

ACCESS TO NUTRITION INDEX

INDIA
SPOTLIGHT
INDEX 2016



ACCESS TO
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INDEX™

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This India Spotlight Index was produced by the ATNF team which consists of Inge Kauer, Marije Boomsma and Simona Kramer along with Senior Advisor Rachel Crossley. The team also drafted this report.

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Preface

I am very pleased to introduce the first edition of the India Spotlight Index. This is a groundbreaking publication. It provides the first fully independent national assessment of the contribution by India's largest food and beverage (F&B) manufacturers to better health outcomes through good nutrition.

The double burden of malnutrition poses daunting challenges for India: it has both a large undernourished population with the highest number of stunted children in the world – 48 million under the age of 5 are wasted – and a growing pandemic of overweight and obese people suffering from chronic diet-related diseases such as diabetes. Today, the prevalence of overweight and obese children and adolescents between 5 and 19 stands at a staggering 22%. Given the growth in consumption of packaged foods in India and increasing demand in urban areas for healthy food, the nation's F&B manufacturers have the potential to play a pivotal role in tackling the double burden of malnutrition.

Of the 10 largest F&B manufacturers in the country, seven engaged fully in the research for the Index, suggesting widespread awareness of this potential. These seven companies shared confidential data with the Access to Nutrition Foundation (ATNF) in addition to the information they publish.

The 2016 Index reflects extensive consultations conducted between 2013 and 2016. It furnishes a comprehensive and objective assessment of India's major F&B manufacturers' nutrition and undernutrition-related policies and practices in nutrition governance, product formulation, accessibility, marketing, lifestyles, labeling and stakeholder engagement. The Index identifies and highlights a number of best practices that all companies can learn from. It also presents an in-depth analysis of the nutritional quality of the products these companies sell based on the Health Star Rating system. Moreover, the critical importance of advancing and protecting breastfeeding in India is addressed by assessing compliance with India's IMS Act and the International Code of Marketing of Breast-milk Substitutes.

A principal conclusion of our extensive research is that F&B manufacturers in India are falling far short of what they need to do if they are to fulfil their potential in helping to fight the mounting double burden of malnutrition in India. There are also, however, some positive signs: ATNF has identified many good nutrition practices that could be adopted across the industry and several valuable initiatives run by NGOs.

The Government of India, too, has taken important steps towards better nutrition – by, for instance, strengthened food labeling regulations, technical standards for fortification and by having adopted and successfully enforced strong regulations with respect to breast-milk substitute marketing.

To what extent will India's F&B industry rise to the challenge of confronting the double burden of malnutrition? The potential for the industry to be a central actor in meeting the challenge is self-evident. I hope when we publish the second India Spotlight Index in 2018 we will be able to show that the industry has made great strides to address this most critical issue.

I would like to thank the Bill & Melinda Gates Foundation, the Children's Investment Fund Foundation and the Wellcome Trust for supporting ATNF's work. I would also like to thank the members of the Access to Nutrition Foundation Board, the Independent Advisory Panel and the Expert Group, and many Indian experts, our research partners Sustainalytics, Westat and The George Institute, and the ATNF team for their enormous efforts and support in producing the first India Spotlight Index.

Inge Kauer
Executive Director Access to Nutrition Foundation





Executive summary



Overview

In India, the double burden of malnutrition poses a serious challenge – the need to tackle both persistent levels of undernutrition at the same time as rising levels of overweight and obesity. Severe undernutrition has been a national problem for generations and remains so today. According to the latest available data from the National Survey undertaken by the Ministry of Women and Child Development in 2013-14, the prevalence of stunting in children below five years is 39%. This equates to around 48 million children – or two in every five children under the age of five – making India home to the largest number of stunted children in the world. Moreover, among the same population, more than 70% suffer from iron deficiency, 65% are deficient in vitamin A and 45% are zinc deficient.

The gravity of this situation has been greatly compounded in recent years by an alarmingly rapid rise in levels of overweight and obesity in the population. India now ranks third, after the US and China, in terms of the absolute number of obese people. Around 20% of children and adolescents are overweight. These trends, which are predicted to increase substantially, are already causing serious pandemic diseases in the form of diabetes, heart disease, stroke and certain cancers.

Food and beverage (F&B) manufacturers in India have the potential – and the responsibility - to be part of the solution. The serious health consequences of poor nutrition lend urgency to the need for India's F&B manufacturers to proactively adopt impactful initiatives to improve the nutritional quality of their products, as well as other aspects of their businesses, augmented by other non-commercial practices (e.g. how they direct the mandatory Corporate Social Responsibility tax funds). It is in the companies' financial and business interests to do so. Clear incentives are emerging: Indian urban consumers are increasingly demanding healthier foods and the Government is becoming increasingly active by, for example, introducing tighter nutrition labeling regulations and standards for fortification.

The Access To Nutrition Index (ATNI) evaluates the largest food and beverage manufacturers' policies, practices and disclosure related to nutrition, both in individual countries and globally. They provide companies with a tool to benchmark their performance on nutrition against others in their sector and they provide stakeholders with consistent, in-depth information on companies' contributions to improving nutrition. The aim of the Index is to encourage companies to increase access to healthy products and to responsibly exercise their influence on consumers' choice and behavior.

The first Global Index was launched in 2013 and the second in 2016. It gained a positive response from stakeholders, including food and beverage manufacturers, NGOs and investors. Following the publication of the first Global Index, the Access to Nutrition Foundation (ATNF), the organization that designs and publishes the Indexes, conducted research to explore the feasibility of launching Spotlight Indexes to assess companies in markets with a high double burden of malnutrition – India, Mexico and South Africa. The purpose of such Spotlight Indexes is to gather and publish empirical evidence on the performance of companies on nutrition and to strengthen the basis for national dialogue and action to address the double burden.

In this regard, the India Spotlight Index 2016 is groundbreaking. It is the first such Spotlight Index to be published. It assesses the policies, practices and disclosure of the largest multinational and Indian food and beverage manufacturers in India, as well as the nutritional quality of their product portfolios. Moreover, a critical element of the Index is an assessment of the compliance of manufacturers of infant formula and complementary foods (known as breast-milk substitutes or BMS) with local marketing regulations and the International Code of Marketing of Breast-milk Substitutes.



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Methodology and approach

Based on total sales in India in 2014, the ten largest Indian food and beverage manufacturers were selected for assessment for the first India Spotlight Index. They are Gujarat Cooperative Milk Marketing Federation (Amul), Britannia Industries, Coca-Cola India, Mondelez India, Mother Dairy Fruit & Vegetable Pvt. Ltd. (Mother Dairy), Nestlé India, Parle Products Pvt. Ltd. (Parle Products), PepsiCo India, Ruchi Soya Industries Limited (Ruchi Soya) and Hindustan Unilever. In addition to the ten companies that were scored and ranked, four more companies (Adani Wilmar Ltd. (Adani), Cargill India Pvt. Ltd. (Cargill), ITC Limited (ITC) and Karnataka Co-operative Milk Producers' Federation Ltd. (Nandini)) which make and fortify dairy products, oil and/or wheat were approached to be interviewed about their focus on undernutrition, specifically food fortification.

The India Spotlight Index methodology comprises three components:

- **Corporate Profile** – assessing companies' nutrition and undernutrition-related commitments and policies, practices and disclosure in seven Categories:
 - **A Governance** (12.5%) – Corporate strategy, governance and management
 - **B Products** (25%) – Formulation of appropriate products
 - **C Accessibility** (20%) – Delivering affordable, available products.
 - **D Marketing** (20%) – Responsible marketing policies, compliance and spending
 - **E Lifestyles** (2.5%) – Support for healthy diets and active lifestyles.
 - **F Labeling** (15%) – Informative labeling and appropriate use of health and nutrition claims
 - **G Engagement** (5%) – Engagement with governments, policymakers and other stakeholders.
- **Breast-milk substitutes marketing assessment** – a study that assesses the marketing practices of baby food companies in India.
- **Product Profile** – assessing the nutritional quality of the products of all companies included in the India Spotlight Index.

As in the Global Index, the **Corporate Profile** methodology assessed companies in India against international and national guidelines, norms and accepted good practices, except when such guidance was not available. In those instances, the assessment was based on guidance from a panel of nutrition experts. Suggestions from extensive stakeholder consultations held in India between 2013 and 2016 strengthened the methodology and helped adapt it to the Indian context. For the eventual Corporate Profile score, each company is rated in each category on a scale of zero to ten. In addition to individual Category scores, a company also receives a 'nutrition general' score (which reflects action it takes to address nutrition for all consumers) and an undernutrition score (which reflects action it takes in respect of

undernourished consumers). A score of zero indicates that no evidence was found for any positive nutrition-related commitments, practices or disclosure; a score of ten signifies that the company is achieving best practice according to the current state of knowledge and consensus reflected by the ATNI Corporate Profile methodology.

Company assessments for the Corporate Profile were conducted by the global responsible investment research firm Sustainalytics. The assessments were based on publicly available documents, supplemented by information provided by each company via an online data platform developed by IT provider 73BIT. Companies that did not submit documentation, information or data to Sustainalytics during the research process were ranked solely on information published online.

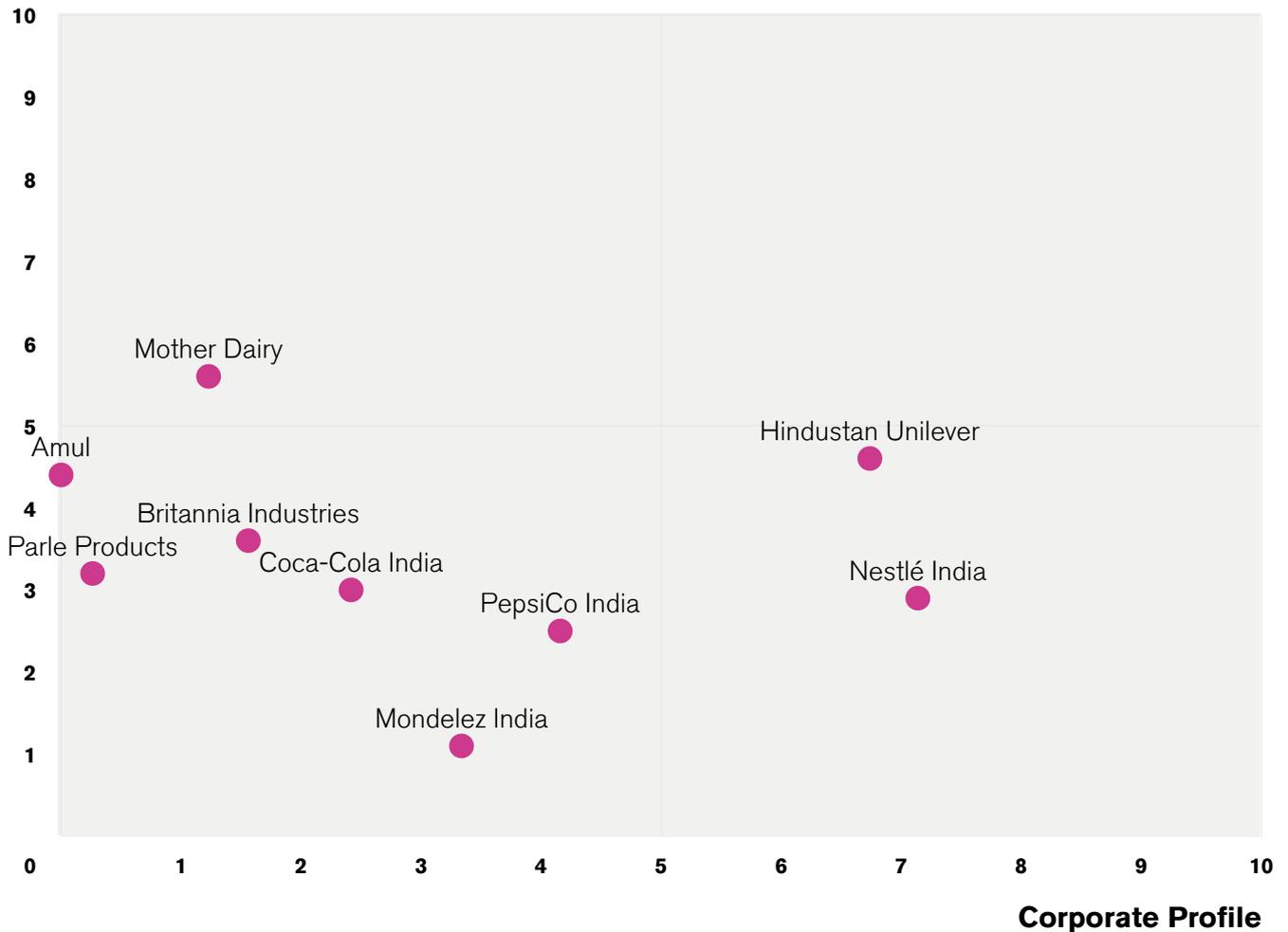
The **BMS marketing assessment** was undertaken in Mumbai during the summer of 2016. This assessment follows the approach taken in the 2016 Global Access to Nutrition Index to assess infant foods companies' marketing practices within India. It assesses these companies' compliance with the International Code of Marketing of Breast-milk Substitutes (The Code), subsequent World Health Assembly (WHA) resolutions and the India regulation that controls the marketing of infant formula and complementary foods i.e. The India Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 as amended in 2003 (IMS Act). The study was undertaken using the Interagency Group on Breastfeeding Monitoring (IGBM) Protocol. The research was carried out by specialist research organization Westat, based in Rockville, Maryland (U.S.), working closely with The Centre For Media Studies (CMS) Research House, based in New Delhi, which undertook the in-country data collection. All companies (8) whose BMS products were found for sale in Mumbai were included in the study.

The **Product Profile** primarily assesses the nutritional quality of products sold by the Index companies, using the Health Star Rating (HSR) nutrient profiling system. This system analyzes the level of several positive nutrients (e.g. fruits and vegetables and fiber) and several negative nutrients (e.g. salt and fats) in products, and generates a rating for each product from 0.5 stars (the lowest rating, indicating a product has low nutritional quality) to five stars (the highest rating, indicating that a product has a high nutritional quality). Weighting the HSR for each product category by the sales of that category, and re-basing that score on a scale of one to 10, generates the overall Product Profile score. A score of 10 indicates that all of a company's sales derive from the healthiest possible products; a score of one indicates that a company's revenues are generated from selling only the least healthy products. ATNF commissioned The George Institute for Global Health, based in Sydney, Australia, with offices and extensive experience of working in India, to undertake this research.

Overall Score and Ranking

In the India Spotlight Index, all companies are given two separate scores and ranks: one for the Corporate Profile and one for the Product Profile.

Product Profile



The overall ranking matrix presents companies' performance on the two key elements of the India Spotlight Index: the Corporate Profile and the Product Profile.

- The Corporate Profile score summarizes companies' performance across all seven Categories of the Corporate Profile methodology in terms of their response to obesity, diet-related chronic diseases as well as undernutrition. Companies with a low rank and score make little if any information about their nutrition policies and practices publicly available and had minimal or no engagement in the research process. Companies with a higher rank and score typically publish more information, engaged in the research process and have stronger nutrition commitments and practices. The scores of the companies that produce and market breast-milk substitutes in India have been adjusted based on their scores on the BMS assessment.
- The Product Profile shows how nutritious the products are that each company sells in India, i.e. the nutritional quality of their product portfolio weighted by retail sales. Companies that score relatively low derive the majority of their sales from less nutritious products. Companies with a higher rank and score generate a higher proportion of their sales from more nutritious products.

Key findings

The majority of the companies actively engaged in the first India Spotlight Index, demonstrating that they see value in doing so

The first India Spotlight Index assessed the ten largest food and beverage manufacturers in India by sales. Seven of the ten companies actively engaged in the research process, i.e. provided unpublished information to augment ATNF's research based on public sources. In addition to five multinational companies (MNCs), two Indian-based companies engaged in the Index research process: Britannia Industries and Mother Dairy. The other Indian-based companies did not submit data but two showed interest in the initiative by attending various meetings and two of the four approached to be interviewed about their fortification practices did so. This level of active participation in the first India Spotlight Index is welcomed and provides a good starting point for future engagement with the Indian food and beverage industry.

Taken as a whole, the largest food and beverage manufacturers in India are falling far short of what they need to do to help fight the enduring and mounting double burden of malnutrition in India

Only around 12% of the beverages sold by the Index companies and 16% of the foods were estimated to be of high nutritional quality in the Product Profile analysis. This worrying picture shows that many manufacturers have much work to do to improve the nutritional quality of many of their products and/or to invest in new product development to broaden their product offering. Despite the small role packaged products currently play in many Indian people's diets, F&B manufacturers in India have an unprecedented opportunity, as consumption of these products starts to grow in line with increasing incomes to become a major part of the solution to India's double burden of malnutrition. This will not happen, however, in the absence of major and urgent changes to companies' core business models and their product portfolios.

Mother Dairy leads on the Product Profile and Nestlé India leads on the Corporate Profile

On the Corporate Profile, the highest-ranking companies are Nestlé India and Hindustan Unilever, scoring 7.1 and 6.7 out of 10 respectively. All of the MNCs score higher on the Corporate Profile than the participating Indian-based companies. The parent companies of the former tend to publish a range of commitments, policies and reports, many of which apply in India; the latter tend to have more limited policies and disclosure of nutrition-related activities. Two companies score particularly poorly – Amul and Parle Products – they did not participate in the research process, published little or no information and received no points in several categories. Their scores and ranking may therefore only be partly representative of any efforts they are making to tackle India's nutrition challenges.

Nestlé India scores better on the Corporate Profile of the India Index than its parent did on a global basis. The Corporate Profile scores on the India Spotlight Index of Hindustan Unilever and Coca-Cola India are broadly similar to their parent companies' scores on the 2016 Global Index. PepsiCo India also performs better than its parent company did, but Mondelez India performs more poorly; the latter can be explained by the company's more limited product portfolio in India and low levels of disclosure about its activities in India.

On the Product Profile, Mother Dairy ranked first, Hindustan Unilever second, Amul third and Britannia Industries fourth. The lowest ranking companies are PepsiCo India in eighth place and Mondelez India in ninth place. This is because a large proportion of PepsiCo's revenues are generated by snacks and sugar-sweetened beverages and because Mondelez sells mainly confectionary.

All companies score relatively well on nutrition commitments. Indian-based companies can improve by adopting and disclosing their nutrition strategies and policies

Eight of the ten companies assessed (Britannia Industries, Mondelez India, Mother Dairy, Nestlé India, PepsiCo India, Parle Products, Coca-Cola India and Hindustan Unilever) make strategic commitments to grow their businesses by focusing on health and nutrition. In addition, the policies of six of these eight companies recognize that they have a role to play in tackling increasing levels of obesity and diet-related chronic diseases in India.

The subsidiaries of global corporations adhere to the global health and nutrition policies and strategies of their parent companies. These include responsible marketing policies covering all consumers and children, employee health and wellness programs, maternity policies including facilities to support breastfeeding mothers and a commitment to labeling products according to Codex guidelines. The wide-ranging commitments in their strategies and policies result in high scores across most areas of the Index. Conversely, the Indian-based companies typically do not have formal strategies and have more poorly codified management procedures related to nutrition and poor disclosure. Disclosure of actions they are taking to improve their nutrition footprint tends to be incomplete.

All companies can do more to ensure that their healthy products are more affordable and accessible in India

All companies can do more to ensure that their healthy products are more affordable and accessible in India. As with the Global Index, Category C (Affordability and Accessibility) is one of the lowest scoring categories, with an average score of only 1.9 out of 9. Most companies do not seem to have considered the importance of ensuring that healthy products are affordable and accessible, particularly to low-income consumers, and do not appear to have developed any commitments or policies in this regard.

All companies can invest more in engagement to promote healthy balanced diets across India

Category G (Stakeholder Engagement) is also a low scoring category, with an average score of 1.3 out of 10. Most companies do not disclose information about their membership or funding of industry organizations that lobby policymakers nor about their engagement with other stakeholders concerned about nutrition issues. The companies assessed for the Index demonstrate varying levels of stakeholder engagement. The overall picture, however, indicates that they need to be much more proactive in advancing dialogues with their key stakeholders on how they might improve their nutrition strategies and practices if goals to address India's double burden of malnutrition are to be met.

Nine of the companies have established a commitment to combatting undernutrition by fortifying their products – but they must significantly scale up these activities if they are to truly deliver on their commitments.

Establishing a clear and transparent commitment to fortification is an essential first step and companies are to be lauded for this. But in reality, companies have a long way to go before they deliver on their commitments. Operationalizing the commitment in the context of a focused strategy is hard work and companies need to devote more resources to it. Only five of the companies assessed disclose a commitment to addressing undernutrition by fortifying appropriate products (and/or using fortified ingredients) and only two, Britannia Industries and Nestlé India, of these five companies disclose having undertaken comprehensive market research to inform their product fortification strategy.

Nestlé India leads the rank when it comes to addressing micronutrient deficiencies through product fortification, followed by Britannia Industries. Only Nestlé India and Britannia Industries have a structured approach to product fortification with relevant commitments and programs. They also engage in other non-commercial initiatives designed to disseminate fortified products to those who need them.

Despite some examples of leading practice, in particular, the oil fortification activities of Cargill, most companies still need to develop full-scale commercial product fortification programs. Similarly, in terms of philanthropic activity in this area, companies generally demonstrate an ad-hoc approach to supporting programs that deliver fortified products or educate undernourished consumers. There is a significant opportunity for the industry to work together and in partnership with other key actors to develop a large-scale joined-up approach to tackling undernutrition in India.

Mother Dairy, Hindustan Unilever and Amul sell the largest proportion of healthy products among the companies assessed

The comprehensive Product Profile study – the first of its kind to be published in India – demonstrates that, relative to the other companies included in the Index, Mother Dairy, Hindustan Unilever and Amul deliver the highest level of sales of products of high nutritional quality. Mother Dairy has a broad portfolio comprising nine categories of products, whose Health Star Ratings range from the maximum possible of five stars for its frozen fruit and vegetables to its butter, margarine and other dairy categories, which score an average of two stars or more. The company scores 5.6 on the Product Profile ranking. The average number of stars for Hindustan Unilever products within each category ranged from 0.5 out of 5 stars (the lowest score possible) for its

liquid concentrates to 3.8 out of 5 stars for its soups. Its Product Profile score is 4.6. Amul's sales-weighted portfolio has a rating of 2.2 out of 5 on average with an overall Product Profile score of 4.4.

PepsiCo India and Mondelez India rank lowest on the Product Profile study in eighth and ninth place respectively, indicating that their product portfolios are least healthy according to the Product Profile, which assessed the nutritional quality of companies' sales.

Large-scale effective fortification requires clear and enforceable government standards, accompanied by commitment and investment by the companies to build the market for fortified products

Fortification is recognized as the most effective strategy to address micronutrient deficiencies. However, in India, only 2% to 5% of foods are believed to be fortified with the micronutrients lacking in many Indian's diets. The foods that are fortified are mostly staples, such as dairy and wheat, fortified with vitamins A, D, C and iron among other micronutrients. Most companies assessed produce no or very few fortified packaged products, and often those which they do fortify are not healthy products. Cargill is the exception which has shown leadership by fortifying its oils voluntarily. Moreover, other than one or two examples of companies using salt fortified with iodine to make their products, most do not commit to exclusively using fortified ingredients such as wheat or milk.

However, the technical fortification standards for several commodities launched by Food Safety and Standards Authority of India (FSSAI) in October 2016 could provide the much-needed central leadership to scale up fortification and create a "level playing field" for companies. This major step taken by the government affords the perfect opportunity to the F&B industry to declare its support, and for companies to set bold, specific targets to build the market for fortified foods and to deliver fortified products to millions of consumers across India.

Companies' marketing of breast-milk substitutes in Mumbai was found broadly to comply with the requirements of the IMS Act and The Code, with some concerning exceptions

In consultations before the assessment of the marketing of breast-milk substitutes (BMS) was undertaken, in the summer of 2016, local experts noted that the Indian IMS Act is fully aligned with, and in some areas, more demanding

than The Code. Moreover, they said it was unlikely to find many incidences of non-compliance. That was, in fact, the case. Public advertising of BMS products monitored appeared to be virtually non-existent, at least in Mumbai. Further, no point-of-sale promotions of BMS products were found in any of the 'bricks and mortar' retail establishments visited. Few printed informational or educational materials were found in clinics or shops, and company representatives appear to have little direct contact with women or healthcare workers. The labels of all but one product made for the Indian market complied with labeling regulations. The only products not to have compliant labels were seven parallel imports, i.e. products intended to be consumed in other countries. This is a credit to the strength of the IMS Act, or its diligent application by healthcare workers and vigilant monitoring by local stakeholders such as the Breastfeeding Promotion Network of India (BPNI).

Some indications were found of marketing and promotion of BMS products in ways that circumvent the IMS Act and The Code, and which are difficult to monitor and enforce

The study noted that some online retailers offer promotions and price discounts. However, such stores may not directly procure the products they sell from the manufacturers and may decide on promotions and discounts themselves, rather than such promotions being initiated by the manufacturers. Also, various marketing websites were found to invite mothers to "sign-up" to access information and engage in exchanges with other members. While there were no reports of non-compliance with the IMS Act by such marketing sites, they are potential routes through which companies can establish brand recognition and profile.

Key recommendations

Companies

Most Index companies make strategic commitments to grow their businesses by focussing on health and nutrition, and there are examples of several good corporate nutrition practices. However, the aggregate picture of the current nutrition performance of India's largest food & beverage (F&B) companies underscore that they have a long way to go if they are to achieve their goals and make a significant contribution to tackling the double burden. The translation of words into actions will require ambitious, clear strategies that include specific, measurable and time-bound commitments in all areas of their businesses, including:

- Although the majority of the companies recognize their role in addressing India's serious nutrition challenges, Indian-based companies particularly have yet to develop and disclose clear nutrition strategies to show that they intend to play a major role. **All companies must integrate a nutrition strategy into their core business, and set and deliver on a range of commitments if they are to have substantial, measurable effects on nutrition outcomes.**
 - **All companies that have not yet done so, particularly the multinational companies that score lowest on the Product Profile, should adopt and implement a comprehensive strategy to develop healthier products.** This should be underpinned by a Nutrient Profiling System (NPS) that accurately defines healthy products which is then used to assess their product portfolios and monitor progress in improving them. They are specifically encouraged to commit to reducing levels of salt, saturated fats, trans fats and added sugars across their product portfolios, as relevant, by setting specific targets and deadlines for achieving those targets.
 - **All companies are encouraged to adopt formal policies and/or commitments to ensure the affordability and accessibility of healthy products (to help to reduce levels of overweight and obesity across India) and of fortified products (to help consumers who are deficient in key micronutrients).**
 - **Companies who have not yet done so should adopt a strong responsible marketing policy for all consumers, as well as a separate, more detailed policy on responsible marketing for children.** To align with their peers in the Indian market, and international standards, companies are encouraged to sign the recently relaunched Food & Beverage Alliance of India (FBAI) marketing pledge at a minimum.
- All companies should also prohibit marketing activities in and near primary and secondary schools and monitor their compliance with both marketing policies.
- **Indian-based companies particularly are encouraged to develop commitments to support healthy eating and lifestyle programs for their staff and programs for consumers designed and implemented by independent expert organizations.** All companies should set targets for staff participation and for the health outcomes the programs intend to achieve and track their progress in achieving them. Moreover, companies are encouraged to demonstrate the impact of their staff health and wellness and their consumer health programs by commissioning and publishing independent evaluations of them. Similarly, companies are encouraged to go beyond legal compliance with respect to supporting breastfeeding mothers at work and offer six months or more maternity leave.
 - **Although most companies largely comply with Indian labeling regulations, Indian-based companies particularly should adopt formal commitments to disclose more nutrition information on product labels, in line with Codex standards.** Similarly, they should make stronger commitments to follow Codex guidance on the use of health and nutrition claims given that Indian regulations are weaker in this area. Companies that have not yet done so should take steps to provide full product nutrition content information online for all of their products.
 - **All companies should also improve their disclosure with respect to their involvement in organizations that engage with political parties, policymakers and policymaking bodies on nutrition issues.** They should also publish policy positions on key issues, such as marketing to children, product labeling etc. All those companies that do not yet do so, should engage with stakeholders on their nutrition and undernutrition strategies and practices to solicit their feedback and be transparent about these activities.
 - **Considering the large number of undernourished people in India, companies that have not yet done so should commit to source fortified staples for use in their products where possible and adopt a systemic approach to tackling undernutrition by producing fortified products tailored to the needs of priority populations, such as young children and women of childbearing age.**

- **Companies are encouraged to use their CSR tax contributions to support organizations that deliver proven interventions to address undernutrition.**

Government and other stakeholders

The Government of India has a critical role to play in encouraging companies to scale up their efforts to solve the country's severe malnutrition challenge and providing a level playing field in which they can operate. This requires a strong, transparent and enforceable framework of evidence-based policies and standards on various aspects of nutrition and health, in line with international norms and standards set by the WHO, Codex and others. The government has already invested in trying to improve nutrition in India, however, other specific areas in which it could invest further include:

- **Enabling and encouraging food and beverage companies to introduce fortified packaged products to address the specific widespread micronutrient deficiencies.**
- **Providing leadership, for instance, by making use of more fortified staple ingredients compulsory in government programs, such as the Mid Day Meal Scheme in schools.**
- **Developing an enforceable code on marketing unhealthy products to children (and all consumers).**
- **Extending existing nutrition content labeling regulations in line with Codex standards.**

In addition also other stakeholders, such as civil society organizations, research institutes are encouraged to engage more with F&B manufacturers, as well as with policymakers and standard-setting organizations, to support the implementation of these recommendations through multi-stakeholder engagement.

While the IMS Act is strong and comprehensive, and incidences of non-compliance appear to be relatively few, the government and concerned stakeholders should consider how the activities of online retailers and marketing sites might be brought into line with – or deterred from contravening – the requirements and how parallel imports can be prevented.

Future outlook

The company and stakeholder discussions, and the research process behind the publication of the first India Spotlight Index have convinced ATNF that the Index has the potential to be a valuable tool to monitor the F&B industry's contribution to addressing India's nutrition challenges and to encourage it to invest more in doing so.

Moreover, the Index will have greater impact if more companies engage with ATNF in the development of future Indexes, and if it is expanded to cover more food and beverage manufacturers or even retailers, fast food companies and others in the value chain.

To maximize the value of the Index and amplify its impact, it is essential to create a deeper, more widespread awareness among the industry about India's nutrition challenges and to articulate the need for this rapidly growing sector to become an active, leading player in addressing those challenges. Similarly, the impact of the Index depends in part on other stakeholders taking up its findings and recommendations and working to implement them.

The Product Profile has shown how valuable such studies are in establishing a fact-base for companies and other stakeholders to work with to increase the number and range of healthy packaged foods and beverages available to Indian consumers. While it has some weaknesses and limitations, these do not undermine its value. The most valuable way that Indian stakeholders could strengthen future ATNI Product Profile studies, and similar work of others, is to adapt an existing well-verified NPS to the Indian context. Companies in India could then also use this system to underpin reformulation activities, new product development and to restrict marketing to children.

With respect to the marketing of breast-milk substitutes, ATNF hopes that when it conducts a follow-up study for the second India ATNI, no incidences of non-compliance will be found because companies will have addressed those identified in this study. Moreover, ATNF hopes that the Government will be able to take action to prevent parallel imports and address any non-compliant activities of online retailers and marketing sites.

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The Access to Nutrition Index

The Access to Nutrition Index (ATNI) is a groundbreaking global initiative that evaluates food and beverage manufacturers' policies and performance related to the world's most pressing nutrition challenges: obesity and undernutrition.¹ ATNI is founded on the premise that food and beverage manufacturers can make a strong contribution to addressing poor nutrition and diets, and thereby diet-related chronic diseases. By regularly assessing and ranking manufacturers on their nutrition-related commitments, practices and performance, ATNI aims to encourage companies to:

- Increase consumers' access to nutritious and affordable foods and beverages through appropriate product formulation, pricing and distribution.
- Responsibly exercise their influence on consumers' choice and behavior by improving marketing, labeling and the use of appropriate claims that promote healthy diets and active lifestyles.

The first Global Index, assessing the largest food and beverage manufacturers globally, was launched in 2013 and the second Global Index in January 2016. The Global Index will be published every other year.

BOX 1 ACCESS TO NUTRITION INDEX

The Global Index was developed over a three year period (2010 - 2012) through an extensive, multi-stakeholder process that included input from companies, governments, international organizations, civil society, academia, and investors at every phase of the process. It was also guided by advice from an independent, multi-stakeholder advisory panel and a group of international experts on nutrition. Funding is provided by the Bill & Melinda Gates Foundation, the Wellcome Trust and the Children's Investment Fund Foundation (CIFF).

The first India Spotlight Index

In addition to a Global Index, ATNF conducted research to pilot Spotlight Indexes² to assess companies in specific markets with a high double burden of malnutrition (substantial prevalence of both obesity and undernutrition) – including India, Mexico and South Africa. While the Global Index provides the basis for discussion on the role of the private sector in tackling obesity and undernutrition on a global basis, Spotlight Indexes are aimed at creating dialogue and action on a country level. Moreover, Spotlight Indexes provide a way to test whether companies are in fact applying their global commitments, by assessing their performance in individual markets and comparing the Global Index and Spotlight Index scores. Spotlight Indexes are structured similar to the Global Index but adapted to suit the local context based on extensive local stakeholder consultations and local regulations. Also, an analysis of the nutritional quality of the companies' products (Product Profile) is done in addition to the Corporate Profile which assesses companies' commitments, practices and disclosure.

After a thorough consultation process in which Indian stakeholders (civil society organizations, government, researchers and companies) were consulted, ten Indian companies were selected to be assessed for the first India Access to Nutrition Index. The research took place between April and November 2016. The India Spotlight Index 2016 is the first Spotlight Index that ATNF is publishing. It is hoped it will be followed by others.

