

Deloitte.



The Consumer Goods Forum
Health & Wellness Progress Report
Based on 2016 survey findings

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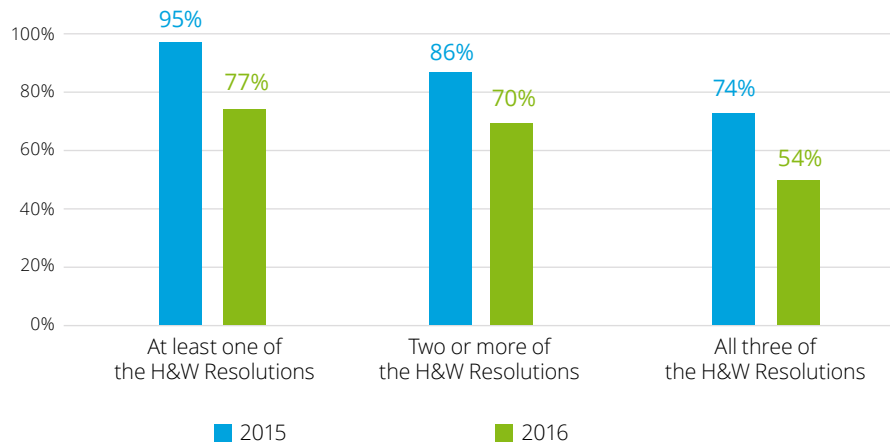
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Health & Wellness at The Consumer Goods Forum

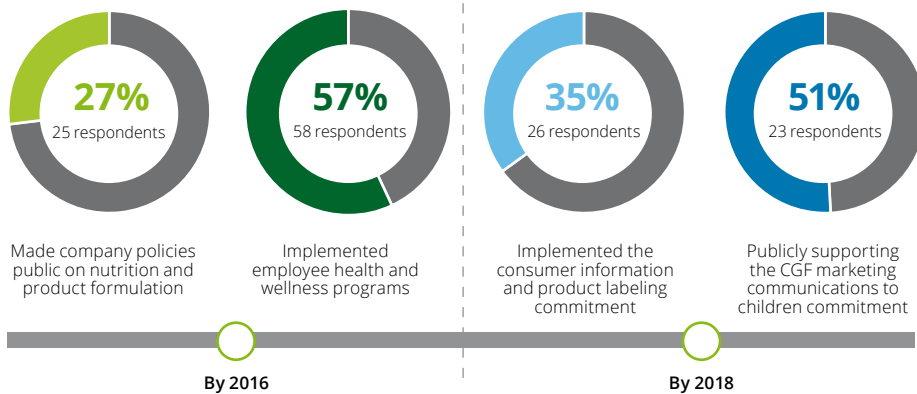
How members are empowering consumers to make healthier choices

Progress against Resolutions

Out of a survey base of 78 respondents in 2015 and 102 in 2016, respondents that established policies and activated programs on:



Commitments completion¹ rates



What's new



30% increase in the number of survey respondents compared to 2015



66% of reporting companies reformulated products



72% have formed partnerships with community stakeholders



44% were consulted by national and/or regional governments on H&W initiatives

Reach

Health & Wellness programs have reached:



2.3 billion People



180,000 Reformulated products



1.3 million Employees participating in H&W programs



30,000 Communities



1.4 million H&W professionals



386,000 Schools

Continuing our journey

Materiality matrix—mapping of global H&W priorities

Increase implementation and rate of reporting towards accomplishing our H&W Resolutions and Commitments

Retailer and manufacturer collaboration in store and community pilots

Strengthen engagement with the external stakeholders

Due to differing company types, not all Resolutions and Commitments are applicable to every company, so the percentages shown in the charts do not necessarily reflect the entire survey respondent population.

¹ Completion rate includes only those respondents that reported having already implemented the Commitment, not those that reported expecting to complete the Commitment ahead of the deadline (2016 for Commitments A & B, 2018 for Commitments C & D). Figures exclude companies that reported "not applicable" and companies that left the question blank.

Survey participants



Foreword

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

The global trend is undeniable. People everywhere are taking a greater interest in their health and wellness, from eating better to exercising to protecting their skin from the sun. The Consumer Goods Forum (CGF) Health & Wellness Resolutions and Commitments have positioned member companies not only to spur progress on health and wellness issues, but also to recognize the myriad business opportunities that will result. Indeed, no other industry touches so many peoples' lives on a daily basis. We believe that through CGF collaborative actions, we can lead positive change and demonstrate the positive role of business in society.

The aim of the **CGF Board of Directors** is to facilitate implementation by sharing knowledge, best practices, and provide tools to support individual company efforts. Measuring our progress is the way for the CGF to show that the industry is contributing to a culture of prevention by introducing products, services, and solutions for healthier employees, consumers and communities around the world.

This is the fourth edition of the CGF's annual H&W Progress Report. It shows an increase in the number of companies participating in the annual survey, from 78 in 2015 to 102 this year. We also note progress on those Commitments with a 2016 deadline: The first Commitment, which calls for greater transparency on nutritional policies and product formulation has been met by 38% of companies that participated in our survey over the last two years, and by 27% of all reporting companies. The second Commitment, calling for employee health and wellness programs, also shows positive results. Specifically, 66% of repeat respondents achieved this Commitment (up from 55% on 2015). Among new respondents, 43% implemented the Commitment.

We draw your attention to two important factors:

1. We saw participation levels increase by over 30% from 2015. This means that while the companies who responded in 2015 (and earlier) are moving in the right direction, many other companies have only now started considering the implementation of the Health & Wellness Resolutions and Commitments.
2. The companies who participated in the survey in previous years have continued to show progress towards the goals. We also note that the larger companies are setting the tone, demonstrating excellent leadership across geographies. We are hopeful that this progress inspires the entire membership, no matter their current progress on their health and wellness journey, throughout 2017 and beyond.



Paul Bulcke
Member of the Board of Nestlé S.A.
Chairman Designate

We recognize that our members are making visible efforts to improve the health and wellness of employees, consumers, their families, and the communities we serve across all geographies. That said, this is an ongoing journey and we strongly encourage all companies to join the collective effort.

The CGF Board of Directors has long recognized how critical health and wellness are to the stability and prosperity of nations. We have made it one of our priorities so that we can lead positive action for the benefit of those we serve every day, everywhere.

While our goals are not easy, they are achievable. Guided by the UN Sustainable Development Goals (SDGs), the initiatives described in the following pages are meant to inspire further sustainable individual and collective action. The industry faces a clear call to action and we have the unprecedented opportunity not only to respond to unmet consumer needs but to simultaneously contribute solutions to health and wellness challenges.

We look forward to our continued collaboration to help people live healthier lives.



Dick Boer
President & Chief Executive Officer, Ahold Delhaize

Executive summary

The journey

This report, the fourth edition since the CGF's Health & Wellness initiative was launched in 2010, helps us to further measure our progress made towards the CGF Health & Wellness Resolutions and Commitments. Encouraging advances have been noted. That said, much more needs to be accomplished if we are to truly realize our goal of having a positive impact on consumer health and wellness.

As in previous years, the CGF Health & Wellness Pillar is aligned with two of the world's most important public health bodies: the United Nations (UN) and the World Health Organization (WHO). The Health & Wellness Pillar supports the WHO Action Plan while the UN Sustainable Development Goals (SDGs) provide an overall framework for action. Three SDGs in particular—improving nutrition (goal 2), ensuring healthy lives and wellbeing (goal 3), and creating mechanisms and partnerships to drive change (goal 17)—demand coordinated industry action. This report demonstrates our efforts to bring these goals into a business context, develop collaborative actions, and provide practical tools to help with their implementation and the growth that will result thereafter.

The focus

The following three Resolutions, adopted in 2011, have been key areas for action on improving the health and well-being of employees, their families, and anyone who buys products or services from CGF members.

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

The 2016 Commitments

Two Commitments wrapped up at the end of 2016. The first, on greater transparency for nutritional information and product formulation showed strong progress. Over 180,000 products have been reformulated to support healthier diets and lifestyles and address public health priorities, an increase of 100,000 compared to last year's edition of the survey. However, we noted that 27% of respondents reported complying with this commitment and while this number was lowered by slower progress from newly reporting companies, it is obviously a figure that can be improved upon.

The second Commitment set for 2016 was to implement employee health and wellness programs. From companies reporting in 2016, 57% said they have honored this Commitment. Recognizing that healthy workers are productive workers and will set examples for their communities, we need to continue relentlessly to drive the implementation of this Commitment across all member companies in the coming years.

This report also updates progress made on the four Commitments adopted in 2014. With their clear due dates, these Commitments are designed to bring our members into greater alignment and deepen engagement on our five-year plan.

