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The Consumer Goods Forum Health & Wellness Progress Report 2016

Executive Summary

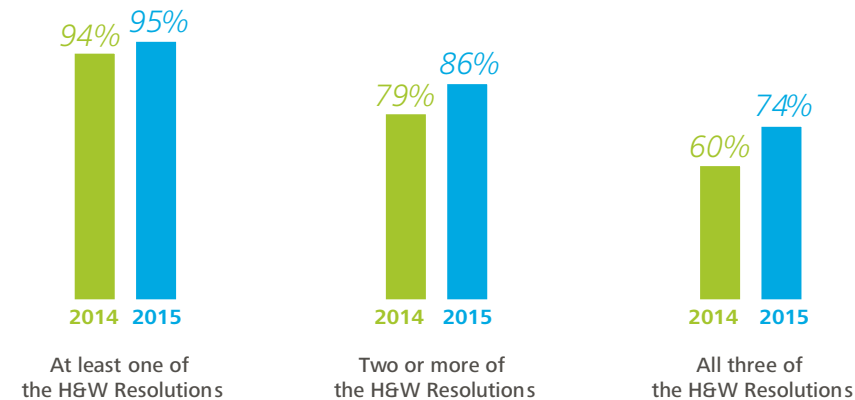


Health & Wellness at The Consumer Goods Forum

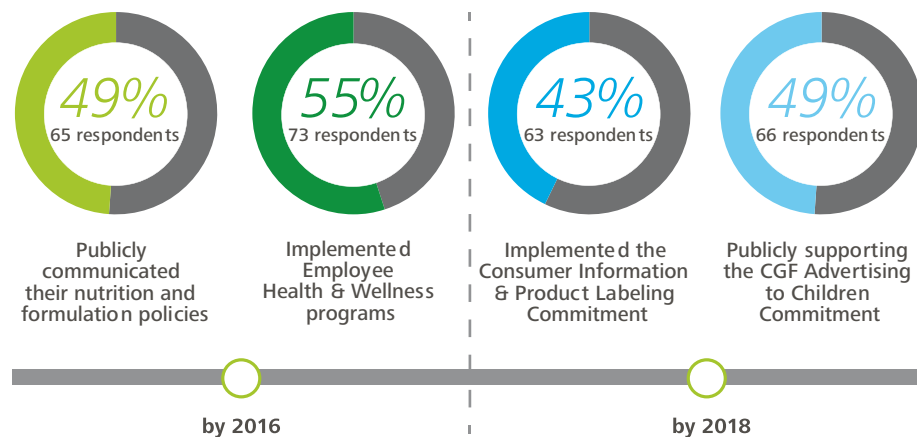
How members are empowering consumers to make healthy choices

Progress against Resolutions

Out of a survey base of 78 companies in 2015 and 63 companies in 2014, respondents that established policies and activated programs on:



Progress against Commitments



What's new

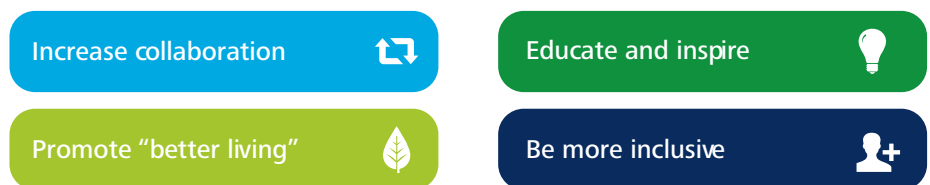


Rising collaboration

Health & Wellness programs have reached and impacted:



Continuing our journey



Survey participants



Foreword

By Paul Bulcke and Dick Boer (Board Co-Sponsors, Health & Wellness Pillar)

The CGF has long recognized how critical health and wellness are to the stability and prosperity of nations. Our goal in establishing the Health & Wellness Resolutions and Commitments was to provide a platform for industry collaboration – a means of harnessing the collective power of our members to help them provide solutions for healthier consumers, employees, and communities around the world. We know that our members, from manufacturers to personal care companies, to retailers, can make a transformational difference. This is why it is so critical that we continue measuring industry progress on implementing our Resolutions and meeting our Commitments.

This is the third consecutive year we are reporting on the implementation and progress of the Health & Wellness Resolutions. This report is crucial to achieving our goals and also provides a way to share what our members are learning and uncovering the challenges they face. We want to thank the members who participated in this report for the leadership shown in their efforts to achieve the goals defined by the Health & Wellness Resolutions and Commitments.

