



PILLAR 1
BENEFICIAL
PRODUCTS

1

HEALTHY & SUSTAINABLE PRODUCT PORTFOLIOS

STANDARD



Commitment

Employ responsible, equitable, and honest marketing and labeling practices that allow consumers to easily make informed choices and do not exploit vulnerable populations.

Hydroponic lettuces.
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Nutrition plays a major role in human health and well-being. Severe food insecurity and undernutrition are responsible for almost 1 out of every 2 deaths among children under five worldwide. An estimated 2 billion people also suffer from micronutrient deficiencies, including those of iron, zinc, iodine, and vitamin A, which pose severe threats to pregnancy and childhood development globally.¹

Concurrently, 39% of adults are now overweight or obese, and the estimated worldwide prevalence of obesity has tripled in the last 50 years.² The rise in cardiometabolic disorders and diet-related chronic disease (e.g., cardiovascular diseases, diabetes, and some cancers) has been instigated by an increasingly unhealthy food supply as well as declines in work, transportation, and living environments conducive to physical activity. According to the WHO, “[d]iseases caused by either lack of access to food, or consumption of unhealthy, high calorie diets, are now the single largest cause of global ill health.”³

Although once stratified by a country’s level of economic development, a dual burden of both undernutrition and chronic disease is now increasingly experienced universally across high, middle, and low-income countries. It is particularly prevalent in urban areas and among those living in poverty.⁴



Malnutrition^a in all its forms, including undernutrition, nutrient deficiencies, and overnutrition, is a consequence of dietary patterns with low diversity in nutrient-rich whole foods such as fruits and vegetables, nuts, legumes, whole grains, and seafood. Meanwhile, ultra-processed foods, which typically contain an excess of calories, added or free sugars, sodium, saturated fats, *trans* fats,^b and artificial additives, increase chronic disease risk, promote overeating, and are often insufficient in dietary fiber and essential vitamins and minerals.⁵ Accumulating evidence also suggests that diets high in animal products such as red (e.g., beef, pork, lamb) and processed meats (e.g., ham, bacon, sausage) can promote chronic disease development.⁶ Large-scale monocultures and livestock production can also contribute to food insecurity, particularly in resource-limited settings, by diminishing smallholder land ownership and livelihoods (e.g., food industry land grabbing) and contributing to climate change-related resource constraints.⁷

The highest attainable standard of health is a fundamental right of every human being.⁸ Food is foundational for health, and the human right to food is also internationally-recognized, calling for food to be available, accessible, and adequate, meaning that it should satisfy all nutritional and dietary needs while taking into account lifespan development, socioeconomic conditions, health, sex, and other contexts. In accordance with the corporate responsibility to respect all internationally-recognized human rights, business enterprises have an important role in ensuring and improving nutrition and sustainable food security.⁹

BOX 1: KEY RESOURCES FOR HEALTHY AND SUSTAINABLE PRODUCT PORTFOLIOS

- Code of Ethics for International Trade in Food, adopted by the Codex Alimentarius, which includes principles to protect the health of consumers.¹²
- 2016 FAO / OECD Guidance for Responsible Agricultural Supply Chains, which includes principles relating to sustainable natural resource use, land rights, health and safety, food security, and malnutrition.¹³
- Guiding Principles on Human Rights Impact Assessments of Trade and Investment Agreements, which include due diligence protections of right to adequate food.¹⁴
- CFS Principles for Responsible Investments in Agriculture and Food Systems, which include contributions to national food security and nutrition.¹⁵

Current food industry product portfolios are not conducive to human and planetary health, putting major strains on both health and environmental systems. Worldwide diet-related healthcare spending is expected to exceed USD 1.3 trillion per year by 2030.¹⁰ Current food production practices also account for over one-third of global greenhouse gas emissions, largely attributable to enteric fermentation, land use, and land use changes.¹¹ Food companies are responsible for the negative human health impacts and environmental consequences of their products, as well as related business practices and partnerships across their value chains (e.g., wasteful food procurement and packaging, deceptive marketing and labeling, calorie-dense meals and menu combinations at point-of-sale).