Building on the impact of the Global Indexes, this inaugural edition of the India Spotlight Index seeks to stimulate dialogue among India stakeholders and drive action by companies to improve their nutrition practices in the Indian market by:

- **Enabling companies to benchmark their own performance** on nutrition in India against international standards and best practice, and compare themselves to their peers in India.
- **Providing a systematic and standardized source of information for all Indian stakeholders** to evaluate the companies' contribution to addressing specific Indian nutrition challenges.

Like the Global Index, the India Spotlight Index will be published every other year to track progress and provide input to dialogue.

The scope of the India Spotlight Index

Focus on food and beverage manufacturers

The food value chain is complex and varied, ranging from farmers, life sciences and agriculture companies to manufacturers, retailers, restaurants and food service companies. Given their growing role in India in making food for widespread consumption, the first edition of ATNI India (similar to the Global Indexes) focusses only on food and beverage manufacturers that produce packaged food and beverages.

The 2016 ATNI India assessment encompasses the ten largest food and beverage manufacturers selected using Indian revenues in FY2014 (using Euromonitor data). These are Amul, Britannia Industries, Coca-Cola India, Mondelez India, Mother Dairy, Nestlé India, Parle Products, PepsiCo India, Ruchi Soya and Hindustan Unilever. In addition, four more companies – Adani, Cargill, ITC and Nandini – that only make dairy, oils and/or wheat were asked to participate in interviews on a limited set of indicators related to fortification. The purpose was to learn more about what companies are doing to fortify these staples and disseminate that knowledge. These four have not been ranked within the Index.

More details can be found in 'Annex I: Company selection'.

Full spectrum of nutrition-related issues, from obesity to undernutrition

Companies are assessed on their contributions to addressing nutrition broadly and undernutrition. The India Spotlight Index also differentiates between what companies do commercially by producing and marketing fortified products that are directed to the poor, and their non-commercial contributions that are usually delivered as part of CSR programs or via their philanthropic giving, such as partnerships with NGOs on nutrition programs or investing in consumer education activities, e.g. on the importance of sanitation and clean drinking water.

Product Profile

Building on the pilot research conducted in 2012 for the India Spotlight Index, a Product Profiling exercise was undertaken, in addition to the Corporate Profile analysis, to assess:

- 1 The nutritional quality of all products of all companies included in the India Spotlight Index.
- 2 The percentage compliance of product labels with:
 - a) Indian regulation, and;
 - b) Codex nutrition labeling guidelines.

A further objective was to explore whether it is possible to analyse the relative pricing of healthy and less healthy products, particularly to determine whether healthy products are more expensive than less healthy options.

ATNF commissioned The George Institute for Global Health, based in Sydney, Australia and with offices in India, to undertake this research.

What companies do to deliver healthier products and to influence consumer choice and behavior

Besides developing and delivering healthy products that are affordable, accessible and available to consumers, companies also have an impact on consumer access to nutrition by influencing consumer choice and behavior. They do so through a range of activities assessed in the India Spotlight Index, including marketing, consumer education, product labeling, and by setting up partnerships with other stakeholders.

Marketing of breast-milk substitutes (BMS) in India

Due to the importance of exclusive breastfeeding for the first six months of an infant's life, and continued breastfeeding for two years or beyond, along with the introduction of safe, appropriate complementary foods no earlier than six months, the marketing practices of several companies that produce breast-milk substitutes have also been assessed. The study of marketing practices was undertaken in Mumbai during the summer of 2016. Unlike the 2016 Global Index, this BMS assessment in the India Spotlight Index does not include an analysis of the companies' marketing policies, management systems and disclosure.

ATNF commissioned Westat, based in Rockville, Maryland in the US to oversee this research. Westat contracted CMS, based in Delhi, to do the field-level data collection.

Out of scope in the India Spotlight Index

Alcoholic beverages

Companies that mainly produce alcoholic beverages and bottling companies that bottle beverages for other beverage companies have been excluded from the Index.

Products that are intended to address acute undernutrition or other special nutrition needs

The focus of ATNI is on company practices related to food and beverages formulated for, sold to, and consumed by the general population. ATNI is not designed to look at companies' products to address acute forms of undernutrition (e.g. wasting) nor does it account for companies' activities targeting people with special nutritional or dietary needs, such as athletes, the elderly or those with particular illnesses (such as HIV/AIDS).

Products that are a part of a formal weight management program

Some companies evaluated by ATNI sell products that are intended to be a part of (or are marketed/branded in association with) a formal weight-management program. ATNI does not assess these business lines, as there is currently no international consensus on standards for the content of such products. Aspects of companies' businesses that relate, in general, to consumption of a balanced, healthy diet with appropriate caloric content would be in scope.

Other issues

Other issues that are central to the social and environmental impact of food and beverage companies are – similar to the Global Index - outside the scope of ATNI's assessment. Some of these issues are addressed by other assessment or rating systems. These issues include:

- Water management practices.
- Environmental sustainability, including sourcing of ingredients.
- Impact on climate change.
- Fair treatment of workers and communities.
- Crop breeding (e.g., hybridization and genetic modification).

What the report is about

The first India Spotlight Index report presents:

- **India Nutrition Context:** Explaining why India needs a Nutrition Index by providing an overview of malnutrition trends in India (undernutrition as well as overweight and obesity) and the current status of the Indian food and beverage industry.
- **Index methodology:** An overview of selection criteria for the companies and research methods for the India ranking.
- **Key results and findings:** Overall ranking, Corporate Profile ranking including nutrition and undernutrition rankings, BMS assessment findings, Product Profile ranking and a summary of key findings and recommendations for moving forward.
- **Corporate Profile:** An overview of companies' commitments, practices, and disclosure of their nutrition activities.
- **BMS assessment:** Outcomes of the assessment of marketing practices of BMS producers in India.
- **Product Profile:** Outcomes of the product profiling exercise assessing the healthiness of the companies' product portfolios.
- **Company Scorecards:** Summaries of rankings, scores and strengths and opportunities.

NOTES

¹ Throughout this report, "beverage manufacturers" refers to non-alcoholic beverage manufacturers. Alcoholic beverage manufacturers are not included in ATNI (see Annex 1 for more information on how companies were selected for assessment).

² The research for the Spotlight Indexes were conducted for learning and consultation purposes. The studies were not published.



The state of nutrition in India

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India's nutrition context

Malnutrition in India, a double burden

India suffers from a 'double burden of malnutrition'. That is, it has a large, undernourished population and at the same time a growing number of overweight and obese people. These populations suffer from poor educational and developmental outcomes, disability, poor health in the long term, and premature death. The country also suffers economic and social costs as a result. The finance required to meet the Sustainable Development Goals (SDGs) related to nutrition¹ in India, would be INR 20 lakh crore or USD 320 billion between 2015-2024.²

Malnutrition and obesity are linked to both the quantity and quality of food. Given the increasing size of food and beverage companies in India, their influence on food availability is growing and so is their impact on the nutritional status of consumers.

Undernutrition and micronutrient deficiencies

Undernutrition in India is a major public health problem. Even after years of investing in fighting undernutrition, protein-energy deficiency and micronutrient deficiency are still widespread. Undernutrition in children is a particular concern because the first 1,000 days (from conception to 2-years-old) is the most crucial period of human development. Undernutrition in infancy and early childhood can lead to permanent impairment in later life.³

More than one-third of the world's wasted children (54 million) live in India.⁴ After years of no improvement, India is now seeing signs of progress. Over the last decade the stunting levels have decreased by 11% and since 2006⁵, wasting has also decreased, but not in all states. In addition to stunting and wasting India, faces a high number of micronutrient deficiency-related conditions such as neural tube defects, blindness and anemia.⁶ Micronutrient deficiencies affect all age groups, though young children and women of reproductive age are among the most vulnerable.

BOX 2 FACTS ON NUTRITION IN INDIA

- **39% of children under five are stunted and 15% are wasted.**
- **70% of children under five are iron-deficient, 65% vitamin A and 45 % zinc deficient.**
- **55% of women and adolescent girls suffer anemia.**
- **45% of adolescent girls have low BMI and are underweight.**
- **65% of infants (zero to five months) are exclusively breastfed.**
- **51% of infants between six to eight months are given complementary foods.**
- **20% of infants and young children achieve minimal diet diversity in complementary feeding.**
- **7.4 million children in India are not immunized.**

Source: Raykar, N., Majumder, M., Laxminarayan, R, Menon, P, (2015). India Health Report: Nutrition 2015.

BOX 3 WHAT DO WE MEAN BY UNDERNUTRITION?

Undernutrition takes three different forms:

- **Wasting:** Moderate and severe wasting are defined by UNICEF as below minus two standard deviations from median weight for height of reference population.
- **Stunting:** Moderate and severe stunting are defined by UNICEF as below minus two standard deviations from median height for age of reference population.
- **Hidden hunger:** Deficiencies of micronutrients (i.e., essential vitamins and minerals)

The first two forms result from a lack of energy (calories), protein and micronutrients. But a large number of people who eat sufficient calories do not obtain sufficient micronutrients – leading to the third form of undernutrition – sometimes referred to as ‘hidden hunger’. The table below highlights some of the most common types of vitamin and mineral deficiencies and their impacts on health.

Common vitamin and mineral deficiencies and their potential impacts	
Vitamin A	Preventable severe visual impairment and blindness Night blindness Maternal mortality Increased risk of severe illness and death
Iodine	Stillbirth Spontaneous abortion Cretinism Children’s mental health deficiencies Mental impairment
Folate	Birth defects of the spine and/or brain Risk of stroke among adults
Iron	Anemia Ill-health Premature death

Source: Business as a Partner in Tackling Micronutrient Deficiency: Lessons in Multisector Partnership, Harvard University, 2006 citing WHO information

India has reported strong economic growth for the last several years. Gross Domestic Product (GDP) is expected to increase by 7.6% in 2015-2016;⁷ there has been a significant improvement in household income (which increased at an average annual rate of 4.7%⁸ between 1990 and 2014), and a consequent reduction of 23.4% in poverty rates since 1996.⁹ But higher incomes are not the sole determinant of improved nutritional status. For example, Maharashtra and Gujarat are both states with relatively high levels of income, but Maharashtra’s underweight and stunting levels are lower than in Gujarat.¹⁰

Other reasons for the limited and varied progress in eradicating stunting and undernutrition in India relate to inadequate breastfeeding and complementary feeding, child health services, food security and dietary quality, water, sanitation and hygiene, including open defecation and the health and status of women.

Overweight, obesity and diet-related diseases in India

Overweight and obesity are recognized not only as major public health problems in developed countries but also as an increasing threat to health in many developing countries, India included.¹¹ The health consequences of overweight and obesity are most evident in associated high rates of diabetes, cardiovascular diseases and chronic renal failure. Driven by the expected rise of industrialization and urbanization in India, and consequent greater use of mechanized transport, wider availability of processed and fast foods which are ‘energy dense, nutrient-poor’, and less physically active lifestyles, overweight and obesity are predicted to overshadow undernutrition as major nutrition-related public health problems in the coming years.¹² Overweight and obesity are a major social and economic threats.

The Lancet ranks India as the third most obese country after USA and China, in terms of an absolute number of people. Childhood obesity and overweight have reached alarming proportions in India; the prevalence rate reached approximately 20% in children and adolescents.¹³ The prevalence of type 2 diabetes is rising significantly as well.¹⁴ It is estimated that there are now 50 million people in India with diabetes type 2¹⁵ and that 9.5% of all adults suffer from any type of diabetes.¹⁶ By 2030, the number is expected to increase to 79.4 million¹⁷.

In India, 26.3% of high-income families experienced some form of household income loss due to cardiovascular disease (CVD) hospitalization.¹⁸ Those affected spent 30% of their annual family income on direct CVD healthcare, and the mean out-of-pocket cost per hospitalization increased from \$364 in 1995 to \$575 in 2004.¹⁹ Overall, the costs of diet-related chronic diseases are expected to cause \$6 trillion in output losses in India between 2012 and 2030.²⁰

BOX 4 OVERWEIGHT AND OBESITY DEFINITION

WHO defines overweight and obesity as ‘excessive fat accumulation that may impair health’. The measure of obesity and overweight adults is the Body Mass Index (BMI). BMI is calculated by dividing a person’s weight in kilograms by their height in meters squared. There are different measurements to calculate the overweight and obesity in children and adolescents given the physiological changes they undergo in those years. In 2006, WHO published new child growth standards for attained weight and height that are also used to measure childhood obesity and overweight. These new standards are based on breastfed infants and appropriately fed children of different ethnic origins raised in optimal conditions.

	Overweight	Obese
Children under five years of age	BMI > 2 standard deviations above the WHO growth standard median	BMI > 3 standard deviations above the WHO growth standard median
Children aged five to 19 years	BMI > 1 standard deviation above the WHO growth standard median	BMI > 2 standard deviations above the WHO growth standard median
Adults	BMI 25 - 30	BMI >30

Source: WHO

Government action on malnutrition

The 2016 Global Nutrition Report notes that in 2016, the central government spent \$31.6 billion on several programs aimed at improving the underlying determinants of nutrition. For instance, the Public Distribution System (PDS) was designed to enable access to food at affordable prices to vulnerable people, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a wage employment program for rural households, and the Swachh Bharat Mission is a program aimed at improving sanitation coverage in rural areas and promoting cleanliness, hygiene and eliminating open defecation.²¹ Approximately \$5.3 billion were allocated to nutrition-specific programs such as the Integrated Child Development Services (ICDS) that target children, pregnant and lactating women, and women up to 44 years, and the National Health Mission focussed on improved health status and quality of life of the rural populations.²² A well-known government program is the Midday Meal Scheme (MDM) which aims to increase enrollment of children in schools, retention and increased attendance while also improving nutrition levels among children.

The National Program of Nutritional Support to Primary Education (NP-NSPE) was launched with the goal of increasing enrollment, retention and attendance and simultaneously improving nutritional levels among children.²³ This initiative is also included in the 12th Five Year Plan, the development plan of the Indian government to help accelerate sustainable and inclusive growth. The goal is to expand the program to ten million pre-primary schooling facilities, private unaided schools and to poor children admitted in neighborhood private schools by 2017.²⁴ To meet the Sustainable Development Goals (SDGs) related to SDG 3 “Ensure healthy lives and promoting well-being for all at all ages by 2030”, the Ministry of Health adopted The Delhi Commitment on Sustainable Development Goal for Health.²⁵

To fight overweight and obesity in India, the Indian government announced that it intends to implement higher taxes and stricter advertisement norms to regulate the sale of sugar-sweetened beverages and junk food in the country in 2016.²⁶ For example, Kerala’s state government already introduced a fat tax in 2016 of 14.5% on quick service restaurants’ food, to try to stem the rising rates of overweight and obesity in the state.²⁷

On the 10th anniversary of the FSSAI Act 2006, FSSAI launched the Ten@Ten initiative to develop collaboration, engagement and surround impact on food safety and nutrition. The initiative has the ambition to introduce new laws and rules related to food safety, develop plans for corporate engagements, develop food safety training and certification systems, enable quick access to food standards and strengthen food labels.²⁸



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The Indian food and beverage industry

Growing economy and F&B industry growth

India is the world's seventh largest economy and the second most populous country, representing a massive potential market. In the past few years, the Indian economy has been growing significantly and is expected to supersede China's in 2016.

The food sector has emerged as a high-growth and high-profit sector due to its immense potential for value addition. The food industry, which is currently valued at \$ 39.71 billion is expected to grow at a Compound Annual Growth Rate of 11% to \$65.4 billion by 2018.²⁹ Currently, studies report that households with working parents and children turn to packaged foods 10 to 12 times a month and it is estimated that these numbers will increase in the coming years.³⁰

The leading companies in the ready meals sector are Nestlé India and ITC. The dairy sector is dominated by Amul and Nandini (2015), and the edible oil sector by Cargill, Ruchi Soya and Adani. Britannia Industries has a leading position in the biscuit sector followed by Parle Products and ITC. Mondelez India has a prominent position as well.³¹

Food and groceries account for around 31% of India's consumption basket although it is estimated that packaged foods make up only 6% of total household spending.³² India's food processing industry (of which packaged food is a fraction of) is highly fragmented. The unorganized sector constitutes 42%, small scale industries make 33% of the food processing industry and organized sectors account for 25%.³³ The main types of packaged foods include bakery and dairy products, canned and frozen processed food, ready-to-eat meals, diet snacks, processed meat, health products and drinks. In 2015, dairy dominated the market and accounted for 56% retail volume share of total packaged food. Oils and fats rank second.³⁴ The consumer expenditure on mineral water, soft drinks and juice increased by 18% in 2014.³⁵ Sale of soft drinks in India has increased by 13% year-on-year since 1998. In the next 30 years, the Indian soft drink market is poised to grow at an annual rate of 28-30%.³⁶

Urban and rural consumption trends

India's packaged food industry is characterized by a large divide between urban, semi-urban and rural consumers. Urban areas account for 80% of the demand for all packaged food and beverages.³⁷ Lack of time, fast-paced lives, changing lifestyles and dual income influence urban consumers to turn, increasingly, towards packaged foods. In urban areas, internet retailing has evolved in recent years and is becoming one of the fastest-growing retailing channels for packaged food. For example, in 2015, biscuit manufacturers ITC, Britannia Industries and Parle Products steadily extended strategic partnerships with regional and local internet retailers such as bigbasket.com, www.allahabad.cheersshopping.com, snapdeal.com, etc.³⁸

Urban consumers are also increasingly considering health and wellness products. Rising incidences of lifestyle-related ailments, combined with increased concerns with appearance are resulting in a shift towards healthier eating habits. Health and wellness packaged foods³⁹ are expected to reach a compound annual growth rate (CAGR) of 7% by 2015.⁴⁰ In 2015, overall health and wellness food products reported sales of INR 10,000 crore (ca 1.5 billion USD), a market share of less than 10% of the overall food market.⁴¹ Milk food beverages are the most popular of the health and wellness food products, followed by healthy oils and multigrain atta.

In rural areas, packaged food brands are less available. However, disposable income levels and consumer awareness continue to increase. With various government schemes catering to the low-income rural population, living standards are improving and packaged food growth is expected to be stronger in rural India than urban India (2014-2019).⁴² Concentrates and juices in small Tetra Pack packaging show strong demand in rural India.⁴³ The same trend, shifting towards smaller packaging, is visible in the biscuit, baby food, breakfast cereals and other dairy products.⁴⁴

Food regulation

The food regulator in India is the Food Safety and Standards Authority of India (FSSAI). The authority was established under the 2006 Food Safety and Standards Act (FSSA) of Ministry of Health & Family Welfare, Government of India, with the aim to lay down science-based standards related to food such as manufacturing, storage, distribution, sale and import as well as to be the only reference point for all matters relating to food safety and standards.⁴⁵ This Act consolidates various acts and legislations in one reference point. The 2006 Act specifically consolidates eight laws which were in operation prior to the establishment of FSSA⁴⁶:

- The Prevention of Food Adulteration Act, 1954
- The Fruit Products Order, 1955
- The Meat Food Products Order, 1973
- The Vegetable Oil Products (Control) Order, 1947
- The Edible Oils Packaging (Regulation) Order, 1998
- The Solvent Extracted Oil, Deoiled Meal, and Edible Flour (Control) Order, 1967
- The Milk and Milk Products Order, 1992
- Essential Commodities Act, 1955 (in relation to food)

FSSAI includes separate packaging and labeling regulations known as Food Safety and Standards (Packaging and Labeling) Regulations 2011, which lay down requirements for product packaging and labeling. The Act also regulates signage and customer notices.

With the new food regulation, the FSSAI became responsible for licensing registration, providing licenses for food businesses operations and sanitary permits; it can impose penalties in case of non-compliances with the FSSAI Act.⁴⁷ An example of such activity is the 2015 “Maggi case” which led to a nation-wide ban of Maggi noodles. The Food Safety and Drug Administration (FSDA) of Uttar Pradesh found excessive levels of lead claiming that the amount of lead was almost seven times higher than the allowed level. In August 2015, the Bombay High Court overturned the government ban on Maggi Noodles and ordered an additional test.⁴⁸ The follow-up tests confirmed that the Maggi Noodles were safe to consume⁴⁹. Since the Maggi case, FSSAI intensified actions for non-compliance with the Food Standards Act. As a result a number of multinationals⁵⁰ have withdrawn products from the Indian market.⁵¹

Alongside these responsibilities, FSSAI is also responsible for food fortification standards (see for more information on fortification legislation Category B, Box 12 Food Fortification in India).

Why food and beverage manufacturers in India should take action

Companies that act to address risks and opportunities related to nutrition will be well positioned for long-term success. Some companies have already taken steps to orient their businesses toward providing consumers with better access to nutritious foods and beverages.⁵² As more food and beverage manufacturers follow their lead, the industry as a whole can contribute to improving public health in India.

Some of the business risks that food and beverage companies face are:

- **Regulatory risks:** The Indian government has already introduced various policies and regulations aimed at reducing consumer exposure to, and consumption of, less healthy foods and beverages. These also encourage consumption of healthier products. Examples include the banning of certain food ingredients (e.g. trans fats)⁵³, restricting advertising at schools⁵⁴, regulation of the use of health and nutrition claims and food labeling requirements. On undernutrition, companies are invited to contribute CSR money through the CSR tax. Nutrition is one of the allocations companies can contribute the tax to.⁵⁵
- **Reputational risks:** There is increased public and media awareness of the need for good nutrition. Food and beverage manufacturers are a primary target of scrutiny by consumer advocacy groups and consumers.⁵⁶
- **Legal risks:** Globally some companies have already been subject to lawsuits, for instance for making inappropriate claims on nutritional quality⁵⁷ and labeling.⁵⁸
- **Market risks:** Companies that do not adjust to changing dietary preferences may lose market share, revenues and profits.

Commercial opportunities for companies to address undernutrition and obesity and diet-related chronic disease include:

- **Nutrition-driven commercial opportunities:** Some Indian companies are building new product offerings and improving the nutritional quality of existing offerings. The trend toward increasing demand for healthy foods and a wider range of healthy options seems irreversible.⁵⁹ Healthy packaged food products are expected to grow to about one-third of total retail sales in the next five years.⁶⁰
- **In India, economic growth coupled with population growth offers strategic expansion, revenue growth and brand building opportunities.** A Bloomberg overview of the fastest growing economies found that India, China, Kenya, Philippines and Indonesia – who together account for 16% of global GDP – were the fastest growing economies in 2015.⁶¹
- **Healthy and productive workforce:** Maintaining and improving the health of the current and future workforce is critical. Investments in corporate health and wellness programs that help employees maintain a healthy diet and active lifestyle can enhance productivity and reduce absenteeism. Healthier employees can be two to three times more productive than their less healthy colleagues.⁶² In addition, integration of a clear, proactive nutrition strategy into core business activities may also help to attract and retain a more committed workforce.
- **Corporate reputation:** Broader societal commitment can also enhance corporate reputations and brand values. Making genuine efforts to improve the nutritional quality of products, widen consumer choice and increase access to healthier foods can contribute to building a company's reputation as a responsible corporate citizen and in turn enhance the value of its corporate brand, which impacts overall financial valuation.

NOTES

- ¹ SDG 2.1 „By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round“ and SDG 2.2 „By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.“
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Methodology 2016

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India Spotlight Index pilot 2012 and stakeholder consultations

The India Spotlight Index is modeled on the Global Access to Nutrition Index, which was initially developed over a three-year period (2010 – 2012) through extensive, multi-stakeholder consultation with companies, governments, international organizations, civil society, academia, and investors. It was guided by advice from an independent, multi-stakeholder advisory panel and a group of international experts on nutrition, including Dr. Pandav and Dr. Yadav from the All India Institute of Medical Sciences (AIIMS).

Following the publication of the first Global Index, ATNF conducted research to explore the feasibility of launching Spotlight Indexes to assess companies in markets with a high double burden of malnutrition – India, Mexico and South Africa. In India the pilot assessment was conducted in 2012 and included the ten largest companies by revenue. The pilot used the Global Index Methodology, adapted where necessary to reflect the local regulatory context. In addition, ATNF undertook a pilot ‘Product Profile’ exercise, to evaluate the nutritional quality of around 50% of all foods and drinks made available for sale by the ten companies. The pilot outcomes were discussed with the companies involved but were not published.

After piloting the concept of an India Spotlight Index, ATNF consulted extensively with stakeholders on how the India Spotlight Index should be developed to suit the Indian context. Various companies, industry associations (Confederation of Indian Industry (CII) and The Federation of Indian Chambers of Commerce (FICCI), civil society organizations, academia and policymakers were involved in roundtables, meetings and one-on-one consultations. The ATNF Expert Group, again, provided advice on all aspects of the methodology (see Annex 6 for the list of members of the Expert Group).

The stakeholder consensus was that a Spotlight Access to Nutrition Index had potential in India. They also appreciated and supported adapting the methodology to the Indian context, particularly focussing on topics of great importance and relevance in India, including food fortification for the undernourished, consumer education, clean water and sanitation, food safety and companies’ approach to Corporate Social Responsibility (CSR), given the recently introduced CSR tax (which companies can allocate to addressing nutrition). Stakeholders also supported assessing the role of companies in stemming the alarming increase of overweight and obese people in India and diet-related diseases.

In April 2016, the final draft methodology was presented to the companies shortlisted for inclusion in the first India Spotlight Index.

BOX 5 COMPANIES INCLUDED IN THE 2012 INDIA SPOTLIGHT INDEX PILOT

- **Britannia Industries**
- **Coca-Cola India**
- **Gujarat Cooperative Milk Marketing Federation (Amul)**
- **Hindustan Unilever**
- **ITC Limited**
- **Kerala Co-operative Milk Marketing Federation**
- **Mother Dairy**
- **Nestlé India**
- **Parle Products**
- **PepsiCo India**

The India Spotlight Index methodology

Corporate Profile

The India Corporate Profile methodology is organized into Sections, Categories, Criteria and Indicators:

- Sections:** Three sections covering companies': i) nutrition governance and management, ii) approach to formulating and delivering appropriate, affordable, accessible products and iii) influencing consumer choice and behavior.
- Categories:** Seven broad categories (A-G) relevant to companies' nutrition-related practices.
- Criteria:** More detailed criteria within each of the Categories (18 in total).
- Indicators:** Performance indicators within each Criterion on which companies are scored. There are three types of indicators: those related to companies' commitments, practices and disclosure.

The majority of the Indicators assess companies' practices related to promoting good nutrition for all; these are given a weighting of 75% in the Corporate Profile score. The other indicators assess additional actions companies can take to prevent and address undernutrition; these are given a weighting of 25% of the score. If a company cannot make fortified products or use fortified ingredients, it is not assessed on specific undernutrition indicators.

The methodology is based, to the extent possible, on existing (international) standards, guidelines and frameworks, such as those developed by the World Health Organization (WHO), Codex, as well as industry best practices, such as the International Food & Beverage Alliance (IFBA) Responsible Marketing pledge.

The India Spotlight Index has fewer indicators than the Global Index (120 versus over 200) and many indicators have also been simplified. Some India-specific questions have been added, e.g. concerning the use of CSR levy and food safety system certification. Full details on the methodology as well as guiding research principles are published on www.accesstonutrition.org.



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TABLE 1 Overview India Spotlight Index methodology

Category (weight in total score)	Description	Criteria
Section 1: Nutrition governance and management		
A (12.5%)	Corporate strategy, management and governance	A1 Corporate nutrition strategy*
		A2 Nutrition governance and management systems*
		A3 Quality of reporting*
Section 2: Formulating and delivering appropriate, affordable, accessible products		
B (25%)	Formulating appropriate products	B1 Product formulation*
		B2 Nutrient profiling system
C (20%)	Delivering affordable, accessible products	C1 Product pricing*
		C2 Product distribution*
Section 3: Influencing consumer choice and behavior		
D (20%)	Responsible marketing policies, compliance and spending	D1 Responsible marketing policy: All consumers
		D2 Auditing and compliance with policy: All consumers
		D3 Responsible marketing policy: Children
		D4 Auditing and compliance with policy: Children
E (2.5%)	Supporting healthy diets and active lifestyles	E1 Supporting staff health & wellness
		E2 Supporting breastfeeding mothers in the workplace
		E3 Supporting consumer-oriented healthy eating and active lifestyle programs*
F (15%)	Product labeling and use of health and nutrition claims	F1 Product labeling
		F2 Health and nutrition claims
G (5%)	Influencing governments and policymakers, and stakeholder engagement	G1 Lobbying and influencing governments and policymakers*
		G2 Stakeholder engagement*

* Criteria with additional undernutrition specific indicators

BMS: Approach to assessing breast-milk substitute manufacturers

The India Spotlight Index follows the approach taken in the 2016 Access to Nutrition Global Index (ATNI) of assessing infant foods companies' marketing practices within India. It assesses such companies' compliance with the International Code of Marketing of Breastmilk Substitutes (The Code), subsequent WHA resolutions and the India regulation that controls the marketing of infant formula and foods, the India Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 as amended in 2003 (IMS Act).

A study was undertaken in Greater Mumbai using the Interagency Group on Breastfeeding Monitoring (IGBM) Protocol, the same approach taken in Vietnam and Indonesia in 2015 for the 2016 Global Index. The research was carried out by specialist research organization Westat, based in Rockville, Maryland (US), working closely with The Centre for Media Studies (CMS) Research House based in New Delhi which undertook the in-country data collection.

Eight companies' infant formula and food products, that were sold in Greater Mumbai were included in the study. Their overall India Spotlight Index scores, therefore, reflect their performance in the breast-milk substitute (BMS) assessment. The findings relating to all eight BMS companies assessed are presented in the chapter entitled 'Marketing of Breast-milk Substitutes'.

Product Profile

ATNF appointed The George Institute, affiliated with the University of Sydney, to undertake a Product Profile analysis for the India Spotlight Index. The study team was advised by Professor Mike Rayner of Oxford University who led the pilot Product Profile study for India in 2012.

The two primary purposes of the Product Profile study were: i) to assess the nutritional quality of the food and beverage portfolios of the ten companies included in the India Spotlight Index, plus two other large companies, Karnataka Co-operative Milk Producers' Federation Limited (Nandini), whose products are marketed under the brand name Nandini, and ITC, and; ii) to assess the extent to which the labels of the products assessed to comply with both Indian labeling regulations and the more extensive Codex labeling guidelines. A secondary objective was to do a preliminary analysis of the relative pricing of healthier versus less healthy products within food and beverage sub-categories.

The results of this study were used by ATNF, combined with Euromonitor sales data, to generate a Product Profile score and ranking for each company. See the Product Profile chapter for more information.

Company selection

The 2016 India Spotlight Index ranked 10 of India's largest food and non-alcoholic beverage manufacturers, including companies that are publicly listed, privately owned or cooperatives. These companies were selected on the basis of their Indian revenues in FY2014 (using Euromonitor data). Together these companies account for sales of INR 869 177 million, around 31% of the total sales of major food and beverage companies in India.¹

Of the 10 manufacturers selected by the 2016 India Spotlight Index, most sell a range of food and beverage products (Britannia Industries, Nestlé India, PepsiCo India and Hindustan Unilever), two are primarily dairy producers (Amul and Mother Dairy), two are largely confectionary companies (Mondelez India and Parle Products), one produces mostly beverages (Coca-Cola India) and one sells predominantly edible oils (Ruchi Soya).

Five of the ten companies are multinationals with global headquarters in Europe or the US. The other five are Indian-based companies whose ownership ranges from publicly traded companies (Britannia Industries, Ruchi Soya), privately owned companies (Parle Products) to cooperatives (Amul). Mother Dairy has a unique status, as a wholly owned subsidiary of the National Dairy Development Board.²

In addition to the companies that are scored and ranked in the India Spotlight Index, four more companies (Adani, Cargill, ITC and Nandini) that manufacture and fortify dairy, oil and wheat products were approached to be interviewed about their fortification activities and efforts to tackle undernutrition. The purpose was to learn more about what these companies were doing to fortify these staples and disseminate that knowledge through this report. These four have not been scored and ranked but throughout the report, references are made to their fortification/undernutrition practices. Also Ruchi Soya was not scored and ranked because the company's product offering is highly concentrated around oils and fats. Thus not all sections on the methodology Corporate Profile (Category B, Category C nutrition general and Category D) nor the Product Profile were applicable.

TABLE 2 Companies selected for inclusion in the 2016 India Spotlight Index and product categories sold

	Baby Food	Bakery	Canned/Preserved Food	Chilled Processed Food	Confectionery	Dairy	Dried Processed Food	Frozen Processed Food	Ice Cream	Meal Replacement	Noodles	Oils and Fats	Pasta	Ready Meals	Sauces, Dressings Condiments	Snack Bars	Soups	Spreads	Savoury Snacks	Carbonates	Concentrates	Juice	RTD Coffee	RTD Tea	Sports and Energy Drinks	Asian Specialty Drinks	Coffee	Tea	Other hot drinks	Other
Amul	●				●	●			●			●						●					●							
Britannia Industries		●			●	●						●																		
Coca-Cola India			●			●														●	●	●	●	●	●					
Mondelez India		●			●	●										●														●
Mother Dairy						●		●	●			●			●							●								
Nestlé India	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Parle Products		●			●														●											●
PepsiCo India						●								●						●	●	●	●	●	●					●
Ruchi Soya											●																			●
Hindustan Unilever			●			●		●		●					●	●	●			●			●			●	●	●	●	●

Approach to scoring and ranking

All companies are given two separate scores and ranks – one for the Corporate Profile and one for the Product Profile. Similar to the Global Index, the score is adjusted of the two companies (Nestlé India and Amul) that also produce BMS and that were included in the BMS assessment according to the findings.

