

# Kraft Heinz

Product categories assessed  
Dairy|Juice|Ready Meals|Processed  
Meat, Seafood and Alternatives to  
Meat|Sauces, Dressings and  
Condiments

Percentage of company US sales  
covered by Product Profile assessment  
80-90%

Headquarters  
Chicago, Illinois, U.S.

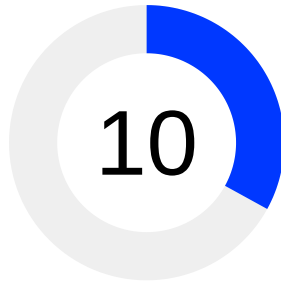
Number of US employees  
~19,000

Type of ownership  
Public

Sales revenue (range) of packaged  
foods and beverages  
USD 18– 23 Billion

US share in global packaged food and  
beverage sales  
60-65%

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Rank 10 / Score 3.3  
Rank 9 (2018)



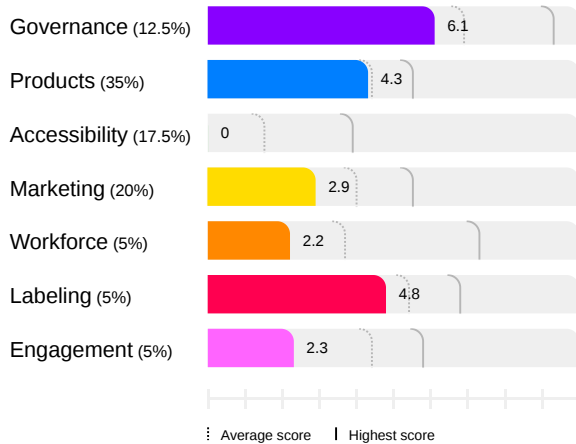
Product Profile 1<sup>1</sup>

Rank 5 / HSR 2.3 1<sup>2</sup>  
Rank 2 (2018) 1<sup>3</sup>

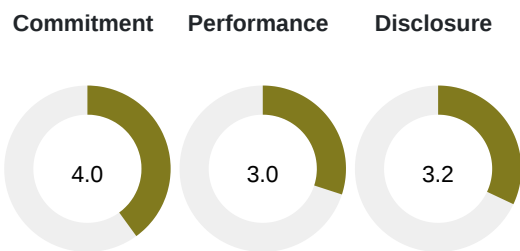
**Important:**

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



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 7 / Score 6.1

Rank 10 (2018)

Highest score 9.3

Average score 6.9

**A1** Nutrition strategy

**A2** Nutrition management

- Kraft Heinz's ESG strategy is centered across three pillars: environmental stewardship, responsible sourcing and healthy living & community support. Within each pillar, the company sets multiple time-bound targets across metrics it considers most important, according to its materiality matrix.
- The company commits to improving product health and nutrition by achieving 85% compliance according to its own 'Global Nutrition Targets' by 2025, as well as to reducing sugar, sodium, saturated fat, and calories.
- The company adopts multiple approaches to support this commitment, including ongoing improvements to the nutrition of its product portfolio, transparent and responsible marketing and communications, and alignment with credible science and public health goals. The company commits to contribute to key priorities and target achievements outlined by the World Health Organization's (WHO) Global Action Plan for the Prevention and Control of Non-communicable Diseases (NCDs).
- The company has an Environmental, Social, and Governance (ESG) team in place that is responsible for the ESG strategy. The team is accountable to the company's Board of Directors, Operations, and Strategy Committee. The Board of Directors helps establish and oversee the company's global ESG objectives and framework, including matters related to nutrition. Members of the committee review all significant ESG policies, processes, and commitments, and receive regular updates from the ESG team on progress against key performance indicators and other relevant developments.

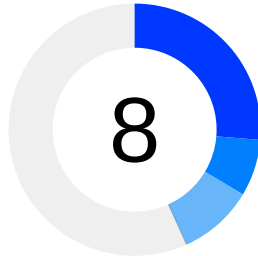
### Areas of improvement

- While Kraft Heinz has a target to deliver 1.5 billion meals to people in need by 2025, and the company is involved in several non-commercial activities in this regard, it is encouraged to commit to increasing access to healthy foods for priority populations as part of its main commercial activities.
- The company is recommended to link executive remuneration to nutrition objectives and disclose these arrangements publicly.



