

HEAL PROGRESS REPORT 2024

Assessing Progress and Driving
Change in the Out of Home
Sector for Healthier Diets



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COÖPERATIE VGZ
Voorop in gezondheid en zorg.
Voor iedereen.

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Background

Health is a cornerstone of a good quality of life, a well-functioning society and a healthy economy. A healthy diet is essential for overall good health. Unhealthy diets are, however, a growing challenge worldwide. In general, dietary habits are changing. There are concerns surrounding ultra processed foods and a large percentage of global diets contain too much sugar, salt and fat. By 2035, more than half of the world’s population is expected to be overweight or obese¹. This problem is not limited to adults. The WHO reports that in 2022, 37 million children under the age of 5 were overweight, over 390 million children and adolescents aged 5–19 years were overweight, of which 160 million were living with obesity². It is estimated that unhealthy eating habits are responsible for 11 million deaths globally per year³. Unhealthy diets therefore come with an incredible cost for society. The UN Food and Agriculture Organization estimates these costs are adding up to over 9 trillion dollars. In the Netherlands, unhealthy diets are linked to 8.1% of diseases, 12.500 deaths a year and to €6 billion of health care expenses.⁴

Growing obesity rates are not only a matter of free choice or own responsibility. The environment plays an important role with consumers being proposed and nudged towards unhealthy choices. For example, 80% of food commercials in the Netherlands are promoting unhealthy choices. This shows that companies in the food industry have a responsibility in this health crisis.⁵ As investors, we believe that widespread action is needed to reverse this crisis and that it is essential that governments, companies and investors play their part, with healthier diets having an impact on a future-proof healthcare system. This is also part of transitioning to a sustainable economy.

“While the private sector provides livelihoods for millions and delivers goods that increase health and well-being, it is increasingly acknowledged that health harming industries contribute to a substantial amount of avoidable diseases and mortality worldwide. As ultimate owners of companies, investors have a unique responsibility to balance the benefits that companies bring with the potential harm that they project. By holding companies accountable through governance structures and moving them toward healthier product and production strategies, investors can contribute to the health of populations. The out-of-home sector is an important provider of food, yet its offerings are not always as nutritious as befits a society in which eating out of home is increasingly a part of daily diets. Engaging with this sector to make their offerings healthier is an important step toward a healthier society.”

Prof. dr. Jochen O. Mierau, Scientific Director (Lifelines) & Professor of Public Health Economics (RUG, UMCG)

¹ www.worldobesity.org/

² www.who.int/news-room/fact-sheets/detail/obesity-and-overweight

³ [www.thelancet.com/article/S0140-6736\(19\)30041-8/fulltext](http://www.thelancet.com/article/S0140-6736(19)30041-8/fulltext)

⁴ www.rivm.nl/sites/default/files/2021-07/LR_012065_131709_Factsheet%20ongezonde_voeding_V5.pdf

⁵ Monitoring van de mate van gezondheid van het aanbod en de promoties van supermarkten en out-of-home-ketens: <https://edepot.wur.nl/555613>

Health Engagement Alliance

To participate in this transition, an initial group of four investors⁶, who share the same vision of the role of the financial sector on the topic of health, joined forces to create the Health Engagement Alliance (HEAL), which was launched in 2024. As a group, we decided to first focus on the Out of Home sector due to its impact on people's diets. Portions offered in many restaurants are growing and exceeding calories, fat, sugar and salt intake guidelines⁷. We therefore see a great opportunity and responsibility for this sector to increase its offering of healthier options and participate in improving people's diets.

Since its inception, members of HEAL created a framework, assessed companies in the Out of Home sector, set milestones and objectives and conducted engagement with the aim to encourage change on the topic of health. This report aims to outline the baseline assessment, first outcomes of company engagement and next steps for the coalition.

During the engagement process we stayed in close contact with relevant stakeholders and initiatives, to strengthen our process and align our work with existing frameworks, such as the ShareAction Healthy Markets Initiative or the Access to Nutrition Initiative⁸. All investors participating in HEAL attended a conference organized by the Municipal Health Service for the city of Amsterdam, which brought several key stakeholders together on the topic of healthy diets. The event included a panel discussion on the role of investors where two HEAL members were panelists.

“The out-of-home food sector plays an important role in people's diets. People eating out usually results in consuming more calories (often from larger portions) and higher levels of sugar, salt and fat. This investor-led HEAL initiative in just one year has shown that the sector could and should do a lot more on health and nutrition and it provides a very clear and detailed framework for the out-of-home sector to follow to make progress on health and nutrition.”