Corporate Profile assessment

The same approach to scoring and ranking has been used as in the Global Index. To generate each company's overall score and ranking, the following process was used:

Indicator scoring

- The methodology was adapted for each company as necessary. Indicators that were not applicable to a company's product portfolio (such as commercial undernutrition or fortification indicators when a company does not make products that are suitable for fortification) were not included its overall score.
- Each company is scored against all relevant indicators in the methodology. The top performance level on an indicator is ten points, with lower scores awarded on a sliding scale for lower levels of performance.³
- For some indicators, a 'healthy multiplier' was applied. The healthy multiplier gives a higher weight to companies that adopt a good definition of 'healthy' products and are marked by a strong nutrient profiling system.

Unlike the Global Index, because the India Spotlight Index only assesses one market, it does not have a geographic multiplier that assesses whether companies apply their policies in all the markets that they are active in.

Criteria scoring

- A company's scores on all the Indicators within a Criterion (e.g. Criterion B1) are then added together and weighted according to whether the indicators assess Commitment (25%), Performance (50%), or Disclosure (25%).⁴ Similar to the Global Index, Performance is given double the weight of Commitment and Disclosure to reinforce the importance of turning commitments into practice. Together the three components generate the company's score for each Criterion.
- Each Criterion receives an equal weight within its Category. A company's score for a Category is the average score of the Criteria within that Category.

Nutrition general and undernutrition scores

This report also presents separate rankings on nutrition and undernutrition. The sub-ranking entitled nutrition general reflects the companies' efforts to deliver healthy food choices to all consumers and to responsibly influence consumer behavior. The sub-ranking for undernutrition reflects the additional actions that companies can take to address undernutrition, including the fortification of products with micronutrients otherwise deficient in the diet.

The nutrition general and undernutrition scores and rankings are calculated using the same approach as described above for companies' overall scores, using only the indicators applicable to each ranking. It is not possible to take a simple average of the nutrition general and undernutrition scores to arrive at the overall score, as various levels of weights are applied to each of these rankings.

The separate nutrition general and undernutrition scores are calculated by applying the 75% nutrition weight and 25% undernutrition weight.

Category weights

Finally, a company's overall general survey score is generated by calculating a weighted average of the Category scores. The weights assigned to each Category are listed in Table 1.⁵

Overall, Category A, which assesses a company's nutrition governance and management has a weight of 12.5%. The Categories that assess a company's practices related to producing and delivering products (Categories B and C) account for 45% of a company's score, while the portion of the methodology that reviews their practices related to influencing consumer choice and behavior (Categories D through G) account for 42.5% of a company's score.

BMS assessment score

The maximum adjustment of the India Spotlight Index score for the BMS in-country assessment is -0.75. The adjustment is a normalized score that takes into account how many incidences of non-compliance were found for each company relative to the number of products it sells in India. In the Global Index, the maximum deduction possible was -1.5 (-0.75 for the Corporate Profile and -0.75 for the in-country assessments). However, in India, only an in-country assessment was undertaken. In the future, this may be extended to include a Corporate Profile assessment tailored to the Indian market.

Product Profile

The companies' overall Product Profile score is derived by weighting average Health Star Rating (HSR) generated by The George Institute for each product category; multiplied by their sales in 2015 of those categories in India using data from Euromonitor. These scores (which are on a scale of 0.5 to 5) are then translated into scores on a scale of 1 to 10 to align with the Corporate Profile scoring scale, for easier interpretation).

Methodology and research limitations

Most of the limitations of the India Spotlight Index are similar to those of the Global Index. Assessing, scoring and ranking companies on their nutrition activities is a continually evolving process. Nutrition issues, particularly undernutrition, are recent additions to the agendas of many companies, governments, civil society organizations and investors. A number of challenges, therefore, arise when trying to develop a comprehensive approach to assessing the nutrition practices of food and beverage manufacturers. Several of these are discussed below.

Corporate Profile limitations

There are two types of limitations: Methodology limitations and research limitations.

Methodology limitations

- Because the methodology was simplified for India (with approximately half the number of indicators of the Global Index) the methodology is not as comprehensive as it could be. Moreover, this makes it more difficult to compare the scores of subsidiaries of multinationals in this Index to their performance in the Global Index. The India Spotlight Index methodology could be expanded in the future when the Index becomes established and if Indian stakeholders agree to such changes.
- Companies differ in terms of the scope of improvements they can make to the nutritional quality of their products depending both on the nature of their product portfolio and the magnitude of previous efforts. For example, a company with a product portfolio of relatively high nutritional quality has less scope to make improvements to its portfolio compared to a company that has a portfolio of lower nutritional quality. This difference limits the ability to compare the scope or magnitude of companies' commitments to improve product formulation. This was one of the reasons why Ruchi Soya eventually could not be assessed on several of the Corporate Profile Categories and has therefore not been ranked. Therefore, companies are assessed on whether they have commitments and targets to improve the nutritional quality of their product portfolios and on how well they are meeting these targets, rather than the absolute levels they have attained. However, the degree to which companies have scope to reformulate their products is indicated by their Product Profile score.
- The analysis relies on companies' own definitions of 'healthy' products – the healthy multiplier used throughout the methodology is derived from a company's score on criterion B2, which assesses the robustness of the company's nutrient profiling system. (However, the Product Profile analysis provides an objective view of the nutritional quality of the companies' portfolios).
- Guidelines or a framework to set out clearly what the private sector can do to tackle undernutrition are still lacking in some areas. The debate on the role of the industry continues and is expected to intensify in light of the publication of the Sustainable Development Goals.

As for the 2016 Global Index, Sustainalytics undertook the research for the Corporate Profile element of the India Spotlight Index. They first assessed material available in the public domain for each company and then offered the companies the opportunity to engage (where seven of the ten companies took and provided information via the data-gathering platform). As with the 2016 Global Index, this platform was used to manage and review all data.

Research limitations

- **Confidential disclosures:** Much of the data provided by the companies was confidential; this information cannot be referred to in the report but is included in the analysis and scoring.
- **Limited engagement:** Three of the ten companies did not engage in the research process nor did they disclose much information, this made assessment difficult. The scores of these companies are therefore much lower and may not be representative of what they actually do.
- **Limited or no disclosure:** Most multinational companies, compared to Indian-based companies, are used to disclosing their policies and publishing material about their practices on their websites and in formal reports. This too has affected the scores of the local Indian companies.

Product Profile limitations

Because this analysis focusses only on nine of the largest food and beverage manufacturers in India it does not provide comparative data on other purveyors of food, such as smaller manufactures, quick service restaurants, artisanal producers etc.

No comparison with other types of food: Because this analysis focusses only on nine of the largest food and beverage manufacturers in India it does not provide comparative data on other purveyors of food, such as smaller manufactures, quick service restaurants, artisanal producers.

No universally accepted system for determining the nutritional quality of products, and none for the Indian market: There is no accepted international approach to determine the nutritional quality of food and nor has any Nutrient Profiling System been developed to suit the Indian diet and food preferences. ATNF selected the only system that is being used in India as the main one to assess nutritional quality in the Product Profile. This is the Health Star Rating, developed for use in Australia, which The George Institute is using to underpin their FoodSwitch app available in India.⁶ Moreover, the HSR and WHO EURO models are both in their early stages of implementation and subject to ongoing evaluation and refinement.

Some nutrition values for products were missing from labels: The George Institute imputed missing nutrition values from its database of around 10,000 products sold in India. These values should be relatively accurate. The most likely impact of using proxy nutrient values is underestimation of the real differences between products and between companies.

Serving size of products is not taken into account: HSR scores for all foods and beverages are calculated on a 100gm/100ml basis, not taking recommended serving size into account, which can generate unrealistic results, particularly for products typically consumed in smaller quantities than this (e.g. table sauces), or larger quantities, and for products that have to be combined with other ingredients to be consumed (e.g. dairy whiteners that need to be diluted with water).

Products of no inherent nutritional value or single ingredients are not scored: The HSR system does not generate scores for single ingredient products or products of no inherent nutritional value, e.g. instant coffee, tea bags. The latter particularly impacts Hindustan Unilever as 75% of its sales in India are generated from tea. However, an exception is made by the HSR system to encourage the sales and consumption of water instead of sugar-sweetened beverages by giving it 5 stars.

Limitations on assessing edible oil and other single commodity product

companies: Ruchi Soya could not be scored in the Product Profile because only two edible oils with any nutrient content data were found and no sales data was available for its soya-based products.

Lack of a complete list of all products sold by Index companies and complete

nutrition content information: Despite being asked to do so, most companies did not submit a complete product list and did not check the nutrition content data collated by The George Institute. Companies were given the opportunity at the beginning of the Product Profile research process to submit a full list of their products that are available for sale in India. Only four did so. Companies were, later in the process, also given the opportunity to provide or check the nutrition content data collated by The George Institute, but only two companies did this.

Little data available on pricing: Indian retailers were reluctant to allow in-store collection of data on product prices. Pricing data was therefore collected from online sources where possible and matched to products in the database resulting in substantively incomplete data particularly for perishable items such as dairy, that are generally not offered for sale online.

For more detail on Product Profile limitations, see the report of The George Institute.

BMS assessment limitations

Limited geographic area: This study was restricted to Greater Mumbai. The results should be representative of this particular study area but should not be interpreted to apply to all of India. Different results might be found if the study were conducted in other areas of Mumbai. It is believed that promotion of BMS products is likely to be highest in an urban area such as Mumbai because of the high density of the population, relatively high average income levels and the ease of reaching women. However, ATNF has not seen any evidence from other urban areas or rural areas of India to confirm or refute this assumption.

Point-in-time study: This pilot study was a one-time cross-sectional survey (following the IGBM Protocol) that provides reasonable prevalence estimates for the point in time that it was conducted. Follow-up studies in the same geographic area could make the results from this pilot study a valuable baseline to measure improvements or declines over time. Ideally, continual monitoring would be undertaken.

Recall bias: The most significant limitation of the Westat study is that much of the information needed to assess compliance comes from interviews with women and health care workers. Such information that relies on memory should, therefore, be treated with caution, as it can be subject to a 'recall bias'. (See Westat report for further detail). Where the interviews identify only a very small number of possible incidents of non-compliance, the information should be used very cautiously, since they could be recall errors. On the other hand, when many episodes are reported, it is possible to be more confident that a substantial amount of non-compliance did occur even if there are some recall errors. The exact percentage estimate is less important than the obvious magnitude of the problem.

Selection of female respondents within facilities: The initial sampling plan called for a relatively complex, systematic, random sampling of women based on an estimate of the expected number of eligible women who would attend the facility over a two-day period. In practice, it was not possible to fully implement this plan; the interview teams, therefore, frequently conducted interviews on a consecutive basis until 20 were complete (with a few exceptions) within the clinic. There is some possibility that this introduced some bias in the representation of the sample if different types of women showed up at different times of the day or different days of the week. However, given the small number of positive reports by the women, this sampling approach is unlikely to have fundamentally altered the results.

Selection of healthcare workers: While healthcare workers were randomly selected within each health facility, those selected might not have been placed to answer facility-related questions. Westat attempted to improve on the variability of respondents by employing a “stratified random” approach so that one doctor, one nurse and one other type of healthcare worker was interviewed. The study’s approach might have resulted in the under-reporting of certain items, such as equipment donation and visits by sales representatives.

Selection of retail outlets: In terms of the selection of retail outlets to observe point-of-sale promotions, the selection was purposive, not representative. The objective was to select stores judged most likely to have such promotions. Because of the convenience selection methodology, the results cannot be extrapolated to the universe of stores in Mumbai. Further, each store was visited on only one day, so it is possible that some stores would have had promotions if they had been visited over a period of time.

The population of women studied: Because the sample was limited to mothers with children only up to 6-months-old, as required by the IGBM Protocol, this does not address the promotion of breastfeeding up to 24 months and may, consequently, underestimate the promotion of BMS products for older children.

Limitation of data collection on complementary food: The IMS Act restricts the advertising and promotion of complementary foods up to 24 months of age, but The Code is limited to complementary foods up to 6 months of age as these are breast-milk substitutes. While Westat addressed other elements of local regulations that were stronger than The Code, it limited the products covered to complementary foods for infants up to six months to maintain consistency with the Vietnam and Indonesia studies. Information about the marketing of complementary food products for 6-24 months of age would no doubt be useful to the Indian government; it would be beneficial for future studies to include these products.

Breastfeeding rates: While it is important to record and encourage increases in breastfeeding rates, the IGBM Protocol is not designed to assess such practices.

Agenda for future development of the ATNI India Spotlight Index

The company and stakeholder discussions, and the research process for the first India Spotlight Index have convinced ATNF that this Index has the potential to be a valuable tool to monitor the food and beverage industry's contributions to addressing India's nutrition challenges and to encourage them to invest more in doing so.

Like the Global Index, ATNF, therefore, intends to publish the India Spotlight Index every two years; the second India Spotlight Index is planned for publication at the end of 2018. Between now and then, the methodology will need to be updated to ensure it remains in line with emerging consensus on good corporate practices, new formal assessments, guidelines and policies issued by authoritative international bodies like the WHO and Codex as well as the Indian government, and changes in the expectations of all ATNI's stakeholders.

However, ATNF will strive to maintain reasonable comparability between the India Spotlight Index and the Global Index as well as the 2018 and 2016 Indexes and will, therefore, aim to make only minor changes, i.e. not make changes to the overall structure, weighting, scoring etc. but only to individual indicators where necessary.

In developing the second India Spotlight Index, ATNF will consider the following:

- The Index will have greater impact if more companies engage with ATNF in the development of future Indexes, and if it is expanded to cover more food and beverage manufacturers or even retailers, fast food companies and others in the value chain. ATNF will, therefore, consider expanding the number of companies assessed in the 2018 India Spotlight Index.



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- To maximize the value of the Index and amplify its impact, it is essential to create a deeper and more widespread awareness in the industry about India's nutrition challenges and to articulate the need for this rapidly growing sector to become an active, leading player in addressing those challenges. Similarly, the impact of the Index depends in part on other stakeholders taking up its findings and recommendations and working to implement them. ATNF will, therefore, invest in creating awareness of nutrition issues in the industry and will call on other nutrition stakeholders to take action on the first India Spotlight Index findings and recommendations. ATNF intends to do this by, for example, attending relevant conferences and meetings of nutrition networks, policymakers and academics, to feed the gained knowledge from the India Spotlight Index into the Indian nutrition debate.
- The Product Profile has shown how valuable such studies are in establishing a fact-base for companies and other stakeholders to work from to increase the number and range of healthy processed foods and beverages available to Indian consumers. While it has some weaknesses and limitations, these do not undermine its value. The most valuable way Indian stakeholders could strengthen future ATNI Product Profile studies, and similar work of others, is to take an existing well-verified nutrient profiling system and adapt it to the Indian context. Companies in India could then use this system themselves to underpin their reformulation activities, new product development and to restrict marketing to children. ATNF will continue emphasizing the importance of this and will strive to improve the Product Profile methodology.
- With respect to marketing breast-milk substitutes, ATNF hopes that when it conducts a follow-up study for the second India Access to Nutrition Index, no incidences of non-compliance will be found because all BMS companies will have addressed those identified in this study. Moreover, ATNF hopes that the Government will be able to take action to prevent parallel imports and address any non-compliant activities of online retailers and marketing sites.

ATNF will raise all of the above issues in discussions with various stakeholders in India in the coming year (including policymakers, investors, nutrition experts and researchers) to encourage further discussion of them and steps forward. ATNF will also take work forwards in some of these areas and would like to partner with others who would also like to do so. The aim of this work will be to move the India nutrition agenda forwards together and, ultimately to incorporate new guidance and consensus into the ATNI methodology for future India Spotlight Indexes.

NOTES

- ¹ Market research provider, Euromonitor International, (2016). Soft Drinks: Euromonitor from trade sources/national statistics. Packaged Food: Euromonitor from trade sources/national statistics. Available at www.euromonitor.com
- ² See *Welcome to nddb.coop* / *nddb.coop*. (2016). *Nddb.org*. Retrieved 27 November 2016, from <http://www.nddb.org/>
- ³ The Indicators related to compliance with the International Code of Marketing of Breast-milk Substitutes are the exception to this scoring rule, as noted in the section of this report entitled "Approach to assessing manufacturers of breast-milk substitutes".
- ⁴ Weights by Indicator type are intended to reflect a higher priority placed on company actions as compared to their stated commitments or their level of disclosure.
- ⁵ Weights for each Category were determined according to guidance from the ATNI Expert Group and input from a public consultation on the ATNI methodology.
- ⁶ *FoodSwitch* / *NIHI, BUPA and The George Institute*. (2016). *Foodswitch.co.nz*. Retrieved 27 November 2016, from <http://www.foodswitch.co.nz/>

All links accessed November 2016.



Rankings

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The overall ranking matrix presents companies' performance on the two key elements of the India Spotlight Index: the Corporate Profile and the Product Profile.

The Corporate Profile score summarizes companies' performance across all seven Categories of the Corporate Profile methodology in terms of their response to obesity, diet-related chronic diseases as well as undernutrition. Companies with a low rank and score make little if any information about their nutrition policies and practices publicly available and had minimal or no engagement in the research process. Companies with a higher rank and score typically publish more information, engaged in the research process and have stronger nutrition commitments and practices.

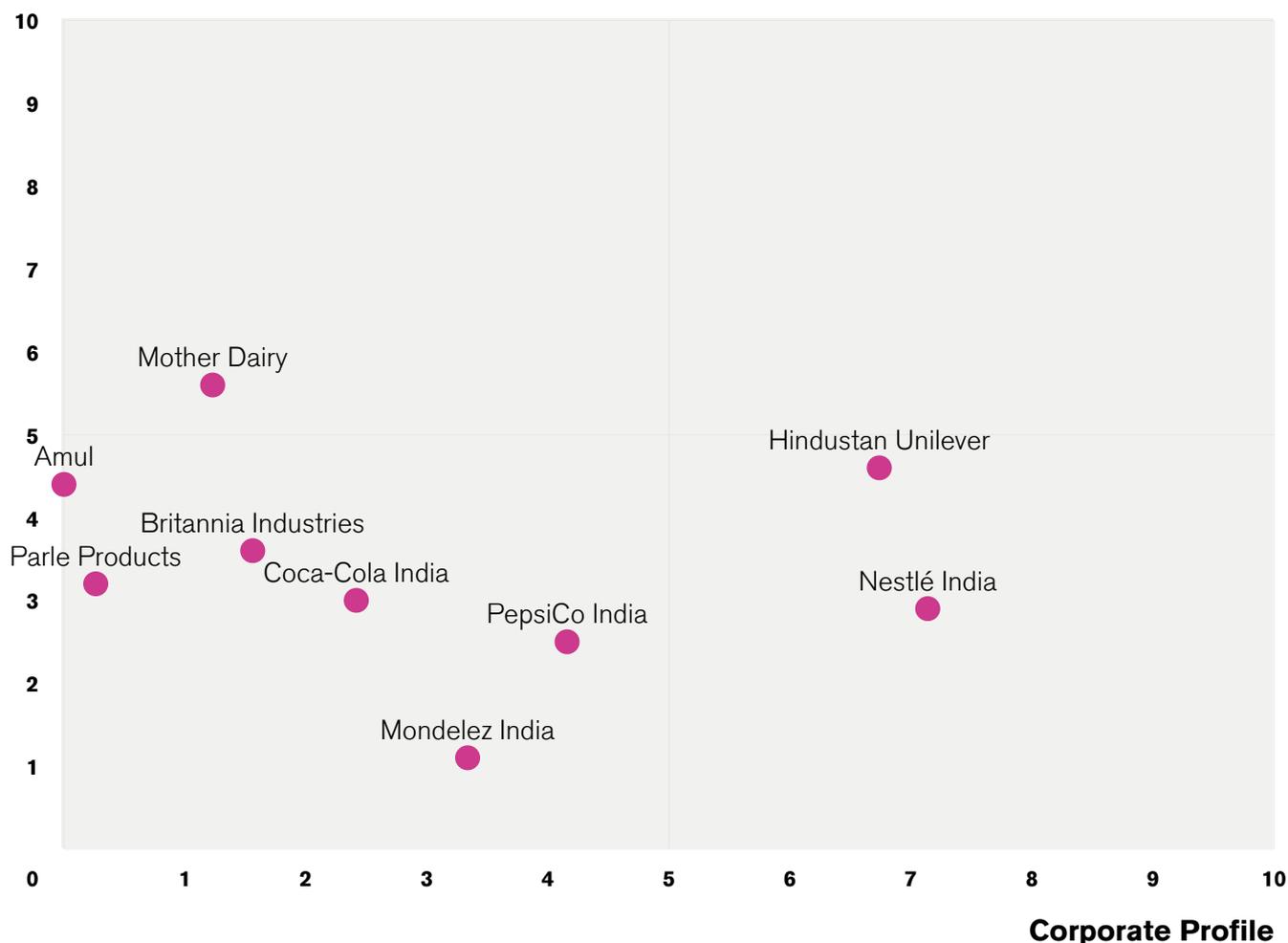
The sub-ranking 'Nutrition General' reflects companies' efforts to deliver healthy food choices and responsibly influence all consumer's behavior. The sub-ranking 'Undernutrition' reflects companies' additional efforts to tackle undernutrition specifically – either by fortifying their products with micronutrients otherwise deficient in the diet of specific populations and/or funding or delivering other initiatives to address undernutrition.

The BMS assessment determines whether BMS manufacturers in the study area comply with The Code and IMS Act. To perform well, companies need to demonstrate full compliance with the provisions of the IMS Act and The Code, as assessed by the IGBM Protocol. The score of the two BMS companies' included in the India Index is adjusted to reflect their level of compliance.

The Product Profile estimates how nutritious the products are that each company sells in India, i.e. the nutritional quality of their product portfolio weighted by retail sales. Companies that rank and score relatively poorly derive the majority of their sales from less nutritious products. Companies with a higher rank and score generate a higher proportion of their sales from more nutritious products.

1 Overall Ranking

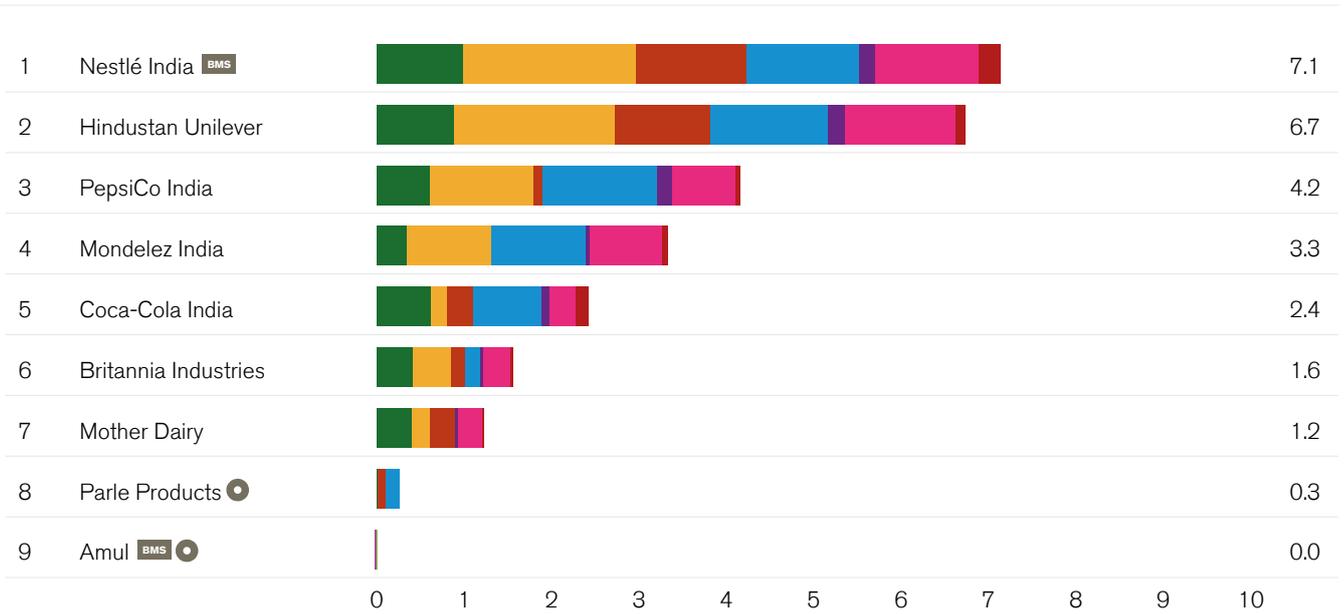
Product Profile



The overall ranking matrix presents companies' performance on the two key elements of the India Spotlight Index: the Corporate Profile and the Product Profile.

- The Corporate Profile score summarizes companies' performance across all seven Categories of the Corporate Profile methodology in terms of their response to obesity, diet-related chronic diseases as well as undernutrition. Companies with a low rank and score make little if any information about their nutrition policies and practices publicly available and had minimal or no engagement in the research process. Companies with a higher rank and score typically publish more information, engaged in the research process and have stronger nutrition commitments and practices. The scores of the companies that produce and market breast-milk substitutes in India have been adjusted based on their scores on the BMS assessment.
- The Product Profile shows how nutritious the products are that each company sells in India, i.e. the nutritional quality of their product portfolio weighted by retail sales. Companies that score relatively low derive the majority of their sales from less nutritious products. Companies with a higher rank and score generate a higher proportion of their sales from more nutritious products.

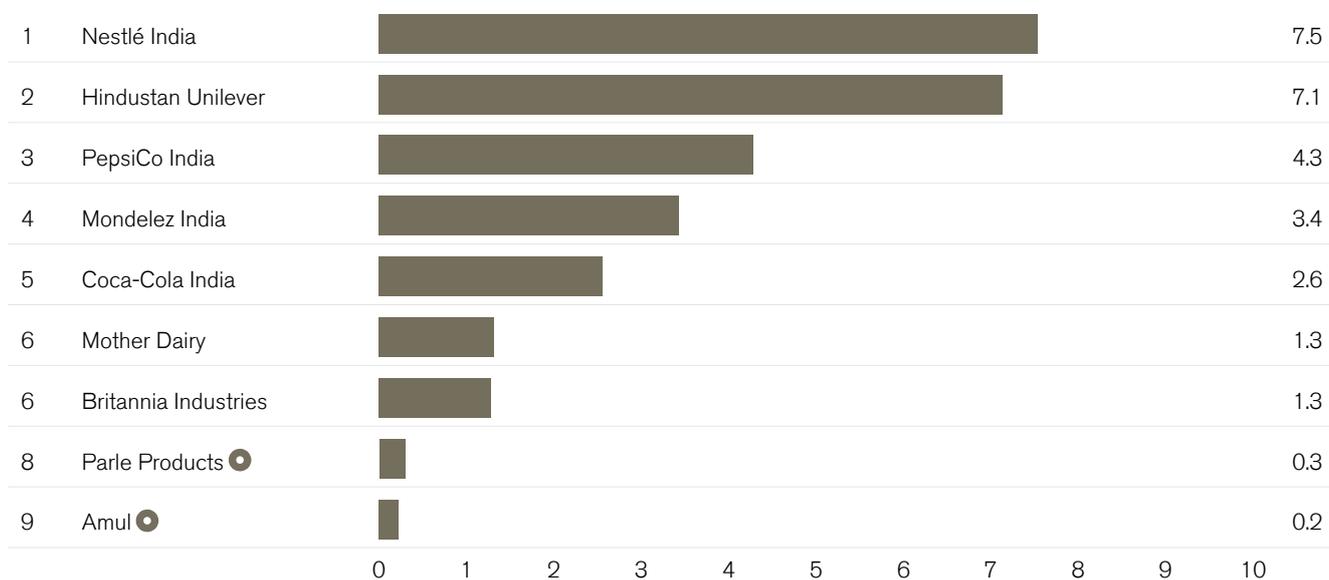
2 Corporate Profile



BMS Assessed against the BMS methodology: an adjustment based on the BMS score is incorporated in the overall score

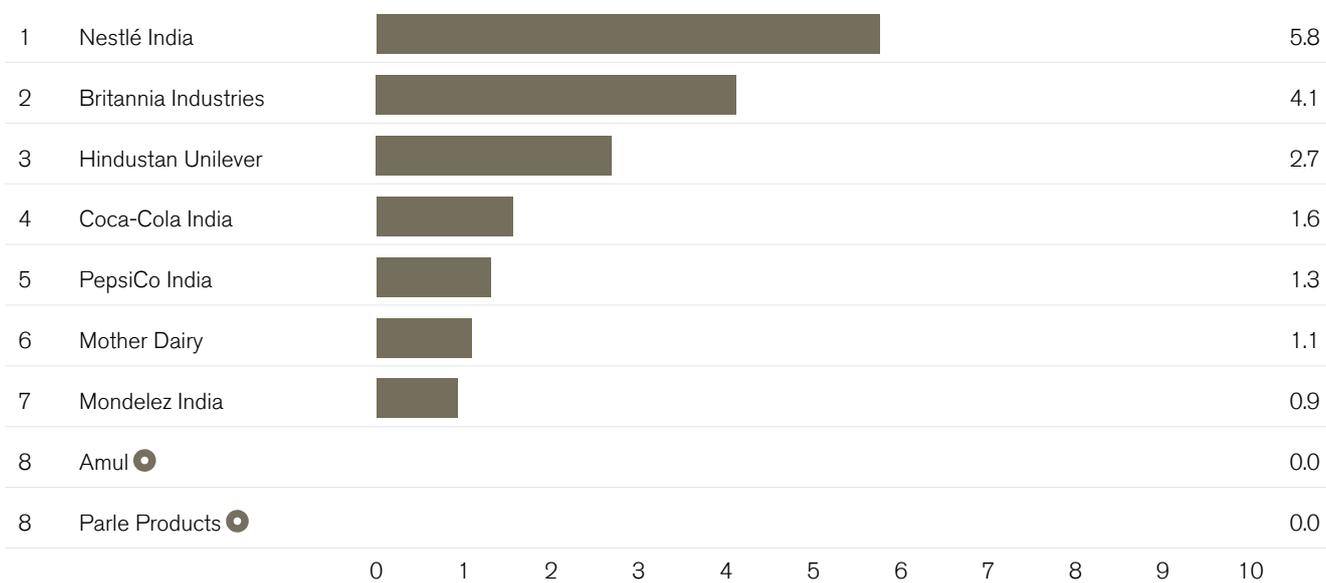
○ Did not provide information to ATNI

2.1 Nutrition General



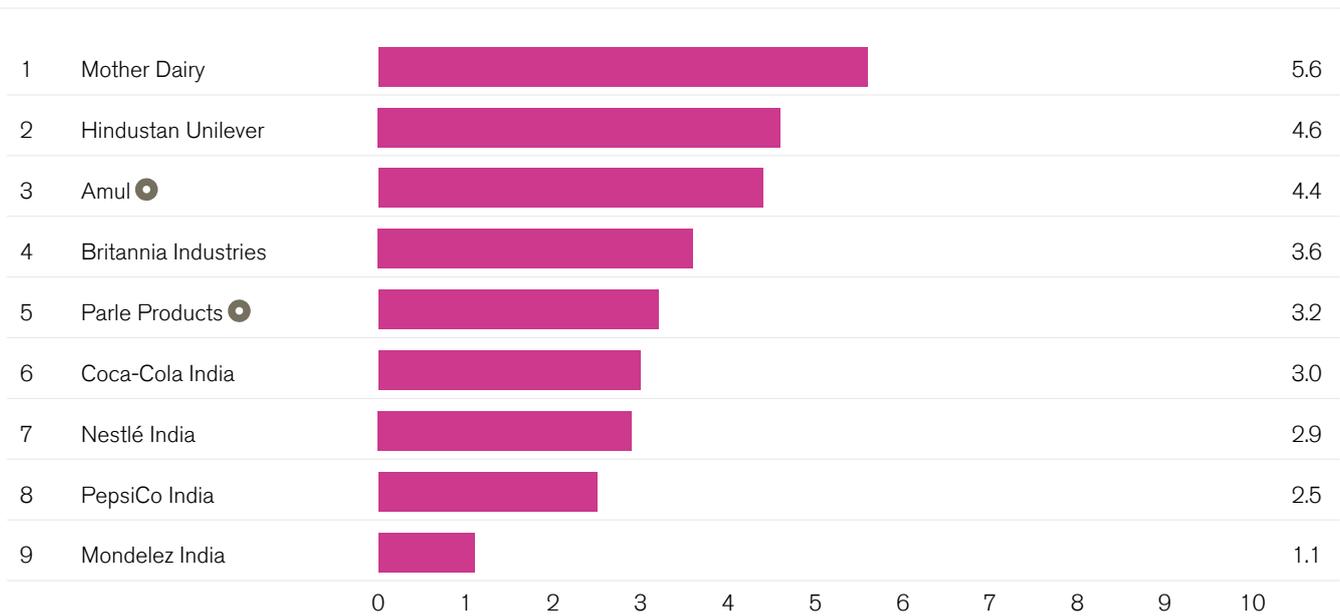
● Did not provide information to ATNI

2.2 Undernutrition



Did not provide information to ATNI

3 Product Profile



Did not provide information to ATNI

Key findings

The majority of the companies actively engaged in the first India Spotlight Index, demonstrating that they see value in doing so

The first India Spotlight Index assessed the ten largest food and beverage manufacturers in India by sales. Seven of the ten companies actively engaged in the research process, i.e. provided unpublished information to augment ATNF's research based on public sources. In addition to five multinational companies (MNCs), two Indian-based companies engaged in the Index research process: Britannia Industries and Mother Dairy. The other Indian-based companies did not submit data but two showed interest in the initiative by attending various meetings and two of the four approached to be interviewed about their fortification practices did so. This level of active participation in the first India Spotlight Index is welcomed and provides a good starting point for future engagement with the Indian food and beverage industry.