Our industry works in every region of the world. As a result, we must factor in an array of cultural and socio-economic factors as we endeavor to promote healthier living. This makes consumer health and wellness an especially complex issue, one that demands a systemic, sustained portfolio of initiatives, delivered at scale. The trend towards healthfulness is stronger than ever, and consumers will continue to respond to services and products they believe will help them live better, longer, and fuller lives. It is up to our industry to meet that demand and to collaborate as proactive partners in the quest for healthier communities. The CGF Health & Wellness Pillar is an excellent opportunity to do just that.

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 labelling and consumer information to help consumers make informed choices and usages

D: By 2018: Stop marketing communications to children under 12 for food and beverage products that do not fulfil specific nutrition criteria based on scientific evidence and/or applicable national and international dietary guidelines

Next steps

The Health & Wellness Pillar focuses on supporting industry collaboration in a way that provides solutions to today's biggest health and wellness challenges. Our collaboration not only increases industry efficiencies and the opportunity for sustainable, long-term business growth, but also helps to build consumer trust as we work together to empower consumers around the world to live healthier lives. The Health & Wellness Steering Committee will drive the implementation of a new framework in 2017 (see page 21) to achieve more and faster impact against this mission by reframing its priorities.

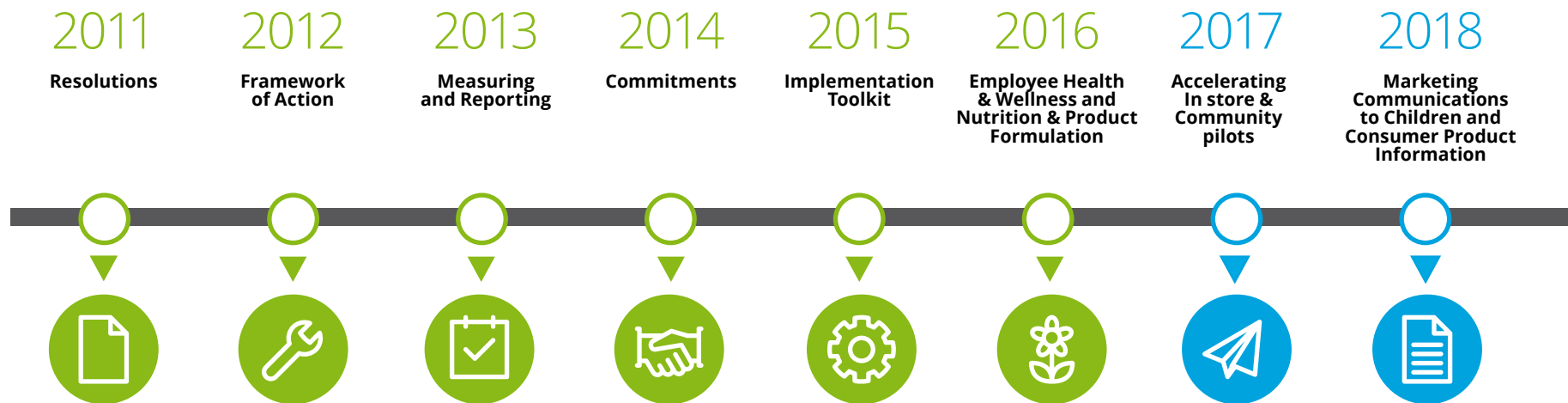
This reflects a determination to add a consumer-driven, pro-active, and growth-oriented focus to the CGF's Health & Wellness agenda, one that embraces the entire industry and the core of our businesses.

To help refine our agenda and support better communication and engagement with CGF members, the Health & Wellness Steering Committee has conducted a materiality matrix assessment of the global health and wellness landscape. The purpose of this important exercise is to refine our strategic agenda while supporting enhanced communication of our efforts as well as a broader engagement from the CGF membership. The results are shared on page 22 of this report. We believe this assessment will serve as a model for the other topics of interest to the CGF membership.

View the latest Health & Wellness implementation stories in our case study booklet:
www.theconsumergoodsforum.com/health-and-wellness-resources/case-studies



Health & Wellness timeline



Summary of findings

Level of participation

Participation in the CGF H&W Survey increased again in 2016 with 102 companies responding to the questionnaire, up from 78 in 2015. This total includes 62 companies that participated in 2015, 40 new respondents, and 43 members of the CGF Board. The distribution of respondents across categories continues to reflect the diversity of CGF's membership with food & beverage manufacturers still the largest share of respondents. Of note, participation increased in all five categories in 2016.

The diversity of respondents to the survey extended to size and geography. Respondents included regional companies as well as multinationals, with participation from companies headquartered and operating in North America, Latin America, Europe, the Middle East, Africa, and Asia/Pacific. In aggregate,

respondents had more than US\$1.8 trillion in revenue in 2015. It is notable that reporting companies varied significantly in size. While a large number of companies had revenues greater than US\$10 billion, several had revenues of less than US\$100 million.

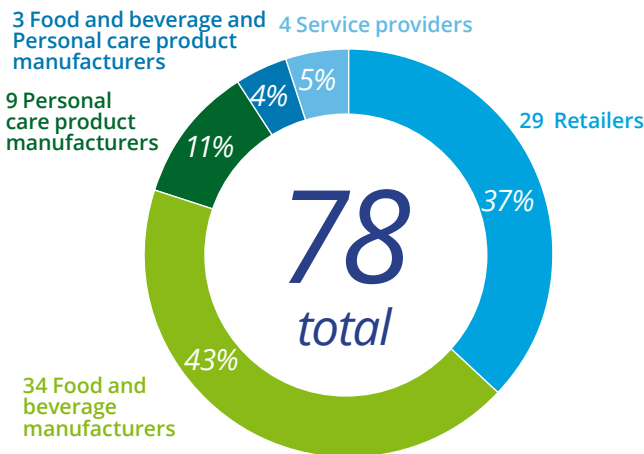
Progress towards H&W Resolutions and Commitments

With a greater number of new respondents in 2016, and compared to 2015 results, progress towards implementation of the H&W Resolutions and Commitments was more positive in absolute numbers. 79 companies (77%) reported that they had established policies and implemented programs towards at least one of the Resolutions while 55 companies (54%) reported they had established policies and implemented programs towards all three Resolutions.

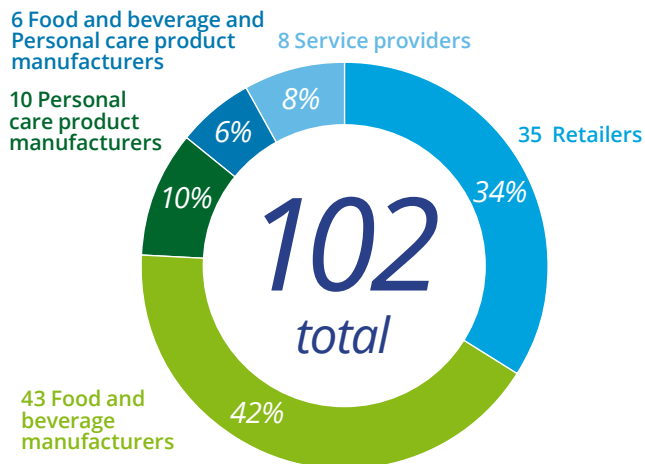
As new respondents become more engaged and aware of progress made by other CGF members, and also of the tools and resources made available through the CGF Health & Wellness Pillar, we would expect that implementation rates will increase for this group.

A broader engagement of the industry in this collective effort is an encouraging result that we acknowledge and we will continue to focus on making it bigger every year.

