While Coca-Cola reports that it engages with a range of stakeholders in the US, it does not provide specific examples related to nutrition. The company is a sponsor of the NASEM/IOM Food Forum, which convenes stakeholders from academia, government, industry, non-profits, professional societies, and consumer groups on an ongoing basis, to discuss and share approaches to address issues related to food, including health and nutrition.

Areas of improvement

- Coca-Cola is strongly encouraged to commit to not lobby against key World Health Organization-endorsed public policy measures to address obesity and diet-related NCDs, such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labelling requirements, whether at federal, state, or local levels, where such proposals arise.
- Coca-Cola also has scope to significantly improve its disclosure regarding its lobbying positions on these key public health policies. These positions should be as specific and unambiguous as possible. Publishing links to specific documents used in government engagements is also encouraged.
- While Coca-Cola states that it is "in strict compliance with" its Code of Business Conduct and US Political Engagement Policy, it could clarify further whether it audits this compliance.
- Coca-Cola is encouraged to disclose a more comprehensive list of trade association memberships, reducing the threshold for disclosure to \$10,000 in membership dues, for example. Moreover, it could indicate which Board it holds seats on, if any.
- Coca-Cola is strongly encouraged to ensure that it directly engages with a wide range of nutrition-specific stakeholders regarding its nutrition strategies and activities in the US, such as civil society organizations, academic institutions, and scientific bodies with recognized expertise in nutrition and public health. This engagement should seek to inform these stakeholders about the companies' existing activities and future plans, and aim to solicit feedback and gather insights to ensure these are sufficiently aligned with the public health interest.
- Coca-Cola should be transparent about the identities of experts and stakeholders it consults and organizations it engages with on nutrition-related topics, as well as the degree of financial compensation for these engagements. It should also be clear about the outcomes of the engagements, and how they were used to change its nutrition-related practices or plans.

Product Profile^{i 4}



9

Rank 9/11 / Score 2/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

Average HSR (out of 5 stars) (sales-weighted)	Products meeting the 'healthy' threshold (HSR of (3.5 stars or more)			Range of total 2021 US sales covered ^{i 5}
	Total no. products assessed	% of distinct healthier products	% sales from healthier products*	
2	396	30%	34%	90-100%

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

- Coca-Cola's average sales-weighted HSR is 2.0 (stars) out of 5 (2.1 unweighted), ranking ninth out of the 11 companies assessed in the Product Profile. A total of 396 beverage products across the company's five best-selling product categories were assessed using the HSR system.
- 30% of distinct products analyzed for Coca-Cola met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 34% of its 2021 U.S. retail sales from healthier products. These results are largely linked to sales of low or zero sugar Carbonates and Bottled Water – Plain beverages. The latter receiving an automatic maximum HSR of 5.0.

Mean Health Star Rating by category for Coca-Cola

	No. of products assessed	Mean HSR
Bottled Water - Other	55	3.6
Bottled Water - Pure	9	5
Carbonates	139	1.4
Juice	138	1.9
Sports Drinks	55	2.2

▪ Among categories assessed, Coca-Cola's products in the Bottled Water – Plain category (Dasani brand) had the highest mean HSR (5.0) followed by the Bottled Water – Other category (includes functional and flavoured bottled water). Regarding the company's largest category 'Carbonates', 139 products were analyzed and 39 of them (or 28%) met the 'healthy' threshold. These results show the company has significant scope to continue its sugar reformulation efforts among its best selling beverages in the US.

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Footnotes

1. The Product Profile corresponds to criterion B1, assessing the nutritional quality of companies' portfolios, relative product quality within categories compared to peers and changes in portfolio healthiness over time.
2. The current Product Profile score accounts for 20% of the total Index score. It corresponds to criterion B1 of the Index.
3. In the US Index 2018, the Product Profile Assessment was conducted as a separate assessment. The results were based on scores generated by applying the Health Star Rating (HSR) nutrient profiling system, which analyzes the level of several positive nutrients (e.g. fruits, vegetables and fibers) and several negative nutrients (e.g. salt, sugar and saturated fat) in products.
4. The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.
5. Retail sales data derived from Euromonitor International.