# PRODUCTS

## 35% OF OVERALL SCORE



Rank 8 / Score 4.3

Rank 9 (2018)

Highest score 5.5

Average score 4.4

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

• Kraft Heinz released its 'Global Nutrition Guidelines' in 2020, establishing standardized upper limits per serving of product for calories, saturated fat, sodium, and sugar. The company aims to achieve 85% compliance (sales weighted volume) of its global portfolio with these limits by 2025. The company is encouraged to report progress against this target for its US portfolio on an annual basis.

#### Areas of improvement

- The company's nutrient profiling model (NPM) – 'Global Nutrition Guidelines' – only takes into account negative nutrients. To improve performance, the company is encouraged to revise these guidelines to incorporate positive nutrients and ingredients and develop a ranking system, allowing for better tracking improvements at portfolio and category levels. Importantly, the company is encouraged to show how criterion align with external benchmarks.
- With the US being the largest market for Kraft Heinz, the company is encouraged to set time-bound and US-specific product (re)formulation targets, including a focus on increasing the proportion of positive nutrients and/or ingredients in its products like wholegrains, fruits and vegetables, and micronutrients of public health relevance.
- The company has committed to reducing total sugar in its products by more than 60 million lbs across its global portfolio, but US-specific reporting was not available. In addition, this target is not externally verifiable. The company should also consider expanding its sodium target to cover all relevant categories and show alignment with the recently released United States Food and Drug Administration (FDA) voluntary sodium reduction guidelines. Apart from aiming to comply with its Global Nutrition Guidelines, Kraft Heinz is currently committed to reducing sodium in only two categories – BBQ Sauce and Kraft Salad Dressings – in North America by an additional 5% by 2025.
- Kraft Heinz is recommended to provide more information about the products it sells in schools (Smart Snacks in School program). It 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, but only when they meet the same nutritional standards.



# ACCESSIBILITY

## 17.5% OF OVERALL SCORE



Rank 11 / Score 0

Rank 7 (2018)

Highest score 3.9

Average score 1.5

**C1** Product pricing

**C2** Product distribution

- Kraft Heinz makes philanthropic product donations from its manufacturing operations to hunger relief organizations in the US: In 2020, it donated 20 million pounds of product to Feeding America. It also provides food directly to food-insecure families. However, it does not have a policy for responsible food donations, nor commits to donate predominantly healthier products (according to either an internal or internationally-recognized 'healthy' criteria).

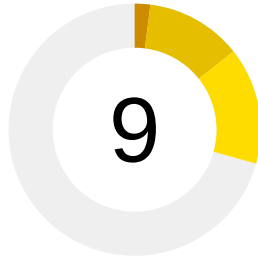
### Areas of improvement

- Kraft Heinz has neither a commitment nor a commercial strategy to improve the affordability of its healthy products, nor to ensure that these are affordable or accessible to low-income consumers in the US. It is recommended to commit to addressing the affordability of its healthy products and develop a strategy to make this a reality, to encourage a shift in consumption toward healthier options. The company could start by tracking the relative prices (per serving) of its healthy products against its general portfolio, and developing targets to improve the price differential between them. Conducting analysis into how products can be priced appropriately for low-income consumers specifically is also encouraged. Kraft Heinz is recommended to work with retailers and distributors to ensure that its healthy products are offered at an affordable point-of-sale price in low-income neighborhoods.
- Kraft Heinz has neither a commitment nor a commercial strategy to improve the accessibility of its healthy products, or to ensure that these are distributed and accessible in low-income and/or food-insecure communities in the US. It is encouraged to commit to and develop a commercial strategy to address the accessibility and distribution of its healthy and affordable products. The company could also consider setting targets to drive accountability on this topic. Kraft Heinz is recommended to work with retailers and distributors to ensure that its healthy products are distributed in food-insecure neighborhoods.
- The company makes sizeable product donations to hunger relief organizations in the US. Thus, it is encouraged to adopt a policy for responsible food donations which prioritizes nutritious healthy products and limits the donations of unhealthy products, in order to prevent its philanthropic efforts from inadvertently contributing to obesity and other diet-related NCDs. 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.