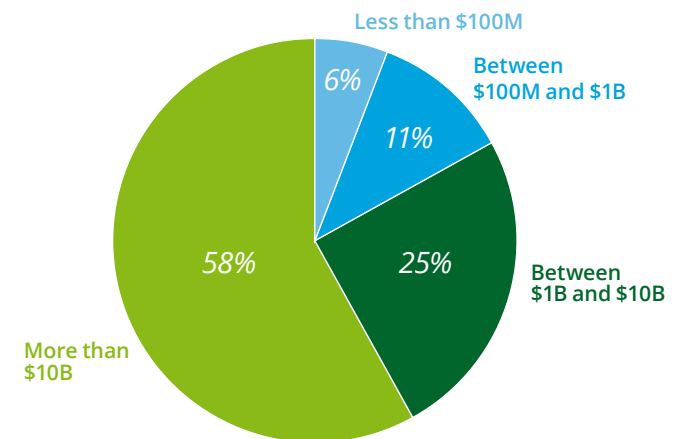
2015 respondents



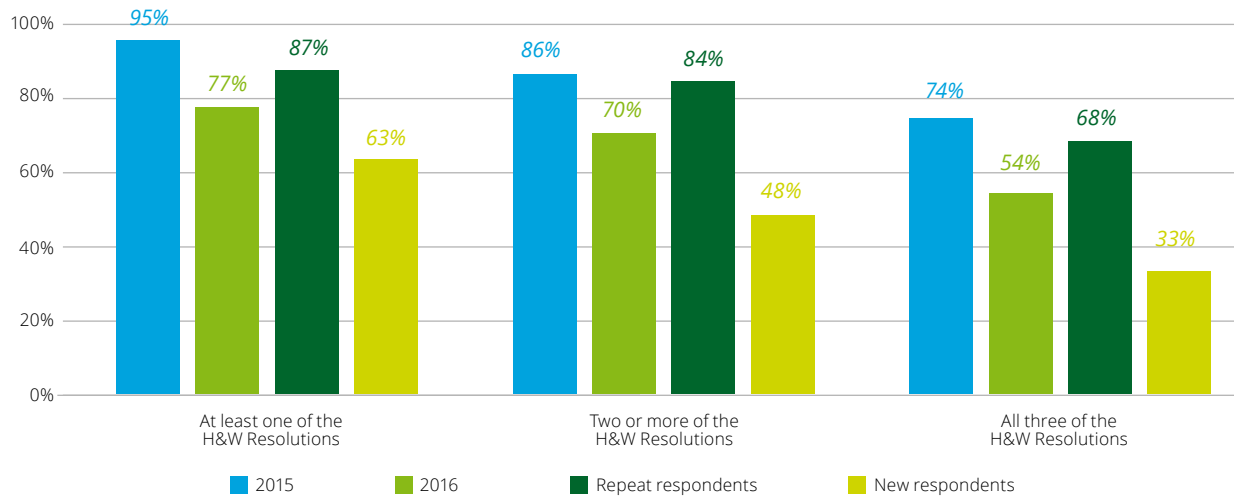
2016 respondents



2016 Respondent size



Progress towards H&W Resolutions and Commitments



Commitments

Progress on the Commitments followed a similar trend to that of the Resolutions. Established respondents increased completion rates while new respondents indicated that they are starting to engage. Although, at 40%, completion rates appear low for some of the Commitments, the majority of companies continue to report progress and most expect to have fully implemented the Commitments by the respective deadlines.

The following gives a more detailed picture of progress on each commitment:

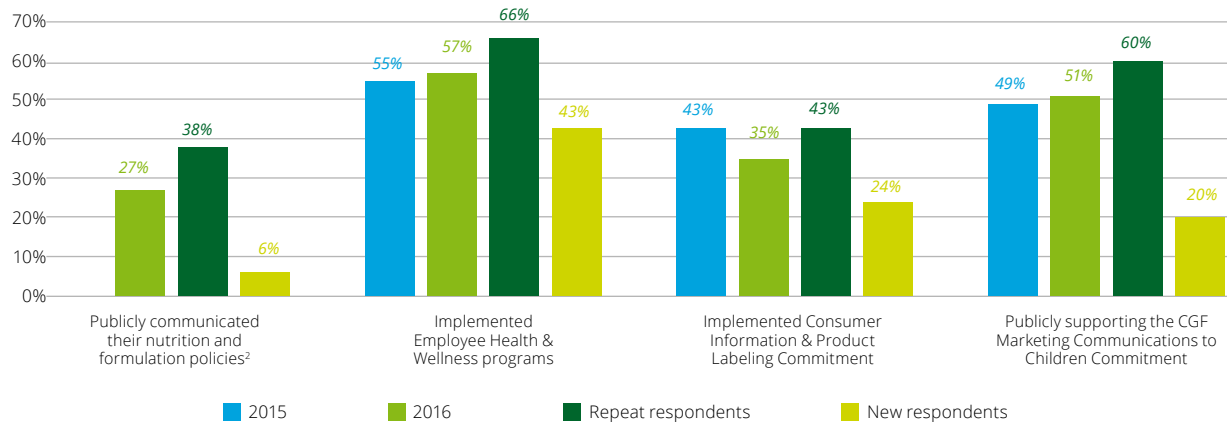
Commitment A (nutrition & product formulation)

There is a gap between the development of new, health- and wellness-compliant products and communicating a corporate policy regarding these efforts. Although 27% of companies have a public policy and/or Commitment on nutrition and product formulation, 75% reported that they are selling products formulated or reformulated based on health and wellness criteria. A further 7% are engaged in research and development but have not yet made new products available.

Commitment B (employee health & wellness)

57% of respondents have employee health and wellness programs up and running. A further 8% expected to have these programs implemented by the end of 2016.

Commitments² completion rates



Commitment C (consumer information)

81% of respondents have either completed or expect to complete implementation by 2018.

Commitment D (responsible marketing)

77% of respondents have either completed or expect to complete implementation of the Commitment by 2018. Eight of the 15 companies that have not started to implement Commitment D were first-time respondents.

Magnitude of CGF members' activities

The scale of CGF members health and wellness activities continues to expand. In 2016, 72% of respondents said that they are collaborating with schools, public health institutions, civil society, and health and wellness professionals to provide information that supports sensible, balanced diets, good hygiene, and regular physical activity. These companies estimate that their health and wellness initiatives reached more than 2.2 billion people worldwide, with programs on promoting healthy lifestyles for children being the number one topic of engagement.

In addition, respondents reported that, in 2016, they have offered more than 180,000 products to consumers that have been formulated to support healthier diets and lifestyles and address public health priorities, an increase of 100,000 products from last year. For food and beverage companies, sodium and sugar were most often targeted for removal in reformulation and whole grains and vitamins were the most common nutrients to be added. For personal care and hygiene companies, the removal of parabens was the number one target in reformulation.

² Commitment A completion rates cannot be compared with 2015 as the evaluation criteria changed significantly.

Context: The not-so-hidden opportunity

In consumer goods, understanding and anticipating the shifting needs and desires of our consumers is more vital than any other success factor. Health and wellness topics are more frequently top-of-mind and, as instances of non-communicable diseases continue to rise at alarming rates, people are looking to use products and services that will help them lead fuller, healthier, longer, and more productive lives.

Indeed, a recent Deloitte study showed that the traditional consumer drivers of price, taste, and convenience have been joined by emerging drivers such as health and wellness, safety, experience, social impact, and transparency.³ Roughly half of the 5,000 consumers surveyed for the study stated that their purchase decisions are significantly influenced by these new drivers. While the survey focused on consumers in the United States, anecdotal evidence suggests that similar shifts are occurring all over the world.

This is not to say that the traditional drivers are obsolete. Consumers still want foods that taste great, products that work, and both that are accessible at a reasonable price. But it is clear that companies that are able to create products that fulfill these other desires will have an advantage.

At the same time, our industry has responsibility towards its employees, consumers, and their families, to provide affordable & accessible products and services that help people manage health conditions, feel good about themselves and their bodies, and make healthier lifestyle & diet choices. Luckily, our position for fulfilling these

responsibilities is a good one: We can leverage our retailing (including online) to create destinations for building healthy lifestyles. We can inspire our 10 million employees as they launch their own journeys towards healthfulness. Finally, with governments and regulators taking a more active role in food-related health issues, we can offer the industry's skills and resources to support the broad aims of healthy communities.

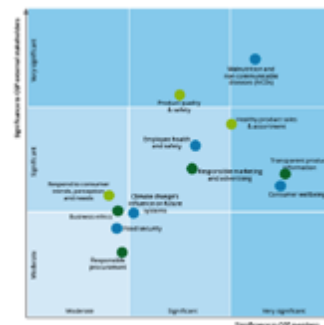
These are challenges, but also opportunities. The Edelman trust barometer shows that consumers agree that a company can take actions that increase profits and also improve conditions in the community.⁴ A separate [Deloitte study of Millennials](#) found that 76% of this demographic believes that business has the power to make a difference.⁵ The question is: Will companies fulfill this expectation to the lasting satisfaction of the consumer and other stakeholders?

The CGF Health & Wellness Pillar acts as an industry catalyst, providing opportunities for companies to grow as they engage with consumers in advance of regulatory requirements. In February 2015, the CGF Board of Directors agreed to a set of the Consumer Engagement Principles (CEP)⁶ to provide a framework for companies to engage with their consumers. With an emphasis on transparency, these principles are designed to foster an environment of trust and pro-active consumer communication. Indeed, when it comes to the Health & Wellness Resolutions and Commitments, the CEP focus on simple communications—communicating in a clear, simple and easy-to-understand language—is a guiding beacon for labelers, marketers, and educators.