The promotion of healthy and sustainable dietary patterns is heavily predicated on the food products delivered and made available to consumers by food companies. Food companies directly shape the nutritional quality and environmental impacts of their products through a variety of practices, including product development decisions, agricultural procurement, processing and formulation, and marketing strategies. Product portfolios should thus be predominantly composed of a variety of healthy and sustainably-produced foods, including whole fruits, vegetables, whole grains, nuts, and legumes. SDG-aligned food companies also pay particular attention to making healthful food processing decisions, including efforts to ensure food products align with population nutritional needs, minimize use of harmful ingredients (e.g., added or free sugars, sodium, saturated fats, *trans* fats), and do not promote overeating and consequent diet-related disease. Shifts in product portfolios towards diverse, plant-sourced foods are leveraged to reduce reliance on environmentally-damaging monoculture cropping systems, cattle ranching, and large-scale, industrialized livestock feeding operations.

Given their product portfolios' outsized impacts on nutrition and planetary health, SDG-aligned companies proportionally increase the production of healthy and sustainable food products. They also implement this commitment across their value chain and in broader ecosystems (e.g., public policy, health organization partnerships), remedy previous health and environmental harms, and publicly disclose their performance in attaining these goals.

- a. Malnutrition includes "deficiencies, excess, or imbalances in a person's intake of [calories] and/or nutrients. The term encompasses 3 broad groups of conditions: (1) undernutrition, which includes wasting (low weight-for-height), stunting (low height-for-age), and underweight (low weight-for-age); (2) micronutrient-related malnutrition, which includes micronutrient deficiencies (a lack of important vitamins and minerals) or micronutrient excess; and (3) overweight, obesity and diet-related noncommunicable diseases (such as heart disease, stroke, diabetes, and some cancers)." (Source: World Health Organization (WHO), "Malnutrition - Fact Sheets.")
- b. The chemical word *trans* is italicized by scientific convention.



SDG 2 – Zero hunger

Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious, and sufficient food all year round.

Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding, and other disasters and that progressively improve land and soil quality.



SDG 3 – Good health and well-being

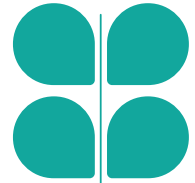
Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.



SDG 12 – Responsible consumption and production

Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.



BENEFICIAL PRODUCTS



STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy aligned with their public commitment to respecting the rights to food, health, life, and a healthy environment, which involves increasing the relative inclusion and variety of healthy and sustainable foods in product portfolios. The redesign of portfolios involves relative, rather than absolute, increases in healthy and sustainable products, so it also entails a proportional decrease in unhealthy and unsustainable food production. Unhealthy and unsustainable food products are, thus, eliminated and replaced until healthy and sustainable products comprise at least the majority of the company's product portfolio. The policy:

- Is informed by affected stakeholders and relevant internal and external expertise.
- Aligns with and explicitly references the standards listed in Box 2.¹⁶

BOX 2: INTERNATIONAL HUMAN RIGHTS STANDARDS ON THE RIGHTS TO HEALTH & FOOD

- Universal Declaration of Human rights, Article 25.¹⁷
- International Covenant on Economic, Social and Cultural Rights, Articles 11 and 12.¹⁸
- International Convention on the Elimination of All Forms of Racial Discrimination, Article 5 (e)(iv).¹⁹
- Convention on the Elimination of All Forms of Discrimination against Women, Articles 11(1)(f), 12, and 14(2)(b).²⁰
- Convention on the Rights of the Child, Article 24.²¹
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, Articles 28, 43(e), and 45(c).²²
- Convention on the Rights of Persons with Disabilities, Article 25.²³

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Embed their commitment to integrating a core focus on nutrition and health strategies into their mission statement and overall business strategy.²⁴
- Communicate expectations for implementing the policy internally and externally to their workforce, shareholders, subsidiaries' governing bodies, and business relationships directly linked to their products, operations, and services.
- Integrate the policy into operational policies and procedures across the business and value chain.
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.²⁵
- Integrate the policy into contracts and other agreements. In the case of pre-existing relationships, such agreements are updated with statements that require signatories to adhere to practices that align with the standard.
- Disclose who has formal accountability for implementing the health and sustainability commitment at the senior level (e.g., CEO, executive committee, senior manager) and concretely links their remuneration to the strategy's targets and objectives.
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