# MARKETING

## 20% OF OVERALL SCORE



Rank 9 / Score 2.9

Rank 9 (2018)

Highest score 5.5

Average score 4

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

- Kraft Heinz's marketing 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. It also commits to not advertise in schools, both at primary and secondary level.

### Areas of improvement

- Kraft Heinz undergoes auditing by the Children's Food and Beverage Advertising Initiative (CFBAI), an industry-led third-party, which publishes aggregated results of its members. The company is encouraged to make its individual compliance results publicly available on its own domain. Kraft Heinz could also ensure corrective measures are taken regarding any non-compliance with its marketing policy.
- Kraft Heinz is encouraged to adopt a more comprehensive responsible marketing policy for all audiences, for example, by pledging to the International Chamber of Commerce (ICC) Advertising and Marketing Communications Code.
- Kraft Heinz is encouraged to commit to increasing the proportion of marketing spending on healthy products relative to overall marketing spending and publish a commentary outlining the changes to the company's marketing spending in support of healthier eating.



# WORKFORCE 5% OF OVERALL SCORE



Rank 8 / Score 2.2

Rank 10 (2018)

Highest score 7.3

Average score 3.7

**E1** Employee health

**E2** Breastfeeding support

- The Kraft Heinz Live Well program includes a focus on nutrition, involving nutrition-focused health-checks, and is available to some employees.
- Kraft Heinz supports breastfeeding mothers by providing private, hygienic, safe rooms to express breastmilk, which include refrigerators to store breastmilk.

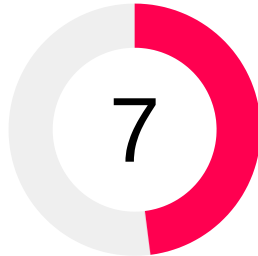
#### Areas of improvement

- Kraft Heinz should ensure its workforce nutrition programs include expected outcomes (such as healthy behavior, health-related or employee absenteeism outcomes).
- For its workforce nutrition program, Kraft Heinz should consider:
  - 1) A commitment to making the program available to all employees and all family members;
  - 2) Including healthy food at work and nutrition education;
  - 3) Disclosing the percentage of employees that participate in the program.
- Kraft Heinz is encouraged to evaluate the health impact of its workforce nutrition program 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.
- Kraft Heinz 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.
- Kraft Heinz is encouraged to publish its paid parental leave policy and extend its current paid parental leave to ideally six months or more.
- Kraft Heinz could extend arrangements to support breastfeeding mothers by offering flexible working arrangements, along with daily intermittent breaks to express milk.



## LABELING

### 5% OF OVERALL SCORE



Rank 7 / Score 4.8

Rank 9 (2018)

Highest score 6.8

Average score 5.4

**F1** Product labeling

- Kraft Heinz displays online nutrition information for more than 80% of its products through SmartLabel.
- Kraft Heinz uses the Facts up Front (FuF) labeling icons to display FOP information, including the calories, saturated fat, sodium and total sugar contained in each serving of a food or beverage product.

#### Areas of improvement

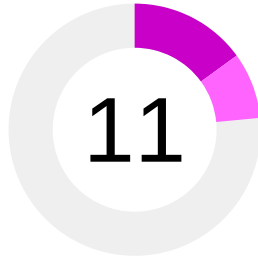
- Kraft Heinz is advised to adopt an interpretive FOP labeling system and apply this to all products in its portfolio. Information on the type of FOP labeling used by the company should be disclosed publicly.
- Kraft Heinz is encouraged to further track the percentage of its portfolio that is compliant with its approach to FOP labelling and publicly report on this.
- Kraft Heinz is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US. Kraft Heinz currently uses the FuF labeling system, which pulls nutrient information from the Nutrition Facts Panel. However, this does not tell consumers what products the company considers healthier and the criteria used for that purpose.
- To ensure transparency and assist consumers in making informed decisions on the healthiness of products, if making claims about content of wholegrains or fruit and vegetables, Kraft Heinz should provide the following information on product labels:
  - 1) The percentage of wholegrain relative to all grain or refined grains;
  - 2) The amount of fruit and vegetables in the product.
- It is recommended that Kraft Heinz ensures 100% of its portfolio displays online nutrition information to ensure that, with growing online retail sales, consumers can easily access nutritional information.