Taken as a whole, the largest food and beverage manufacturers in India are falling far short of what they need to do to help fight the enduring and mounting double burden of malnutrition in India

Only around 12% of the beverages sold by the Index companies and 16% of the foods were estimated to be of high nutritional quality in the Product Profile analysis. This worrying picture shows that many manufacturers have much work to do to improve the nutritional quality of many of their products and/or to invest in new product development to broaden their product offering. Despite the small role packaged products currently play in many Indian people's diets, F&B manufacturers in India have an unprecedented opportunity, as consumption of these products starts to grow in line with increasing incomes to become a major part of the solution to India's double burden of malnutrition. This will not happen, however, in the absence of major and urgent changes to companies' core business models and their product portfolios.

Mother Dairy leads on the Product Profile and Nestlé India leads on the Corporate Profile

On the Corporate Profile, the highest-ranking companies are Nestlé India and Hindustan Unilever, scoring 7.1 and 6.7 out of 10 respectively. All of the MNCs score higher on the Corporate Profile than the participating Indian-based companies. The parent companies of the former tend to publish a range of commitments, policies and reports, many of which apply in India; the latter tend to have more limited policies and disclosure of nutrition-related activities. Two companies score particularly poorly – Amul and Parle Products – they did not participate in the research process, published little or no information and received no points in several categories. Their scores and ranking may therefore only be partly representative of any efforts they are making to tackle India's nutrition challenges.

Nestlé India scores better on the Corporate Profile of the India Index than its parent did on a global basis. The Corporate Profile scores on the India Spotlight Index of Hindustan Unilever and Coca-Cola India are broadly similar to their parent companies' scores on the 2016 Global Index. PepsiCo India also performs better than its parent company did, but Mondelez India performs more poorly; the latter can be explained by the company's more limited product portfolio in India and low levels of disclosure about its activities in India.

On the Product Profile, Mother Dairy ranked first, Hindustan Unilever second, Amul third and Britannia Industries fourth. The lowest ranking companies are PepsiCo India in eighth place and Mondelez India in ninth place. This is because a large proportion of PepsiCo's revenues are generated by snacks and sugar-sweetened beverages and because Mondelez sells mainly confectionary.

All companies score relatively well on nutrition commitments. Indian-based companies can improve by adopting and disclosing their nutrition strategies and policies

Eight of the ten companies assessed (Britannia Industries, Mondelez India, Mother Dairy, Nestlé India, PepsiCo India, Parle Products, Coca-Cola India and Hindustan Unilever) make strategic commitments to grow their businesses by focusing on health and nutrition. In addition, the policies of six of these eight companies recognize that they have a role to play in tackling increasing levels of obesity and diet-related chronic diseases in India.

The subsidiaries of global corporations adhere to the global health and nutrition policies and strategies of their parent companies. These include responsible marketing policies covering all consumers and children, employee health and wellness programs, maternity policies including facilities to support breastfeeding mothers and a commitment to labeling products according to Codex guidelines. The wide-ranging commitments in their strategies and policies result in high scores across most areas of the Index. Conversely, the Indian-based companies typically do not have formal strategies and have more poorly codified management procedures related to nutrition and poor disclosure. Disclosure of actions they are taking to improve their nutrition footprint tends to be incomplete.

All companies can do more to ensure that their healthy products are more affordable and accessible in India

All companies can do more to ensure that their healthy products are more affordable and accessible in India. As with the Global Index, Category C (Affordability and Accessibility) is one of the lowest scoring categories, with an average score of only 1.9 out of 9. Most companies do not seem to have considered the importance of ensuring that healthy products are affordable and accessible, particularly to low-income consumers, and do not appear to have developed any commitments or policies in this regard.

All companies can invest more in engagement to promote healthy balanced diets across India

Category G (Stakeholder Engagement) is also a low scoring category, with an average score of 1.3 out of 10. Most companies do not disclose information about their membership or funding of industry organizations that lobby policymakers nor about their engagement with other stakeholders concerned about nutrition issues. The companies assessed for the Index demonstrate varying levels of stakeholder engagement. The overall picture, however, indicates that they need to be much more proactive in advancing dialogues with their key stakeholders on how they might improve their nutrition strategies and practices if goals to address India's double burden of malnutrition are to be met.

Nine of the companies have established a commitment to combatting undernutrition by fortifying their products – but they must significantly scale up these activities if they are to truly deliver on their commitments.

Establishing a clear and transparent commitment to fortification is an essential first step and companies are to be lauded for this. But in reality, companies have a long way to go before they deliver on their commitments. Operationalizing the commitment in the context of a focused strategy is hard work and companies need to devote more resources to it. Only five of the companies assessed disclose a commitment to addressing undernutrition by fortifying appropriate products (and/or using fortified ingredients) and only two, Britannia Industries and Nestlé India, of these five companies disclose having undertaken comprehensive market research to inform their product fortification strategy.

Nestlé India leads the rank when it comes to addressing micronutrient deficiencies through product fortification, followed by Britannia Industries. Only Nestlé India and Britannia Industries have a structured approach to product fortification with relevant commitments and programs. They also engage in other non-commercial initiatives designed to disseminate fortified products to those who need them.

Despite some examples of leading practice, in particular, the oil fortification activities of Cargill, most companies still need to develop full-scale commercial product fortification programs. Similarly, in terms of philanthropic activity in this area, companies generally demonstrate an ad-hoc approach to supporting programs that deliver fortified products or educate undernourished consumers. There is a significant opportunity for the industry to work together and in partnership with other key actors to develop a large-scale joined-up approach to tackling undernutrition in India.

Mother Dairy, Hindustan Unilever and Amul sell the largest proportion of healthy products among the companies assessed

The comprehensive Product Profile study – the first of its kind to be published in India – demonstrates that, relative to the other companies included in the Index, Mother Dairy, Hindustan Unilever and Amul deliver the highest level of sales of products of high nutritional quality. Mother Dairy has a broad portfolio comprising nine categories of products, whose Health Star Ratings range from the maximum possible of five stars for its frozen fruit and vegetables to its butter, margarine and other dairy categories, which score an average of two stars or more. The company scores 5.6 on the Product Profile ranking. The average number of stars for Hindustan Unilever products within each category ranged from 0.5 out of 5 stars (the lowest score possible) for its liquid concentrates to 3.8 out of 5 stars for its soups. Its Product Profile score is 4.6. Amul's sales-weighted portfolio has a rating of 2.2 out of 5 on average with an overall Product Profile score of 4.4.

PepsiCo India and Mondelez India rank lowest on the Product Profile study in eighth and ninth place respectively, indicating that their product portfolios are least healthy according to the Product Profile, which assessed the nutritional quality of companies' sales.

Large-scale effective fortification requires clear and enforceable government standards, accompanied by commitment and investment by the companies to build the market for fortified products

Fortification is recognized as the most effective strategy to address micronutrient deficiencies. However, in India, only 2% to 5% of foods are believed to be fortified with the micronutrients lacking in many Indian's diets. The foods that are fortified are mostly staples, such as dairy and wheat, fortified with vitamins A, D, C and iron among other micronutrients. Most companies assessed produce no or very few fortified packaged products, and often those which they do fortify are not healthy products. Cargill is the exception which has shown leadership by fortifying its oils voluntarily. Moreover, other than one or two examples of companies using salt fortified with iodine to make their products, most do not commit to exclusively using fortified ingredients such as wheat or milk.

However, the technical fortification standards for several commodities launched by Food Safety and Standards Authority of India (FSSAI) in October 2016 could provide the much-needed central leadership to scale up fortification and create a "level playing field" for companies. This major step taken by the government affords the perfect opportunity to the F&B industry to declare its support, and for companies to set bold, specific targets to build the market for fortified foods and to deliver fortified products to millions of consumers across India.

Companies' marketing of breast-milk substitutes in Mumbai was found broadly to comply with the requirements of the IMS Act and The Code, with some concerning exceptions

In consultations before the assessment of the marketing of breast-milk substitutes (BMS) was undertaken, in the summer of 2016, local experts noted that the Indian IMS Act is fully aligned with, and in some areas, more demanding than The Code. Moreover, they said it was unlikely to find many incidences of non-compliance. That was, in fact, the case. Public advertising of BMS products monitored appeared to be virtually non-existent, at least in Mumbai. Further, no point-of-sale promotions of BMS products were found in any of the 'bricks and mortar' retail establishments visited. Few printed informational or educational materials were found in clinics or shops, and company representatives appear to have little direct contact with women or healthcare workers. The labels of all but one product made for the Indian market complied with labeling regulations. The only products not to have compliant labels were seven parallel imports, i.e. products intended to be consumed in other countries. This is a credit to the strength of the IMS Act, or its diligent application by healthcare workers and vigilant monitoring by local stakeholders such as the Breastfeeding Promotion Network of India (BPNI).

Some indications were found of marketing and promotion of BMS products in ways that circumvent the IMS Act and The Code, and which are difficult to monitor and enforce

The study noted that some online retailers offer promotions and price discounts. However, such stores may not directly procure the products they sell from the manufacturers and may decide on promotions and discounts themselves, rather than such promotions being initiated by the manufacturers. Also, various marketing websites were found to invite mothers to "sign-up" to access information and engage in exchanges with other members. While there were no reports of non-compliance with the IMS Act by such marketing sites, they are potential routes through which companies can establish brand recognition and profile.

Key recommendations

Companies

Most Index companies make strategic commitments to grow their businesses by focussing on health and nutrition, and there are examples of several good corporate nutrition practices. However, the aggregate picture of the current nutrition performance of India's largest food & beverage (F&B) companies underscore that they have a long way to go if they are to achieve their goals and make a significant contribution to tackling the double burden. The translation of words into actions will require ambitious, clear strategies that include specific, measurable and time-bound commitments in all areas of their businesses, including:

- Although the majority of the companies recognize their role in addressing India's serious nutrition challenges, Indian-based companies particularly have yet to develop and disclose clear nutrition strategies to show that they intend to play a major role.
All companies must integrate a nutrition strategy into their core business, and set and deliver on a range of commitments if they are to have substantial, measurable effects on nutrition outcomes.
- **All companies that have not yet done so, particularly the multinational companies that score lowest on the Product Profile, should adopt and implement a comprehensive strategy to develop healthier products.** This should be underpinned by a Nutrient Profiling System (NPS) that accurately defines healthy products which is then used to assess their product portfolios and monitor progress in improving them. They are specifically encouraged to commit to reducing levels of salt, saturated fats, trans fats and added sugars across their product portfolios, as relevant, by setting specific targets and deadlines for achieving those targets.
- **All companies are encouraged to adopt formal policies and/or commitments to ensure the affordability and accessibility of healthy products (to help to reduce levels of overweight and obesity across India) and of fortified products (to help consumers who are deficient in key micronutrients).**
- **Companies who have not yet done so should adopt a strong responsible marketing policy for all consumers, as well as a separate, more detailed policy on responsible marketing for children.** To align with their peers in the Indian market, and international standards, companies are encouraged to sign the recently relaunched Food & Beverage Alliance of India (FBAI) marketing pledge at a minimum. All companies should also prohibit marketing activities in and near primary and secondary schools and monitor their compliance with both marketing policies.
- **Indian-based companies particularly are encouraged to develop commitments to support healthy eating and lifestyle programs for their staff and programs for consumers designed and implemented by independent expert organizations.** All companies should set targets for staff participation and for the health outcomes the programs intend to achieve and track their progress in achieving them. Moreover, companies are encouraged to demonstrate the impact of their staff health and wellness and their consumer health programs by commissioning and publishing independent evaluations of them. Similarly, companies are encouraged to go beyond legal compliance with respect to supporting breastfeeding mothers at work and offer six months or more maternity leave.
- **Although most companies largely comply with Indian labeling regulations, Indian-based companies particularly should adopt formal commitments to disclose more nutrition information on product labels, in line with Codex standards.** Similarly, they should make stronger commitments to follow Codex guidance

on the use of health and nutrition claims given that Indian regulations are weaker in this area. Companies that have not yet done so should take steps to provide full product nutrition content information online for all of their products.

- **All companies should also improve their disclosure with respect to their involvement in organizations that engage with political parties, policymakers and policymaking bodies on nutrition issues.** They should also publish policy positions on key issues, such as marketing to children, product labeling etc. All those companies that do not yet do so, should engage with stakeholders on their nutrition and undernutrition strategies and practices to solicit their feedback and be transparent about these activities.
- **Considering the large number of undernourished people in India, companies that have not yet done so should commit to source fortified staples for use in their products where possible and adopt a systemic approach to tackling undernutrition by producing fortified products tailored to the needs of priority populations, such as young children and women of childbearing age.**
- **Companies are encouraged to use their CSR tax contributions to support organizations that deliver proven interventions to address undernutrition.**

Government and other stakeholders

The Government of India has a critical role to play in encouraging companies to scale up their efforts to solve the country's severe malnutrition challenge and providing a level playing field in which they can operate. This requires a strong, transparent and enforceable framework of evidence-based policies and standards on various aspects of nutrition and health, in line with international norms and standards set by the WHO, Codex and others. The government has already invested in trying to improve nutrition in India, however, other specific areas in which it could invest further include:

- **Enabling and encouraging food and beverage companies to introduce fortified packaged products to address the specific widespread micronutrient deficiencies.**
- **Providing leadership, for instance, by making use of more fortified staple ingredients compulsory in government programs, such as the Mid Day Meal Scheme in schools.**
- **Developing an enforceable code on marketing unhealthy products to children (and all consumers).**
- **Extending existing nutrition content labeling regulations in line with Codex standards.**

In addition also other stakeholders, such as civil society organizations, research institutes are encouraged to engage more with F&B manufacturers, as well as with policymakers and standard-setting organizations, to support the implementation of these recommendations through multi-stakeholder engagement.

While the IMS Act is strong and comprehensive, and incidences of non-compliance appear to be relatively few, the government and concerned stakeholders should consider how the activities of online retailers and marketing sites might be brought into line with – or deterred from contravening – the requirements and how parallel imports can be prevented.



Corporate Profile

The following sections show how companies score and rank in each Category of the ATNI Corporate Profile methodology. Each sub-section provides background on the issues addressed in the specific Category (from A to G) and describes the basis for ATNI's assessment. Key findings, recommendations and detailed results are also presented.

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A Governance

Corporate strategy, governance and management (12.5% of Corporate Profile score)

A company can better sustain and scale-up its commercial nutrition activities if its commitment starts at the top and is integrated into its core business strategy. Nutrition issues are then more likely to be prioritized as the company allocates resources, tracks performance and reports to its stakeholders. Companies can also make a significant contribution to preventing and addressing obesity and/or undernutrition through non-commercial means in India, such as philanthropic donations. To be effective, these too need to be guided by a coherent strategy and implementation systems. ATNI assesses both in the India Spotlight Index.

This Category assesses the extent to which a company's strategy for the Indian market includes a specific commitment to contributing to better diets and whether its approach is embedded within its governance and management systems, evaluated using three criteria:

A1 Corporate nutrition strategy

A2 Nutrition governance and management systems

A3 Quality of reporting

To perform well in this Category, companies should:

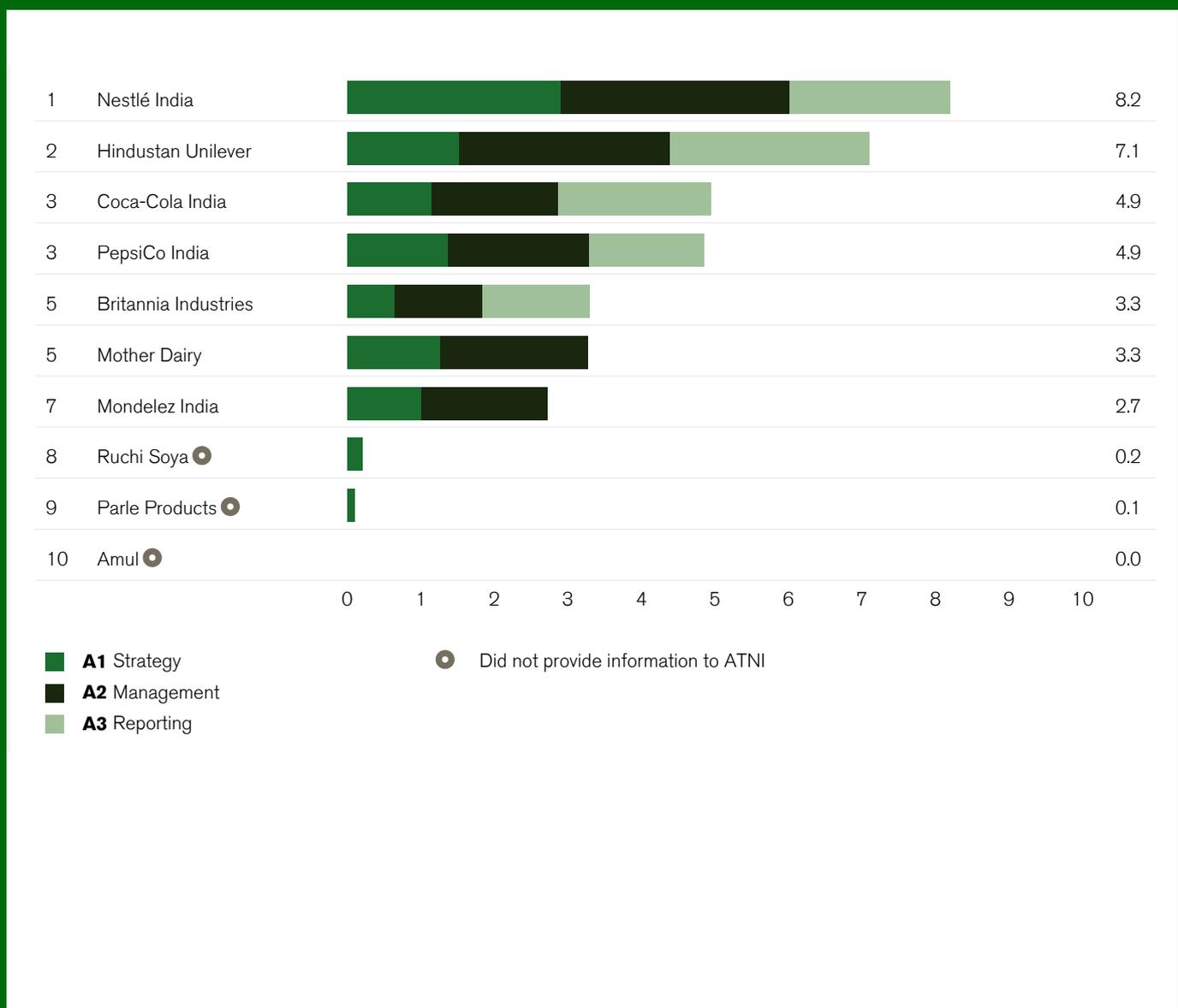
- Commit at Board level to address both overweight and obesity and diet-related chronic diseases, and undernutrition.
- Set clear nutrition strategies (nutrition general and undernutrition), objectives and targets in all business areas underpinned by strategic market research.
- Establish and use incentive and accountability structures at senior management level to reward successful implementation of nutrition strategies.
- Have a recognized quality assurance system in place for food safety.
- Demonstrate high and increasing levels of sales of healthy products and, where relevant, fortified products that address nutritional deficiencies.
- Pledge to direct undernutrition-related activities (both commercial and through the company's CSR budget) to priority population groups, i.e. those with the highest levels of undernutrition and related illnesses.
- Provide evidence of the level of support provided to philanthropic programs to address undernutrition.
- Clearly and comprehensively report on activities to prevent and address overweight and obesity and undernutrition.

Methodology changes between the Global and India Spotlight Index

The India Spotlight Index methodology for Category A is aligned with the global methodology, except that questions are framed in the context of India, rather than globally. For the multinational companies, this means that they have been assessed on whether their global policies also apply to the India market, their practices in the Indian market and disclosure of those India-specific commitments and practices.

Food safety is not a topic covered by the Global Index because the link to nutrition is indirect - safe food is not necessarily of good or high nutritional quality. However, if food is not safe to eat and causes illness, this can lead to weight loss and affect an individual's absorption of nutrients. In response to stakeholders' input, given widespread food-borne illnesses in India, one indicator has been added in A2 Nutrition Governance and Management Systems to assess whether companies have ISO 22000:2005 certification or similar accreditation by an internationally recognized body.

Results



Key findings

Nutrition general

- Nestlé India is a leader in the area of Corporate Nutrition Strategy, with a score of 8.2. Nestlé India fully adopts its parent's nutrition strategy that has a clear commitment to strategic growth through health and nutrition, and a specific reference to low-income populations. In addition, the company reports that it is delivering on its strategic commitment by disclosing that over 25% (the highest threshold adopted by the India Spotlight Index) of its Indian sales are derived from products that are classified as healthy by its own Nutrient Profiling System (NPS). In fact the company claims that 94% of its products meet that standard. See the Product Profile chapter for additional commentary on this.
- Eight out of ten assessed companies make a general strategic commitment to growing through a focus on health and nutrition. However, only six of these eight companies recognize that they have a role to play in tackling India's challenges of increasing levels of overweight and obesity and diet-related chronic diseases.
- The level at which companies assign ultimate accountability for implementing their nutrition strategies is indicative of the priority they assign to achieving results. For nutrition general, Nestlé India, PepsiCo India and Hindustan Unilever are the only three companies that assign responsibility for implementing the company's nutrition strategy to their CEO or to an Executive that report directly to the board.
- In general, companies perform most strongly in section A2 Nutrition Governance and Management Systems. Scores for A1 on Nutritional Strategy and A3 on Quality of Reporting are lower on average, with significantly higher scores for multinational companies than for local Indian-based companies. This outcome reflects the strong commitments and disclosure practices of multinational companies. While Indian subsidiaries of multinational companies benefit from the global application of these commitments and disclosure practices, Indian-based companies do not.
- Generally, few companies demonstrate adequate performance with respect to addressing undernutrition commercially. Only five of the ten companies assessed disclose a commitment to addressing undernutrition through product fortification and only two of the disclosed have undertaken comprehensive market research to inform their product fortification strategy. Market research is essential to identify micronutrient deficiencies and to assess the potential for addressing such deficiencies through fortification of consumer products. Cargill, although not assessed for the full India Spotlight Index (see Methodology Section, Company selection), demonstrates the best practice in this area that other companies can learn from, as it has undertaken an India-wide study to inform the fortification of its edible oils.
- Despite being obliged to have a Corporate Social Responsibility (CSR) budget in India, in general companies perform poorly on addressing undernutrition through such non-commercial means. Most Indian subsidiaries of multinational companies do not have a structured and comprehensive approach to addressing undernutrition. The majority of these companies do not articulate any formal approach to addressing undernutrition non-commercially or have only ad-hoc programs in a few Indian states. In general, Indian-based companies also do not articulate a well-structured, non-commercial strategy to address undernutrition. Britannia Industries demonstrates leadership in this area through the work of the Britannia Nutritional Foundation (BNF). The BNF focusses on addressing malnutrition through public-private partnerships, building awareness about undernutrition and engaging with communities to combat it.
- Three out of ten assessed companies provide limited commentary in their reporting that addresses their work to tackle undernutrition in India through product fortification. A limited commentary is defined as including some details on the company's work and/or approach to tackling undernutrition in India, but without information on the populations reached and the impact of their programs. These three companies are among others Hindustan Unilever and Britannia Industries. Nestlé India also discloses commentary that speaks to the impact of its programs, specifically the number of servings of micronutrient fortified foods and beverages.

Undernutrition

- While the majority of companies (six out of the ten assessed on undernutrition) disclose a commitment to combatting undernutrition in India, only two companies, disclose having undertaken a formal Board-level strategic review of the commercial opportunities available to address undernutrition. Nestlé India has also undertaken such an exercise but was not reviewed by the Board.

Key recommendations

- **Although Indian-based companies recognize their role in addressing nutrition issues they could improve by adopting more formal nutrition strategies:** Indian subsidiaries of multinationals benefit from the application of their parent companies' global policies whereas Indian-based companies seem to recognize their role in addressing nutrition issues but are taking only ad-hoc action. These Indian-based companies are strongly encouraged to develop more formal nutrition strategies that have a clear link to their business strategy, incorporate commitments to reaching low-income populations with healthy and fortified products and to set clear objectives and targets approved by their Boards.
- **All companies are encouraged to develop a well-structured, non-commercial strategy to address undernutrition:** Given that all companies operating in India are obligated to have a CSR budget, and the level of need in India, companies are encouraged to dedicate a portion of their budget to developing strategic cross-sectoral partnerships and other initiatives to address undernutrition. A good example to learn from is that of Britannia Industries, which demonstrates a comprehensive non-commercial strategy to address undernutrition in India through The Britannia Nutritional Foundation (BNF).
- **All companies (when relevant) are encouraged to base commercial product fortification on comprehensive research:** Research is essential to identify micronutrient deficiencies in different populations and to develop products that meet their nutritional needs. Currently, only two companies base their product fortification strategy on country-wide market research (Nestlé India and Britannia Industries). Companies are encouraged to conduct or use existing needs assessments to underpin their business strategy for addressing nutrition through fortified products.
- **Indian-based companies could benefit from improving disclosure of nutrition policies and strategies:** Companies originating in India are encouraged to improve reporting on all their nutrition-related activities. These companies should aim to publish reports annually that are set against clear objectives and plans, and include an explanation of the challenges faced and future outlook.



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A1 Corporate nutrition strategy

When nutrition considerations and a commitment to improving consumers' nutrition are core elements of a company's business strategy, they are more likely to be embedded into its core business functions. Companies taking this approach have a greater and more sustainable impact on improving Indian consumers' access to nutritious foods and on the population's health than those companies that attempt to address these issues solely through their corporate social responsibility (CSR) and philanthropic programs.

Basis for company assessment

The approach to company assessment in this Category is similar to that used by other indexes that evaluate the quality of a company's governance and management systems on a range of other important societal issues. It is also informed by input from the ATNI Expert Group.

Companies are assessed on their commitments, performance and disclosure, specifically on whether they:

- State a clear commitment to nutrition, health and wellness and incorporate it into either their mission statement or their growth strategy for the Indian market – both on nutrition broadly and on undernutrition.
- Conduct nutrition-related business risk assessments in India.
- Take nutrition issues into account in their decision-making process relating to acquisitions, disposals and joint ventures in India.
- Demonstrate increased their offering and/or sales of healthy products in the Indian market.

Detailed results

Is there evidence that companies in the India Spotlight Index have embedded a strategic commitment to delivering better nutrition in India?

TABLE 3 Commitments to health and nutrition, including obesity and undernutrition

	Clear commitment to health and nutrition	Recognizes role in tackling obesity	Commits to play role in combating undernutrition
Amul			
Britannia Industries	●		●
Coca-Cola India	●	●	
Hindustan Unilever	●	●	●
Mondelez India	●	●	●
Mother Dairy	●		●
Nestlé India	●	●	●
Parle Products	●		
PepsiCo India	●	●	●
Ruchi Soya		●	

Not filled in means no and/or not specified.

Nutrition general

- There is clear evidence that eight companies have a strategic commitment to delivering better nutrition in India, articulated either through their mission statement, a strategic commitment to grow through health and nutrition, or both. Nestlé India, Hindustan Unilever and PepsiCo India are leaders in this area, as they articulate a strategic commitment to nutrition in India through both a mission statement and a commitment to grow through health and nutrition.
- While the majority of companies state a commitment to deliver healthier foods in India, only two make a specific reference to reaching low-income populations. Nestlé India and PepsiCo India demonstrate leadership in this area.
- A majority of six companies (Mondelēz India, Nestlé India, PepsiCo India, Coca-Cola India, Ruchi Soya and Hindustan Unilever) recognize that they have a role to play in tackling India's challenges of increasing levels of obesity and diet-related chronic diseases.
- One way to evaluate whether companies deliver on strategic commitments they make is to assess the percentage of a company's total sales derived from healthy products in India. However, the majority of companies assessed do not disclose this information. Nestlé India and Mother Dairy are leaders in terms of their disclosure; they are the only two companies that disclose the percentage of total sales derived from healthy products in India. Mother Dairy discloses that 25% or more of their Indian product sales (the highest threshold considered by the India Spotlight Index) are derived from healthy products in India. Nestlé India met the criterion of more than 25% of products meeting their healthy standard; in fact, it claims that 94% of products meet that standard. While this percentage is relatively high, it is not possible to know if Nestlé India and Mother Dairy are leaders with respect to this percentage as other companies have not reported on this indicator. Additionally, the outcomes from the Product Profiling exercise, assessing the healthiness of each company's portfolio, show much lower scores (see the Product Profile chapter).

BOX 6 NESTLÉ INDIA'S NUTRITION, HEALTH AND WELLNESS BUSINESS PRINCIPLES

Nestlé India identifies Nutrition, Health and Wellness (NHW) as one of the ten business principles based on which the company operates, and a key growth driver for the company. The company's mission statement also includes an explicit reference to "enhancing people's lives by offering tastier and healthier food and beverage choices". The company discloses a strategic overview, the "Nestlé Roadmap to Good Food, Good Life" which states the company' objective to be a leader in NHW. In addition, Nestlé India outlines making nutritious food affordable as a key issue for its company and has a specific strategy called Popularly Positioned Products to further embed this commitment into its operations. Through the above-mentioned strategies and policies, Nestlé India demonstrates that it has a strategic commitment to grow through a focus on health and nutrition, a mission statement that articulates this commitment and a commitment to nutrition with a focus on low-income populations. These three factors make Nestlé India a leader with respect to corporate nutrition strategies.

Undernutrition

- Six of the ten assessed companies (Britannia Industries, Mondelez India, Mother Dairy, Nestlé India, PepsiCo India and Hindustan Unilever) demonstrate leadership with respect to their commitment to address undernutrition in India. These companies state a commitment to playing a role in combatting undernutrition in India.
- Only 2 companies, Nestlé India and Coca-Cola India, demonstrate having taken the commitment one step further by undertaking a strategic review of commercial opportunities available to address undernutrition through developing products for the undernourished.

A2 Nutrition governance and management systems

This section assesses the extent to which companies have integrated approaches to delivering their nutrition commitments through their governance and management systems. It includes indicators for both obesity, diet-related chronic diseases and undernutrition.

Basis for company assessment

The company assessment approach in this Category is similar to that used by other indexes for the evaluation of the quality of companies' governance and management systems on a range of societal issues. It is also informed by input from the ATNI Expert Group.

Companies are assessed on a range of issues, including whether they:

- Have a board-approved commitment and objective to delivering improved nutrition in India.
- Assign formal oversight of India's nutrition strategy and/or programs to the Board of Directors or CEO, and assign the day-to-day responsibility of delivering the strategy to senior management.
- Subject their nutrition strategy to standard internal audits and regular management reviews.
- Have obtained ISO 22000:2005 certification or different accreditation of a recognized quality assurance body for food safety
- Disclose information on nutrition-related commitments, objectives and targets, as well as performance against them.

In addition to the indicators above (which assess activities relevant to all consumers, including those at risk of, or suffering from undernutrition), companies are evaluated on additional action to address undernutrition, including the fortification of products and/or the use of fortified ingredients/staples.

Because significantly less corporate activity focusses on addressing undernutrition, and the business case is not as well developed as is the business case for addressing obesity and diet-related chronic diseases, a wider range of companies' activities are evaluated beyond simply their commercial activities. These include philanthropic approaches, public-private partnerships and social businesses initiatives. Companies are assessed on whether they:

- Have formally set out how they intend to address undernutrition and micronutrient deficiencies (specifically one or more of iron, iodine, zinc, vitamin A, vitamin D, vitamin B12) through their commercial strategy as well as through their philanthropic programs (i.e. through their (obligatory) CSR budget).¹ Have undertaken market research or wider studies to assess the need/potential for addressing undernutrition (through micronutrient fortification and/or the use of fortified ingredients/staples)
- Take a well-structured approach to addressing undernutrition in multiple Indian states, commercially and through their CSR budget.
- Assign the overseeing of their commercial undernutrition programs to the Board or other senior executives.
- Provide evidence of the level of support provided to philanthropic programs to address undernutrition.
- Publish information on their commitments, objectives, targets and performance against them.²

Detailed results

Do companies have effective management systems to deliver their commitments on nutrition?

Nutrition general

- More than half of the companies assessed have implemented some elements of a management system to deliver their commitments on nutrition. Nestlé India and Hindustan Unilever have comprehensive systems in place. A comprehensive system includes the following elements – a board approved strategy or policy related to delivering better nutrition, assignment of accountability for implementing nutrition strategies to the CEO or an Executive that reports directly to the board, audit and management review of delivery of nutritional strategy, external certification of food safety management systems and disclosure on the above-mentioned elements. While Nestlé India and Hindustan Unilever do not necessarily address all of the above, they are the two highest-scoring companies with respect to a general nutrition management system.
- The level at which companies assign ultimate accountability for implementing their nutrition strategies is indicative of the high priority assigned to achieving results. PepsiCo India, Hindustan Unilever and Nestlé India are the only three companies that assign responsibility for implementing the company's nutrition strategy to a CEO or an Executive that reports directly to the Board. Two companies – Mondelez India and Mother Dairy – assign this responsibility to a committee that reports to the Board. Coca-Cola India assigns responsibility to its Scientific and Regulatory affairs department, which reports to the Vice President Technical and Supply Chain.
- Seven of the ten assessed companies obtained ISO 22000:2005 certification (or similar), which specifies requirements for a food safety management system. However, only two of these companies, Mother Dairy and Nestlé India, publicly disclose their certification food safety management systems.

Undernutrition

- With respect to undernutrition, five companies – Britannia Industries, PepsiCo India, Hindustan Unilever, Nestlé India and Coca-Cola India – have assigned responsibility for oversight of their commercial strategy/program to address undernutrition to a CEO or an Executive that reports directly to the Board.

What are companies doing commercially to address undernutrition?

