Category C: Products
20% of overall score

Category C consists of two criteria:
C1 F&B product pricing
C2 F&B product distribution

To perform well in this category, companies should:

- Have formalized written commitments, measurable objectives and targets to improve the affordability and availability of their healthy products for all consumers in all countries worldwide. For example, they should define targets on price points for healthy products and set goals on how many low-income consumers should be reached.
- Publicly disclose their commitments, objectives and targets on accessibility and affordability.
- Apply their approach to affordability and availability for low-income consumers to all the markets in which they operate, including developed and emerging markets, and provide evidence of relevant examples.

Category C Nutrition ranking, based on equally-weighted Criteria C1 and C2 scores

C1 Pricing
C2 Distribution

* Did not provide information to ATNI

What are the main changes in Category C compared to 2016?

- The average score increased to 3.4 from 2.8 in 2016 (as shown in Figure 2), and Nestlé currently leads the ranking with a score of 8.0 points.
- Campbell's showed the largest improvement by increasing its score by three points, mainly related to more reporting on nutritional criteria, which are therefore now recognized as a precursor to a NPS in Criterion B2.
- Reformulation targets were assessed in more detail than in 2016. Although the basis for scoring remained the same, this limits the comparability of Criterion B1 scores to some extent.
- There is a modest increase in the number of companies that commit to invest in R&D, that show evidence of offering more healthy products and that disclose relevant information publicly. In addition, two companies have implemented new NPSs, and several have implemented stricter criteria and product formulation and/or reformulation (henceforth '(re)formulation') targets

C1 and C2 Product pricing and distribution

Do more companies have clear commitments related to improving the affordability and accessibility of their healthy products for all consumers worldwide?

Compared to 2016, more companies in 2018 have articulated commitments to improve the affordability and availability of their healthy products. While in the 2016 Index, 14 companies did not have any commitments on pricing, and 18 had no commitments on improving the availability of healthy products, by 2018, only ten companies had no commitments at all. Further, of the 12 companies that have some kind of commitment in place in 2018, the vast majority (11) have made a global commitment.

Grupo Bimbo leads the nutrition ranking on Category C with a score of 7 out of 10, a significant improvement on its 2016 score of 1.8. The company has developed a global policy covering all relevant product categories and defined price point and distribution targets, which provide strategic guidance for its activities in this area. Kellogg and PepsiCo each improved their scores by more than 4 points mainly due to strengthened global commitments and providing more evidence of activity in these areas. In addition, Danone and Nestlé scored 6.6 and 5.9 out of 10, respectively, and appear to have a strong strategic focus on the accessibility and affordability of healthy products.

Do more companies make commitments to address affordability and accessibility with particular reference to low-income populations?

The number of companies that have made specific commitments with reference to low-income populations has increased since 2016. In 2016, only three companies made commitments that referenced low-income populations in terms of pricing (and one on availability), now five companies – Arla, Danone, Grupo Bimbo, Nestlé and PepsiCo – show leading practice commitments in both areas.

As the results of the previous two Indexes show, commitments often take the form of company-wide mission statements or publicly available goals. Very few companies embed their commitments within an affordability and/or accessibility policy. Ajinomoto, Grupo Bimbo and Nestlé have such global policies. Consequently, the strength of companies' commitments is reflected in their performance scores.

All low-scoring companies are encouraged to begin to define strategic commitments and publish them in an accessibility and/or affordability policy. Companies with strong affordability and accessibility policies, as reflected in high commitment scores, showed most evidence of concrete activities to improve accessibility and affordability, resulting in high performance scores.

Do companies define affordability and accessibility targets and do they base their approach on pricing and affordability analyses?

Despite stronger commitments, in general, very few companies set clear tangible targets for accessibility and affordability of healthy products. Six companies – Arla, Danone, Grupo Bimbo, Mars, Nestlé and PepsiCo – articulate some targets on affordability. For example, how many consumers should be reached with affordably-priced healthy products and targets with particular reference to low-income populations.

Arla, Grupo Bimbo, Meiji, Nestlé and PepsiCo have defined relevant targets related to distribution of healthy products by setting a number of consumers to be reached through improved distribution.

Pricing and affordability analyses entails research focused on determining what low-income populations are willing and able to pay for healthy products and how best, and through which distribution channels, these consumers should be reached. The number of companies conducting some type of accessibility and/or pricing analysis has significantly increased – five companies out of 22 conducted pricing analyses in 2016 versus ten in 2018.

In terms of accessibility analysis, the increase is even more evident, from two companies in 2016 to 11 in 2018. This is a good step towards developing a strategic focus and approach to finding solutions on affordability and accessibility of healthy products for vulnerable populations.

Do companies provide more evidence of reducing the price and expanding the availability of their healthier products for all consumers worldwide?

Compared with 2016, in 2018, three more companies provide examples of activities that improve the affordability of healthy products in developed countries and four more for developing markets. Leading companies on Criterion C1, in terms of examples, are Campbell's, Grupo Bimbo and Unilever. However, the scope of the examples remains limited and companies lack a global or even multi-country strategy.

Evidence that companies are working with retailers and distributors to expand the availability of their healthy products, such as providing incentives to distributors regarding healthy product distribution remains very limited.

The lack of disclosure of specific examples demonstrates, as in 2016, that corporate awareness and concern about the accessibility of healthy products still appears to be low. There is room for significant improvements to be made across the industry.

C1 and C2 recommendations for improvement

1. Companies should develop a strategic focus on affordability and accessibility
2. Companies should go beyond making 'a product' affordable and accessible
3. Companies should have a strategic focus on accessibility and affordability of healthy products in low-income and rural areas
4. A multi-stakeholder approach is needed to address accessibility and affordability dilemmas

For more detailed information about the performance of individual companies including best practice examples and areas of concern, please consult the full Global Index 2018 report in PDF format here.