Because our industry is so complex, touching on numerous geographical, cultural, and socio-economic differences, the issue of health and wellness is also necessarily complicated. To that end, we have aligned our Health & Wellness Pillar agenda with two important non-industry bodies: the UN and the WHO. The Health & Wellness Pillar is inspired by the **WHO NCDs Action Plan**, while the **UN Sustainable Development Goals (SDGs)** establish an overall framework for taking action. Three UN goals in particular—improving nutrition, ensuring healthy lives and wellbeing, and creating mechanisms and partnerships to drive change—are reflected in our Health & Wellness Pillar.

To guide us going forward the Health & Wellness Pillar conducted its first materiality matrix. This pilot will be another element to shape our agenda and map our current priorities and those of our external stakeholders. The Steering Committee will work with the findings to drive collaboration between retailers and manufacturers to jointly create healthier practices and help consumers live healthier.

The outcome of the materiality exercise can be viewed on page 22.



³ Capitalizing on the shifting consumer food value equation. Deloitte. 2016.

⁴ Edelman Trust Index (<http://www.edelman.com/trust2017/>)

⁵ The Deloitte Millennial Survey 2017. Apprehensive millennials: Seeking stability and opportunities in an uncertain world.

⁶ www.tcgfvaluechain.com

Key findings

Respondents included regional companies as well as multinationals, with participation from companies headquartered and operating in North America, Latin America, Europe, the Middle East, Africa, and Asia/Pacific. Respondents, in aggregate, had more than US\$1.8 trillion in revenue in 2015, with more than half the respondents headquartered in Asia/Pacific. Respondents varied significantly in size; six had revenue of less than US\$100 million while 59 had revenue greater than US\$10 billion. Additionally, 41 of the respondents reported at least 10 percent of their revenue coming from outside the region in which they were headquartered. Asia/Pacific, in particular, had a large percentage of respondents that were regionally focused, with 38 of the 53 respondents headquartered in that region reporting that more than 90 percent of their revenue from that region.

Headquarters Region	Percent	Count	Revenue (US\$ billions)	Percent
Asia/Pacific	52%	53	470	25%
Europe	23%	23	425	23%
Africa	2%	2	24	1%
Middle East	1%	1	34	2%
North America	18%	18	675	37%
Latin America	5%	5	138	7%
Other			78	4%
Total		102	1,845	

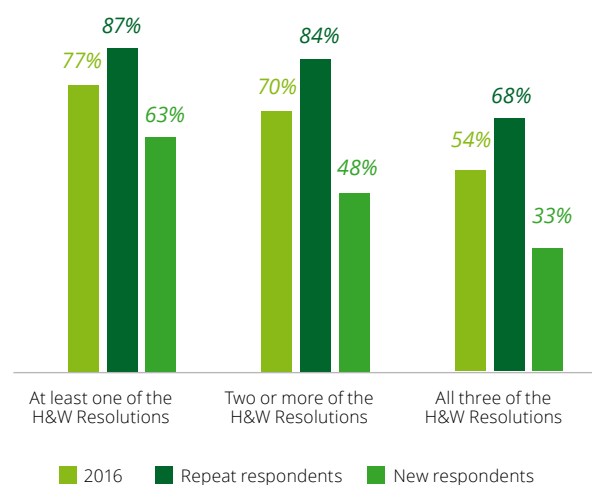
Summary of results

The 2016 results show that steady progress is being made with the Resolutions. With the large increase in new respondents in 2016, progress on implementation of the Resolutions and Commitments decreased in percentage terms while continuing to increase in absolute numbers. Seventy-nine companies (77%) reported that they had established policies and implemented programs towards at least one of the Resolutions, while 55 companies (54%) reported they had established policies and implemented programs against all three Resolutions. The decline in percentage terms was driven by a lower implementation rate

among new respondents; where 25 of the 40 companies (63%) had established policies and implemented programs towards one of the Resolutions and 13 (33%) towards all three. As new respondents become engaged in the process and aware of progress made by other CGF members and of the tools and resources made available through the CGF H&W Pillar, we would expect implementation rates to increase for this group.

While percentages have declined in some cases, this is driven mainly by the addition of 40 new respondents to the 2016 survey. In 2016, 73% of companies reported setting targets or goals for at least one Resolution, compared with 86% in 2015. In 2016, 70% of companies reported communicating their policy about at least one Resolution publicly, compared to 79% in 2015.

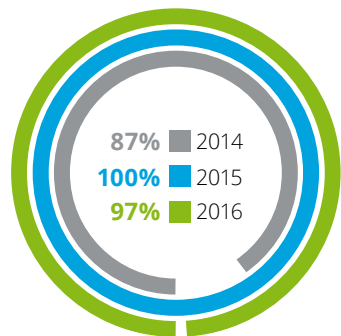
Out of a survey base in 2016 of 102 (62 repeat and 40 new) respondents, percentage of respondents that established policies and activated programs on:



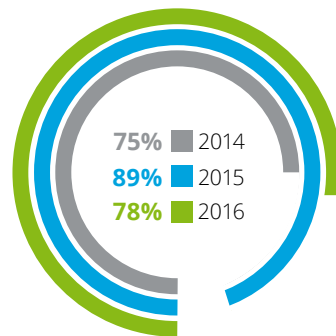
Progress on Resolutions and Commitments

Resolution #1: Offer consumers and shoppers a range of products and services that supports the goals of healthier diets and lifestyles

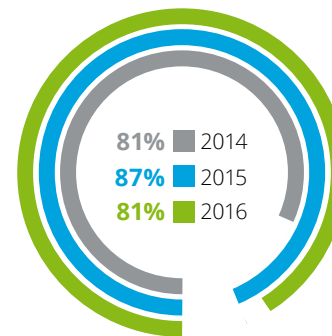
Companies continue to make progress in implementing programs that offer consumers a range of healthier products and services, and are also making strides in setting targets/goals aligned with this Resolution



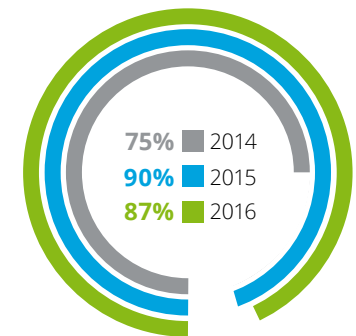
Companies implementing programs that offer consumers a range of healthier products (2014-2016)



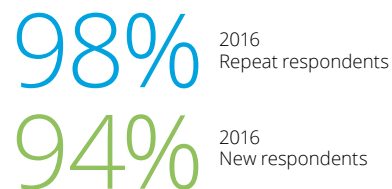
Companies setting targets/goals aligned with this Resolution (2014-2016)



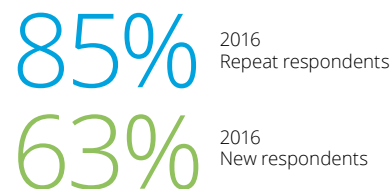
Companies that have a policy or corporate statement aligned with this Resolution (2014-2016)



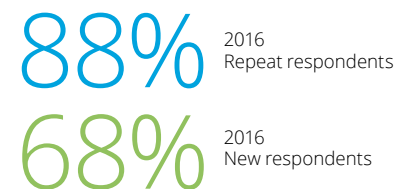
Companies disclosing their policies to the public (2014-2016)



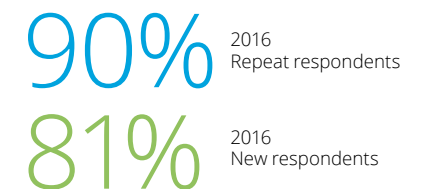
Companies implementing programs that offer consumers a range of healthier products (2016 repeat vs. new respondents)



Companies setting targets/goals aligned with this Resolution (2016 repeat vs. new respondents)



Companies that have a policy or corporate statement aligned with this Resolution (2016 repeat vs. new respondents)

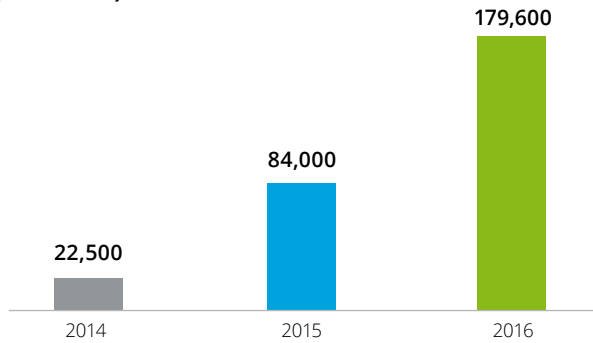


Companies disclosing their policies to the public (2016 repeat vs. new respondents)