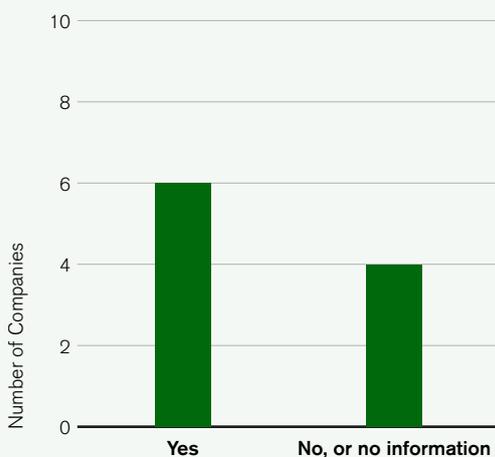
Undernutrition

- Five of the ten assessed companies formally set out commitments to address undernutrition and micronutrient deficiencies through the commercial strategy of product fortification. They include a mix of multinational and Indian-based companies, such as Mother Dairy.
- A commercial approach to addressing undernutrition should be underpinned by a substantial amount of market research (defined as conducting market research or wider studies in more than five Indian states) that identifies micronutrient deficiencies and assesses the potential for addressing such deficiencies through fortification. Only two of the ten assessed companies – Britannia Industries and Nestlé India – disclose that they have conducted such substantial market research in more than five Indian states. Five other companies disclose having conducted such market research in one to four Indian states.
- Although not assessed for this index, a good example of a commercial fortification program is provided by Cargill. See Box 7 for details.

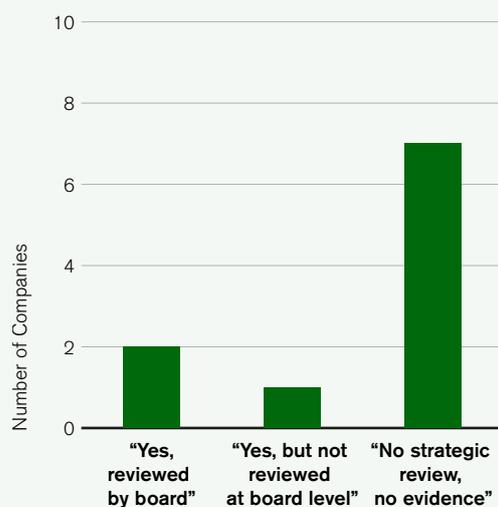
BOX 7 CARGILL'S FORTIFICATION PROGRAM

Cargill's commercial fortification strategy is well-structured and implemented everywhere across India. The company's commercial undernutrition strategy is led by Cargill's Chairman, who is actively involved in multiple activities to promote fortification in India. Fortification of consumer edible oils is an integral part of Cargill's business strategy and all of Cargill's oils sold directly to the consumers are fortified with vitamins A and D.

GRAPH 1 Commitment to dedicating some CSR budget to addressing undernutrition



GRAPH 2 Strategic reviews of commercial opportunities in addressing undernutrition that was reviewed at board level



Are companies dedicating part of their obligatory CSR budget to address undernutrition?

Undernutrition

- Eight of the ten assessed companies commit to dedicating a portion of their obligatory budget to addressing undernutrition in India.
- Of the ten assessed companies, only Britannia Industries has a strategic, structured and non-commercial approach to addressing undernutrition through product fortification in several Indian states (see Box 8). While Nestlé India, Mondelez India and Mother Dairy demonstrate an ad-hoc approach to addressing undernutrition, the remaining companies do not articulate any non-commercial approach to addressing undernutrition in India.
- Despite not being scored for this Index, another best practice example is Adani's Suposhan project focussing on improving malnutrition in India (see Box 9).
- Table 4 (overview of partnerships) shows that the majority of the companies assessed engage in partnerships with, or formally support third-party initiatives to address undernutrition in India.

BOX 8 BRITANNIA INDUSTRIES NON-COMMERCIAL UNDERNUTRITION APPROACH

The Britannia Nutritional Foundation (BNF) demonstrates a comprehensive non-commercial strategy to address undernutrition in India. The BNF focusses its core activities on public-private partnerships to address malnutrition, i.e., engaging with communities on issues of undernutrition and nutrition and developing innovation in combating undernutrition through interventions. BNF considers itself as a platform to build and promote multi-sectoral dialogue in the area of undernutrition, and frequently develops public-private partnerships. The BNF also conducts research into product fortification and how fortified products can be used in philanthropic nutritional interventions. For example, BNF partnered with the BAIF Development Research Foundation to implement a nutritional intervention that fed biscuits fortified with iron and folic acid to children in rural Karnataka. The BNF is assessed as having a structured, long-term, non-commercial strategy to combat undernutrition through product fortification.

BOX 9 ADANI FOUNDATION'S SUPOSHAN PROJECT

Adani Foundation, responsible for CSR activities of the Adani Group, runs Adani Wilmar's non-commercial flagship Suposhan project to improve malnutrition in India. The Foundation's approach to addressing undernutrition and micronutrient deficiencies seems to be well structured and implemented in all areas where the company has sites. The Suposhan project aims to deliver fortified products to combat undernutrition and anemia. The products will be formulated based on the results of the Suposhan project. Besides new product formulation, the projects include a strong education component teaching adolescent girls and women of childbearing age the benefits of exclusive breastfeeding up to six months of age and thereafter safe and appropriate introduction of weaning food; hygiene and sanitation practices; water and sanitation; dealing with misconceptions about appropriate food intake and feeding practices, causes of anaemia and ways to reduce its occurrence undernutrition through product fortification.

TABLE 4 Overview of partnerships

	Amul	Britannia Industries	Coca-Cola India	Hindustan Unilever	Mondelez India	Mother Dairy	Parle Products	Nestlé India	PepsiCo India	Ruchi Soya
GAIN		●		●		●				
Micronutrient Initiative						●				
ICDS National Mid Day Meal Scheme		●		●						
Tata Trust						●		●		
Indian Food Banking Network		●								
Other		●	●	●		●		●	●	

Global Alliance of Improved Nutrition (GAIN) – an international NGO with a program in India that focusses on expanding food fortification initiatives to address micronutrient deficiencies in India. GAIN in India has made strategic investments in the Government of India’s Integrated Child Development Services (ICDS) and Mid Day Meal Scheme.

ICDS National Mid Day Meal Scheme – a governmental program aimed at enhancing enrolment, retention and attendance and simultaneously improving nutritional levels among children.

Micronutrient Initiative – an international NGO with an office and programs in India that focusses on the priority of saving lives and improving the health of women and children. The organisation aims its attention to

Vitamin A and zinc supplementation, iron and folic acid programs and activities regarding production of iodized salt.

Tata Trust – an Indian Foundation which supports through grant-making, direct implementation and co-partnership strategies, innovation in the areas of natural resources management; education; healthcare and nutrition; rural livelihoods; enhancing civil society and governance; media, arts, crafts and culture; and diversified employment.

Indian Food Banking Network – an Indian NGO that acquires donated food and makes it available to people who are hungry or lack nutritious food, through a network of institutional feeding programs run by the community organizations or NGOs.

A3 Quality of reporting

This section assesses the extent to which companies provide a clear and comprehensive narrative in their corporate reporting on the progress in implementing their nutrition-related strategies and commitments.

While there are many indicators throughout the methodology that evaluate companies’ disclosure on specific issues, this section looks at the regularity, scope and quality of their overall reporting on nutrition.

Basis for company assessment

The company assessment approach in this Category is similar to that used by other indexes for the evaluation of the quality of companies’ governance and management systems on a range of societal issues. It is also informed by input from the ATNI Expert Group.

All indicators are related to companies’ performance. Specifically, companies are assessed on whether they:

- Publish formal, regular reports on their approach to addressing nutrition issues in India on a regular basis.
- Provide commentaries on their work to tackle undernutrition.
- Include coverage of undernutrition and nutrition more broadly in their reporting, as well as a narrative that highlights how nutrition activities are adding value to their business in India, future outlooks and challenges ahead.

Detailed results

How comprehensive and clear is companies' reporting on their efforts to tackle the double burden of malnutrition in India?

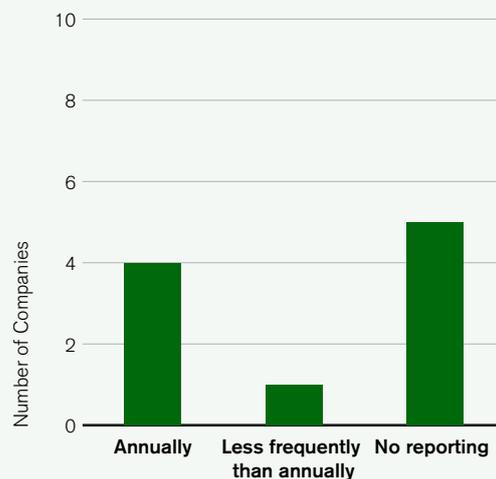
Nutrition General

- Four of the ten assessed companies publish formal, annual reports that discuss their respective approaches to tackling nutrition issues in India. Such transparency is considered best practice as it is indicative of the companies' efforts to address nutrition issues through core business activities in a transparent and accountable manner. Nestlé India, Hindustan Unilever and Coca-Cola India all publish annual reports explaining how they tackle nutrition-related issues. Britannia Industries is the only Indian-based company that publishes such annual reports. PepsiCo India does publish a sustainability report addressing nutrition issues, but less frequently than annually.
- Hindustan Unilever is the only company of the ten assessed that demonstrates comprehensive reporting specifically with respect to its work to prevent and address overweight and obesity and diet-related chronic diseases. Hindustan Unilever provides a clear sense of its nutrition strategy, clear reporting on progress towards goals, a clear outlook on future plans in this area and challenges facing in implementing nutrition strategy. Nestlé India, PepsiCo India and Coca-Cola India report to some degree, although the reporting is not comprehensive with respect to the Indian market, and does not include all elements such as explanation of challenges (Coca-Cola India and Nestlé India), reporting against objectives (Nestlé India), and clear outlook on future plans (Coca-Cola India, PepsiCo India and Nestlé India). The rest of the companies assessed do not yet provide public disclosure on those areas.

Undernutrition

- Companies' reporting on implementing strategies to address undernutrition through product fortification is less extensive. Only four of the ten assessed companies provide a limited commentary on their work to prevent and address undernutrition in India: Britannia Industries, Nestlé India, Coca-Cola India and Hindustan Unilever. However, their disclosure is limited to general statements on product fortification and consumers reached, without any specific targets or outlook on future plans for the Indian market.

GRAPH 3 Frequency of reporting on approach to tackling nutrition issues in India



NOTES

¹ In India, the Companies Act, 2013, section 135 requires companies to spend 2% of post-tax profits on CSR. As this is law and the methodology does not assess legal compliance, the methodology assesses whether companies are committed to dedicating some of their CSR budget to addressing undernutrition.

² In Category B companies are assessed on whether they follow Codex fortification guidelines

All links accessed November 2016.

B Products

Formulation of appropriate products (25% of Corporate Profile score)

Companies can help Indian consumers make healthier choices by improving the nutritional quality of foods and beverages available to them. This Category addresses the effort of companies in India to achieve this through research and development (R&D), new product development by reformulating existing products and by offering healthy and appropriately fortified foods that help to address undernutrition in India. It tests whether the companies in the India Spotlight Index can demonstrate how many products are suitable for consumption by children in India, the availability of healthier options across their portfolios and if snacks and indulgent products are offered in appropriate portion sizes and packaging. It also assesses the quality of the Nutrient Profiling Systems (NPSs) that companies use in India to guide their product formulation efforts if they employ one.

This Category consists of two criteria:

B1 Product formulation

B2 Nutrient profiling

To perform well in this Category, companies should:

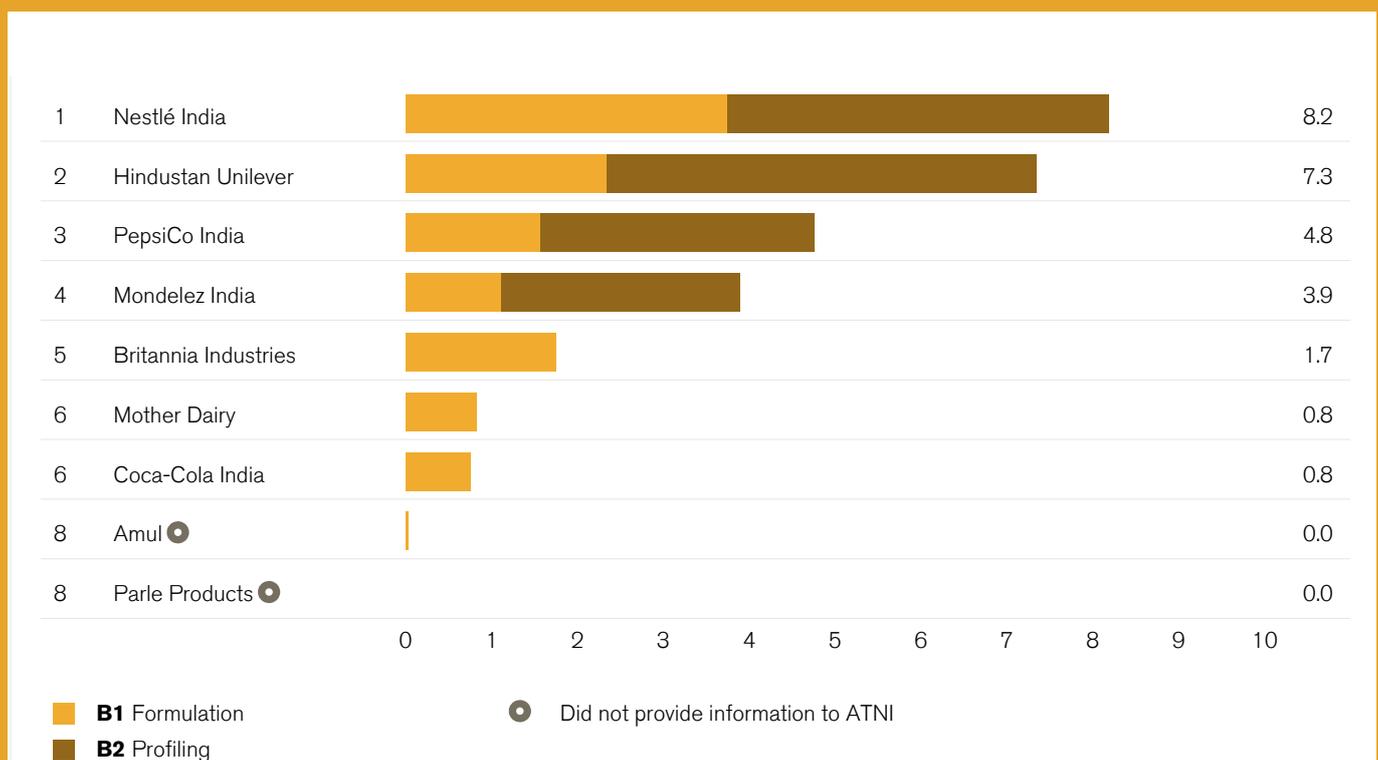
- Make R&D commitments aimed at improving the nutritional quality of their portfolio in India.
- Set targets to reduce the proportion of salt/sodium, trans-fatty acids, saturated fats and sugar/calories¹ to improve the formulation of products across their Indian portfolio, setting a baseline and target year for achieving them.
- Demonstrate progress by tracking and publishing data on the percentage of products that meet their overall healthy standards and the percentage by which that level has increased between 2012 and 2014.
- Capture and publish the percentage of the portfolio suitable to be consumed by children under 12 in 2014 (according to the company's own NPS).
- Commit to offering healthy and appropriately fortified foods that help to address undernutrition.
- Demonstrate that they focus their efforts to tackle undernutrition, funded both commercially and philanthropically, on priority populations.
- Clearly disclose commitments, targets and performance in a consistent way.
- Adopt and disclose details of a robust NPS applied to all products in the Indian market.

Methodology changes between the Global and India Spotlight Index

The India Spotlight Index methodology for Category B is a simplified version of the Global Index methodology, which is based on the United Nations Political Declaration on Non-Communicable Disease, WHO Global Strategy on Diet, Physical Activity and Health, WHO/FAO on Food Fortification with Micronutrients, WHO Nutrient Profiling System Guidelines, and Codex.

The first India Spotlight Index omits more in-depth indicators used in the Global Index; for instance, it retains the focus on targets to reduce sugar, salt and fat but does not ask whether companies have committed to increasing fruits, vegetables or fiber in their products. With regard to undernutrition, the focus is on the production of fortified foods or the increased use of fortified ingredients/staples where applicable.

Results



Key findings

Nutrition general

- Category B is one of the highest scoring Categories in the 2016 India Spotlight Index. Overall the food and beverage companies in India are making some efforts to improve the nutritional quality of their products. However, the wide gap between the first two companies that rank highest in this Category – Nestlé India and Hindustan Unilever and their counter-parts is significant. The Indian food industry as a whole has a long way to go to ensure that consumers are able to buy a wide range of healthy food and beverages.
- Companies that score above average – Nestlé India, Hindustan Unilever, PepsiCo India and Mondelez India – are all subsidiaries of global corporations that use the NPSs of their parent companies when innovating or reformulating their products in India. None of their peers assessed for this Index (Coca-Cola India and all companies originating in India – Britannia Industries, Mother Dairy, Amul and Parle Products), report having an NPS.
- Coca-Cola India, Hindustan Unilever, Mondelez India, Nestlé India and PepsiCo India have product reformulation targets in place that are aligned with global targets established by their parent companies, except Coca-Cola India's targets that are specific to this market. The other companies did not report on such targets.
- Britannia Industries and Mother Dairy demonstrate relatively good performance compared to their local Indian counterparts. Overall, it seems that both companies have a serious interest in innovating their portfolios and reviewing their approach to healthy product innovation and reformulation. Both Britannia Industries and Mother Dairy actively participated in the engagement process during the research phase, through which they provided information not available in the public domain.
- Two Indian-based companies – Amul and Parle Products – did not disclose any relevant policies or program, resulting in the score of 0.
- Six out of nine companies² assessed for the 2016 India Spotlight Index disclosed a commitment to channel resources to their R&D departments to innovate healthy products designated for the Indian market.

Undernutrition

- Britannia Industries is the top-performing company in terms of having a structured approach to addressing micronutrient deficiencies among the Indian population through product fortification. Over and above a range of commitments and programs, the company engages in other non-commercial initiatives aimed at disseminating fortified products to those who need them. For example, the company distributes fortified biscuits to children over six and adolescent girls through a project funded by its Britannia Industries Nutrition Foundation. These products fall under the company's Health and Wellness portfolio and are specially designed to address micronutrient deficiencies. For example, Tiger biscuits formulated for children are fortified with iron and folic acid. The company, however, does not commit to only fortifying products of high underlying nutritional quality: none of the companies do.
- Nestlé India also performs relatively well with regard to addressing undernutrition. It has a strong, long-term commitment to addressing micronutrient deficiencies in India by offering products fortified with essential micronutrients. Nestlé India's Popularly Positioned Products (PPP) are fortified with key nutrients such as iron, zinc, iodine and vitamin A. The company commits to fortifying products that meet following criteria: Address specific micronutrient needs among the target population; are affordable and consumed by the target population; and contribute to a healthy diet.
- PepsiCo India, Mondelez India, Coca-Cola India and Hindustan Unilever report only fragmented information regarding their strategies to tackle micronutrient deficiencies in India through product fortification. This indicates that full-scale commercial product fortification programs are yet to be developed by these companies. Of note, although Mother Dairy provides limited public commentary on its work in this area, upon engagement, it stated that its product fortification activities span many decades and form a comprehensive strategy. Similarly, in terms of philanthropic programs in this area, these companies generally demonstrate some activities rather than a comprehensive approach.
- Amul and Parle Products do not publish any details on their product fortification strategies.

Key recommendations

- **Adopt a Nutrient Profiling System (NPS):** Companies that have not yet adopted an NPS should do so, and create a comprehensive strategy to develop healthier products; an NPS should lie at the heart of such a strategy. An NPS is used either to set desirable levels for key nutrients in products or to rank products on their relative contribution to a healthy diet or both. Companies should use their NPS to guide their product reformulation and innovation activities. While there is no single NPS appropriate to all companies, the international community has developed a wide range of systems that they could adapt with the help of nutrition experts and based on the specifics of each company's business model.
- **Set product reformulation targets:** All companies are encouraged to commit to reducing the levels of salt, saturated fats, trans-fatty acids and sugars across their product portfolios by setting specific targets and deadlines. The goal should be to ensure that more products meet the healthy standards defined by a robust NPS. Creating more affordable, healthy food choices will help consumers adopt healthier eating habits.
- **Track the nutritional value of product portfolios:** Once companies set targets for improving product composition, they should adopt systems to monitor progress. This will help their management to track progress and prepare them to respond to changing dietary trends and related regulations. The companies can gradually step up their commitments to achieve greater impact over time.
- **Increase the proportion of products suitable for consumption by children:** Children are particularly affected by poor diets, as their physical health and strength are developing. To prevent the negative health effects of unhealthy foods consumed during childhood, companies should ensure that all products in their portfolio that have been designed for consumption by children are of an appropriate nutritional quality – which will be different in some products to the appropriate nutritional quality for adults.
- **Implement a comprehensive undernutrition strategy:** Considering the large number of undernourished consumers in India, those companies that have not yet done so should also adopt a systemic approach to tackling undernutrition. Initiatives could include: identifying specific micronutrient deficiencies in different areas and among different populations; identifying which products are suitable for fortification and which could have considerable impact; establishing policies and standards to guide product fortification activities; and producing fortified products tailored to the needs of priority populations, which include young children and women of childbearing age.
- **Engage in philanthropic activities:** Companies are encouraged to use their Corporate Social Responsibility (CSR) budgets to disseminate their own or third-party fortified products to those people who need them, but cannot afford or have difficulties in accessing them. Ideally, companies would collaborate with independent expert organizations that design and deliver such programs, and ensure that they are designed as part of a long-term philanthropic strategy rather than a one-off activity.
- **Increase disclosure:** To engender trust among customers, foster collaboration in the industry and provide a basis for dialogue with government officials, companies are also encouraged to publicly disclose information about their activities aimed at eliminating malnutrition in all its forms by delivering more nutritious products.

B1 Product formulation

Nutrition general

Companies should demonstrate their willingness to contribute to stemming the growth of the overweight and obese population in India, who are at increased risk of suffering a range of diet-related chronic diseases, by investing significant resources in developing new, healthier products and in reformulating existing products to improve their nutritional quality. Product reformulation may take several forms, including reducing levels of ingredients known to be harmful to health if consumed in excess (such as saturated fats, trans-fatty acids, free sugars, salt and calories) or increasing the levels of nutrients known to be beneficial to health (such as fruit, vegetables, wholegrains and fibre)³. Companies can also limit the serving size of products, or reduce package sizes to help consumers better understand and limit their intake.⁴

BOX 10 DIFFERENCES IN THE SCOPE OF PRODUCT IMPROVEMENTS COMPANIES CAN MAKE

The scope of improvements companies can make to the nutritional quality of their products, depends on the nature of their product portfolio and the magnitude of previous efforts that have been undertaken. A company with a product portfolio of relatively high nutritional quality has less scope for making improvements to its portfolio (especially if previous improvement efforts have already been undertaken) when compared to a company that has a portfolio of lower nutritional quality. However, the Product Profile results show that all companies have significant scope to increase the nutritional quality of their existing products or widen their offering of such products.

The scope for improvements in product formulation varies widely among the companies assessed by ATNI. Some make a wide variety of products intended for regular and frequent consumption; others focus on foods designed for convenience or occasional indulgence; others have a mixed portfolio. Beverage manufacturers, for example, tend to prefer not to reformulate existing sugar-sweetened carbonated soft drinks but rather to focus on adding new low or no-calorie options to their established brands, including the development of products using alternative sweeteners.⁵ Some use other approaches such as offering smaller pack sizes and expanding their product ranges to include beverages such as juices and yogurt-based drinks. Similarly, companies selling confectionery products have less scope for product reformulation than other companies, but can instead focus on making sure that the serving size of its products is appropriate (for example, below a certain calorie threshold for a treat) and that their products are packaged so as not to encourage overconsumption and are appropriately labeled.

Undernutrition

Companies can also play an important role in helping to prevent and address undernutrition by making products formulated with, or naturally high in, micronutrients that are deficient in local diets and are culturally appropriate in India such as iron, iodine, zinc, vitamin A, vitamin D and vitamin B12. Formulation of companies' products should ideally be informed by the strategies and programs of the Indian government, robust research and/or through fortification alliances such as the Food Fortification Initiative described in the Fortification section of the Context chapter.

Obese and overweight people also often suffer from micronutrient deficiencies due to their poor diet. Companies can not only contribute by developing commercial products, but also by working with and/or financially supporting international and local expert agencies' programs to develop products that effectively reduce or eradicate micronutrient deficiencies.

Basis for company assessment

Nutrition general

The United Nations' Political Declaration on Non-Communicable Diseases (NCDs) includes a call for companies to, "consider producing ... more food products consistent with a healthy diet, including by reformulating products to provide healthier options" and to "work towards reducing the use of salt in the food industry". It also calls for the elimination of industrially produced trans fats in food.⁷ In addition, the WHO Global Strategy on Diet, Physical Activity and Health (Global Strategy), adopted by the World Health Assembly in 2004, provides the following guidance based on previous guidance issued by both the WHO and the Food and Agricultural Organization of the United Nations (FAO):⁸

- Limit the levels of saturated fats, trans-fatty acids, free sugars and salt in existing products.
- Continue to develop and provide affordable, healthy and nutritious choices to consumers.
- Consider introducing new products with better nutritional value.⁹

These were again repeated in the WHO's Global Action Plan for the Prevention and Control of NCDs 2013-2020,¹⁰ with a slightly stronger emphasis on reducing salt in products.

The guidance provided in the Global Strategy informs the scope of this Category, which assesses companies' efforts to limit specific ingredients and to increase others in order to develop new healthy products through research and product reformulation. In future India Spotlight Indexes, ATNF plans to also assess whether companies increase other ingredients such as fruits and vegetables.

In this India Spotlight Index, in Category B, companies are assessed on whether they:

- State R&D commitments related to improving the nutritional quality of products.
- Have introduced new healthy products into the market over the past three years.
- Set targets to reduce levels of saturated fats, trans-fatty acids, free sugars/calories and salt/sodium with clear baselines and target dates for delivering these improvements.
- Can provide evidence of the percentage of products that meet their overall healthy standard.
- Can provide evidence of the percentage of products that meet the standard to be marketed to children.
- Publish information about these commitments, targets and performance.

Undernutrition

Companies are also assessed on what they are doing to address undernutrition, i.e. to fortify their foods appropriately and to support programs designed to address undernutrition in India within priority populations, such as children under five and women of childbearing age. The indicators are based on the guidance provided in the following documents:

- Codex: General Principles for the Addition of Essential Nutrients to Foods, World Health Organization and Food and Agriculture Organization of the United Nations, 1991.¹¹
- Guidelines on Food Fortification with Micronutrients, World Health Organization and Food and Agriculture Organization of the United Nations, 2006.¹²

Companies are assessed on whether they:

- Commit to align their approach to fortification with international guidance.
- Commit to seek to use ingredients with inherently high levels of micronutrients, to increase protein levels in relevant products and only fortify products of high nutritional quality.
- Commit to increase the number or volume of fortified foods available to undernourished populations.
- Provide evidence of having introduced their own fortified products targeted at priority populations in the last two years.
- Use fortified ingredients for all relevant products.
- Provide evidence of funding non-commercial programs to deliver appropriately fortified products to priority populations in India.
- Disclose commitments and an explanation of what they have done to increase the number or volume of fortified foods available to undernourished populations, through both commercial and non-commercial activities.

Detailed results

Nutrition general

Have companies committed to investing in R&D to improve the nutritional profile of their products?

- Six out of nine companies assessed for Category B of the 2016 the 2016 India Spotlight Index disclosed a commitment to channel resources to their R&D departments to innovate healthy products designated for the Indian market. For example, upon request, Mother Dairy stated that it aims to further improve the nutritional quality of its products. Another example is PepsiCo India's commitment to conform to its parent's R&D strategy that is focussed on developing more nutritious products.

BOX 11 LEADING PRACTICE

Nestlé R&D facility in India, which is part of the global R&D network, is a regional hub for product innovation, and the company is committed to using it to develop healthier products. The company outlines that Nestlé R&D facility in India, which is part of the global R&D network, is focussed on developing products for consumers of the South Asia region, committed to providing tasty, healthy options to various socio-economic populations. Furthermore, the company intends to leverage the facility to strengthen its pipeline of products that are aligned to its Nutrition and Health and Wellness strategy in emerging markets.

What evidence is there that companies are improving the nutritional profile of their product portfolio and broadening their healthy product offering across the portfolio?

- One of the ways to improve the nutritional quality of products is to limit levels of some nutrients – saturated fats, trans-fatty acids, free sugars and salt – in existing products through intentional product reformulation. Of the nine companies assessed for this Category, six companies demonstrated commitments to do so, as shown in Table 5.

TABLE 5 Availability of nutrient reduction targets

	Salt/sodium	Trans-fatty acids *	Saturated fats	Added Sugar/calories
Amul				
Britannia Industries		●		
Coca-Cola India	n/a**	n/a**	n/a**	●
Hindustan Unilever	●	●	●	●
Mondelez India	●	●	●	
Mother Dairy		●		●
Nestlé India	●	●	●	●
Parle Products				
PepsiCo India	●	●	●	●

Not filled in means no and/or not specified.

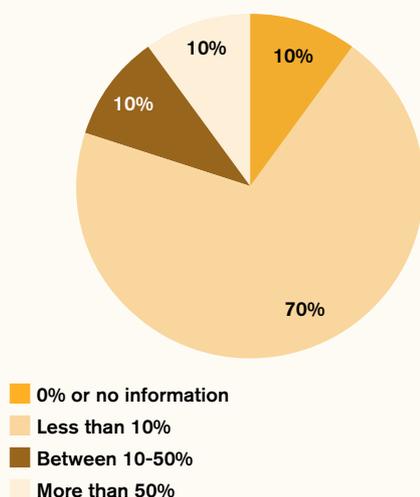
* The company either has a target that aligns to WHO recommendation of less than 1% of energy in a product being provided by trans-fatty acids originating from partially hydrogenated vegetable oil in products, or it already complies with the target.

** n/a – not applicable

- Nestlé India and Hindustan Unilever are the only two companies that set product reformulation targets accompanied by deadlines for all nutrients of concern, for all products offered in India. While PepsiCo India reports having reduction targets for all four nutrients, they are set only for key brands in India, not for all brands. Mondelez India has targets for most relevant nutrients, namely salt, trans-fatty acids and saturated fat, but not sugar, which is a significant omission for a company that predominantly sells confectionery and other products high in sugar. Finally, Coca-Cola India – for which only one relevant kind of nutrient, sugars/calories – was assessed states that it has reduction targets for the Indian market, which however are not publicly disclosed. Mother Dairy states that it also has a sugar reduction target, which is not publicly disclosed.
- Mother Dairy, Britannia Industries, Mondelez India, PepsiCo India and Hindustan Unilever report that all their products in India are in line with the WHO recommendation for products to contain less than 1% of energy provided by trans-fatty acids that originates from chemically processed vegetable oils.
- Mother Dairy, Amul and Parle Products are encouraged to set targets to cut the levels of saturated fat, trans-fatty acids, sugar and salt across all their products, as relevant. Moreover, Amul and Parle Products should complement those commitments with targets to reduce levels of trans-fatty acids and sugar.

- Britannia Industries, Nestlé India, PepsiCo India and Hindustan Unilever were able to provide evidence that they launched healthy products on the Indian market in the past three years. Coca-Cola India provided evidence of launching low- and no-calorie beverages. For example, PepsiCo India launched four varieties of products with whole grain oats, and Coca-Cola India released Coca-Cola and Sprite beverages with zero sugar levels.
- While there is evidence that eight out of the nine companies assessed offer healthy products, only Nestlé India and Hindustan Unilever provided the figures on the proportion of their portfolios that met their own composite healthy standards and were able to indicate the growth rate of what they describe as their 'healthy product portfolio' between 2012 and 2014. Notably, Hindustan Unilever publishes those figures. See Graph 4.

GRAPH 4 Percentage of company's products that met its own 'composite healthy standard' by 2014 in India

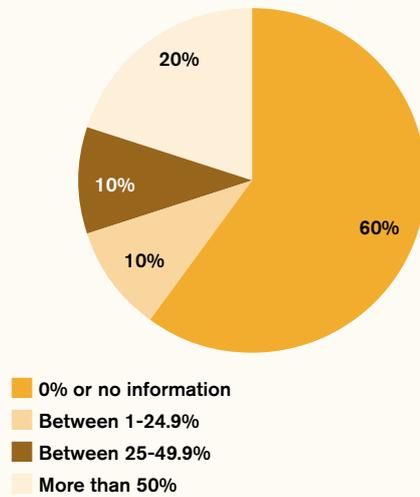


Nutrition general

What proportion of companies' portfolios is suitable to be consumed by children?

- Britannia Industries, Mother Dairy, Nestlé India and Mondelez India provided information on the percentage of their portfolios in 2014 they considered to be of suitable nutritional quality to be consumed by children under the age of 12. However, of those companies, only Nestlé India and Mondelez India base their calculations on a formal NPS. It is unclear how Britannia Industries and Mother Dairy determined which products meet the required nutritional standards for children.
- It has to be noted, however, that the figures for the percentage of products suitable to be marketed to children as shown in Graph 5, were found to be much lower by The George Institute study – see the Product Profile chapter.

GRAPH 5 Percentage of company's products that are suitable to be consumed by children under 12



Undernutrition

What evidence is there that companies are developing appropriately fortified products (by fortifying their own products or using fortified ingredients) to tackle undernutrition in India, among the population groups most at risk?