Greg S Garrett, Executive Director, ATNi



⁶ Achmea, a.s.r., Cardano and Coöperatie VGZ

⁷ www.actiononsalt.org.uk/salt-surveys/2024/healthiness-in-the-ooH-sector/, <https://shareaction.org/reports/putting-health-back-on-the-menu-assessing-the-out-of-home-sector-on-health-and-nutrition>

⁸ [ATNi publishes its first research on the out-of-home \(OOH\) food sector in the UK – ATNi \(Access to Nutrition initiative\)](#)

Baseline Assessment – Summary

Through the first year of assessments and dialogues, we established baseline expectations for evaluating companies on their approach to health and communicated our investor expectations to the companies. This foundational step provided a clear reference point for understanding where companies currently stand in their health-related policies, practices and performance. This baseline enables us to assess and compare the companies within our scope, identify strengths and areas for improvement, and engage in more targeted dialogues. Over time, it will be used to recognize progress, best practice, and drive meaningful change. In the section below, we describe these baseline expectations

1. Governance We expect companies in the Out of Home sector to acknowledge the responsibility they carry in health and nutrition by adopting a policy which should include clear targets for increasing the offering of healthier products. Health and nutrition should be integrated in corporate governance and the scope of relevant board committees, and companies should integrate targets on health and nutrition into executive remuneration. Boards should also actively engage with relevant stakeholders and experts on the topic. To measure the healthiness of their offering and track progress, monitoring tools should be used, such as government endorsed Nutrient Profiling Models (NPMs). In this area, we believe companies should make use of the work done by industry, investors, experts and the Access to Nutrition Initiative⁹.

2. Implementation We expect companies to ensure their strategy for healthier diets is implemented for different countries and target groups to address the local food cultures and needs, including a specific approach towards children.

3. Healthy menus We expect companies to report on an overarching commitment to improve the nutritional quality of their offerings/portfolios and to use publicly available NPMs to determine product healthiness. We also expect companies to report on their offering of healthier or calorie-capped meals/products (for the company as a whole and for its main markets). Furthermore, we expect companies to commit to offering affordable healthy options.

4. Responsible Marketing We expect companies to have a public responsible marketing policy on nutrition in place that includes a) the commitment not to target children with unhealthy products and b) to focus marketing messages on healthier options. These commitments should apply to digital marketing, and especially the channels that target or that are broadly used by minors.

5. Labelling and accessibility of nutrition information online We expect companies to provide comprehensive nutritional information through all relevant channels, including in restaurants, on their website, and on online ordering sites.

6. Lobbying We expect companies to have a lobbying policy and code of conduct in place. This policy should explicitly state that the company does not lobby against its own commitments on health and nutrition. We also expect companies to publicly report on participation in initiatives that aim to address nutrition challenges.

Health and nutrition should be integrated in corporate governance and the scope of relevant board committees, and companies should integrate targets on health and nutrition into executive remuneration.

⁹ [Sector Alignment on the Use of Nutrient Profile Models \(NPMs\) – ATNi \(Access to Nutrition initiative\)](#)

Companies in Scope

The 6 initial companies in scope of this initiative are listed companies which own well-known brands with a presence in high streets as well as one company providing catering services for private settings such as company restaurants as well as for the public sector (in schools, prisons, and other public buildings).

The initial list of companies under engagement can be found in the table below.

Table 1: Companies in scope for Engagement by HEAL

Name of the company	Domicile	ISIN
Dominos Pizza Inc	US	US25754A2015
McDonald's Corp	US	US5801351017
Restaurant Brands International Inc	CA	CA76131D1033
Sodexo	FR	FR0000121220
Starbucks	US	US8552441094
Yum! Brands Inc.	US	US9884981013

This is the initial engagement scope. HEAL will consider expanding the scope in the future, depending on the growth of the initiative. In 2025 HEAL will define a short-, medium- and long-term plan for its future.



Assessing the companies in scope on healthy nutrition: status quo and the way forward

Based on our engagement expectations and following our assessments and engagement meetings, we see some elements of integration of health and nutrition in corporate strategies. However, we believe that further integration is possible and that the sector still has a long way to go to mature on the topic.

We describe below our findings regarding the current status quo and, if available, any good practices we identified:

1. Governance - We expect companies in the Out of Home sector to have a policy in place on healthy diets.

We found that although some companies recognize health as a material topic, there is generally a lack of comprehensive oversight and integration of the topic.

- **Setting goals:** although some companies have a goal to offer all clients healthy or low-calorie options in the menu, most goals we see are specific to one consumer segment, brand and/or market and none of the companies in scope have a global strategy with timebound targets which applies to all markets and brands.
- **Use of NPMs:** there is very limited evidence of the use of NPMs to assess the healthiness of the offering. Most companies in scope are not using NPMs

and where they are, it is not a government endorsed model but rather an in-house methodology is used. The only example we found of a company using a government endorsed NPM, was only used for a small portion of the offering.