Commitment A: By 2016, make company policies public on nutrition and product formulation

The number of products that were formulated or reformulated to align with company policies on health and nutrition continues to increase as programs mature and sample size increases

Number of formulated or reformulated products (2014-2016)



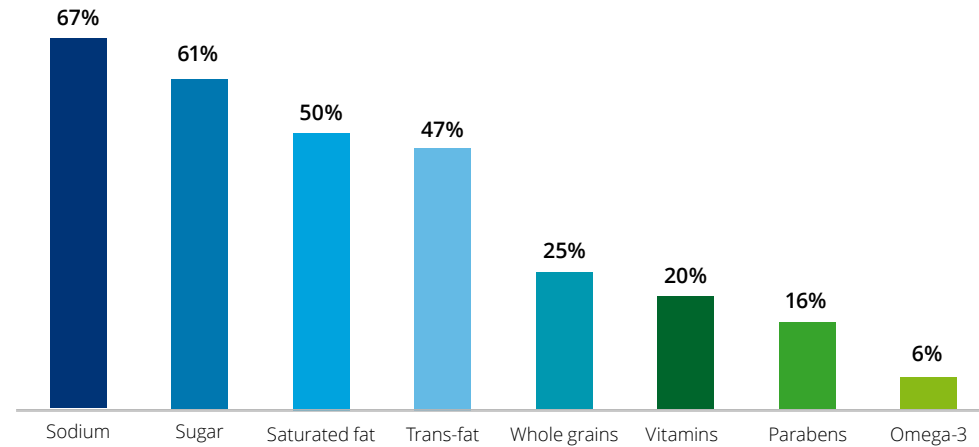
While the number of products offered to consumers has grown significantly, these products still represent a small part of the companies' portfolios:

- 70% of companies responded that these products represent 20% or less of their relevant product portfolios.
- 27% responded that these products represent 21% to 60% of their relevant product portfolios.
- 3% responded that these products represent at least 61% of their relevant portfolios.

Number of formulated or reformulated products (2016 repeat vs. new respondents)



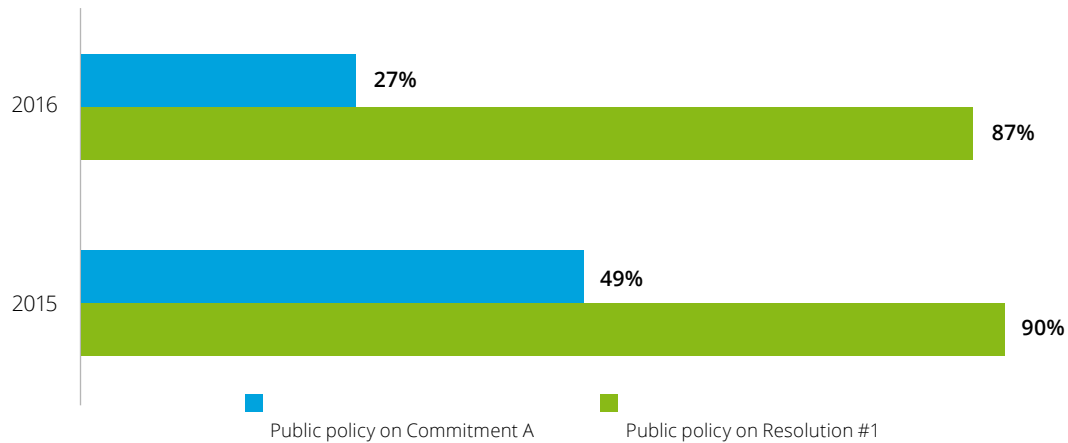
Key targets for reformulation



Commitment A: By 2016, make company policies public on nutrition and product formulation

There is a gap between publishing corporate statements and policies that align with Resolution #1, versus publishing company policies on Commitment A (nutrition and product formulation)

For Commitment A, we find a gap between the development of products that have been formulated or reformulated based on health and wellness criteria and the public communication of a company policy on these efforts. Although only 27% of companies have a public policy and/or Commitment on nutrition and product formulation, 75% reported that they have products formulated or reformulated based on health and wellness criteria in the marketplace and another 7% are engaged in research and development.



While 87% of companies disclose their policies or corporate statements that align with Resolution #1 to the public, 27% have made company policies public in alignment with Commitment A.

Thirty-one percent of manufacturers have publicly communicated policies (another 49% have made reformulated products available), while 21% of retailers have done so (another 47% have made reformulated products available).

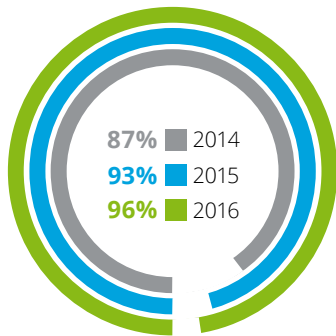
For best practice sharing examples of the public policies shared with the CGF can be found on our website www.tcgfhealthandwellness.com. The Product Reformulation working group is currently designing a framework for publication in 2017 with the objective to support greater implementation of this Commitment.



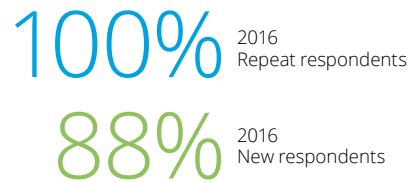
Resolution #2: Provide transparent, fact-based information that will help consumers and shoppers make informed product choices and usages

Progress on Resolution #2 continued with 100% of repeat respondents activating programs in 2016

Companies activated programs to provide transparent, fact-based information (Resolution #2) (2014-2016)



Companies activated programs to provide transparent, fact-based information (Resolution #2) (2016 repeat vs. new respondents)



Most companies have a policy or corporate statement aligned with Resolution #2

Eighty-one percent of companies responded that they have policies aligned with this Resolution. Because some companies participating this year did not take the survey last year, it is not possible to determine whether companies that did not have policies in 2014 have implemented them this year.

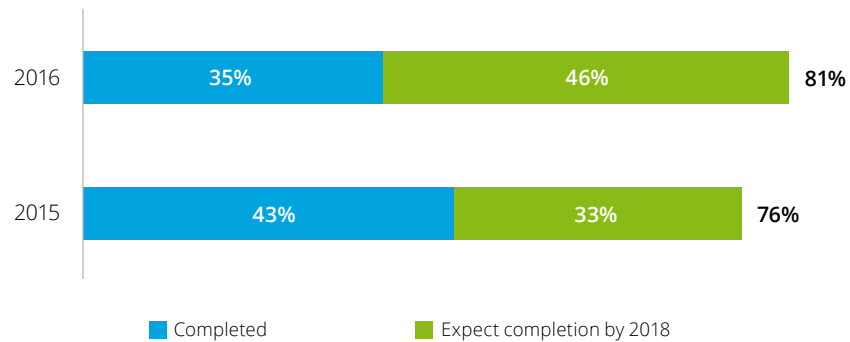


Commitment C: By 2018, implement industry-wide consistent product labeling and consumer information

There has been substantial progress

For Commitment C, 81% of respondents have either completed or expect to complete implementation of the Commitment by 2018. Eight of the 14 companies that have not started to implement Commitment C were first-time respondents.

Commitment C implementation



Companies are showing progress in displaying eight key nutrients on product packaging and in displaying product usage for personal care and hygiene products. However, significantly fewer are including Guideline Daily Amount (GDA) for energy on front of pack labeling.

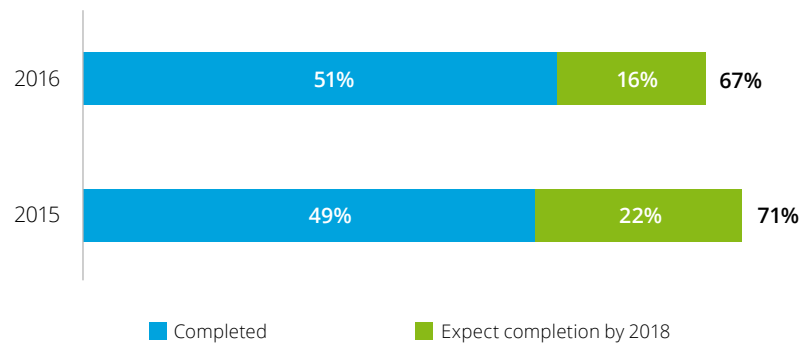
- 77% of food and beverage manufacturers and retailers report including eight key nutrients on at least 81% of products, up from 71% in 2015.
- 78% of personal care manufacturers and retailers report displaying product usages on packaging at least 81% of the time, up from 63% in 2015.
- 68% of food and beverage manufacturers and retailers report including GDA for energy front-of-pack labeling for at least some portion of their product portfolio. It should be noted that the survey did not ask how many use other front of pack systems.