- Six out of nine companies assessed for Category B of the 2016 India Spotlight Index demonstrate a commitment to offer fortified products in India, basing their approach on international guidance on fortification and/or national interpretation of those standards. Mother Dairy, Amul and Parle Products are encouraged to adopt a similar pledge.
- Nestlé India is the only company on the 2016 India Spotlight Index that commits to using ingredients with high inherent levels of micronutrients for its product fortification, in line with its parent's commitment.
- None of the companies assessed reports on a commitment to increase protein levels in relevant products, which is particularly important for the undernourished, indicating an area for improvement.
- The companies that were assessed for this Index do not demonstrate a commitment to fortify only those products that are of high nutritional quality. Britannia Industries, for example, states that it intends to fortify the most popular product(s) bought by the target audience for its fortification program. As such, it chooses to fortify Tiger, a glucose biscuit intended for children, with iron and folic acid.
- Three out of nine companies, namely Britannia Industries, Mother Dairy and Nestlé India, demonstrate a commitment to address micronutrient deficiencies through initiatives that aim to increase the number of fortified foods available to undernourished populations in India. For example, Britannia Industries has various initiatives through its Britannia Nutrition Foundation that are aimed at increasing the volume of fortified foods available to disadvantaged children in India.

- Britannia Industries, Mondelez India and Nestlé India are the only companies that report developing new, fortified products in the past two years. Their products target children below and above six years, as well as other population groups. For example, Bournvita Biscuits launched by Mondelez India in June 2016 is positioned as a morning biscuit especially for school children and is fortified with vitamins B2, B9, B12, D and minerals iron and calcium. Mondelez India states that it fortifies products that fall within its 'Better for You' category, with stricter nutritional thresholds. Nestlé India launched a number of fortified complementary foods for children in 2014 and 2015, including the Ceregrow range that has been fortified with 15 vitamins and minerals including iron. There are other companies that fortify products; however, these products were introduced earlier, for instance, Mother Dairy's milk has been fortified with vitamin A since the 1980s.

TABLE 6 Overview of products being fortified by company

	Commitment to fortify only products of high underlying nutritional quality	Noodle	Beverages – carbonated drinks	Beverages – juices	Beverages – dairy based	Edible oils
Amul						
Britannia Industries						
Coca-Cola India			●	●		
Hindustan Unilever						
Mondelez India						
Mother Dairy					●	●
Nestlé India		●	●		●	
Parle Products						
PepsiCo India			●	●		

Not filled in means no and/or not specified.

- Despite the fact that some companies have commitments to use fortified ingredients in their products, and that there are large-scale staple fortification programs in India (see Box 12), there is no evidence that any of the companies evaluated for the 2016 India Spotlight Index used fortified ingredients. This indicates that, in India, the typical approach instead is to fortify end products. However, this only happens on a limited scale. It is estimated that only 2%-5% of foods in India are fortified and there are still many challenges to overcome before this is expected to scaled up substantially (see Box 13).

BOX 12 FOOD FORTIFICATION IN INDIA

Food fortification is recognized as being one of the most effective strategies to address micronutrient deficiencies. It refers to a process of adding micronutrients to foods or staples that are consumed regularly by the population, such as flour, salt and cooking oils.¹³ Food fortification does not require dietary changes of the population, can be relatively quickly implemented and is considered one of the most cost-effective means of overcoming micronutrient malnutrition.¹⁴ However the scale of fortification remains small in India. Currently, it is speculated that approximately only 2%-5% of foods in India are fortified – mostly commodities.

Commodities that are most commonly fortified in India:

- **Wheat and rice flour:** The Indian packaged wheat flour market is growing at 19% and consumption is expected to double by end of this decade.¹⁵ The annual per capita consumption of packaged wheat flour in India was 1.85 kg in 2014/15, led by the urban markets with almost 5.5 kg in per capita.¹⁶ It is estimated that approximately only 12–15 % of total industrial milled wheat flour is fortified with iron.¹⁷ Flour can be also be fortified with, folic acid, vitamin B, A, and zinc by adding a premix.¹⁸
- **Milk, including dry and evaporated milk:** India is the biggest milk producer in the world.¹⁹ In recent years, India's processed dairy segment has grown due to increased demand for more diversified dairy products.²⁰ Milk can be enriched with micronutrients like vitamins A, D and C and iron, plant sterols and stanols. The technology to fortify milk is simple.²¹ All the vitamins and minerals can be added to the milk in dry powder form.
- **Cooking oils and spreads like butter and ghee (clarified butter):** The value of sales of oils and fats in India grew by 13% between 2009-2014 reaching RS 52.1. billion in 2015.²² Edible oils have high market penetration i.e. in Madhya Pradesh, 78% people in rural areas and 63% in the urban areas use soya bean oil for everyday cooking.²³ Fat soluble micronutrients can be added to oil, i.e. vitamins A, D, E, and K. Edible oil fortification is technically easy, cheap and there is no change in taste.²⁴
- **Rice:** In India the market is still dominated by unpackaged or bulk rice sales. In 2015, the majority of purchases came from the 25kg bag. Independent small grocers accounted for 81% of sales in 2015, mainly because they are easily accessible across India and also stock lower-priced brands.²⁵ Rice can be fortified by adding a micronutrient powder or spraying the surface of the grains. Rice can be fortified with vitamin A, iron, zinc, folic acid, and vitamin B12.²⁶
- **Double fortified salt with iodine and iron** was not commercially available in India until recently. The first double fortified salt targeted at populations with micronutrient deficiencies was introduced in 2012.

In addition to the companies selected for the India Spotlight Index the next largest dairy, cooking oils and biscuits companies were invited to share their experience of fortifying staples (see also Methodology Section – Company selection):

- **Adani** offers various fortified edible oils. In recent years, Adani has also introduced new edible oils enriched with antioxidants, such as sesame lignans, α - γ tocopherols, γ -oryzanol and tocotrienols suitable for diabetes patients, with a view to addressing the diabetes epidemic in India.
- **Cargill** fortifies all of its consumer packaged edible oils with vitamins A, D and E.
- **ITC** offers fortified atta (flour) which is enriched with iron, folic acid and vitamin B12.

Staples which require genetic modification to be fortified are not considered here due to the controversial nature of this subject.

BOX 13 FOOD FORTIFICATION CHALLENGES IN INDIA

Fortification of food is still limited in India. Increasing fortification of products such as edible oils, flour and milk would contribute to lowering micronutrient deficiencies.²⁷

The process of staple fortification in India began in 1953 when fortification of hydrogenated vegetable oil with vitamin A and D became mandatory. A national mandatory policy of universal salt iodization was adopted in 1986 in India. In 1997, the sale of non-iodized salt for direct human consumption was banned and 'double fortified salt' had to be used for cooking in the governmental Mid Day Meal Scheme.²⁸

In 2011, the Food Safety and Standards (packaging and labeling) Regulations were introduced that set-out rules for the voluntary fortification of any fruit and vegetable product with vitamin C, and with various micronutrients for different products, such as edible oils, whole wheat flour (atta) and finely milled, refined and bleached wheat flour (maida) but were insufficiently detailed, not in line with WHO guidance and did not cover all products suitable for fortification, e.g. dairy products.

On October 16 2016, the Food Safety and Standards Authority of India (FSSAI) drafted new voluntary fortification standards for staple foods – rice, wheat, wheat flour (atta, maida), oil, salt, milk. These new standards are more detailed and intended to follow Codex Alimentarius guidelines. They include the definition of fortification, define minimum and highest level of specified micronutrient that can safely be added to the above mentioned staples, set quality assurance processes, regulate packaging and labeling requirements for fortified foods and specify conditions for the promotion of these foods. In the 60 days following the announcement, FSSAI is collecting suggestions, views and comments on the draft regulation.²⁹

Making fortification of certain products mandatory would create a level playing field and drive fortification among producers.³⁰ The new draft regulations address this point and set the conditions for mandatory fortification as they state that "fortification of foods will be made mandatory based on the severity and extent of public health requirements as demonstrated by generally accepted scientific evidence. The FSSAI may also specify mandatory fortification of any staple food if the Government of India gives directions to do so."³¹ The Government of India is yet to give directions to FSSAI on mandatory fortification of staples.

Additional challenges regarding the enabling environment of fortification remain:

- **Strengthening national cohesion and public private collaboration:** Only a few states have government-supported large-scale fortification projects and public-private partnerships on fortification: West Bengal, Kerala, Andhra Pradesh and Madhya Pradesh. A national strategy for implementing fortification programs is not (yet) in place. More national cohesion and leadership by the central government could enhance fortification and help reducing micro-nutrient deficiencies.
- **Scaling up the use of fortified products in government-run nutrition programs:** The use of fortified staples in the government welfare and distribution programs is voluntary i.e., inclusion of fortified foods and staples in government-run programs like the Mid Day Meal Scheme (MDM), Integrated Child Development Services (ICDS), the Public Distribution System (PDS) – except for double fortified salt used for cooking Mid Day Meal Scheme and ICDS.³² Expanding the use of fortified foods in these programs could accelerate progress in reducing micronutrient deficiencies, create awareness and set an example for the private sector.
- **Addressing market fragmentation:** A large proportion of undernourished and micronutrient-deficient populations who are most in need of fortified foods live in remote rural areas with limited transport infrastructure. Reaching these target groups is difficult. In addition, staples such as rice and flour are sold in a much more fragmented and localized manner than, for example, oil. In addition, the industry is often fragmented, e.g. flour and rice companies, which makes it more difficult to scale up fortification practices.

To make fortification programs successful, more investment is needed to ensure that fortified food items are widely available and be affordable to these communities.

- **Extending the scope of fortification:** The newly established technical standards for fortifying staples are a good step forward. The government could also consider how it can further enable and encourage companies to introduce fortified packaged products.
- **Clarifying the types of packaged foods suitable for fortification:** Not all packaged products that are being fortified by manufacturers are inherently healthy. They often contain high levels of sugar, fat and/or salt. However, they are widely consumed and therefore provide a potentially good way to deliver needed micronutrients. Opinions are therefore divided in the nutrition community as to whether or not only healthy products should be fortified. A deeper conversation is needed among experts in India about the types of packaged foods that are suitable for fortification.
- **Building consumer demand & education:** A frequent argument used for not fortifying food is that there is no demand for fortified foods. Public-private partnerships could provide be means to mainstream the adverse health impacts of over- and undernutrition. The private sector could lend its weight to addressing these impacts through food fortification.³³ More attention should be devoted to setting up and running such campaigns to build the market for fortified products.

B2 Nutrient Profiling Systems

Nutrient profiling is “the science of classifying or ranking foods according to their nutritional composition for reasons related to preventing disease and promoting health.”³⁴ The first systems were developed over 20 years ago for voluntary food labeling schemes. At around the same time, governments and regulatory agencies began to use them to set standards for nutrition and health claims, and they have been used – or proposed for use – by governments to regulate the advertising of foods to children.

More than 60 NPSs are known to be in use around the world.³⁵ Retailers³⁶, media outlets³⁷ and others³⁸ have developed proprietary systems to help guide decision-making on product formulation, labeling, use of ‘healthy’ logos and marketing to children. The WHO is currently working to provide guidance on NPSs with the objective of harmonizing their development.³⁹ The WHO Regional Office for Europe has published a nutrient profile model for use by member states and companies that want to restrict the marketing of foods to children.⁴⁰ In theory, this model could also be used for other applications such as product reformulation. Although no NPS has been developed specifically for the Indian market, those developed in other regions are applicable, adjusted for any local factors that need to be taken into account. When used by a company, the relative rigor of the NPS used has ramifications for decisions across its business in terms of investment in R&D, targets set to reformulate products, determining which products can be marketed to children and/or for which health and nutrition claims they can make.

BOX 14 DEFINING WHETHER A PRODUCT IS ‘HEALTHY’

Many ATNI indicators (e.g. those relating to product formulation, marketing and labeling) rely on companies’ own definitions of ‘healthy’ products; however, these definitions can vary. Because many companies do not publish their standards, it is not possible directly to assess each company’s definition of ‘healthy’. Therefore, as a proxy, the quality of the NPS that each company utilizes is used to weight the score for each indicator that depends on a definition of ‘healthy’ products. In other words, companies with a relatively strong NPS will achieve a higher score on indicators that rely on a definition of ‘healthy’ products.

While some food and beverage companies have created and/or adopted an NPS for their internal use, others do not acknowledge nutrient profiling of individual foods as valid and do not use them. They argue, instead, that all foods and drinks can play a part in a balanced diet and they do not, therefore, see the need to analyze the nutritional quality of individual products. However, experts recommend that products that are high in nutrients such as salt and sugar should be consumed infrequently or in moderation, and should be labeled and marketed as such.

Basis for company assessment

The algorithms that most companies use to assess the nutritional quality of specific product categories or products are proprietary. ATNI cannot, therefore, assess them directly. Instead, the systems that companies use are evaluated against a set of qualitative criteria based on those used to catalog existing NPSs in a WHO manual.⁴¹

Companies are assessed on whether they:

- Have a full NPS rather than other, more limited ways of assessing elements of products' nutritional quality (e.g. simply assessing whether levels of sodium are high, medium or low).
- Adopt and adapt a system developed independently through a multi-stakeholder process (as these systems are likely to be more robust when they reflect the input of various groups), or develop their own system (with or without expert input).
- Take both positive and negative ingredients into account in their system.
- Apply the system to all product categories and the company's entire product portfolio in order to encourage a standard global approach.
- Publish details of the system they use in order to ensure transparency and facilitate scrutiny of their approach.

BOX 15 ELEMENTS OF A BEST PRACTICE NUTRIENT PROFILING SYSTEM

A Nutrient Profiling System (NPS) can guide companies' efforts to reformulate their products and can be used to set and measure whether products meet sufficient nutritional quality standards to be marketed to children.

Unilever, the parent of Hindustan Unilever, has developed one of the best NPSs assessed for the 2016 India Spotlight Index. The 2003 version, established to address the WHO's Call to Action to reduce levels of saturated and trans fats, salt and sugar, was a forerunner in the industry for many years. Unilever's NPS is now regularly reviewed to incorporate the latest dietary expert recommendations. The company demonstrates leading practice by publishing its NPS and its evolutions in peer-reviewed journals. The NPS is also notably applied across the company's global operations and covers all product categories. The company keeps track of the proportion of its product portfolio that meet its Highest Nutritional Standards and aims for 60% compliance by 2020 worldwide, including in India. Further improvements could be made including standards for 'positive' nutrients (e.g. fiber) along those dealing with 'negative' nutrients (e.g. added sugars).

Detailed results

Nutrition general

How robust are companies' NPSs, and how widely are they applied?

- Mondelez India, Nestlé India, PepsiCo India and Hindustan Unilever are the only companies that report using the NPS of their global parent companies.
- Coca-Cola India, like its parent The Coca-Cola Company, has made a decision not to use an NPS and reports that its company's strategy is focussed on offering a wide range of beverages, responsible marketing, clear labeling and encouraging its consumers to adopt active lifestyles.
- The NPS used by Hindustan Unilever was adapted from an existing NPS developed through an independent multi-stakeholder process. Those used by Mondelez India, Nestlé India and PepsiCo India were developed internally with independent stakeholder input.
- All four NPSs cover all products and product categories.
- Nestlé India and Hindustan Unilever demonstrate leading practice by publishing their NPSs in peer-reviewed journals, which means they have been further vetted by independent reviewers and enable stakeholders to make their own judgments about them.
- None of the companies originating in India reports having an NPS in place. This means that these companies do not (yet) have a systematic way to determine the nutritional quality of their products to guide product reformulation or new product development. It also means that when these companies state certain products are 'healthy' there is no rigorous scientific basis for making this statement. Of note, upon request, Britannia Industries stated that it is in the process of developing an NPS.

Table 7 Companies with NPS

	NPS
Amul	
Britannia Industries	
Coca-Cola India	
Hindustan Unilever	●
Mondelez India	●
Mother Dairy	
Nestlé India	●
Parle Products	
PepsiCo India	●

Not filled in means no and/or not specified.

NOTES

- ¹ Note that throughout the report these short-hand terms are used in the following way: 'negative' nutrients are food components that the WHO recommends are limited in diets, including saturated fats, trans-fatty acids, free sugars and salt; 'positive' nutrients are components that the WHO recommends should be consumed regularly and at higher levels than currently, including fruit, vegetables, fiber and wholegrains. We recognize that not all of these ingredients are 'nutrients' per se.
- ² Ruchi Soya has not been assessed on this category because the company's product offering is highly concentrated around oils and fats, thus all sections on the methodology were not applicable.
- ³ Note that companies are not assessed on whether they add positive ingredients to products in the India Spotlight Index (although they are in the Global Indexes) due to having streamlined the methodology for this Index.
- ⁴ Some debate exists about whether smaller package sizes actually result in decreased caloric intake or, paradoxically, might actually increase consumption. For instance, see: Chandon, P. (2012). How Package Design and Packaged-based Marketing Claims Lead to Overeating. *Applied Economic Perspectives And Policy*, 35(1), 7-31. <http://dx.doi.org/10.1093/aep/pps028>
- ⁵ Beverage companies often use artificial sweeteners in order to provide low- or no-calorie options, but their potential for causing negative health consequences has not yet been determined definitively.
- ⁶ Ng, M., Fleming, T., Robinson, M., Thomson, B., Graetz, N., & Margono, C. et al. (2016). *Global, regional, and national prevalence of overweight and obesity in children and adults during 1980–2013: a systematic analysis for the Global Burden of Disease Study 2013*. Retrieved 13 November 2016, from
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All links accessed November 2016.

C Accessibility

Delivery of affordable, available products (20% of Corporate Profile score)

It is estimated that 363 million Indians (c. 29.5% of the total population) were living below the poverty line in 2011-12. The poverty line as defined by the Indian Planning Commission is set at \$1.20 per day.¹ In terms of the rural population, approximately 105 million are supported by government schemes.² In 2014, 680 million or 56% of Indians (c. double the number of people the government identifies as living below the poverty line) were unable to meet their basic needs — food, energy, housing, drinking water, sanitation, healthcare, education and social security.³ In 2015, an average 31% of Indian household spending was on food.⁴ Indian consumers not only require companies to produce healthier food and beverages, they also need them to be accessible and affordable if they are to consume them — especially those with low incomes. Companies, therefore, need to offer their healthier options at prices comparable to less healthy options. They also need to be widely distributed to offer consumers a ‘level playing field’ between healthy and less healthy options. Fortified products that can contribute to reducing micronutrient deficiencies also need to be affordable and accessible to undernourished consumers. This Category assesses companies' efforts in India to make their healthy products more accessible through their approach to pricing and distribution.

It consists of two criteria:

C1 Product pricing

C2 Product distribution

To perform well in this Category, companies should:

- State a clear commitment, and have a formal policy and targets, on both affordability and availability of healthy, fortified products.
- Demonstrate a clear focus on low-income populations in India and show evidence of conducting market research to inform their strategies.
- Apply their approach to affordability and availability across all the Indian states they operate in.
- Provide evidence of how they are delivering on their commitments.
- Publicly disclose their commitments and policies and report evidence of implementing their commitments.

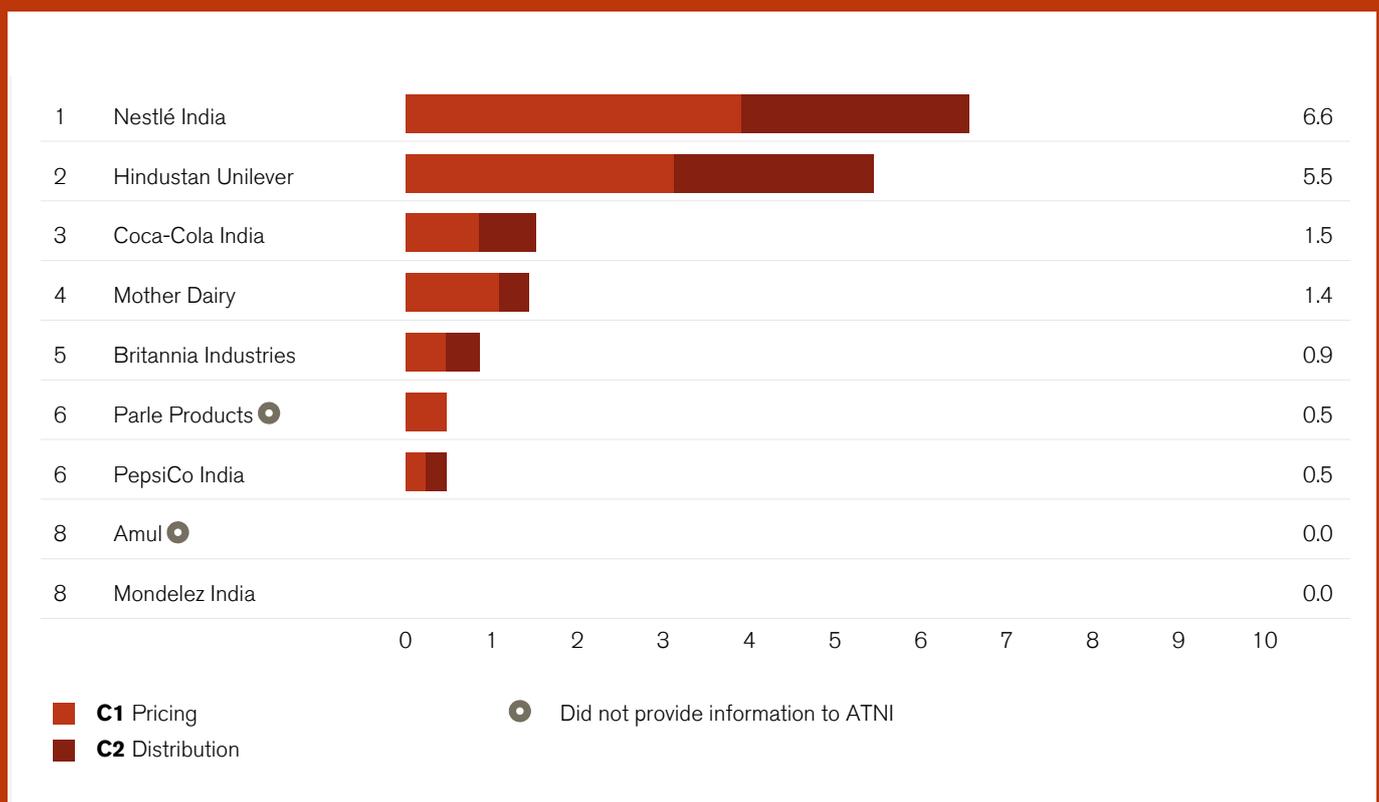
Methodology changes between the Global and India Spotlight Index

There are no global guidelines available from WHO or a similar body on how companies can make products accessible to all consumers as this is fundamentally a commercial issue. As with the Global Index, the India Spotlight Index methodology for Category C is based on the current best global practice among companies, with emphasis on what companies are doing to make (fortified) food accessible to undernourished consumers and help fight micronutrient deficiencies in India. Moreover, the India

Methodology has fewer indicators than the Global Index and is focussed on overall strategy/policy and provision of examples.

Note that the Product Profile study included analysis of whether there is an association between the price and nutritional quality of products. The results are set out in the Product Profile chapter.

Results



Key findings

Nutrition general

- The accessibility and affordability of healthy and fortified food is still an emerging issue for the industry and the second lowest scoring Category in the India Spotlight Index. Approaches to ensure the affordability and accessibility of healthy products do not appear to be developed by companies as part of an integrated nutrition strategy. Despite this, there are some good practices to learn from and potentially scale up in the Indian market.
- Nestlé India is a clear leader with regards to improving the affordability of its healthy and fortified products. The company's Popularly Positioned Products (PPP) strategy specifically references low-income populations and focusses on improving the pricing of all products for low-income populations.
- Hindustan Unilever provides a best-practice example of improving the accessibility of healthy options in India. The company's Project Shakti enables micro-entrepreneurs to distribute products (including healthy products) in rural areas that are difficult to reach through traditional retail channels.
- In general, companies that disclose some initiatives with respect to Category C score higher on addressing the affordability of their products compared to their accessibility.

Undernutrition

- With respect to Indian companies, Britannia Industries and Parle Products stand out from their local Indian peers. While Britannia Industries does not demonstrate such commitment, it demonstrates performance in this area by assuring affordability of fortified products by decreasing the sizes of its fortified products (Tiger range) in order to make products more affordable for all consumers. The company also funds programs that improve the affordability of products specifically formulated for undernourished groups.
- ITC, although not assessed for the India Spotlight Index, provides an interesting case study with respect to assuring the affordability of its fortified edible oils. The company's Food Product Policy includes a strategy to offer products with affordable and appropriate nutrition, and it references the needs of those who are "economically disadvantaged." The company also publically discloses this commitment.

Key recommendations

- **All companies are encouraged to adopt formal policies or commitments to promote product affordability and accessibility as a broader issue in the industry, with respect to healthy and fortified products:** Companies do not seem to have initiatives and commitments to ensure that their healthiest and/or fortified products are affordable and accessible, particularly to low-income consumers. A good starting point for companies, both multinational and local, is to adopt formal policies or commitments that speak to the need to address these issues in India.
- **All companies are encouraged to take tangible steps to assure the accessibility of their healthy and fortified products:** Companies perform poorly when it comes to illustrating that their commercial and non-commercial distribution strategies ensure that their healthy and fortified products are more accessible to all populations. Companies are encouraged to partner with, or provide funding to, schools or non-profit organizations that possess deep knowledge and experience in distributing such products to disadvantaged populations. Mother Dairy, for example, states that it distributes milk in very remote areas through its Cart on Wheels program.
- **Leading practice companies are encouraged to improve their disclosure about activities with respect to product affordability and accessibility:** Companies like Nestlé India, Hindustan Unilever and Parle Products are encouraged to disclose more than just their commitment to product affordability and accessibility. They should provide more general commentary on activities to distribute their healthy and fortified products more widely and to make them more affordable to low-income populations.

C1 Affordability

Price is one of the most important factors in consumer purchasing decisions. Low-income consumers are particularly sensitive to differences in price, as food purchases account for a larger proportion of their budget. A company's pricing practices can, therefore, have a significant impact on their access to nutritious packaged food and beverages.

In addition, in a country such as India, companies' consumer base includes those suffering from, or at risk of, undernutrition, both due to a lack of protein and/or calories in their diets as well as due to a lack of micronutrients. Making products high in nutritional value available to these consumers requires pricing strategies that ensure they can afford to buy them.

Many factors affect the price of a product relative to its nutritional quality. One report found that healthier products were priced anywhere from the same as the less-healthy alternatives up to a 400% premium.⁵

The report suggested a number of potential explanations for the wide variance, including the following:

- The cost of R&D.
- Marketing investments required for new products.
- Higher cost ingredients that are sometimes used to improve nutritional quality.
- Category of food. For some categories of food in which a strong and unique health claim is made, a higher price may be tolerated by consumers, leading to premium prices.
- Package size. While many companies have introduced smaller package sizes (e.g. 100-calorie packs), these options are usually significantly more expensive per serving.

Basis for company assessment

The pricing of healthy products is not an area of corporate activity for which there are international or national norms or guidance. Therefore, the indicators used to assess companies were established through consultation with the ATNI Expert Group and include assessment parameters common to similar indexes (e.g. whether a company makes a commitment and then both discloses and delivers on this commitment).

Companies are assessed on whether they:

- Have commitments related to improving the affordability of their healthier products to all consumers in India.
- Provide evidence of pricing analysis and examples of offered discounts, price promotions or coupons on healthy products at the same or greater rate as for less healthy products in order to make them more affordable, including for low-income populations.
- Have commitments and/or a policy with respect to improving the affordability of its fortified products for the undernourished.
- Improve affordability by reducing product sizes of fortified products or by setting prices of fortified products specifically to enable low-income populations to better afford them.
- Provide support to organizations working to improve the affordability of products for the undernourished.
- Disclose details of their commitments and performance on affordability.

Detailed results

Nutrition general

What evidence is there that companies have committed to improving the affordability of healthy products, and delivered against that commitment?

- Of the nine assessed companies⁶: for the Nutrition general indicators, Nestlé India and Parle Products both make a clear commitment to addressing the affordability of their healthy products, with a reference to low-income populations. Mother Dairy and Hindustan Unilever also make such a commitment for its whole business, but without a particular reference to low-income populations.

TABLE 8 Overview of companies that commit to making healthy and fortified products affordable and accessible

	Commitment to address affordability of healthy products		Commitment to address accessibility of healthy products	
	Clear commitment made for whole business	Particular reference to low-income populations	Clear commitment made for whole business	Particular reference to low-income populations
Amul				
Britannia Industries				
Coca-Cola India				
Hindustan Unilever	●		●	
Mondelez India				
Mother Dairy	●			
Nestlé India	●	●	●	●
Parle Products	●	●		
PepsiCo India				

Not filled in means no and/or not specified.

- Of the nine assessed companies, Hindustan Unilever and Nestlé India are the only two companies that have done an analysis on appropriate pricing of healthy products for low-income populations. For example, Nestlé S.A.'s Popularly Positioned Products (PPP) strategy is also applicable to its Indian operations. The PPP strategy is comprehensive and includes an analysis on the affordability of healthy products for low-income populations.
- Nestlé India, Hindustan Unilever and Mother Dairy are the three companies that publicly disclose commitments to address the affordability of healthy products for low-income populations.

BOX 16 NESTLÉ INDIA'S POPULARLY POSITIONED PRODUCTS (PPP) STRATEGY

Nestlé S.A. has developed a specific global business model to improve the affordability of its products, including its healthy and fortified products. This business model, entitled the Popularly Positioned Products (PPP) strategy, includes a commitment to improving the prices of products, with a specific reference to low-income populations. In India, examples of products made accessible through the PPP strategy include (but are not limited to) Maggi Xtra-delicious Chicken Noodles, Maggi Vegetable Atta noodles and products under the Nescafé brands, such as Nescafé Sunrise and Nescafé Classic.

Undernutrition

What evidence is there that companies have committed to ensuring the affordability of fortified products for undernourished consumers and delivered against that commitment?

- Nestlé India and Hindustan Unilever follow their parent companies' commitments to improve the affordability of their fortified products for the undernourished. These are the only two companies in the India Spotlight Index that have such a commitment.
- While PepsiCo India and Mother Dairy do not have a formal commitment, they do disclose some examples of improving the affordability of fortified products. For example, PepsiCo India offered Lehar Iron Chusti, a product specifically designed to address micronutrient deficiency in adolescent girls. PepsiCo India states that this product was offered at an affordable price to the base of the pyramid population.
- Nestlé India and PepsiCo India provided evidence of reducing the sizes of fortified products to make them more affordable. In addition to that, Nestlé India provided evidence of funding programs to improve the affordability of products for undernourished groups. However, Hindustan Unilever, despite having a commitment, did not disclose any initiatives aimed at making fortified products affordable for the undernourished.
- Although Britannia Industries does not demonstrate a formal commitment to assuring the affordability of its fortified products, it does demonstrate performance in this area. It increased the affordability of its fortified products by decreasing the sizes. For example, its Tiger Glucose biscuits are available in a 29g pack for INR 2. The company also states that it has funded programs that improve the affordability of products specifically formulated for undernourished groups. For example, the company has partnered with school mid-day meal program Naaandi to subsidize the cost of products fortified with iron and increase their distribution among children between the age of 6 and 12.

BOX 17 ITC'S COMMITMENT ON AFFORDABILITY

Unlike most companies assessed in the 2016 Index, ITC makes a clear commitment to affordability. ITC embedded the commitment to offer some fortified food products with affordable and appropriate nutrition in the publically available Food Products Policy. This commitment is translated into practice by offering smaller packs of daily staple food products like multigrain atta and fortified atta to be able to reach larger areas of the country and wider sections of the society.

C2 Accessibility

As some, generally wealthier, Indian consumers increasingly buy processed foods,⁷ it is imperative that companies ensure that their distribution strategies make their healthier products as easily or more available than their less healthy products, particularly for those who currently lack such options.

In India, the penetration of large food and beverage manufacturers has increased in both urban, semi-urban and rural areas.⁸ Manufacturers of health and wellness, organic and natural products are expected to increase their presence in smaller Indian cities in addition to the megacities.⁹



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Reaching consumers at risk of undernutrition with appropriate products high in nutritional value and fortified appropriately, requires distribution strategies that demonstrably improve product availability. Given their broad geographic scope, companies' distribution systems can also be utilized to extend the reach of government and/or multi-stakeholder efforts to bring appropriate products to relatively remote areas. These distribution efforts could be supported by companies' philanthropic programs.

Basis for company assessment

The approach to assessing companies' distribution strategies for their healthy products is similar to that used for assessing company pricing strategies in criterion C1. The undernutrition indicators focus specifically on the availability of fortified products relevant to the undernourished population. The indicators in this criterion were formulated in consultation with the ATNI Expert Group.

Companies are assessed on whether they:

- Have clear commitments to improve the availability of their healthy products.
- Provide evidence of working with retailers and distributors to expand the availability of their healthy products.
- Disclose details of their commitment to and performance on product availability.

Companies are assessed with respect to the availability of fortified products relevant to undernourished populations in a similar way as for product affordability, with results related to undernutrition presented separately below.

Detailed results

Nutrition general

What evidence is there that companies have committed to improving the accessibility of healthy products and delivered against that commitment?

- Nestlé India is the only company that discloses a clear commitment with a specific reference to low-income populations. While Hindustan Unilever does disclose a clear commitment for its entire business, it does not include a specific reference to low-income populations.

BOX 18 THE HINDUSTAN UNILEVER SHAKTI PROGRAM: INCREASING ACCESSIBILITY OF HEALTHY PRODUCTS

Hindustan Unilever employs rural women to distribute and sell affordable products in their local communities, improving product accessibility in remote villages or other areas where conventional grocery stores are not available. These women are called Shakti Entrepreneurs – Shakti Ammas ('Shakti' – power and 'Amma' – mother). Hindustan Unilever states that these ambassadors spread the message of health and hygiene, and ensure that Unilever's healthy products are accessible to low-income families in their affordable format. The program began in India, with 70,000 local women employed as distributors. This demonstrates that innovative distribution models can improve the access of populations to products and that these models can be adapted and scaled up in several different contexts.