- **Consultation with stakeholders:** we did not find evidence of stakeholder engagement on the topic of health and nutrition except for one company having consulted stakeholders regarding its offerings to children.

2. Implementation - We expect companies in the Out of Home sector to report on the progress they are making on the targets they have set on healthy offerings.

Making progress on healthy nutrition is possible and we have seen some early examples of companies delivering on their commitments (for example on reducing sodium levels in specific menus). However, the general state of play is that companies make progress within specific brands or specific markets, and do not yet show how they deliver progress across all brands, markets and consumer segments. Also, it is unclear how companies use the different tools at their disposal, from reformulation of products to portion size, in a comprehensive and strategic way.

The general state of play is that companies make progress within specific brands or specific markets, and do not yet show how they deliver progress across all brands, markets and consumer segments.

3. Healthy menus - We expect companies to report on an overarching commitment to improve the nutritional quality of their offerings/portfolios and use government endorsed NPMs to determine product healthiness. We also expect companies to commit to offering affordable healthy options.

We found that none of the assessed companies publicly discloses the healthiness of their menus using a government endorsed NPM. Current practices are still focused too much on specific consumer segments or brands. When comparing the out-of-home sector to the food & beverage sector, we see that the out-of-home sector can use the best-practices from the food & beverage sector in delivering and reporting on the healthiness of the whole product portfolio. For example, Unilever shows best-practice for that sector and Nestle recently increased its disclosures¹⁰.

4. Responsible Marketing - We expect companies to have a public responsible marketing policy in place which is linked to nutrition and includes the commitment not to target children with unhealthy products and meals.

We found very different practices relating to responsible marketing and a lack of clarity on how these are implemented. Although some companies use age limits, these age limits vary, and it is unclear how the policies are enforced and monitored at the group level and for all markets. One company states it 'avoids' marketing to children, but it is unclear what this means in practice. In some cases, although companies commit to specific codes of conduct in relation to marketing, there is no specific mention on how it applies to health and nutrition.

5. Labelling and accessibility of nutrition information online - We expect companies to provide comprehensive nutritional information online, in restaurants and on online ordering platforms.

Availability of nutritional information is important for consumers to make informed choices. Although some nutritional information is available, the level of information is not consistent. It varies a lot depending on the company assessed as well as across chains or brands in the same group. We therefore see a potential for progress, where companies make clear nutrition information available for all orders.

6. Lobbying - We expect companies to have a lobbying policy and code of conduct in place in which it is explicitly stated companies do not lobby against their own commitments on health and nutrition

Although some companies have public policies or other disclosures on responsible public engagement, most transparency efforts seem to be driven by local legislation. In the companies assessed, only one mentions nutrition and none state that it does not lobby against its own commitments on health and nutrition. It is therefore difficult to assess how these lobbying policies apply to nutrition, how they connect to the company's strategy on the topic and how lobbying has taken place in all markets.

¹⁰ [Unilever Portfolio Assessment Against 6 Nutrient Profiling Models 2022](#)



Conclusion and next steps

Although some Out of Home companies have identified healthy nutrition as a material topic, we believe that more progress is needed. Despite consumers trends, sugar taxes and other regulatory changes as well as the broader health and economic impacts of unhealthy diets, the sector is not doing enough on health and nutrition.

As investors making health a key topic, we would like to see better transparency regarding the healthiness of product portfolios and better and more choice for consumers regarding healthy options. We believe companies in the sector can mature their strategies and practices on healthy nutrition by setting targets, delivering on these targets and providing more transparency towards investors and other stakeholders. To encourage progress in 2025, the following actions are planned:

- For the companies where engagement calls took place, we will look out for their 2025 disclosures. These will enable us to identify specific medium- and longer-term objectives for the engagement and we aim to setup calls to address these with each company.
- From the company requesting written engagement, we only received a general overview of their approach to healthy offerings, we will try to setup a call after their new disclosures are published.

- Escalation for the least responsive companies will be considered, including for example, a joint letter to the board of directors (with potentially support from other interested investors).
- Each individual investor may also individually consider escalating via their voting activities according to their own internal policies (this can include, for example, voting against specific management items at the next Annual General Meeting, supporting relevant shareholder proposal or co-filing a resolution).

While the first year of HEAL was key to set a baseline and create awareness on the topic of health in the Out of Home sector, we are now looking ahead and aspire to set clear goals and expectations, to encourage change. HEAL will consider expanding the scope in the future, for example by inviting other investors to join. In 2025 we will define a short-, medium- and long-term plan for the future of HEAL.

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