Commitment D: By 2018, stop marketing communications to children under 12 for food and beverage products that do not fulfil specific nutrition criteria based on scientific evidence and/or applicable national and international dietary guidelines

Implementation rate fell slightly in 2016 with the inclusion of new respondents

Commitment D implementation rates



More companies are monitoring their compliance to stop targeted marketing communications to children under 12 for products that do not meet specific nutrition criteria.

- 79% of companies indicated that they monitor compliance and all reached compliance rates of more than 80%.

Personal care product and food and beverage manufacturers have made substantially more progress on Commitment D than retailers.

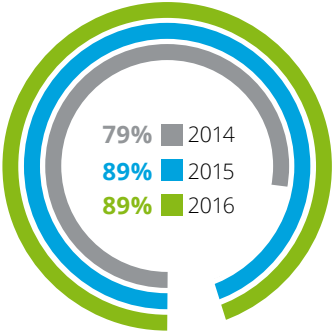
- 59% of manufacturers have completed implementation of Commitment D with 38% of retailers.



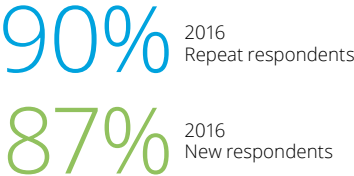
Resolution #3: Use communication and educational programs to help raise consumer awareness on health and wellness and energy balance to inspire healthier diets and lifestyles

Implementation of Resolution #3 held steady in 2016, with repeat respondents up slightly and 87% new respondents activating programs

Companies activating programs for Resolution #3 (2014-2016)



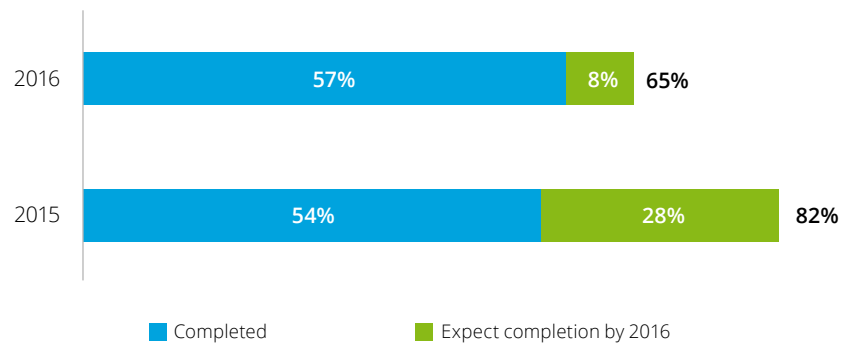
Companies activating programs for Resolution #3 (2016 repeat vs. new respondents)



Commitment B: By 2016, implement employee health and wellness programs

Reported implementation rates for Commitment B is lower relative to 2015 with the inclusion of new companies that have not engaged on the Commitment. In 2016, 57% of respondents reported employee health and wellness programs already up and running and a further 8% expected to have these programs implemented by the end of 2016. Twenty of the 36 companies that have not started to implement Commitment B were first-time respondents.

Commitment B implementation rates



- 69% of manufacturing companies completed implementation of Commitment B, while 46% of retailers and 13% of service providers had done so.
- In 2016, companies reported 1.3 million participants in employee health and wellness programs.





Next steps

The CGF will evaluate how to progress implementation of the 2016 Commitments and we will reflect on how to bring them forward in our Pillar framework. We will sustain our efforts to support the 2018 Commitments and meeting the progressive goals set out. To aid in the implementation of these goals, the CGF has adopted a **'implement or explain'** policy. The hope of this initiative is to motivate all companies to dedicate more energy to reaching the goals. It will also help the CGF better understand the barriers to implementation companies are facing.

With targeted communication, we will continue to emphasize the benefits of implementation, including those related to business growth. Examples are plentiful of how companies have profitably met health and wellness demands. Communication will also be key to ensuring that member companies fully understand the Pillar agendas set down by the CGF Board.

View the latest Health & Wellness implementation stories in our case study booklet:
www.theconsumergoodsforum.com/health-and-wellness-resources/case-studies



To help companies meet the Commitments more efficiently, we will introduce a tiered implementation approach. This will be of special interest and applicability to companies in developing countries.

We will continue to roll out our regionalisation strategy. This involves tailoring the global Pillar strategies so that they are relevant to each region, sharing implementation best practices and engaging with key local stakeholders. Latin America⁷ is the first region to have established its own Board of Directors. They have selected the Health & Wellness agenda as their first priority for implementation.

In 2017 the Health & Wellness Steering Committee will work on shaping its agenda to show industry leadership on positive action. The Pillars framework (see page 21) shows that the mission of the Health & Wellness Pillar has not changed since its first conception, but the priorities are shifting. Retailers and manufacturers are collaborating to explore high-impact ways to affect communities across a broad and more holistic set of health indicators. We aim to oversee the design and execution of several collaborative pilots to test the hypothesis that retailers and manufacturers can jointly create healthier practices and help people live healthier lives.

We will bring new focus to prevention, with projects such as in-store collaboration, driving community-based programs as well as employee-centered projects.

We will provide more capability building support, including telling the stories of companies who have successfully met their health and wellness goals.

The CGF will continue to monitor knowledge from external stakeholders and conduct extensive studies to ensure that the Pillar remains relevant and on-target. One such pilot took place in parallel to the annual report in the form of a materiality matrix (see page 22).

In 2017 we will check in regularly on our progress with the CGF membership:

4 April 2017:

CGF Latin American Board of Directors

6-7 April 2017:

Health & Wellness Steering Committee

20-23 June 2017:

CGF Board of Directors & Global Summit

2-5 October 2017:

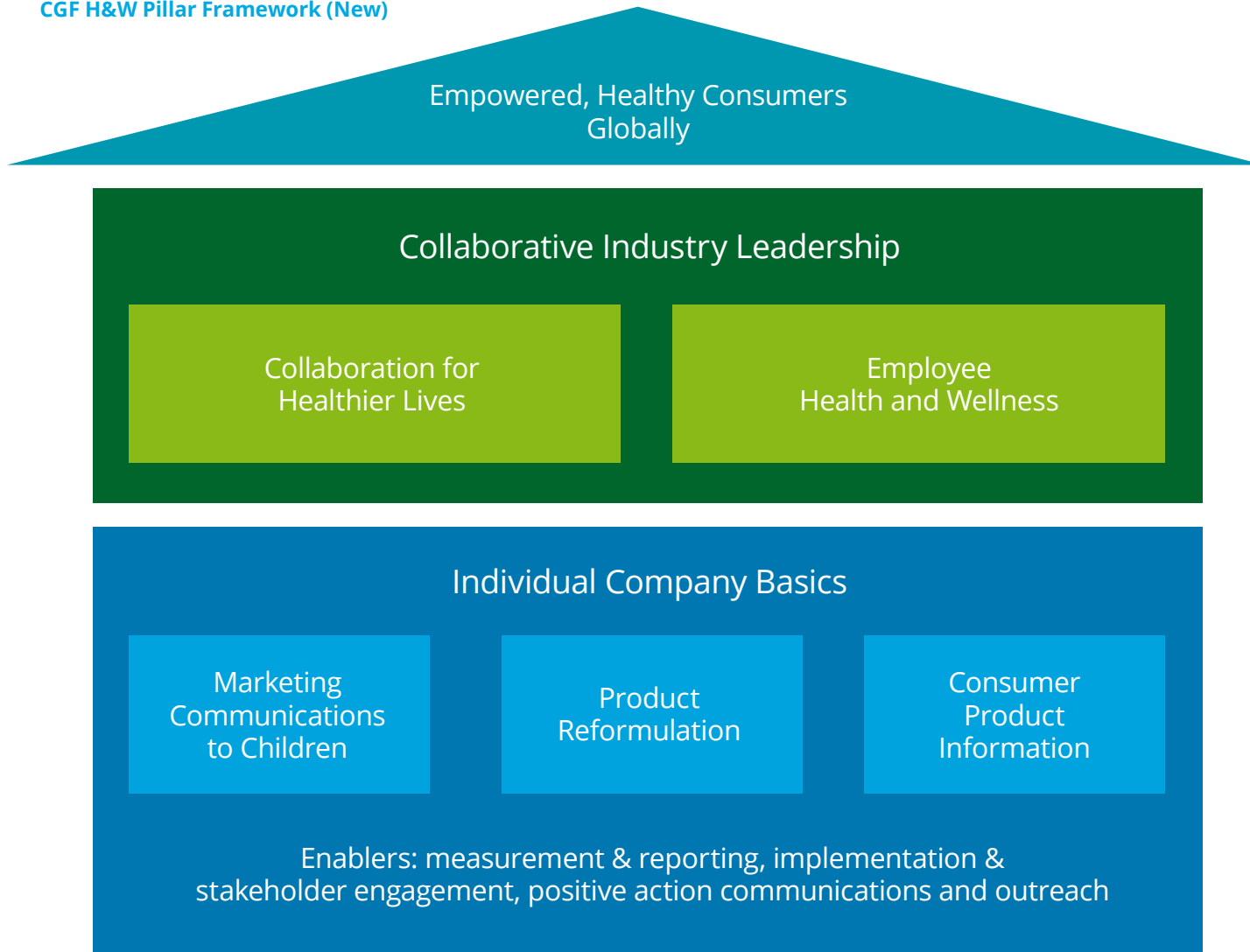
CGF Sustainable Retail Summit and Health & Wellness Steering Committee