This year's findings reveal that while there has been clear progress in a number of areas, many challenges remain. We are still looking to achieve maximum participation. However, this year's survey shows that many more of our members are leading the way and moving the industry in a collaborative effort to effect positive change benefitting consumers around the world. Since our pilot two years ago with 50 CGF Board companies, we now have input from 78 companies around the

world. It was also particularly encouraging to see that 74% of reporting companies have established policies and implemented programs for all three Resolutions. This is a significant increase over last year. At the same time, much work remains on the four Commitments established in June 2014, particularly two that we aim to achieve by the end of 2016: 55% of respondents say they have implemented employee health and wellness programs, and 49% report that they are publicly communicating their nutrition and formulation policies. Clearly we must make significant progress in these two areas before the end of the year.

We understand this is an ongoing process and strongly encourage our members to do all they can to achieve the Resolutions and Commitments. This is why, last year, we launched our digital toolkit, which includes more than 40 practical examples of how companies got started on

implementing the Health & Wellness Commitments. The toolkit is an extension of our commitment to support our members and help them move ahead in the journey of offering consumers, their families and the communities we serve, products and services that can help them adopt sustainable health and wellness behaviors.

The scope, depth, and geographic coverage of this report is unique for the industry and provides a rich source of learning on how CGF members are engaging with multiple stakeholders to support healthy diets and lifestyles among consumers. We trust that the efforts discussed in the following pages will help and inspire you in your own journeys. And if you haven't yet joined the effort, we urge you to do so. The momentum is growing every year.



Paul Bulcke

Chief Executive Officer, Nestlé S.A.
Board Co-Sponsor, the CGF Health & Wellness Pillar



Dick Boer

President & Chief Executive Officer, Royal Ahold
Board Co-Sponsor, the CGF Health & Wellness Pillar

Executive summary

The journey

This third report provides up-to-date information to help us understand the progress we are making toward positively affecting consumer health and wellness on a global scale. The issue is enormous, and each report should be considered as a point in time on a five-year journey. As the survey results show, progress has been made in a number of areas over the last year. While challenges remain, the good momentum we are building will help us move forward and address them. This Health & Wellness survey is one tool we have to help share what we have learned and how we can improve.

Given the global, multi-faceted nature of the problem, our approach is aligned with two of the world's most significant non-industry bodies: the UN and the World Health Organization (WHO). The Health & Wellness Pillar supports the WHO Action Plan, while the UN Sustainable Development Goals provide an overall framework for action. Two UN goals in particular – improving nutrition and ensuring healthy lives and wellbeing – clearly align with our Health & Wellness Pillar. This report shows our efforts to bring these goals into a business context, developing solutions and tools to help companies implement actions that positively affect consumer health and wellness.

The focus

Each year's report has specifically tracked progress against the CGF Health & Wellness Resolutions.¹ Adopted in 2011, these three Resolutions were designed to improve the “physical, emotional, spiritual, intellectual, and sustainable well-being” of consumers, shoppers, employees, their families, and the communities the industry serves:

- 1 Access and availability of products and services
- 2 Product information and responsible marketing
- 3 Communication and education about healthier diets and lifestyles

This report also provides the first full-year progress on our four Commitments² adopted in 2014. These Commitments were agreed upon by the CGF Board of Directors to increase alignment for our members and deepen engagement on our five-year plan to help consumers make healthier product and lifestyle choices. For this reason the Commitments have clear due dates:

- A By 2016: Make company policies public on nutrition and product formulation
- B By 2016: Implement employee health and wellness programs
- C By 2018: Industry-wide implementation of consistent product labeling and consumer information to help consumers make informed choices and usages
- D By 2018: Stop targeted advertising* to children under 12 for products that do not fulfill specific nutrition criteria based on scientific evidence and/or applicable national and international dietary guidelines

Consumer health and wellness is a complex issue because of the many regional, cultural, and socio-economic factors involved, and it requires a systemic, sustained portfolio of initiatives, delivered at scale to address it. Today's consumers are increasingly health conscious, and personal care and hygiene have played a great role in contributing to longevity. And yet, the level of consumer trust in industry has never been lower. The health and wellness initiative is therefore also an enormous opportunity for our industry to re-engage their trust.