- Hindustan Unilever and Mother Dairy provide examples of improving the accessibility of healthy options in India. Coca-Cola India provided examples of improving accessibility of its beverages, including low- and no-calorie options. For example, Hindustan Unilever's Project Shakti program enables micro-entrepreneurs to distribute products (including healthy products) in rural areas that are difficult to reach through traditional retail channels (see Box 18). Mother Dairy stated that it has the Cart on Wheels (COW) concept which increases the availability of milk in very remote areas. Coca-Cola India has two programs designed to train female entrepreneurs on essential business skills and empower them to grow their retail business. Although the company does not make an explicit reference to low- and no-calorie beverages, it is assumed that those programs contribute to their distribution to remote areas.
- With respect to disclosure around their distribution of healthy products, Hindustan Unilever is a leader as it publicly discloses both its commitment and a commentary on initiatives relating to improving the availability of affordable options for low-income populations. Nestlé India only discloses a commitment, without any additional commentary. Coca-Cola India only discloses commentary regarding product distribution of its low- and no-calorie products but makes no specific commitment (relating to improving the availability of affordable options with explicit reference to low-income populations).

Undernutrition

What evidence is there that companies have committed to improving the accessibility of fortified products and delivered against that commitment?

- In terms of ensuring the accessibility of fortified products, Nestlé India and Hindustan Unilever are the only two companies that have, and publicly disclose, a clear commitment.
- Britannia Industries, Mother Dairy and Nestlé India are the only companies on this Index that provided examples of improving the accessibility of one or more of its own products to low-income populations in India. For example, Nestlé India through a partnership with Drishtee Foundation contributed to setting up health camps in villages across the Mathura region to create awareness about healthy, locally available sources of food and the symptoms of micronutrient diseases. During those camps the company distributed to participants Nestlé India's MAGGI Masala-ae-Magic, an affordable taste enhancer fortified with vitamin A, iron and iodine.
- Britannia Industries, Nestlé India, PepsiCo India. and Hindustan Unilever provide examples of funding non-commercial programs to improve the accessibility of fortified products formulated for an undernourished group. For example, Britannia Industries facilitates distribution of products to underprivileged children, adolescent girls as well as school feeding programs through The Britannia Nutrition Foundation (BNF).

BOX 19 EXAMPLES OF NON-COMMERCIAL ACCESSIBILITY PROGRAMS

PepsiCo India partners with Akshaya Patra, a non-profit organization designed to fight issues like hunger and malnutrition in India by implementing the Midday Meal Scheme in the government schools and government-aided schools. PepsiCo also provides funds for equipment and vehicles to set up a kitchen near Kapashera, Delhi, which has the capacity to feed 75,000 children.

In the past, Nestlé India has collaborated with the Drishtee Foundation to set up health camps in villages across the Mathura region in India. At these health camps, Nestlé India distributes fortified products and nutritional information regarding micronutrients.

Another example is Hindustan Unilever, which has collaborated with Integrated Child Development Scheme (ICDS) to sponsor a special feeding program to combat Malnutrition.

The Britannia Nutrition Foundation facilitates distribution of products to underprivileged children, adolescent girls, as well as to school feeding programs. For instance, the Foundation has signed a Memorandum of Understanding in the Melghat region to implement a project with the government's Integrated Child Development Services program aiming at improving children's nutrition status.



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NOTES

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All links accessed November 2016.

D Marketing

Responsible marketing policies, compliance and spending
(20% of Corporate Profile score)

This Category captures the extent to which companies help Indian consumers make healthy choices by adopting responsible marketing practices.¹

The Category consists of two parallel groups of two criteria:

All consumers

D1 Responsible marketing policy

D2 Auditing and compliance with policy²

Children

D3 Responsible marketing policy

D4 Auditing and compliance with policy

To perform well in this Category, companies should:

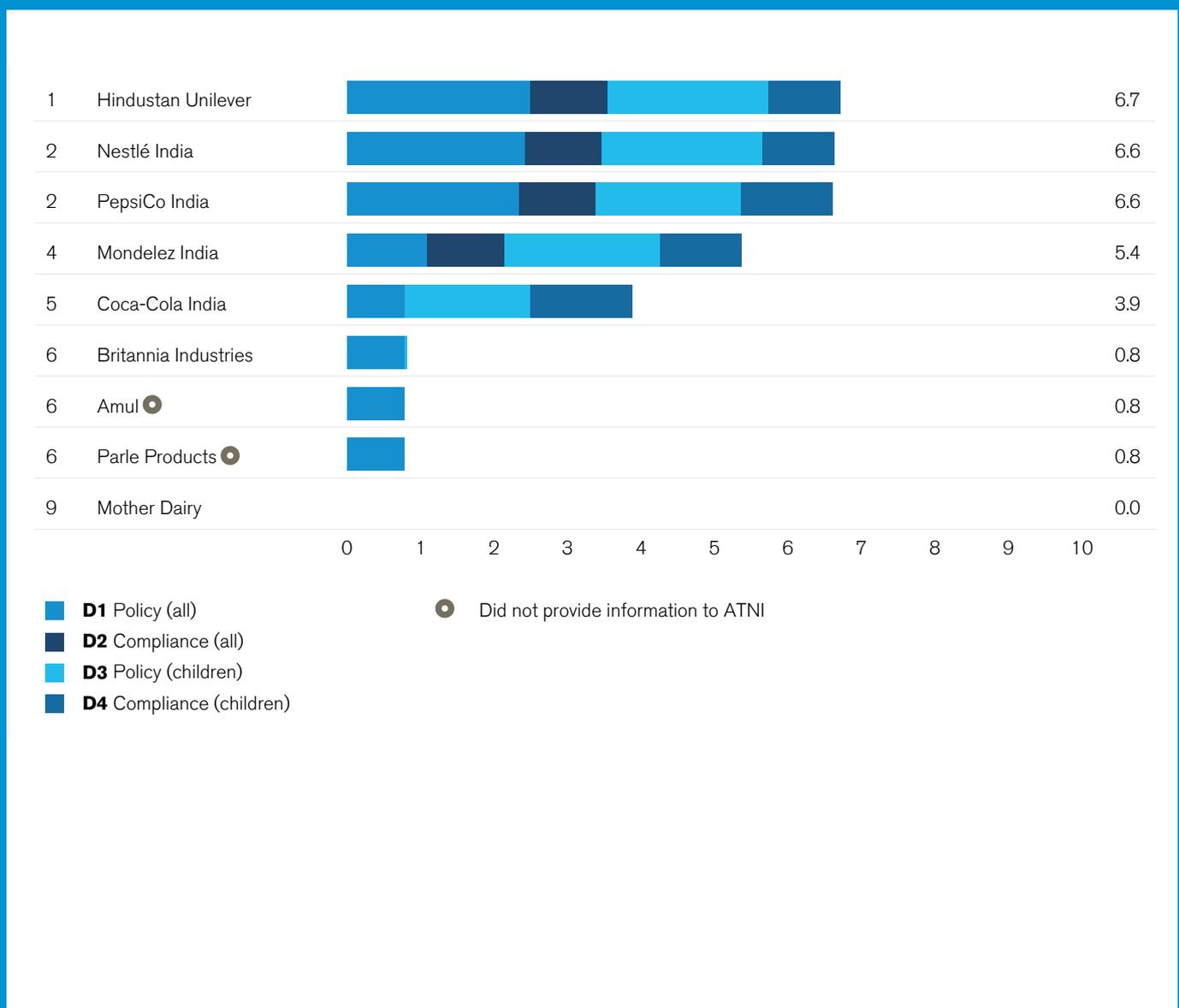
- Establish and implement a policy for marketing to all Indian consumers that is comprehensive in its scope and applies equally to all media channels. The policy should embrace and extend the requirements of the International Chambers of Commerce (ICC) general marketing code as well as the Framework for Responsible Food and Beverage Marketing Communications.
- Establish and implement a policy for responsible marketing to children in India that is comprehensive in its scope and applies equally to all media channels.
- Ensure that the policy for marketing to children sets a low percentage threshold for defining a child audience, i.e. 25% or lower. The policy should also explicitly commit either not to market any products to children under 12, or to only market healthy products, defined using a robust Nutrient Profiling System (NPS).
- Commit to a responsible marketing approach near and in secondary and primary schools in India.
- Commission or take part in industry-level independent audits of compliance with these policies and disclose individual company compliance levels for both traditional and new media in India.

Methodology changes between the Global and India Spotlight Index

The Global Index methodology is based on the ICC Framework for responsible Food & Beverage marketing communications, WHO's set of recommendations on the marketing of foods and non-alcoholic beverages to children, and the marketing pledges of the IFBA, EU and Children's Food and Beverage Advertising Initiative (CFBAI). The sections on Marketing to All Consumers are the same as in the Global Index because responsible marketing principles are universal. Also, there are only limited India-specific principles in this area (see D1 and D2). The indicators on

Marketing to Children have been altered to reflect the fact that, in India, in addition to committing to the globally applicable IFBA pledge, companies can also support the voluntary Food and Beverage Alliance of India Pledge on Responsible Advertising and Marketing to Children (FBAI) which has recently been renewed (see D3 and D4). Moreover, the Marketing criteria have been shortened for the first India Spotlight Index. Finally, as with the 2016 Global Index, companies have not been assessed on their marketing spending, as they typically do not track this type of information.

Results



Key findings

- Hindustan Unilever is the leader in this Category, scoring 6.7 out of 10, demonstrating reasonably strong policies and commitments to responsible marketing to the general population and children. Other companies that score fairly well across all marketing criteria are Nestlé India, PepsiCo India and Mondelez India ranking second, third and fourth respectively.
- Overall, the subsidiaries of global corporations that were assessed for this Index – Coca-Cola India, Mondelez India, Nestlé India, PepsiCo India and Hindustan Unilever – are aligned with the responsible marketing policies and practices of their parent companies. These policies apply to their global operations and, therefore, to their Indian subsidiaries. However, in some instances Indian subsidiaries have supplementary commitments. The broad scope and commitments within these policies give them an advantage over local companies whose pledges are mostly narrowly focussed only on ensuring honest and fair advertisement.
- The companies originating in India – Britannia Industries, Mother Dairy, Amul and Parle Products – are at an early stage when it comes to adopting responsible marketing policies that apply either to all consumers or to children in particular. Commitments of all these companies, except for Mother Dairy (which did not provide any disclosure on this topic) are limited to membership of The Advertising Standards Council of India (ASCI)³, which sets standards for responsible advertising but not for all forms of marketing, and does not audit compliance of those companies that pledge adherence to its standards. There is no evidence that any of these companies have a policy codifying responsible marketing to children.

Marketing to all consumers

- Most of the companies assessed for this Index have either adopted their own policies on responsible marketing to all consumers or pledged to conform to standards of self-regulatory organizations of which they are members.
- Mondelez India, Nestlé India, PepsiCo India and Hindustan Unilever report a responsible approach to marketing codified in their parent companies' policies that are applicable to their operations in India. They also have internal control systems to evaluate marketing activities intended for the whole population. However, none of the companies contracts an independent auditor to assess their degree of compliance with their own commitments – which would be best practice.
- Britannia Industries, Amul, Coca-Cola India and Parle Products do not report having a responsible marketing policy for all consumers. However, all of these companies are members of the ASCI, which sets standards for responsible advertising to all consumers applicable to its members. However, these standards fall short of best practice.
- Mother Dairy is the only company that did not provide any evidence of a commitment to responsible marketing practices.



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Key recommendations

Marketing to children

- All companies that operate as subsidiaries of global corporations – Coca-Cola India, Mondelez India, Nestlé India, PepsiCo India and Hindustan Unilever – publicly disclose their policies on marketing to children. Furthermore, they are signatories to the IFBA Global Pledge and the recently renewed Indian FBAI Pledge, both voluntary industry commitments on responsible marketing to children. Both pledges require members to market only healthy products or no products to children under 12 (with the threshold for a child audience of 35% or more of the total audience). See details in Table 10 for a comparison of various industry pledges and codes.
- Coca-Cola India and Mondelez India's policies prohibit the marketing of any of their products to children under 12, using a 35% child audience threshold. Nestlé India, PepsiCo India and Hindustan Unilever commit to advertising only healthy products, as defined by their own NPS.
- The responsible marketing policies of Coca-Cola India, Mondelez India, Nestlé India, PepsiCo India and Hindustan Unilever include a broad range of commitments across a range of media and forms of marketing, age restrictions, audience thresholds and specific marketing techniques relating to the use of celebrities, fantasy characters and toys.
- All multinational companies ban marketing in primary schools and agree to support educational programs in those settings only if requested by the school's administration. Nestlé India demonstrates leading practice by extending this commitment to areas close to primary schools and places where children gather, particularly kindergartens, playgrounds and amusement parks. In these places, the company commits to advertise only healthy products that are targeted at adults only.
- Only Mondelez India demonstrates a commitment not to advertise to children in or near secondary schools. This is a commendable commitment, given increased concern of stakeholders in India over marketing practices directed at children in schools.
- Britannia Industries, Amul, Mother Dairy and Parle Products do not report having a responsible marketing policy for children yet. On engagement, Britannia Industries stated that it is currently developing such a policy.

Marketing to all consumers

- **Adopt a responsible marketing policy for all consumers:** All companies that have not yet done so should adopt and disclose a policy on responsible marketing to all populations. Such policies should follow or go beyond the key pledges contained in the ICC General Code and the Framework for Responsible Food and Beverage Marketing Communications.
- **Set up audit mechanisms to evaluate compliance with the policy and publicly disclose them:** All companies are encouraged to engage independent auditors to monitor their marketing practices against their commitments and publicly disclose the findings by different media each year.

Marketing to children

- **Sign the revised FBAI Pledge:** The companies originating in India – Britannia Industries, Mother Dairy, Amul and Parle Products – are encouraged to sign up to the FBAI Pledge to seize the opportunity to adopt current industry best practice in one easy step.
- **Adopt a comprehensive policy:** As well as signing the FBAI Pledge, companies should adopt a policy on responsible marketing to children that goes beyond those commitments, by addressing all media channels, including all forms of new media, and describing a position on using characters, live or fantasy, that may have a significant influence on children. In such a policy companies should explicitly define what kind of food and beverage products they will market to children of various age groups and how will they define the target audience. If companies decide to advertise to children, best practice is to advertise healthy products only, as defined by a robust NPS.
- **Prohibit marketing activities in and near primary and secondary schools:** Companies are encouraged to ensure an advertisement-free environment in and near primary and secondary schools. Companies that deliver such commitments stand out among peers and may benefit from greater public respect as a result.
- **Monitor compliance with the responsible marketing policy and publish compliance rates:** Companies should monitor the compliance rates of their marketing activities directed at children. Best practice is to engage independent auditors and publicly disclose the company's individual compliance level for both traditional and new media separately.

D1+ D2 Marketing to all consumers

Companies' marketing practices affect consumers' purchasing decisions and consumption. Companies can, therefore, play a constructive role in improving diets by emphasizing in their marketing practices healthier products over energy-dense, nutrient-poor food and beverages.

The current legislation in India prohibits the advertisement of cigarettes, tobacco products, wine, alcohol, liquor or other intoxicants, infant milk substitutes, feeding bottles or infant food.⁴ No regulations on marketing of packaged food are in place. In India, marketing practices are regulated, to some degree, to protect consumers from false and misleading claims. However, companies can go beyond compliance and demonstrate an enhanced commitment to responsible marketing by adopting their own policies or adhering to codes developed by industry associations such as The Advertising Standards Council of India (ASCI) or the stronger Consolidated International Chambers of Commerce Code of Advertising and Marketing Communication Practice (ICC Code).

Section D1 assesses whether companies have a responsible marketing policy aimed at all consumers and the nature and scope of that policy. Section D2 assesses whether companies' audit complies with their marketing policies as they relate to general consumer audiences.

D1 Basis for company assessment

In India, the ASCI sets standards for its members on responsible advertising to all consumers delivered through various media such as TV, radio, press and cinemas. Among the longest-standing and most widely supported general marketing codes is however the ICC, first published in 1937. The ICC Code provides guidance to a wide range of stakeholders and is the foundation of most national self-regulatory marketing codes.⁵ It sets out general principles governing all marketing communications, including separate sections on sales promotion, sponsorship, direct marketing, digital interactive marketing and environmental marketing.

In 2004, the ICC developed the Framework for Responsible Food and Beverage Marketing Communications (ICC Framework) to provide more specific guidance on how these principles should be applied in the food and beverage sector. The framework was updated in 2012 to align with the 2011 (and most recent) revision of the overarching ICC Code.⁶

In India, the ASCI sets standards for its members on responsible advertising to all consumers delivered through various media such as TV, radio, press and cinemas.⁷

ATNI's criterion assesses companies based on relevant guidelines drawn from the ICC Framework as well as elements of leading company policies that go beyond the ICC Framework, and input from the ATNI Expert Group.

Companies are assessed on various aspects of their marketing policies, including whether they:

- Have a marketing policy that applies to all consumers, across a wide range of media and forms of marketing.
- Adhere to the following guidelines:
 - To accurately represent the material characteristics of the product featured (such as its taste, nutrition or health benefits).
 - To base the use of any health or nutrition claims on sound scientific evidence.
 - To present products in the context of a balanced diet.
 - To present products in the appropriate portion size and context (and not condone or encourage excessive consumption).

- For food products not intended to be substitutes for meals, not to represent them as such.
- To emphasize the concept of healthy lifestyles.
- To not cite consumer taste or preference tests in a way that might imply statistical validity if there is none. Testimonials are based on well-accepted and recognized opinion from experts.
- Not to use models with a body mass index (BMI) of under 18.5 kg/m².
- Publish their policies or follow a publicly available industry code.

BOX 20 THE ADVERTISING STANDARDS COUNCIL OF INDIA (ASCI)

ASCI is a voluntary initiative to promote honest and fair advertisement practices in India. It has a Code for Self-Regulation, requiring the advertisement to be “legal, decent, honest and truthful and not hazardous or harmful while observing fairness in competition.” The Code requires its members:

- **To represent food and beverage products accurately.**
- **To base advertisements regarding nutritional and health benefits of products on a sound scientific basis.**
- **To present products in the appropriate portion size and context (and not condone or encourage excess consumption).**
- **Not to represent food products not intended to be substitute meals as such.**
- **Not to undermine the importance of a healthy balanced diet and of a healthy active lifestyle.**
- **Not to use consumer taste or preference tests in a way that might imply statistical validity if there is none.**

The Code covers TV, radio, print, internet media channels as well as cinema and outdoor marketing.

D2 Basis for company assessment

The indicators within this Criterion were developed in consultation with the ATNI Expert Group because guidelines from regulatory bodies on how to audit compliance with marketing policies do not exist. These indicators have not changed, and are the same as those used in the 2016 Global Index. Auditing is encouraged by similar indexes as an effective means of determining whether policies are properly implemented and as a way for companies to demonstrate accountability to stakeholders.

Companies are assessed as to whether they:

- Conduct internal audits, commission external audits, or subject to an aggregate audit as part of an industry pledge.
- Disclose details of the results of these audits, particularly individual compliance levels achieved.

Detailed results

Have companies committed to market their products responsibly to all consumers by adopting comprehensive best practice policies across their whole business?

Nutrition general

- Four out of nine companies⁸ – Mondelez India, Nestlé India, PepsiCo India and Hindustan Unilever – adopt robust, responsible marketing policies aimed at all consumers that were developed by their global parent companies, applying across a wide range of media. Of these, the policies of Nestlé India, PepsiCo India and Hindustan Unilever adhere to the ICC Code, an industry good practice.
- Britannia Industries, Amul, Parle Products, Coca-Cola India, Mondelez India, Nestlé India, PepsiCo India and Hindustan Unilever are members of The Advertising Standards Council of India (ASCI). ASCI sets standards for its members on responsible advertising to all consumers delivered through various media such as TV, radio, press and cinemas. Given the rise of online retailing and social media, companies should ensure that their policies extend to these platforms of marketing media as well.
- Upon engagement, Britannia Industries stated that its responsible marketing policy for all consumers is under development.
- Mother Dairy is the only company that did not provide evidence of its own policy or membership of the ASCI.

BOX 21 DEFINITION OF MARKETING

A broad definition of marketing is provided by the American Marketing Association: “Marketing is the activity, set of institutions and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”⁹ The activities assessed under this Category fall within this broad definition.

Do companies audit compliance against their responsible marketing policies and disclose the results?

Nutrition general

- None of the companies assessed for the 2016 India Spotlight Index commission independent audits, which is considered best practice. Self-regulatory industry organizations or pledges, of which most companies are members or commit to, such as ICC and ASCI, do not commission studies to monitor their member companies’ compliance with their responsible marketing standards for all consumers.
- Mondelez India, Nestlé India, PepsiCo India and Hindustan Unilever report carrying out internal reviews of their marketing activities.

TABLE 9 Areas of application of companies' responsible marketing policies for all consumers

	Britannia Industries	Amul	Mondelez India	Mother Dairy	Nestlé India	Parle Products	PepsiCo India	Coca-Cola India	Hindustan Unilever
TV & Radio	●	●	●		●	●	●	●	●
Own websites			●		●		●		●
Third party websites	●	●	●		●	●	●	●	●
DVDs/CDs/Games			●		●		●		●
Social media (FB or Twitter feeds of the company or brands)			●		●		●		●
All print media (newspapers, magazines, books, and printed advertising in public places)	●	●	●		●	●	●	●	●
Cinema	●	●	●		●	●	●	●	●
Outdoor marketing	●	●	●		●	●	●	●	●
In store marketing/point of sales marketing			●		●		●		●
Sponsorship			●		●		●		●

Not filled in means no and/or not specified.

D3+ D4 Marketing to children

Levels of obesity and diet-related chronic diseases in children have continued to rise. Overweight and obesity in children aged five to 19 is estimated to be around 20% in India.¹⁰ High obesity rates are especially found in the upper socioeconomic strata and in urban areas.¹¹

It is widely agreed that children need special consideration with respect to marketing because they are unable to fully understand the persuasive intent of advertisements. The WHO states that “Evidence from systematic reviews on the extent, nature and effects of food marketing to children conclude that advertising is extensive and other forms of food marketing to children are widespread across the world. Most of this marketing is for foods with a high content of saturated fats, trans fats, added sugars or salt. Evidence also shows that television advertising influences children’s food preferences, purchase requests and consumption patterns.”^{12, 13}

In recognition of the power of marketing, the WHO’s Strategy on Diet, Physical Activity and Health discourages messages that promote less healthy dietary practices and encourages positive, healthy messages in food and beverage advertisements aimed at children.¹⁴ WHO’s NCD Action Plan for 2013-2020 reiterates the call to member states, including India, to implement its framework of recommendations for marketing to children, as well as a step-by-step guide for implementation.^{15, 16, 17}

BOX 22 MARKETING TO CHILDREN IN INDIA

With the rapid rise of childhood and adolescent obesity, and consequently, diabetes, increasing attention is being paid to the need for responsible marketing to children in India. Prior to 2014, there were no restrictions on advertising aimed at children through promotions, tie-ups with cartoon characters or joint promotions at events targeting children.¹⁸ The first signs of action were noted in 2014 when a working group constituted by the FSSAI submitted Draft Guidelines for Making Available Wholesome, Nutritious, Safe and Hygienic food to School Children In India.¹⁹ In 2015, FSSAI prepared the final draft of the document following an order from the High Court of India to develop guidelines on restricting the sale of junk food in and around schools.

These guidelines make six major recommendations which include:

1. Restricting/limiting the availability of most common High Fat, Sugar and Salt foods (HFSS) in schools and area within 50 meters.
2. Developing a canteen policy to provide nutritious, wholesome and healthy food in schools.
3. Regulating the promotion of HFFS food among school children.
4. Recommendation to FSSAI to consider reviewing the Labeling Regulations to enable disclosure of all relevant information.
5. Establishing stringent limits for unhealthy ingredients.
6. Encouraging physical activity by school children.²⁰

Despite these actions, the Government has yet to adopt any regulations relating specifically to responsible marketing to children.²¹

The ASCI standard has been updated after the India Index research was done, in October 26 2016, and has been made more extensive – the ICC Code is however still leading and therefore best practice.

Given the lack of regulation globally, numerous forms of industry self-regulation have arisen in various regions that apply to other forms of media and marketing channels and which provide varying levels of guidance on responsible marketing practices. These include international codes or pledges developed by food and beverage industry associations and/or advertising or media associations such as the IFBA's Global Policy on Advertising and Marketing Communications to Children,²² the EU Pledge²³ and the Children's Food and Beverage Advertising Initiative (CFBAI) Pledge (in the US and Canada).²⁴

When a company signs up to follow industry self-regulatory codes and pledges, it commits at a minimum to comply with all aspects of the specific code or pledge. These pledges vary in scope and in the restrictions that they place on companies' practices. Some companies also develop policies with more stringent standards than the pledges.

Self-regulatory codes generally restrict marketing activities to children to only healthy products. The definition of a healthy product used by each initiative is, therefore, critically important to the impact of each code.²⁵ While the IFBA Pledge allows companies to establish their own definitions of a healthy product (which can vary significantly).

The FBAI Pledge²⁶ is a voluntary pledge that was first developed in India in 2010 by several multinational companies that also support the global IFBA Pledge (including Coca-Cola India, Hindustan Unilever, Nestlé India and PepsiCo India). Recently, it has been renewed and has nutrition criteria. These companies remain signatories, and Mondelez India has also signed up to it. Although the multinational member companies are bound by the global IFBA policy on responsible marketing, a local pledge is important to harmonize the nutrition criteria that underpin the policy at a national level where possible.

TABLE 10 Comparison of various industry pledges and codes

	ICC Framework for responsible food and beverage marketing communication	ASCI Code for self-Regulation	IFBA Global policy on advertising and marketing communications to children	FBAI Pledge
	Marketing to all consumers		Marketing to children	
Host organization	International Chambers of Commerce	Advertising Standards Council of India	International Food and Beverage Alliance	Food and Beverage Alliance of India
Product scope	Food and non-alcoholic beverages	Food and non-alcoholic beverages	Food and non-alcoholic beverages	Food and non-alcoholic beverages
Geographic scope	Global	India	Global	India
Nutrition standards set	None	None	None	FBAI Common Nutrition Criteria (CNC)
Media scope	No specific media channels are identified	TV, radio, print, cinema, third party websites, outdoor marketing	TV, radio, print, cinema, online (including company-owned websites), DVD/CD-ROM, direct marketing, product placement, interactive games, outdoor marketing, mobile and SMS marketing	TV, radio, print, cinema, online (including company-owned websites), DVD/CD-ROM, direct marketing, product placement, interactive games, outdoor marketing, mobile and SMS marketing
Audience threshold for children, if advertisement is directed at children	n/a	n/a	35% or more of the audience is under 12 years	35% or more of the audience is under 12 years
Auditing	None	None	Accenture Media Management	FBAI

Through their support for the FBAI Pledge, the companies committed themselves to not advertise to children under 12 or only to advertise products that meet the FBAI Pledge nutrition criteria.²⁷

The FBAI Pledge covers TV, radio, print, cinema, online (including company-owned websites), DVD/CD-ROM, direct marketing, product placement, interactive games, outdoor marketing, mobile and SMS marketing. Packaging, in-store or point-of-sale marketing, as well as forms of marketing communications which are not under the direct control of the brand owner, are not covered. The core audience threshold is 35% or more of children under 12. However, companies can set a stronger threshold.²⁸

D3 Basis for company assessment

The indicators used to assess corporate policies on marketing to children are drawn from the wide range of voluntary marketing codes, policies and pledges that exist. They also reflect the views of expert stakeholders about how existing codes could be improved. Given the variation in the scope and standards of these codes, the assessment also focusses on how comprehensive the content of a company's policy is.

The strength of companies' policies is assessed against the ATNI methodology. A strong policy is one that prohibits the marketing of all products to children under 12. Some companies prohibit marketing to children under 6 only, while then marketing healthy products to children between 6 and 12. Across all products, it should use a threshold of 25% to define a child audience and should apply to marketing in and near primary and secondary schools and places where children gather. It should also cover all forms of marketing and restrict the use of certain marketing techniques to healthy products only.

Companies are assessed on whether they have their own comprehensive policy on marketing to children, or support the FBAI Pledge, and whether those policies:

- Apply to multiple forms of media (including but not limited to TV, print media, all forms of new media, sponsorship, DVDs, CDs and games, cinema advertising, in-store marketing/ point-of-sale).
- Prohibit all advertising to children, or allow only the advertising of healthy products.
- Apply to children under 6 and/or between 6 and 12, and strictly define what constitutes a child audience.
- Commit to supporting responsible advertising techniques (including restricting the use of celebrities, animated characters, toys and games) and to fairly represent foods with the use of objective claims.
- Commit to responsible marketing in and near primary schools, secondary schools and other places where children gather.
- Publish their policies or follow industry codes that are publicly available.

D4 Basis for company assessment

Experts advise that companies audit their implementation of responsible marketing commitments; it is already a requirement in several industry pledges and codes on marketing to children. The assessment approach in this criterion builds on these recommendations and requirements and was developed in consultation with the ATNI Expert Group.

Companies are assessed on whether they:

- Conduct internal audits, commission independent audits, or are subject to aggregate audits as part of an industry pledge.
- Audit compliance annually and cover all types of media.
- Disclose details about the results of any audits for both traditional and new media.
- Commit to any required corrective actions.

Detailed results

Have companies committed to market their products responsibly to children by adopting comprehensive best practice policies across their whole business?

Nutrition general

Policies

- Mondelez India, Nestlé India, PepsiCo India, Coca-Cola India and Hindustan Unilever adopt policies on responsible marketing to children of their global parent entities and are the only companies assessed for the 2016 India Spotlight Index that demonstrate policies on this topic. Furthermore, all the aforementioned companies are signatories to the FBAI Pledge.
- Amul, Britannia Industries, Mother Dairy and Parle Products do not report a formal policy regulating their marketing activities to children. Of note, Britannia Industries stated, upon engagement, that its responsible marketing policy for children is under development.

TABLE 11 Supported industry pledges

	Amul	Britannia Industries	Coca-Cola India	Hindustan Unilever	Mondelez India	Mother Dairy	Nestlé India	Parle Products	PepsiCo India
FBAI India Pledge			●	●	●		●		●
IFBA Global Pledge, applicable to India			●	●	●		●		●
Own policy (in addition to or instead of external pledges)			●	●	●		●		●
Policy under development		●							

Not filled in means no and/or not specified.

Scope of application of policies to media and forms of marketing

- The 2016 India Spotlight Index assesses whether companies' policies on marketing to children apply to all of the following types of marketing:
 - TV & radio
 - Company-owned websites
 - Third-party websites
 - DVDs/CDs/games
 - Social media (including Facebook or Twitter feeds of the company or brands)
 - All print media (newspapers, magazines, books, and printed advertising in public places)
 - Cinema
 - Outdoor marketing
 - In-store marketing/point-of-sales marketing
 - Sponsorship
- Of the five companies that have policies and/or support self-regulatory pledges, only three – Coca-Cola India, Mondelez India and Hindustan Unilever – commit to applying them to all types of marketing. Other companies' policies make exceptions for various forms of marketing, as illustrated by Table 12.

TABLE 12 Areas of application of policies of responsible marketing to children

	Amul	Britannia Industries	Coca-Cola India	Hindustan Unilever	Mondelez India	Mother Dairy	Nestlé India	Parle Products	PepsiCo India
TV & Radio			●	●	●		●		●
Own websites			●	●	●		●		●
Third party websites			●	●	●		●		●
DVDs/CDs/Games			●	●	●		●		●
Social media (FB or Twitter feeds of the company or brands)			●	●	●		●		●
All print media (newspapers, magazines, books, and printed advertising in public places)			●	●	●		●		●
Cinema			●	●	●		●		●
Outdoor marketing			●	●	●		●		●
In store marketing/point of sales marketing			●	●	●				
Sponsorship			●	●	●		●		

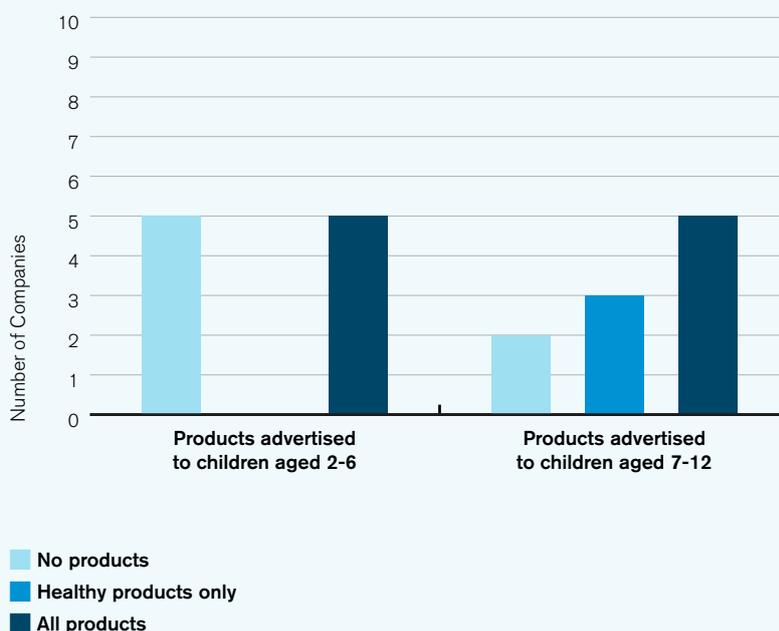
Not filled means no and/or not specified

Age restrictions and audience thresholds

- All companies that report having a responsible marketing policy for children – Mondelez India, Nestlé India, PepsiCo India, Coca-Cola India and Hindustan Unilever – commit to not advertise any product to children below six years of age. The companies use the 35% as a threshold for determining the target audience for its marketing activities.
- Only Mondelez India and Coca-Cola India make strong commitments not to advertise on any media, primarily directed to children, any products to children below 12; this is considered best practice. They use a threshold for ‘primarily directed to children’ of the child audience comprising 35% or more of the total audience.
- Nestlé India, PepsiCo India and Hindustan Unilever commit to advertising to children below 12 only those products that meet their company healthy standard. For example, Hindustan Unilever states that for a product to be eligible for advertisement to children under 12, it should comply with the requirements of the Unilever’s Nutrition Criteria. These Criteria assign thresholds for calories, sodium, saturated fat, sugars and trans-fatty acids across all its product categories.