28-29 November 2017:

CGF Board of Directors

⁷ www.theconsumergoodsforum.com/about_the_forum/regional-activities/latin-america-en

CGF H&W Pillar Framework (New)



Materiality Matrix for Health & Wellness Pillar

Methodology

The Consumer Goods Forum (CGF) developed its first materiality matrix related to health and wellness topics at a global level to improve coherence in its actions.

Based on a benchmarking study, 12 material topics were identified. These topics represent important challenges for the industry in three different fields: business practices; responsible products; and people and communities. In a second phase, 23 stakeholders were consulted in order to give feedback from an industry perspective and select the most critical health and wellness related topics. Following the feedback received from senior level executives representing the consulted organisations, the health and wellness material topics were scored and positioned in the materiality matrix.

It is important to note that, as a pilot exercise, this materiality matrix was conducted only for the Health & Wellness Pillar this year. In addition, this analysis was intended to reflect issues at the consumer goods industry level.

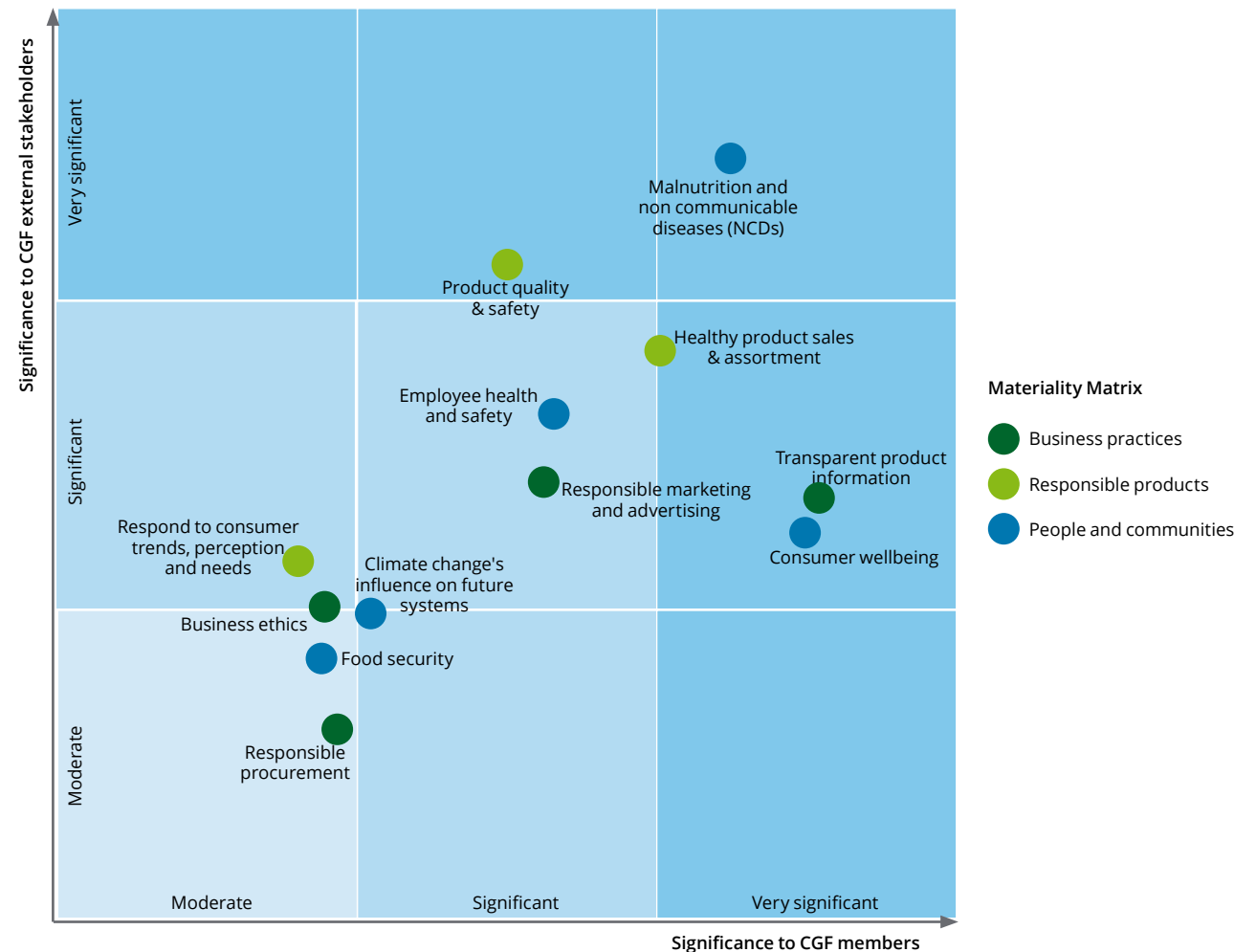
Results

Five topics stand out in terms of priority this year (in the darker area):

- Malnutrition and non-communicable diseases (NCDs)
- Healthy product sales & assortment
- Consumer wellbeing
- Transparent product information
- Product quality & safety

The materiality matrix below represents the relative importance of the twelve topics according to the external stakeholders' perception (vertical axis) and CGF members' perception (horizontal axis).

All twelve topics were considered relevant and important by the majority of the stakeholders consulted.



Lower-ranked topics are identified as less specific to the health and wellness area and should already be addressed by businesses to a certain extent. Less urgent than other topics, they also require less actions at the industry level.

Among the consulted stakeholders:

- 14 were internal stakeholders, i.e. CGF members representing the different sectors covered by the CGF: food and non-food retailers and manufacturers, with a significant proportion of the food industry.
- 9 were external stakeholders, i.e. international organisations (in the field of economy, food-health and non-food related activities), representatives of the investors community, the scientific community, NGOs, EAC, as well as media.

"Product quality and safety is the biggest challenge in developing countries."

"The future of our communities depends on improved diets for all socio-economic groups."

"Transparent product information can change consumer behaviour and by doing so, impact the planet."

"Manufacturers and retailers should collaborate to promote healthier lifestyles."

"It is critical to provide transparent information because it is necessary to help consumers make informed product decisions."

Next steps

With this first materiality analysis in 2016, the CGF identified material issues on health and wellness. This work will enable us to review our priority themes of work in 2017 so that they are aligned with the issues raised during the stakeholder consultation.

In addition to the findings highlighted in this report, the method of the analysis is an innovative one because it consisted of identifying our main stakeholders and understanding their expectations on health and wellness issues. This approach is extremely instructive and we wish to replicate it on a regular basis in order to establish an ongoing dialogue with our partners and benefit from their feedback to progress more quickly and efficiently.

This exercise was carried out on the Health & Wellness Pillar in order to familiarize ourselves with the methodology and the process. The process will be adjusted and we hope to assess the materiality of the other CGF Pillars across the entire CGF value chain in the near future.

CGF Health & Wellness External Advisory Council (EAC)

“

It is a pleasure to be on an advisory board for an organization that really is working to address health and wellness issues in the world. This fourth report on the advancements in this area is impressive: I am especially heartened by two aspects: the 30% increase in the number of companies committing to health and wellness and the reported commitment by the vast majority of companies to agree to engage in responsible marketing to children by 2018. My hope is that more companies will come on board in the next year and these commitments will be adopted 100% across the board.

”



Ellen Wartella

Al Thani Professor of Communication
Professor of Psychology
Professor of Human Development and Social Policy
Northwestern University

“

It is great to see the improving numbers among companies that had already participated in the survey in previous year. It is also encouraging to see the increasing number of companies participating for the first time, especially since some of them show lots of potential for improvement in the future—which we will be monitoring carefully.