SDG-aligned companies identify and assess actual and potential impacts of product portfolios on health and sustainability. This includes ongoing evaluation of performance against robust nutritional and environmental standards across the value chain, including new product development, product reformulation (where appropriate), ingredient procurement, food loss and waste mitigation, and consumer awareness practices. Particular attention is given to characterizing nutritional, environmental, and human impacts of ultra-processed foods, animal-sourced products, where relevant, as well as that of plant-sourced alternatives.

The companies conduct ongoing and systematic nutritional assessments across product portfolios to prevent disease and promote health. To systematically assess the health and nutritional quality of their products, SDG-aligned companies regularly assess the impact of product portfolios, food processing, ingredient selection, and menu combinations in terms of individual and population health by identifying those that actually or potentially increase health risks (e.g., weight gain, malnutrition, chronic disease) and those that actually or potentially promote health and address public health needs (e.g., increase dietary diversity, prevent micronutrient deficiencies).



This includes:

- **Identifying the extent and purpose of food processing in their product portfolios** using the NOVA food classification system or other well-validated, internationally-recognized definitions. Emphasis is given to processing and other aspects of formulation that reduce the healthiness of food products, including those that increase hyper-palatability and, thus, promote cravings and overeating; do not preserve, add, or fortify important nutrients, such as dietary fiber, protein, vitamins, and minerals; and contain an excess amount of ingredients associated with diet-related disease (e.g., added or free sugars, sodium, saturated fats, trans fats).
- **Basing nutrient content assessments on robust scientific evidence** (e.g., extensive product category-specific nutrition criteria). These assessments:²⁷
 - Identify both positive (e.g., fiber, vitamins, minerals) and negative (e.g., added or free sugars, sodium, saturated fats, trans fats) nutrients and other food aspects.
 - Are rigorous and strictly applied, with good levels of one nutrient not compensating for poor levels of another.
 - Assess servings as they are or would be consumed, taking into account (a) the target adult and/or child consumer, (b) typical amount that is consumed in a given sitting, (c) main product usage (e.g., meal, snack, condiment), and (d) how the product is typically prepared (e.g., with milk, fried in oil). Serving sizes reflect actual amounts of food typically consumed (i.e., portion sizes) and are not used deceptively to alter the product's apparent energy and nutrient content (e.g., two or more servings in one package for certain products).
 - Cover all categories of food and beverage products as well as typical meals and menu combinations at point-of-sale.
 - Enable differentiation of nutritional quality within and between food product categories.
 - Generate meaningful results across different markets and geographic regions.
 - Are well-validated, internally consistent, and guided by robust nutrition principles, with results published in peer-reviewed literature.
 - Are available in the public domain, with methodology readily applicable.
- **Taking into consideration how their food products are consumed and their role in typical diets**, including:
 - What portion sizes and at what frequencies their products are actually used, especially those that are typically overconsumed and associated with diet-related disease (e.g., unhealthy, ultra-processed foods).
 - How their food products are typically used at home (e.g., cooked meals, snacks) as well as how they are marketed and sold in combination with other foods at restaurants, supermarkets, and other food vendors (e.g., calorie-dense fast food menu options).
 - The extent to which their food products contribute to overall healthy and unhealthy diets in various populations and geographic regions.
- **Identify how their business models and common business practices incentivize or facilitate unhealthy food production** (i.e., unhealthy, ultra-processed foods and other foods high in added or free sugars, sodium, saturated fats, or trans fats; red and processed animal meat products) and healthier food production (i.e., unprocessed or minimally processed foods such as fresh fruits, vegetables, whole grains, legumes, nuts, fish; healthfully formulated processed foods).²⁸
- **Engage with qualified and credible nutrition and health experts to conduct assessments**, including clarifying potential ambiguity in or updates to nutritional and processing guidelines. Disaggregated individual-level food purchasing data (e.g., supermarket loyalty card memberships) and other measures of consumer product purchasing and use patterns are released for external research, consumer awareness, and other accountability mechanisms.
- **Regularly consult with consumers and other potentially affected stakeholders** to assess the health and environmental impacts of products, operations, and business relationships, with particular attention to the specific needs of priority populations.^c
- **Draw upon international guidelines and national public health plans to understand the risk and prevalence of diet-related disease**, including micronutrient deficiencies and chronic disease among priority populations, in specific markets and identify amelioration strategies in product design (e.g., labeling, product diversification, product reformulation, food fortification, marketing).²⁹
- **Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, researchers, international health organizations, and other stakeholders** to continually update and refine nutritional and public health priorities for general and priority (e.g., food-insecure, pregnant, breastfeeding, child/adolescent, elderly, chronically ill) populations.³⁰