1. CGF H&W Resolutions: <http://www.theconsumergoodsforum.com/health-and-wellness-strategic-focus/resolutions>

2. CGF H&W Commitments: <http://www.theconsumergoodsforum.com/health-and-wellness-strategic-focus/commitments>

* Commitment modified to marketing communications in 2016

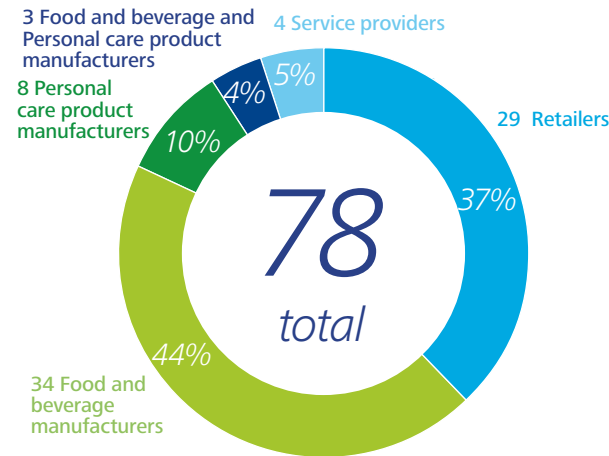
Summary of findings

Level of participation

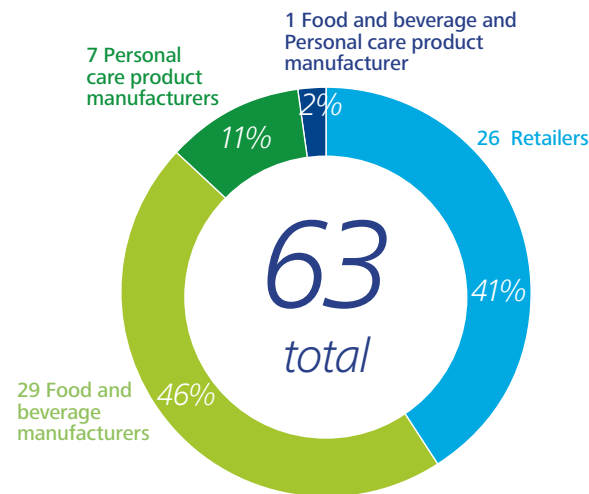
Participation continues to increase each year, although many companies have yet to join the process. This year shows results for 78 companies, compared with 63 last year, when the survey was first opened to the entire CGF membership. As indicated in the chart, while food and beverage manufacturers still represent the majority of respondents, there has been an increase in the number of retailers.

This year, for the first time, this report tracks responses by region. Respondents are diverse geographically, but more are headquartered in Asia Pacific than any other region: 30 companies are headquartered in Asia Pacific (39%), 25 in Europe, Middle East and Africa (32%), and 23 in the Americas (29%). While it is too early to make observations about what is “representative” of each region, we hope to do so as regional responses grow in subsequent years.

2015



2014



Note: this is the first year service providers were included in the survey

Progress against Resolutions and Commitments

Steady progress is being made with the Resolutions—companies report implementing programs in two or all three of the Resolutions. In addition, compared with last year, a much higher percentage of respondents have set targets.

In 2015, 86% of companies reported setting targets or goals for at least one Resolution, compared to 79% in 2014

There are also strong signs of increasing transparency, with 79% of companies sharing their policies publicly

Given that this is the first measurement conducted after the creation of the Commitments, it is to be expected that the rate of progress against the Commitments (55%) is not as high as it is for the Resolutions (80%).

- 49% of relevant respondents have publicly communicated their nutrition and formulation policies
- 55% of respondents have implemented Employee Health & Wellness programs
- 43% of respondents report that they have implemented the Consumer Information & Product Labeling Commitment
- 49% of relevant respondents report that they are publicly supporting the CGF Advertising to Children Commitment

For the few companies that did not act on a Resolution or Commitment, the most common reason provided was that it was not seen as a priority.

Summary of findings

Collaboration on the rise

This year's results show a significant rise in collaboration over the last year: many more companies are partnering with schools to provide information that supports developing habits of sensible, balanced diets, good hygiene, and regular physical activity: In 2015, companies reported reaching 484,000 schools, compared with 47,000 in 2014. This dramatic increase is largely the result of major school outreach programs by several companies.

Next steps

Given the complexities inherent in the global health and wellness problem, it is clear that to have the most impact on the health and wellness agenda members must continue to collaborate – both across the industry and with external stakeholders – to reach more consumers. This is particularly important with regard to the two Commitments due at the end of 2016.

This year's survey results highlight several ways that CGF can continue to spur progress and drive even more collaboration.

Continue serving as a catalyst for multi-stakeholder collaborations to support healthier diets and lifestyles.



Work closely with companies that have already responded to help them implement the resolutions and commitments.



Follow up with respondents who indicated their interest in joining one or more working groups to help drive implementation of the Resolutions and Commitments.



Broaden the scope of this survey so that it more fully reflects the diversity of what CGF members do, for example by including more personal care and hygiene companies.



Continue to educate and inspire those yet to meet our commitments by increasing the number of practical examples on ConsumerGoodsForBetterLives.com, which showcases how our members are taking positive actions to help empower healthier consumers worldwide.



Provide more detailed regional reporting.



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