# ENGAGEMENT

## 5% OF OVERALL SCORE



Rank 11 / Score 2.3

Rank 9 (2018)

Highest score 5.8

Average score 4.4

- G1 Influencing policymakers
- G2 Stakeholder engagement

- The Kraft Heinz Board of Directors receives an annual update on political and lobbying activities and discusses with management their strategies and recommendations. The company's outside counsel conducts internal audits of all lobbying practices and reporting.
- Kraft Heinz shared no evidence of lobbying in support of government policies to address malnutrition (including obesity and diet-related NCDs) in the US, at federal, state, or local level, and the company does not publish its position on these policies.
- Kraft Heinz only discloses trade associations to which it pays over \$50,000 in membership dues. For each that it discloses, it publishes the dues used for lobbying.
- Kraft Heinz publishes a detailed breakdown of the political contributions made by the Kraft Heinz PAC, but does not disclose its corporate contributions to political committees, state candidates, and state political parties.
- Kraft Heinz reports that it engages with the Portion Balance Coalition, which convenes different stakeholders, including the USDA and several reputable civil society organizations and academic institutions, to address obesity.
- Kraft Heinz reports that it does not support commercial nutrition education programs in the US.

#### Areas of improvement

- Kraft Heinz is recommended to enhance and publish its processes relating to the review and management of relationships with trade associations.
- Kraft Heinz is encouraged to actively support (or commit to not lobby against) key WHO-endorsed public policy measures which 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 labeling requirements, whether at federal, state, or local level. It could also 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 it publishes a link to its Lobbying Disclosure Act reports on its website, Kraft Heinz should also be more transparent in its own domain about its lobbying expenditures and activities, including publishing the names of its lobbyists/lobbying firms, and what state jurisdictions it is actively lobbying in.
- Kraft Heinz 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 on which Board it holds seats on, if any.
- Kraft Heinz should ensure it engages with a wide range of nutrition-specific stakeholders in one-to-one discussions regarding its nutrition strategies and activities in the US. 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.
- Kraft Heinz is recommended to be transparent about the identities of experts it consults and organizations it engages with, as well as indicating the degree of financial compensation for these engagements.
- Kraft Heinz is encouraged to improve its public reporting of the content of discussions during stakeholder engagements, and which aspects of the company's nutrition-related activities are being discussed. Importantly, the company should also be clear about the outcomes of the engagements, and how they were used to change its practices or plans.

# PRODUCT PROFILE <sup>i 4</sup>



5

Rank 5/11 / Score 2.3/5

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 <sup>i 5</sup>
	Total no. products assessed	% of distinct healthier products	% sales from healthier products*	
2.3	1363	30%	30%	80-90%

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.

- Kraft Heinz's average sales-weighted HSR is 2.3 (stars) out of 5 (2.3 unweighted), ranking fifth out of the 11 companies assessed in the Product Profile. A total of 1363 products across the company's five best-selling product categories were assessed using the HSR system.
- 30% of distinct products analyzed for Kraft Heinz 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 30% of its 2021 US retail sales from healthier products. Most of the company's healthier sales are derived from the following categories: Dairy, Ready Meals and Processed Meat, Seafood, and Alternatives to Meat.

# Mean Health Star Rating by category for Kraft Heinz

	No. of products assessed	Mean HSR
Dairy	98	2.2
Juice	43	1.6
Processed Meat, Seafood and Alternatives to Meat	162	2.4
Ready Meals	569	2.7
Sauces, Dressings and Condiments	491	2

- Among categories assessed Kraft Heinz's products in the Ready Meals category (including Oscar Mayer, Kraft, and Ore-ida brands) had the highest mean HSR (2.7 out of 5.). A total of 569 products from the Ready Meals category were analyzed, and 244 (or 43%) met the 'healthy' threshold.

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## US INDEX 2022

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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.