c. Priority populations “intends to capture the multiple layers of marginalization that may shape peoples’ lives, which, in turn, can result in them experiencing (or heightening their risk of experiencing) malnutrition at higher rates than the general population.” These include: (1) Life stages such as infancy, childhood, pregnancy and people of childbearing age, and the elderly; (2) Socioeconomic factors that impact the affordability and accessibility of healthy food products, including wealth, income level and reliability, and education; (3) Geographic factors such as distance from food vendors and distribution centers, infrastructure, and risk of natural disaster. (Source: Access to Nutrition Initiative, “Global Access to Nutrition Index 2021 Methodology.”)



SDG-aligned companies also identify and evaluate actual and potential impacts of their product portfolios on the environment, including considerations for:

- **Main sourcing of ingredients, crops, and animal inputs** and how their production may contribute to environmental degradation (e.g., ecosystem threats, biodiversity loss, soil degradation, water pollution, climate change), with particular attention paid to products produced through industrialized monocropping systems, cattle ranching, and other large-scale livestock and fishing operations.
- **Plastic and other synthetic materials use** in packaging, marketing, restaurants, transportation and other activities, especially those that are non-recyclable and non-essential to extending shelf-life or ensuring food safety.
- **Practices that augment food loss and waste**, including poor food supply chain coordination (e.g., inadequate harvesting times, overproduction) and underinvestment (e.g., inadequate storage, handling, transportation systems), inappropriate expiration date labeling, and oversized meals at point-of-sale.³¹

3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their comprehensive healthy and sustainable product portfolio assessment outlined in **Step 2** into business decisions, processes, and functions by **setting targets** and then **taking action** to align with the standard within set target dates.

3.1. SET TARGETS

SDG-aligned companies set specific, time-bound intermediate and long-term targets to establish healthy and sustainable product portfolios and to contribute significantly to the achievement of the SDGs, especially SDGs 2, 3, and 12. The intermediate targets are relevant for the companies to monitor the continuous improvement towards meeting the standard across operations and the value chain. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to the business activities of the companies and are based on their assessments of actual and potential impacts. The following are examples of performance indicators to track progress over time:

- By 2030, 100% of foods that do not align with the company's health and sustainability commitment (e.g., unhealthy, ultra-processed foods and other foods that are high in added or free sugars, sodium, saturated fats, or trans fats and low in fiber, vitamins, and minerals) are phased out of production and sales.
- By 2030, the company has eliminated ingredient procurement from intensive, large-scale livestock operations and has shifted towards sustainable production of healthy and, where relevant, nutritionally equivalent plant-sourced foods.