Beyond the statistics, I encourage CGF members to share specific examples of their best practices, especially when they demonstrate that improvements in health and wellness go hand-in-hand with improvements in the top and bottom lines. Research on the so-called “identifiable victim effect” has shown that a single, well-documented example can be a lot more persuasive than population statistics. Show the world the great work that you have been doing and help change perceptions and behaviors.

”



Pierre Chandon

The L'Oréal Chaired Professor of Marketing—Innovation and Creativity | INSEAD
Director | Centre Multidisciplinaire des Sciences Comportementales Sorbonne Universités-INSEAD | INSEAD-Sorbonne University Behavioural Lab

““

Results presented in this report demonstrate the potential for the private sector to play an important role in helping people across the globe improve their health and wellness. Realizing the importance of health and wellness to their customers, more and more companies are engaging in the health and wellness initiative of The Consumer Goods Forum. They are reformulating products, paying attention to responsible advertising, and prioritizing the health and wellness of their own employees. They are establishing partnerships with communities and engaging in government health and wellness initiatives, demonstrating their willingness to step up to be part of efforts to improve the health and happiness of the population. Even more importantly more and more companies are realizing the business opportunities that will emanate from a healthier world.

””



James O. Hill, Ph.D.

Professor of Pediatrics & Medicine
 Director, Colorado Nutrition Obesity Research Center
 University of Colorado

““

We should not just do something, but we need to do the right and necessary things...to improve health! ...and ...we need to show and prove that we can really make a change to the better.

Therefore we love to support the CGF and your efforts in improving health, but we also need to make sure that all this happens in a structured way with a scientific background and evaluation to provide evidence...that we can make that change!

””



Stephan Jacob, PhD

Professor and Endocrinologist & Diabetologist,
 Cardiometabolic Institute
 Villingen Schwenningen & TÜBINGEN University

The journey ahead

The CGF will continue to serve as a catalyst for multi-stakeholder collaborations that aim to support healthier consumer diets and lifestyles, (both food and personal care & hygiene) and will work closely with companies that have not yet fully implemented the H&W Resolutions and Commitments. Widespread participation is fundamental to the value of this survey and the subsequent report and we will endeavor to encourage even more companies to complete the 2017 survey.

During this coming year, we will not only continue to report on progress made towards reaching goals we had set for 2016, we will also maintain our focus to those Commitments that come to term in 2018; namely, consistent product labeling and consumer information, and the cessation of marketing food and beverages to children below the age of 12 if they do not fulfill specific nutrition criteria based on scientific evidence and/or applicable national and international dietary guidelines.

We will drive our new “collaboration for healthier lives” initiatives via pilots around the globe using the unique capabilities of CGF members for positive action. We will work to having a healthy and engaged workforce across our membership.

We look forward to our continued collaboration to help people live healthier lives.

www.theconsumergoodsforum.com/health-and-wellness-resources/case-studies



Annex A: List of material topics

Category	Material topic	Definition
Business practices	Responsible procurement	Identify source materials; ensure product traceability; audit the supply chain of main suppliers; improve life conditions of animals during livestock farming; develop alternative methods for animal testing.
	Transparent product information	Provide transparent information about products components and process of manufacturing; develop product labelling; provide fact-based information that helps consumers make informed choices.
	Responsible marketing and advertising	Propose answers to customers who are looking for sense and meaning; develop responsible offers; orientate advertising in stores and in the media in order to enhance responsible products, offers and services.
	Business ethics	Provide transparent information about the way business is conducted; improve dialogue with political actors; implement new rules of order having the force of law prescribed by a superior or competent authority; develop R&D and trends analysis in order to anticipate customer needs and future regulations.
Responsible products	Product quality & safety	Continue to improve the R&D, process, controls and risks management in order to ensure product quality and safety for customers.
	Respond to Consumer Trends, Perception and Needs	Adapt products specifications to what the consumers are willing to buy either due to personal choices and way of life (e.g. vegan, religion, alcohol-free, fragrance-free...) and/or due to health issues (gluten-free, hypoallergenic, paraben-free...).
	Healthy product sales & assortment	Develop in-store and on-line accessibility, affordability, availability and visibility of products and services that support healthy lifestyles.
People and communities	Employee health and safety	Improve the quality of life at work; protect the working conditions of all direct employees in offices, shops and factories, etc.; make sure that the company is compliant with fair labour practices, especially at the supplier levels.
	Consumer wellbeing	Raise consumer awareness on health and wellness; encourage healthful practices, personal care, hygiene, mental health and positive body image; develop specific education programmes in this area.
	Malnutrition and non-communicable diseases (NCDs)	Fight against malnutrition (undernutrition, obesity, micronutrient deficiencies) and NCDs (diabetes, cardiovascular disease, cancers) by investing in R&D, building new partnerships, empowering offers and promoting healthy lifestyles; propose new healthy-offers and drug products.
	Food security	Guarantee access to sufficient, safe and nutritious food; contribute to the fight against hunger and undernutrition.
	Climate change's influence on future systems	Be aware of direct and indirect impacts of the company; anticipate the effects of greenhouse gas emission increases on determinants of health and wellbeing, such as clean air, safe drinking water, and sufficient food and secure shelters.

Acknowledgements

Health & Wellness Measurement and Reporting Taskforce

Co-Leads:

Petra Klassen-Wigger, Nestlé
Harm-Jan Pietersen, Ahold-Delhaize

Mary Sophos, GMA
Sarah Delea, Mondelēz International
Janis Herzig, PepsiCo
Mary Kearney, Unilever

Health & Wellness Steering Committee

Retailer Co-Chair: Emma Coles, Ahold-Delhaize

Manufacturer Co-Chair: Petra Klassen-Wigger, Nestlé

Kyoko Sato, Aeon Co., Ltd.
Julie Greene, Ahold-Delhaize
Tim Lammens, Ahold-Delhaize
Takeshi Kimura, Ajinomoto Co., Inc.
Kazuya Onomichi, Ajinomoto Co., Inc.
Robert Ciati, Barilla Holding Spa
Tara Acharya, Campbell Soup Company
Hervé Gomichon, Carrefour
Gastón Gacitúa Rocha, Cencosud
Wouter Vermeulen, The Coca-Cola Company
Isabelle Grosmaître, Danone
Maha Tahiri, General Mills, Inc.
Mary Sophos, GMA
Liliana Mejia, Grupo Bimbo
Claudia Echavarria Uribe, Grupo Exito
Kimberly Kirchherr, IGA, Inc.

Ashley Page, IGA, Inc.
Matt Roberts, Johnson & Johnson Consumer Group
Enrico Toja, Johnson & Johnson Consumer Group
Satoru Tanaka, Kao Corporation
Christine Corcoran, Kellogg Company
Jean-Dominique Tortil, L'Oréal
Melissa Weber, Mars, Inc.
Veronika Pountcheva, Metro Group
Sarah Delea, Mondelēz International
Saliha Barlatey, Nestlé
Astrid Williams, PepsiCo
Dawn Elvin, Procter & Gamble
Tim Smith, Tesco Plc
Kerrita McClaughlyn, Unilever
Mark Wagner, Walgreens Boots Alliance
Jack Pestello, Wal-Mart Stores, Inc.

External Advisory Council

The council provides directional guidance to the Health & Wellness Pillar. They provide a perspective on trends in public health, macro-economic issues and an eagle view of what issues should be included in the scope of the **Health & Wellness Pillar**. Their views remain independent.



The Global Network Serving Shopper & Consumer Needs

About the Consumer Goods Forum

The Consumer Goods Forum (“CGF”) is a global, parity-based industry network that is driven by its members to encourage the global adoption of practices and standards that serves the consumer goods industry worldwide. It brings together the CEOs and senior management of some 400 retailers, manufacturers, service providers, and other stakeholders across 70 countries, and it reflects the diversity of the industry in geography, size, product category and format. Its member companies have combined sales of EUR 3.5 trillion and directly employ nearly 10 million people, with a further 90 million related jobs estimated along the value chain. It is governed by its Board of Directors, which comprises more than 50 manufacturer and retailer CEOs.

For more information, please visit: www.theconsumergoodsforum.com

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Contacts

The Consumer Goods Forum Health & Wellness Pillar



Sharon Bligh



+33 1 82 00 95 58



hw@theconsumergoodsforum.com



www.tcgfhealthandwellness.com



www.consumergoodsforbetterlives.com/



www.linkedin.com/company/health-&-wellness-pillar



@CGF_Health | @CGF_The_Forum

Deloitte Touche Tohmatsu Limited



Jack Ringquist



Consumer Products Sector Leader, Deloitte Global



+1 213 688 4707



jringquist@deloitte.com



www.deloitte.com