

James Quincey

Chairman and Chief Executive Officer
The Coca-Cola Company

Jeffrey Harmening

Chairman and Chief Executive Officer
General Mills, Inc.

Steve Cahillane

Chairman and Chief Executive Officer
Kellanova

Carlos Abrams-Rivera

Director and Chief Executive Officer
The Kraft Heinz Company

Dirk Van de Put

Chairman and Chief Executive Officer
Mondelez International, Inc.

Ramon Laguarta

Chairman and Chief Executive Officer
PepsiCo, Inc.

Dear James Quincey, Jeffrey Harmening, Steve Cahillane, Carlos Abrams-Rivera, Dirk Van de Put, and Ramon Laguarta,

We, as your investors or signatories and supporters of ShareAction's Long-term Investors in People's Health (LIPH) programme, collectively managing over \$3 trillion in assets – urge the food and beverage manufacturing industry to be more transparent on the healthiness of its product sales.

An over-reliance on the sale of less healthy products leads to poor consumer diets, negative health outcomes, and sicker societies overall. It also exposes companies and their investors to avoidable risks. In contrast, prioritising healthier products supports our shared goal of creating long-term financial and social value for business, investors and consumers.

The increasing headwinds against unhealthy food sales - from growing consumer preference for healthy products, and regulatory, fiscal and reputational pressure - mean investors have even greater need for clear and transparent disclosures on the healthiness of product sales. Without this information, we are unable to accurately assess related risks and opportunities. We, as investors, recognise ill-health as a systemic risk that can negatively impact productivity across the global economy, and therefore long-term financial returns across our investments. The obesity epidemic alone is projected to cost the global economy \$4.32 trillion annually by 2035—around 3% of GDP, similar to the impact of Covid-19 in 2020.ⁱ

The Access to Nutrition Initiative's (ATNI) 2024 global index reveals that just 34% of sales of the biggest food and beverage manufacturers in the world can be considered healthy.ⁱⁱ Moreover, when considering their entire portfolios, the overall healthiness of products sold by these major manufacturers appears not to have improved since the 2021 index.ⁱⁱⁱ Manufacturers are still heavily reliant on the sale of unhealthy food and beverages, negatively impacting public health and leaving companies highly exposed to material risks.

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Despite repeated requests from investors from LIPH and other investor coalitions, your companies have left investors to rely on less frequent third-party research to gauge risk exposure.

While some companies use their own Nutrient Profiling Models (NPMs) to report on the healthiness of products, doing so raises concerns about validity. The absence of standardisation also hinders investors' ability to compare health metrics across companies, complicating risk assessment both at the enterprise and portfolio levels. Reporting consistently would allow those of you who are taking productive steps to sell more healthy products, to better illustrate that progress.

There is now consensus on internationally recognised NPMs and definitions of healthier products^{iv}; companies like Unilever and Danone are already using them. Disclosing this type of information may soon be required under materiality assessments and international frameworks like the Corporate Sustainability Reporting Directive (CSRD). Companies disclosing ahead of the implementation of such requirements will place themselves at an advantage.

Therefore, consistent with findings of ATNI's Delphi project^v, we make the following request:

1. **Adopt one or more of the internationally recognised Nutrient Profiling Models (NPMs):** Health Star Rating (HSR) system, Nutri-Score, and the UK NPM.
2. **Enhance transparency through regular public disclosure of healthiness metrics:** Annually report a sales-weighted average NPM score for the company's entire global portfolio, broken down by product category, total sales revenue from packaged products eligible for the NPM's assessment, and the percentage of sales from 'healthier' vs. 'less healthy' products based on the chosen NPMs.

We expect more transparency and better disclosures from the entire sector. By leading the way, you have a clear opportunity to meet the growing investor, consumer and regulatory demand for responsible business practices, and to lead in shaping fairer, healthier societies.

We look forward to your response and are ready to support you in advancing this crucial work.

Kind Regards,

Achmea Investment Management
Adrian Dominican Sisters, Portfolio Advisory Board

Barrow Cadbury Trust
Cardano Group
CCLA
CMA Impact Inc.
CommonSpirit Health
Congregation of St. Joseph
Credit Mutuel Asset Management
Daughters of Charity, Province of St. Louise
EQ Investors
Future Super Group
Greenbank
Guy's & St Thomas' Foundation
Jesuits in Britain
J Stern & Co
La Banque Postale Asset Management
Legal & General Investment Management
LifeArc
Mercy Investment Services
NEST
OFI Asset Management
PensionBee
Pictet Asset Management
PIRC
Region VI Coalition for Responsible Investment
Seventh Generation Interfaith Coalition for Responsible Investments
Sisters of the Humility of Mary
Socially Responsible Investment Coalition (SRIC)
Stichting Pensioenfonds voor Huisartsen
Trinity Health
VGZ

ⁱ <https://www.worldobesity.org/news/economic-impact-of-overweight-and-obesity-to-surpass-4-trillion-by-2035#:~:text=The%20World%20Obesity%20Atlas%202023,of%20COVID%2D19%20in%202020.>

ⁱⁱ ATNI 2024 Global Index, <https://accessnutrition.org/index/global-access-to-nutrition-index/#:~:text=The%20fifth%20edition%20of%20the,improve%20access%20to%20nutritious%20foods.>

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- iii The sales-weighted Health Star Rating (HSR) score declined slightly from 2.4 in 2018 to 2.3 in 2024 . ATNI
 - iv <https://accesstonutrition.org/app/uploads/2024/09/NPM-Alignment-Report-FINAL.pdf>
 - v ATNI's Delphi project has built strong alignment across the sector on the reporting of healthier vs less healthy sales . See link above.