3.2. TAKE ACTION

SDG-aligned companies integrate the findings of the assessments of their product portfolios' nutrient qualities and actual and potential health and sustainability impacts into relevant internal activities and processes. They take appropriate action to prevent, mitigate, and remediate negative health and environmental impacts of their food products based on their nutrient content, formulation, and processing. SDG-aligned companies factor in the sustainability and nutritional quality of products into decisions about product development and targeted market expansion, including research and development, new product formulation, and existing product reformulation. Depending upon assessment findings, SDG-aligned companies can redesign product portfolios by:

- **Phasing out production of products that do not align with a core focus on nutrition and health**, including unhealthy, ultra-processed foods and other foods that are high in added or free sugars, sodium, saturated fats, or trans fats; use industrial and artificial additives such as colors, flavors, emulsifiers, and preservatives that lead to hyper-palatability, cravings, and overeating; and are high in caloric density and low in fiber, vitamins, and minerals. These can include sweetened and sugary drinks; refined starchy foods such as cookies, pastries, chips, refined grain breakfast cereals and breads; processed meats such as bacon, sausages, canned and preserved meats; and fast food restaurant meals.³²
- **Increasing the production and variety of unprocessed and minimally processed foods in their product portfolios.** These include fresh fruits, vegetables, whole grains, legumes, nuts, poultry, fish, and eggs.³³
- **Healthfully formulating processed food products** such as canned vegetables, legumes, and fish; fruit in syrup; plant-sourced milks; and culinary ingredients such as plant oils and whole grain flours and pastas. Processing is minimal, typically done to prolong product duration (e.g., shelf-life), protect the original nutrient quality, or prevent pathogen growth, and generally involves naturally-occurring ingredients. Healthful formulation includes nutrient, vitamin, and mineral fortification to, for example, restore nutrients lost during processing; to address a priority population's health and nutritional needs; to meet nutritional guidelines; or to comply with national or international nutritional standards and regulatory mandates.³⁴
- **If selling animal-sourced foods, transitioning towards diversified protein and fat portfolios, including a shift to more plant sources** (e.g., legumes, nuts, whole grains, vegetables) and sustainably-produced poultry and fish whilst also addressing wider protein and micronutrient deficiencies in relevant markets and priority populations. This includes the production of non-animal products and substitutes that reach nutritional equivalence to animal products via healthy, appropriate ingredient combinations or nutrient fortification.³⁵



Where relevant, SDG-aligned companies also consider specific population nutritional and health needs for product development and market expansion. These strategies include:

- **Engaging with both potentially affected stakeholders, non-governmental organizations, and academic institutions to inform the company's health and sustainability commitment**, including establishing a formal panel of external experts with a broad range of expertise (e.g., diet-related chronic disease, micronutrient deficiencies, responsible marketing and labeling, environmental and agricultural sciences) to weigh in on product design, the current portfolio's actual and potential impacts, and other activities related to their nutrition and sustainability commitments.
- **Classifying all products according to their extent and purpose of processing, nutrient levels, typical role in consumer diets, and associated health effects** and applying findings to inform new product development, reformulation, and lawful and appropriate population-specific marketing decisions (e.g., children).³⁶
- **Implementing maximum and minimum nutrient levels in processed food products using appropriate portion sizes**, especially maximums of calories, added or free sugars, sodium, saturated fats, *trans* fats, and artificial additives, as well as minimum amounts of unprocessed or minimally processed fruits, vegetables, whole grains, legumes, and nuts in menus and meals at point of sale.³⁷
- **Using geographic-specific information on health and nutrient status of priority populations** (e.g., food-insecure, people of childbearing age, children) and internationally recognized regional criteria (e.g., nutrient deficiency prevalence) to inform vitamin and mineral fortification in specific markets.³⁸
- **Phasing out or immediately eliminating packaging, marketing, and sales strategies that do not align with a core focus on health and environmental sustainability**, including packaging made with non-recyclable plastic and other synthetic materials; hyper-attractive packaging, labeling, and other marketing techniques for unhealthy food products; and joint marketing and sale of unhealthy, ultra-processed food products as calorie-dense meals or snack combinations. SDG-aligned companies also use their leverage to influence point-of-sale business partners (e.g., restaurants, fast food chains, grocery stores, and convenience stores) to do the same, and invest in or develop products with smaller packaging or serving sizes to improve consumer portion control.³⁹

SDG-aligned companies also improve sustainability in their value chains by using leverage with business partners and in their broader ecosystems, including to:

- **Transition away from monoculture crops** such as corn, wheat, and soya, for use in less healthy, more processed foods, towards healthy, sustainable food production.
- **Phase out reliance on intensive livestock farming and fishing** in their ingredient procurement, including a reduction in animal-sourced foods in their product portfolios.⁴⁰ This can include committing to and providing evidence of protein and fat diversification activities, such as research and development, acquisitions, reformulation, product expansion, marketing, or product placement surrounding minimally processed or healthfully-formulated plant-derived food products.⁴¹

Using leverage with business partners and in their broader ecosystems includes engagement with policymakers consistent with SDG alignment, including:

- **Engaging with governments and policymakers in support of specific, independent, and evidence-based measures to improve health and sustainability**, consistent with public interest. These include:
 - Incentives to shift use of commodities such as corn, soybeans, rice, and sorghum away from production of ultra-processed foods and animal feed towards healthy foods intended for direct human consumption.
 - Food subsidies for fresh fruit and vegetable production and sales, as well as purchasing incentive programs for general consumers and priority populations.
 - Taxation of highly sweetened and sugary drinks.⁴²
- **Ensuring that lobbying practices respect public policy** and are consistent with internationally recognized human rights and anti-corruption frameworks, ensured by internal oversight, independent audits, and whistleblower mechanisms.



4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective operational-level grievance mechanisms^d that are accessible to stakeholders to report adverse impacts of unhealthful and unsustainable products. The grievance mechanisms evaluate violations of the standard and determine appropriate remedy for impacts on consumers, communities, and other stakeholders. This includes setting up and actively monitoring visible, transparent, and efficient grievance reporting systems.

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies commit to respectful, equitable, and transparent cooperation with judicial grievance and remediation processes. The company refrains from using legal waivers that preclude access to judicial recourse for victims. Where State-based mechanisms order sanctions or remedy, the company complies and uses leverage to ensure its business relationships comply.

4.3. PROVIDE OR ENABLE REMEDY

To remedy identified harms to individuals or communities, SDG-aligned companies actively and equitably seek to make whole the harmed person or group. Remedy may involve:

- Direct compensation to consumers harmed by unhealthful product formulation, false or misleading marketing or labeling, substandard food quality, and other negative health impacts.
- Compensation through company contributions to community funds, health systems, health and environmental non-profit organizations, and other safety nets to provide health promotion, treatment, and prevention resources.
- Remediation, restoration, and return of land and water resources, where production has harmed natural resources and small-scale food producers' ability to produce their own food.⁴³

d. As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (g) A source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue...") (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")

5. TRACK PERFORMANCE

SDG-aligned companies track implementation measures to meet the standard through qualitative and/or quantitative outcome-based performance indicators, on an ongoing basis and in partnership with suppliers and other business relationships in their value chain. In particular, SDG-aligned companies monitor whether actions are implemented within their own target dates. The companies regularly disclose performance against targets, such as sales-weighted performance data.⁴⁴ Evaluating performance against the standard includes targets that reflect both product formulation and typical consumption behavior (e.g., portion sizes, menu combinations, cooking practices). The following are some examples of performance indicators to track progress over time:

- Changes in the percentages of product portfolio that are identified as (a) unprocessed or minimally processed foods, (b) healthfully-formulated processed foods, (c) unhealthy, ultra-processed foods and other foods high in artificial additives, added or free sugars, sodium, saturated fats, or trans fats, and (d) animal-sourced products, based on validated classification systems
- Changes in the nutrient and processing quality of the product portfolio, informed by internal health and nutrient standards and other validated external metrics (e.g., NOVA food classification system)⁴⁵
- Percentage of menus, point-of-sale, recipe labels, and other marketing strategies that increase sales of unprocessed and minimally processed fresh fruits, vegetables, whole grains, legumes, and nuts
- Changes in formulation and reformulation that align with international guidelines and national health and nutrition plans, including absolute and relative reductions in calories, added or free sugars, sodium, saturated fats, and trans fats as well as transparent and realistic portion and serving size designations⁴⁶
- Percentage of food fortification and related-operations that are aligned with international guidance and malnutrition amelioration strategies (e.g., CODEX CAC/GL 9-1987), including evaluation of regional prevalence, risk factors, and health consequences of nutrient-specific deficiencies; sustainable ingredient sourcing; and lawful and safe formulation⁴⁷
- Changes in protein and fat diversification that include replacing a proportion of animal-sourced products with nutritious plant-sourced foods, sustainably-produced fish and seafood, poultry, and other alternatives.⁴⁸ This may include targeting increased production of non-animal products that are fortified to obtain nutritional equivalence in the amount and bioavailability of an essential nutrient typically obtained from animal foods where there is scientific evidence to support it.⁴⁹



SDG-aligned companies also subject their health and sustainability commitments and approaches approved by their executives (e.g., Board of Directors) to annual standardized internal audit and management review to evaluate the effectiveness of risk management, control, governance, and management systems. This includes identifying actual or potential areas in their nutrition-related business performance that are at high risk of negatively impacting consumers, business partners, employees, and other relevant stakeholders.⁵⁰

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their healthy and sustainable product portfolios commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts related to their product portfolios, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:

- **Commitment and business strategy for transitioning to and delivering a healthier and more sustainable product portfolio**, reaching general consumers and priority populations with healthy and sustainable products that are accessible and affordable, and not contributing to diet-related disease.
- **Approach and activities undertaken to improve the healthiness of their products**, including externally-validated nutrient and health-related classification systems that cover all relevant food aspects such as processing extent and purpose, energy and nutrient composition, portion sizes, and menus.
- **Approach to addressing malnutrition and public health needs**, including studies and external expert consultation on market needs in general and priority populations (e.g., micronutrient deficiency prevalence) and strategies to increase access and affordability of unprocessed and minimally processed products inherently high in vitamins and minerals and, where appropriate, fortified or healthfully formulated processed products.

- **Formal and periodic business strategic reviews on how nutrition, health, and sustainability trends were factors in decisions** related to, for example, research and development, acquisitions, sales, and formulations of joint ventures or other partnerships.
- **Formal accountability for and compensation arrangements** related to implementing the company's health and sustainability commitment.
- **Stakeholder engagement practices**, including specific examples of how input from affected stakeholders, civil society organizations, and health experts and academic institutions has changed business practices.⁵¹
- **National and international public policy positions** advanced (e.g., sugary drink taxes, food subsidies).

All communications are timely and accessible to their intended audiences; include sufficient information to evaluate the adequacy of impact assessments, remediation, and target performance; and do not pose risks to affected stakeholders, personnel, or commercial confidentiality.⁵² To ensure quality of reporting, SDG-aligned companies:

- Publish formal, regular reports on their overall approach to tackling nutrition issues at least annually and preferably throughout their Annual Report and Accounts or equivalent.
- Provide (a) a clear sense of their health and sustainability commitment and how it relates to their overall business strategy; (b) clear reporting on current performance against all objectives and targets; (c) a clear outlook on future plans and targets; (d) explanation of the challenges faced, not only successes; and (e) information on the health impact of their reached targets.
- Specify geographical scope of their nutrition reporting.
- Make specific reference to the markets and priority populations impacted by their nutrition-related initiatives.
- Ensure their nutrition reporting is subject to independent external verification and review.⁵³



ENDNOTES

1. World Health Organization (WHO), "Malnutrition - Fact Sheets," accessed May 27, 2021, <https://www.who.int/news-room/fact-sheets/detail/malnutrition>.
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3. WHO, "WHO Manifesto for a Healthy Recovery from COVID-19," 2020, <https://www.who.int/news-room/feature-stories/detail/who-manifesto-for-a-healthy-recovery-from-covid-19>.
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Clean, fresh gala apples on a conveyor belt in a fruit packaging warehouse in the United States.
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Food industry practices are currently not conducive to human and planetary health, putting major strains on both health and environmental systems. The promotion of healthy and sustainable dietary patterns is heavily predicated on the food products delivered, marketed, and made available to consumers by food companies. Food companies' practices directly shape the nutritional quality and environmental impacts of their products, and can be adjusted to align with the SDGs.