Use of marketing techniques

- The 2016 India Spotlight Index assesses whether companies commit to the following restrictions on the use of marketing techniques:
 - Not to sponsor materials, people or activities popular with children except in conjunction with healthy products.
 - Not to use celebrities or other people with a strong appeal to children other than for the marketing of healthy products.
 - Not to imply that celebrities, or others, have enhanced their performance or status through the use of a product.
 - Not to use third-party fantasy and animated characters with strong appeal to children except in relation to healthy products, in all forms of marketing.
 - Not to use their own proprietary fantasy and animated characters with strong appeal to children except in relation to healthy products, in all forms of marketing.
 - Not to use promotional toys, games, vouchers and competitions except in relation to healthy foods.

GRAPH 6 Number of companies that advertise to children by type of product

- Nestlé India, PepsiCo India and Hindustan Unilever take a similar approach to sponsoring materials, people or activities popular with children and using celebrities only in conjunction with healthy products. Nestlé India goes further and also commits to ensuring that its advertising practices do not imply that celebrities, or others, have achieved enhanced performance or status through the use of its products. Mondelez India and Coca-Cola India commit not to advertise to children under 12 any products.
- Nestlé India commits to use third-party and their own proprietary fantasy and animated characters, with strong appeal to children, only in connection with their healthy products and through all channels apart from point of sale and packaging. While this is a relatively good commitment, it falls short of the best practice demonstrated by Hindustan Unilever of expanding this commitment to all the forms of marketing. Mondelez India and Coca-Cola India commit not to advertise to children under 12 any products. Of note, PepsiCo India is the only subsidiary of a global company with a weaker commitment that only covers third-party characters (and does not address its own characters) and excludes the point of sale and packaging.
- All companies that have responsible marketing to children policy except Mondelez India and Coca-Cola India commit to using promotional toys, games, vouchers and competitions responsibly only in relation to healthy products.

Marketing in and around schools

- Mondelez India, PepsiCo India, Coca-Cola India and Hindustan Unilever prohibit advertisement to children in primary schools. They commit to support or sponsor any educational activities held in primary schools only when requested by schools' administration. This performance, while commendable, lacks rigor, as there are many other places where children gather that do not fall under the companies' policies.

BOX 23 LEADING PRACTICES

- **Mondelez India is the only company that extends its commitment of not advertising in primary schools and secondary schools, up to the university level. This is a good practice and should be emulated by other companies, as teenagers and adolescents are still forming their consumption habits and lifestyles.**

Do companies audit compliance against their policies for responsible marketing to children and disclose the results?

Nutrition general

- All companies that have policies on responsible marketing to children – Mondelez India, Nestlé India, PepsiCo India, Coca-Cola India and Hindustan Unilever – state that audits take place to assess the compliance to their policies. The parent companies of these entities are members of the IFBA, and as such their compliance is audited by an independent auditor commissioned by the IFBA. Marketing practices in India, specifically, were assessed four times in 2014, 2011, 2010 and 2009, and in the most recent year (2014) compliance levels were assessed for print, internet and television advertisement. IFBA publishes the results of audits for all its members without breaking down for each company and by each market assessed.
- Although some parent companies of subsidiaries assessed for this Index publicly disclose their individual global compliance rates, this disclosure does not refer to the specific compliance levels achieved in the Indian market. None of the companies assessed for this Index disclosed individual compliance levels to its responsible marketing policy for children in India. Thus, companies assessed for this Index are encouraged to step up their efforts in understanding their marketing performance in India through independent monitoring, and once they measure compliance levels, to report them.

NOTES

- ¹ The marketing of breast-milk substitutes is not covered in this section.
- ² In the 2013 Global Index companies were also assessed on marketing expenditures. In the 2016 Global Index, this was excluded because the research process revealed that the vast majority of companies could again not provide this information, as was the case in 2013.
- ³ The ASCI standard has been updated in October 26 2016 and has been made more extensive – the ICC Code is however still leading and therefore best practice in the India Spotlight Index.
- ⁴ *Nishith Desai Associates: Food & Beverages.* (2016). *Nishithdesai.com*. Retrieved 27 November 2016, from <http://www.nishithdesai.com/information/areas-of-service/industry/food-beverages.html>

- ⁵ *Framework for Responsible Food and Beverage Marketing Communications 2012 | ICC - International Chamber of Commerce.* (2016). *iccwbo.org*. Retrieved 9 August 2016, from <http://www.iccwbo.org/Advocacy-Codes-and-Rules/Document-centre/2012/Framework-for-Responsible-Food-and-Beverage-Marketing-Communications-2012/>
- ⁶ Ibid
- ⁷ *The Advertising Standards Council of India - ASCI Codes.* (2016). *Ascionline.org*. Retrieved 27 November 2016, from <http://www.ascionline.org/index.php/ascicodes.html>
- ⁸ Ruchi Soya has not been assessed on this category because the company's product offering is highly concentrated around oils and fats, thus all sections on the methodology were not applicable.
- ⁹ *Definition of Marketing.* (2016). *Ama.org*. Retrieved 27 November 2016, from <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>
- ¹⁰ *'22% of Indian kids are obese, face health risks' - Times of India.* (2016). The Times of India. Retrieved 9 August 2016, from <http://timesofindia.indiatimes.com/india/22-of-Indian-kids-are-obese-face-health-risks/articleshow/50750348.cms>
- ¹¹ Praveen PA, Tandon N. Childhood obesity and type 2 diabetes in India. *WHO South-East Asia J Public Health* 2016; 5(1): 17–21.
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- ²⁵ More details on how companies define which products are healthy in the context of their marketing policies, use of health claims, product reformulation efforts, and other purposes are provided in this report under Category B, on companies' use of nutrient profiling systems.
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All links accessed November 2016.

E Lifestyles

Support for healthy diets and active lifestyles (2.5% of Corporate Profile score)

In 2012-13, it was estimated that the Indian food processing industry was one of the most employment-intensive segments accounting for 11.69% of jobs.¹ The sector can, therefore, reach a large number of people through the programs they offer in the workplace. Companies can encourage their staff to adopt healthy diets and active lifestyles by including well-designed elements related to these topics within their broader employee health and wellness programs. In addition to delivering direct benefits to the participants, staff health and wellness programs can help to build a corporate culture that focusses on improving the company's nutrition practices. It is particularly important for companies to support mothers who have returned to work after having a baby to continue to breastfeed, by offering suitable facilities and flexible working options. The 2013-14 Rapid Survey on Children revealed that nearly 65% of infants from zero to five months of age were exclusively breastfed in India compared to 46.4% in 2005-06.² Companies can help to maintain and increase these levels.

Companies can also help consumers to adopt healthy diets and active lifestyles by supporting education and activity programs that are designed and implemented by independent expert organizations.

This Category assesses the extent to which companies support such efforts through three criteria:

E1 Supporting staff health and wellness

E2 Supporting breastfeeding mothers in the workplace

E3 Supporting consumer-oriented healthy diet and active lifestyle programs

To perform well in this Category, companies should:

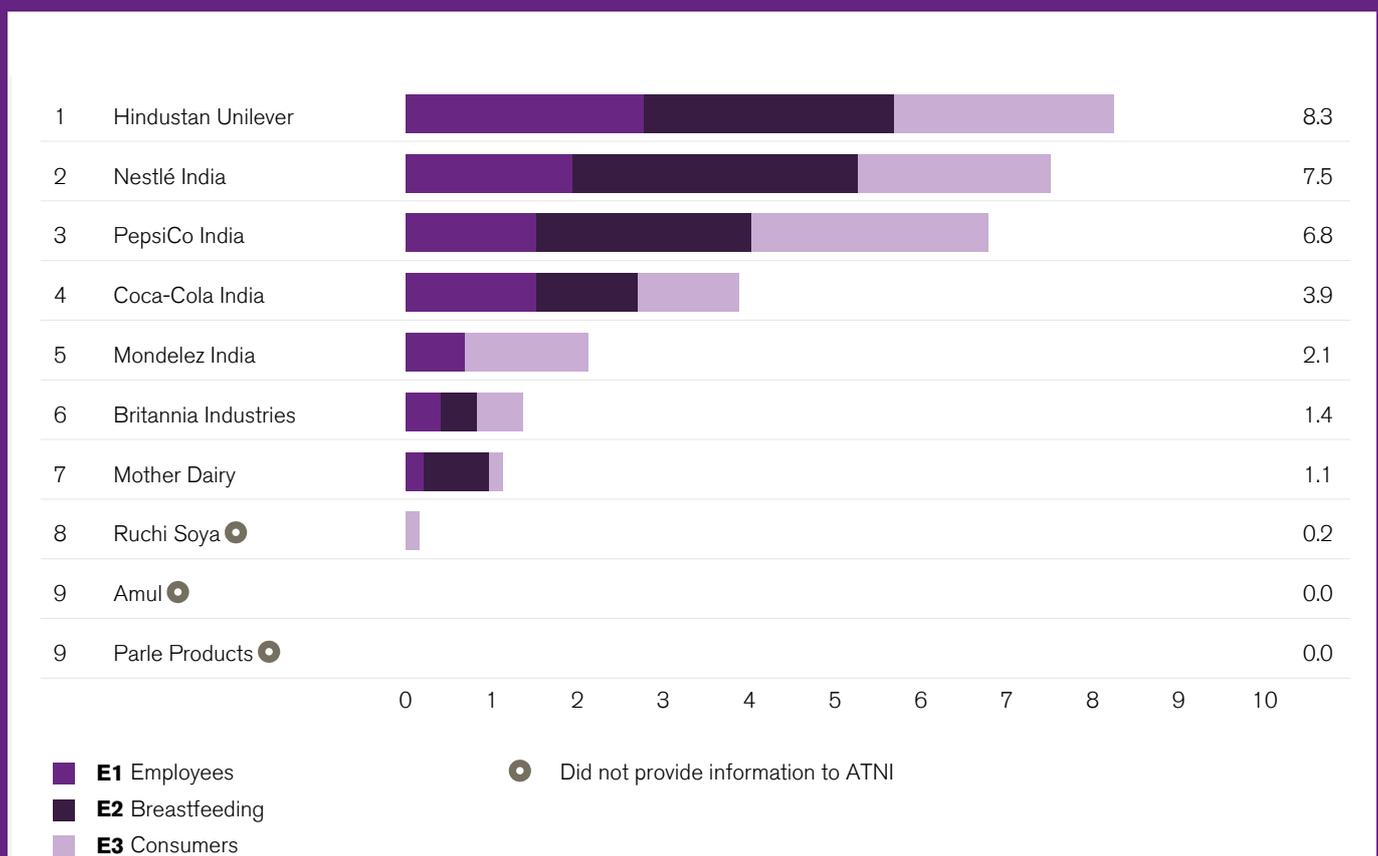
- Offer comprehensive nutrition and healthy lifestyle programs within their overall staff health and wellness programs, for all employees in India.
- Set and achieve or exceed, targets for participation in these programs.
- Publish commitments, targets and outcomes.
- Offer supportive maternity leave policies, flexible working arrangements and appropriate workplace facilities for breastfeeding mothers when they return to work.
- Commit to supporting integrated, comprehensive consumer-oriented healthy diet and active lifestyle programs and campaigns, developed and implemented by independent organizations with relevant expertise.
- Commission and publish independent evaluations to assess the health impacts that these programs deliver.
- Support other organizations' social marketing campaigns aimed at educating undernourished consumers (or those at risk of undernutrition) on a range of nutrition issues, including breastfeeding, the appropriate introduction of complementary foods, and the benefits of micronutrient supplementation, and eating fortified products and a diverse diet.

Methodology changes between the Global and India Spotlight Index

As in the Global Index, Criteria E1 and E3 could not be based on global or national guidelines, as none exist. They are, therefore, based on the best corporate programs that currently exist and the advice of the Expert Group. The India Spotlight Index methodology again has been shortened and contextualized. For instance, in E3 Consumer Education, companies are given credit in the India Spotlight

Index for supporting projects that provide access to clean drinking water and sanitation, as these, are seen as critical needs in India, whereas this was not the case for the Global Index 2016. Indicators in E2 are based on a combination of best-practice international guidance and the International Labour Organization (ILO) Maternity Protection Convention, 2000 (No. 183).

Results



Key findings

- Hindustan Unilever is the leading company with respect to supporting healthy diets and active lifestyles overall. The company demonstrates best-practice with respect to measuring the impact of both its consumer education, staff health and wellness programs.
- Overall, Category E is a low-scoring category, with only three companies scoring above five out of ten – Hindustan Unilever, Nestlé India and PepsiCo India. While some companies seem to have implemented interesting initiatives, the industry as a whole will need to devote greater resources to delivering effective programs to support their employees and consumers to pursue active lifestyles and healthy diets, through independently designed and implemented programs.
- The commitments of Indian subsidiaries of multinational companies with respect to staff health and wellness programs are generally in line with the parent company. The exception is Coca-Cola India; globally, the company's parent sets broad objectives for employee participation in staff health and wellness programs. However, the Indian subsidiary does not set any targets in this area.
- In general, Indian-based companies do not report comprehensive health programs for staff. Only Britannia Industries, on request, reported that it offers the staff two of the three elements of 'healthy diet, healthy body and healthy behavior' in its employee health program. Mother Dairy offers only one element.
- Nestlé India is the leader with respect to supporting breastfeeding mothers at work. The company has a formal policy that is publicly disclosed, which allows women to take six months or more of paid maternity leave. This is more than mandated by the Maternity Benefit Act, 1961. However, it does not go beyond the new Maternity Benefit (Amendment) Bill, introduced in August 2016, which extends maternity leave to 26 weeks.⁹ This new bill has not yet been enacted. Nestlé India also provides several facilities that support breastfeeding mothers – safe private rooms to express milk, fridges to store expressed breastmilk and flexible working hours or breaks.
- PepsiCo India, Nestlé India, Hindustan Unilever and Coca-Cola India have policies that commit to providing breastfeeding mothers with appropriate working conditions. Mother Dairy makes a commitment to support breastfeeding mothers at work but has no formal policy.
- In general, companies fare well with respect to demonstrating a commitment to funding/supporting consumer-oriented nutrition and undernutrition education programs. Seven out of ten companies assessed stated that they have a commitment to support nutrition education or healthy diet programs, and five of the companies assessed stated a commitment to support education programs for undernourished consumers.
- Mondelez India is the only company that commits to exclusively supporting programs developed and implemented by independent groups with relevant expertise, with respect to both nutrition education and active lifestyle programs, thereby demonstrating best practice among the India Spotlight Index companies.
- Three of the ten companies – Nestlé India, PepsiCo India and Hindustan Unilever – evaluate consumer-oriented educational programs. While Nestlé India states that it evaluates the results of the programs itself, PepsiCo India and Hindustan Unilever hire third parties to do so, a leading practice.

Key recommendations

- Indian-based companies are encouraged to develop commitments to support both staff and consumer-oriented healthy eating and lifestyle programs:** Companies originating in India are encouraged to design systemic staff and consumer-oriented health programs. Some Indian-based companies, like Britannia Industries, already demonstrates ad-hoc implementation of health programs for staff in their offices. Formalizing related commitments and implementing management systems to monitor progress would allow them to improve their overall score in this area.
- All companies are encouraged to adopt formal targets for Indian employee participation in well-being programs:** Indian subsidiaries of multinational companies are encouraged to adopt a specific target for Indian employee participation in their companies' health and wellness programs. Currently, only Nestlé India and Hindustan Unilever set a target for employee participation; both companies aim to reach 100% of their staff Indian-based companies can also view this as an opportunity for improving their commitments with respect to staff health and wellness programs.
- Companies originating in India are encouraged to go beyond legal compliance with respect to supporting breastfeeding mothers at work:** Companies originating in India, that are compliant with the Maternity Benefit Act of 1961, are encouraged to adopt commitments that go beyond legal compliance and thereby play a greater role in supporting breastfeeding mothers at work. Indian-based companies can, in particular, improve by formalizing a maternity leave policy that allows for paid leave of six months or more. The Maternity Benefit Act of 1961 only allows for paid leave of six months or more for the first child, and less time for subsequent children. In this case, going beyond legal compliance with respect to maternity leave, and offering flexible working and necessary facilities would bring Indian-based companies in line with the performance of leading multinational companies – Nestlé India, Hindustan Unilever and PepsiCo India.
- All companies are encouraged to demonstrate the impact of their staff health and wellness and consumer health programs:** Demonstrating the impact of all health programs, whether staff or consumer-oriented, is considered best practice. Evaluation of impact, especially by an independent evaluator, is essential to determining whether resources are being deployed in the most effective and efficient way and improving programs that fail to deliver the intended health outcomes.



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E1 Supporting staff health and wellness

Companies can develop activities focused on nutrition, diet and activity within their staff health and wellness programs.

Workplace health and wellness programs have been shown to yield significant financial benefits for companies that implement them. The World Business Council for Sustainable Development and the International Business Leaders Forum note in a joint publication that, “Health concerns burden corporate competitiveness through absenteeism, decrease ‘on the job’ productivity and employee turnover.⁴ Employers often foot the bill for health insurance and business leaders are increasingly aware of the challenges, CEOs in the U.S. ranked healthcare costs as their main economic pressure.⁵ Workplace interventions for chronic disease control in industrialized societies have proven effective at reducing the associated costs, with an average return on investment of \$3 for each \$1 invested⁶. An increasing number of companies believe in the benefits of company wellness programs, as shown by the growing membership (150 members in 2013) in the Economic Forum Workplace Wellness Alliance that was established in order to strengthen workplace health and productivity.⁷

Not only can the companies assessed in the India Spotlight Index benefit financially from implementing effective staff health and wellness programs, but they can also have a positive impact on the health of the thousands of staff they collectively employ.

Basis for company assessment

This assessment is based on input from the ATNI Expert Group and experience gained from various company health and wellness programs. It also draws on the following publications and programs, among others:

- “The business of health - the health of business,” World Business Council for Sustainable Development/International Business Leaders Forum.⁸
- The World Economic Forum Workplace Wellness Alliance.⁹
- “What’s the hard return on employee wellness programs?” Harvard Business Review 2010.¹⁰
- Workwell Campaign, Business in the Community.¹¹

Companies are assessed on whether they:

- Offer comprehensive staff health and wellness programs (including components from each of the areas shown in Table 13).
- Commission independent evaluations of the health and/or business impacts of these programs.

Detailed results

To what extent do companies offer comprehensive diet and active lifestyle elements within their staff health and wellness programs?

Nutrition

- Five out of ten companies assessed for this Index – Mondelez India, Nestlé India, PepsiCo India, Coca-Cola India, and Hindustan Unilever – make a commitment to support staff health and wellness through a program focused on nutrition, diet and activity. Of these companies, only Nestlé India and Hindustan Unilever have set a target for Indian employee participation in their health and wellness programs. Nestlé India discloses specific numerical targets that aim for 100% staff participation in one year.

TABLE 13

Support for healthy diets	Support for active living	Support for healthy behavior
<ul style="list-style-type: none"> ▪ Seminars on nutrition or diets ▪ Online material and support for staff on nutrition and diets ▪ Healthy options/diet plans in cafes and/or restaurants on work sites ▪ Dietary information on menus ▪ Subsidized fruit/healthy snacks ▪ Cooking master classes focussed on healthy options ▪ Links to local fresh food markets or similar ▪ Personalized nutrition plans 	<ul style="list-style-type: none"> ▪ Gyms on work sites ▪ Personalized exercise plans ▪ Subsidies for off-site gym memberships ▪ Lunchtime/work time walking or exercise clubs ▪ On-site sports teams ▪ Active participation in sports challenges ▪ Encouragement to use stairs not elevators, etc. ▪ Encouragement/facilities to walk and/or bike to work ▪ Online resources related to healthy living and exercise 	<ul style="list-style-type: none"> ▪ Senior staff model healthy behavior and publicize their efforts ▪ Health-focussed welcome packs for new employees ▪ Healthy living/nutrition campaigns regularly throughout work sites ▪ Awards for staff making good progress ▪ Other: counseling sessions, work/life balance sessions, etc.

- With respect to performance, only three companies demonstrate that they include all three elements of 'healthy diet, healthy body and healthy behavior' in their company's program: PepsiCo India, Nestlé India and Hindustan Unilever. Furthermore, Britannia Industries offers two of the three elements in their programs: a healthy diet and healthy body in its program, and Mother Dairy offers only one element, healthy diet.
- Of the ten companies assessed, only Hindustan Unilever demonstrates the health improvements delivered by the nutrition, diet and activity elements of its staff health and wellness program in India. It demonstrates increased participation over time and records benefits such as increased activity and reduction in the intake of fats. Hindustan Unilever also demonstrates best practice in terms of tracking the benefits of its company health and wellness program in India.

E2 Supporting breastfeeding mothers in the workplace

The WHO and UNICEF recommend that mothers exclusively breastfeed their babies for the first six months to achieve optimal growth, development and health. They also recommend continued breastfeeding until the child reaches two years or older, as well as introducing nutritionally adequate and safe complementary foods from six months.¹²

This recommendation is made because of the substantial short and long-term health benefits that have been demonstrated by breastfeeding. According to the WHO, these benefits include protection against gastrointestinal infections, strengthening natural immunity against infection and, if initiated within the first hour after birth, reduced infant mortality.¹³ Breastmilk is also an important source of energy and nutrients for infants and young children and a critical source of energy and nutrients during illness (as it reduces mortality among children who are malnourished). Adults who were breastfed as babies are also less likely to be overweight/obese, children and adolescents who have been breastfed perform better in intelligence tests. Finally, breastfeeding also contributes to the health and well-being of mothers, as it can reduce the risk of breast cancer, and may be better protected against ovarian cancer, as well as helps to space pregnancies.¹⁴

Exclusive breastfeeding rates across India increased between 2013-14 to 65% from 48.6% in 2005-06¹⁵, with most states showing rising rates, though declines were evident in others.¹⁶ While this improvement is good, it is imperative that they rise further to stem infant mortality and improve infant health.

A study in the U.S. found that working outside the home is related to a shorter duration of breastfeeding, and intentions to work full-time are significantly associated with lower rates of breastfeeding initiation and shorter duration.¹⁷ Having to return to work prior to a baby reaching six months of age makes it harder for mothers to breastfeed their babies, as does not having the appropriate facilities at work. This is undoubtedly true for some of the approximately 150 million women workers who work and live in India.¹⁸

Ideally, women who have recently had babies should have six months of maternity leave. This is particularly important for lower-paid employees who are likely to have fewer savings to rely on during that period, where statutory maternity pay is low. On returning to work, women need flexible working arrangements to allow them to take regular breaks to express breast milk.

India's Maternity Benefits Act dates back to 1961; for women covered by the legislation (those formally employed) it provides 12 weeks of paid maternity leave and allows for a paid break during working hours until the child reaches 15 months of age. Women also need secure, private, hygienic and comfortable places in which to express milk. They also need refrigerators to store it. Part-time, flexible hours and home-working options can also be beneficial.

BOX 24 POTENTIAL BENEFITS OF BREASTFEEDING IN INDIA

If breastfeeding were to become universal in India, it could reduce 13% of all under-five deaths (156,000 child deaths), 3,900,000 episodes of diarrhea, 3,436,560 episodes of pneumonia and 7,000 deaths due to breast cancer annually.¹⁹ Due to the high mortality rate among children, and high levels of malnourishment in India, the Women and Child Development Ministry has proposed to extend maternity leave from the current 12 weeks to 26 weeks.²⁰

Basis for company assessment

This assessment is based on recommended practices set out in the following publications, among others:

- The International Labour Organization (ILO) Maternity Protection Convention, 2000 (No. 183).
- The Centers for Disease Control and Prevention (CDC) Guide to Breastfeeding Interventions, U.S. Department of Health and Human Services, 2005, Shealy KR, Li R, Benton-Davis S, Grummer-Strawn LM.
- Accommodating breastfeeding employees in the workplace, (Advisory, Conciliation and Arbitration Service (Acas), U.K., 2013.
- Guidance on new legislation on breastfeeding at work, New Zealand Department of Labour.

Companies are assessed on whether they:

- Have a paid maternity leave and flexible working policies.
- Commit to providing breastfeeding mothers in all offices and facilities with appropriate working conditions and facilities such as private, hygienic, safe rooms for expressing breastmilk and flexible working arrangements.
- Disclose these policies and practices.

Detailed results

Do companies offer women good maternity leave policies and, when they return to work, facilities to enable them to express and store breastmilk at work?

Nutrition

- In general, companies perform poorly on E2, with an average score below five out of ten. This low score reflects both weak commitments and performance with respect to supporting breastfeeding mothers at work.
- Nestlé India demonstrates leadership in supporting breastfeeding mothers at work. The company sets out its commitment to providing breastfeeding mothers with appropriate working conditions and facilities at work and publishes this policy. Nestlé India also provides safe, private rooms to express milk, fridges to store expressed breastmilk and allows breaks or flexible working hours.
- Nestlé India, Hindustan Unilever, PepsiCo India and Coca-Cola India commit to providing breastfeeding mothers with appropriate working conditions. Nestlé India and Hindustan Unilever's commitment in this area are in line with their global parents. However, both PepsiCo India and Coca-Cola India do not demonstrate global policies to support breastfeeding mothers with appropriate working conditions, while their Indian subsidiaries assessed for this Index do. None of the companies originating in India has a formal policy or commitment apart from Mother Dairy, which leads the Indian-based by making a commitment to support breastfeeding mothers at work – though it has not codified this commitment in a formal policy.
- Four out of ten companies assessed for this Index – Britannia Industries, Hindustan Unilever, Nestlé India and PepsiCo India – provide six months or more paid maternity leave. Coca-Cola India also provides six months of maternity leave, but this benefit is applicable only up to two children.
- With respect to the provision of facilities that support breastfeeding mothers, Nestlé India, Hindustan Unilever and PepsiCo India provide all three types of necessary facilities – private safe rooms to express milk, fridges to store expressed breastmilk and flexible working hours or breaks. Coca-Cola India and Mother Dairy provide only breaks or offer flexible working hours. The provision of just one type of facility is not considered best practice.

TABLE 14 Facilities to support breastfeeding mothers

	Amul	Britannia Industries	Coca-Cola India	Hindustan Unilever	Mondelez India	Mother Dairy	Nestlé India	Parle Products	PepsiCo India	Ruchi Soya
Provides safe private rooms to express milk				●			●		●	
Provides fridges to store expressed breastmilk				●			●		●	
Allows breaks or gives flexible working hours			●	●		●	●		●	

Not filled in means no and/or not specified.

E3 Supporting consumer-oriented healthy diets and active lifestyle programs

Many companies develop and promote their own programs focussed on promoting healthy diets and active lifestyles for consumers. Companies may generate the content of these programs themselves or seek input from independent experts. In addition, some companies provide financial support to consumer-oriented programs that are developed and administered by independent groups with relevant expertise, including governments, professional nutrition or medical organizations and NGOs.²¹ In some cases, companies provide input to the content of these programs, place their logos on program materials or promote their brands at events that support active lifestyles. Currently, there is no regulation on promoting healthy diets and active lifestyles in India. The public discourse mostly focusses on the marketing practices of F&B companies. An example of private sector involvement in awareness creating campaign is Cargill's cooperation with the Confederation of Indian Industry (CII), the National Association of Street Vendors (NASVI), and the Voluntary Organization in Interest of Consumer Education (VOICE) that create awareness on food safety with street vendors and consumers.²²

Views differ on whether and how companies should be involved in these programs. Some stakeholders believe that consumer-oriented programs should only be developed and administered by independent groups with relevant expertise and without any related commercial interests. They argue that the commercial interests of companies compromise their own programs and that these programs may be utilized to promote the companies' products or to distract stakeholders from their marketing of less healthy products. On the other hand, some companies argue that a company-run program is a valid way to demonstrate their corporate citizenship and that these programs are, in part, a response to demands to play a more active role in promoting healthy diets and active lifestyles. Others argue that companies should support or administer programs, as long as they do not serve as platforms for corporate, brand or product advertising.

Regarding efforts to address undernutrition, limited consumer awareness of the benefits of foods of high nutritional value has been a factor in limiting demand for them and their uptake. Companies can play a constructive role by supporting social marketing campaigns, which are an effective way of delivering the message of healthy food to undernourished consumers. These campaigns can include tools such as posters, radio spots, theater, plays, use of local musicians and the development of a special logo that can be used to brand products that are fortified according to guidelines for the prevention of undernutrition.²³

Basis for company assessment

No formal guidance appears to have been issued by normative bodies regarding private sector activities in this area. Therefore, ATNI's limited assessment for the India Spotlight Index is based on the experience of a few widely disseminated and well-regarded programs (such as EPODE²⁴, produced by well-respected NGO the EPODE International Network) and on input from the ATNI Expert Group.

Companies are assessed on whether they:

- Have policies to commit to nutrition education/healthy programs, as well as active lifestyles for consumers and local communities.
- Support 'integrated' programs, i.e. those that incorporate nutrition, diet and activity elements, that are developed and implemented by independent organizations with relevant expertise.
- Publish descriptions of the programs they support that make clear the companies' role in them.
- In addition, to broaden consumer education efforts about healthy diets and active lifestyles (as referenced above), commit to educating lower-income consumers at risk of, or suffering from, undernutrition, about the benefits of consuming foods high in nutritional value – without reference to specific branded products – through programs designed and implemented by independent organizations.

ATNI does not however score the quality of individual programs.

Detailed results

Is there evidence that companies support comprehensive, independently designed and implemented programs to encourage consumers to eat healthy diets and have active lifestyles?

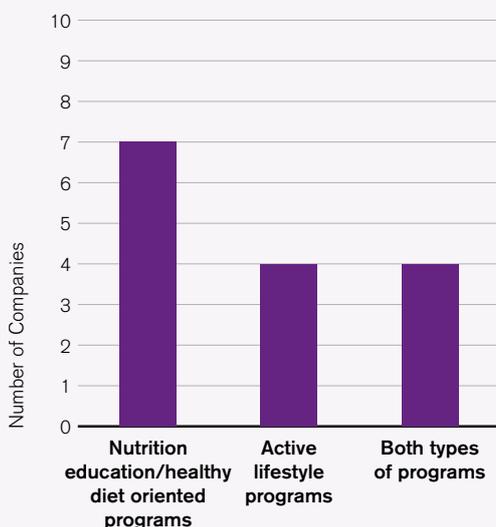
Nutrition general

- Five out of ten assessed companies – Britannia Industries, Mondelez India, Mother Dairy, Nestlé India and PepsiCo India – commit to sponsoring and/or fund consumer-oriented nutrition education and healthy diet programs. Another three – Coca-Cola India, Ruchi Soya and Hindustan Unilever – commit to fund programs focused on access to sanitation. However, when it comes to sponsoring/funding active lifestyle programs in addition to diet-oriented or sanitation programs, only four of them demonstrate commitments to do both – Nestlé India, PepsiCo India, Coca-Cola India and Mondelez India.
- Mondelez India is the only company that commits to exclusively supporting programs developed and implemented by independent groups with relevant expertise with respect to both nutrition education and active lifestyle programs, thereby demonstrating best practice in this area. Nestlé India and PepsiCo India – commit to supporting both nutrition education and active lifestyle programs developed and implemented by independent groups, but in addition to their own programs. Similarly, Hindustan Unilever commits to supporting programs focused on access to sanitation and active lifestyle developed and implemented by independent groups in addition to its own programs.
- Hindustan Unilever and PepsiCo India are the only two companies that demonstrate their programs' health impacts by commissioning independent evaluations of them. These two multinationals demonstrate best practice with respect to health impacts of consumer-oriented healthy eating and active lifestyle programs.

BOX 25

Through the Mondelez International Foundation, Mondelez India implements programs to empower communities with nutritional education basics, active play, and access to fresh foods. The company states that one of the objectives of this program is to ensure that young people build the energy they need through a balanced diet and use energy through diverse play opportunities. The company also states that the Mondeléz International Foundation seeks to invest in the development of stand-alone healthy lifestyle programs. The company has confirmed that such programs are developed and implemented by independent groups and NGOs with relevant expertise.

GRAPH 7 Commitment to fund consumer nutrition education and active lifestyle programs



Is there evidence that companies commit to and support good, independently designed nutrition education programs aimed at undernourished consumers?

Undernutrition

- Four of the ten assessed companies commit to funding or supporting other organization’s programs that educate undernourished consumers. These companies are Britannia Industries, Mondelez India, Nestlé India and Hindustan Unilever. Of these, Nestlé India establishes itself as a leader by committing to support programs that educate undernourished consumers on a wide variety of topics. These topics include the benefits of consuming fortified foods, benefits of a diverse diet, benefits of exclusive breastfeeding etc.
- Of the five companies mentioned above, only four disclose a commitment to fund undernutrition-oriented educational programs: Nestlé India, Hindustan Unilever, Britannia Industries and Mondelez India.
- Two companies, Adani and Cargill, were interviewed to learn from their fortification practices and consumer education programs (see Box 27).

TABLE 15 Type of education programs for the undernourished

	Amul	Britannia Industries	Coca-Cola India	Hindustan Unilever	Mondelez India	Mother Dairy	Nestlé India	Parle Products.	PepsiCo India	Ruchi Soya
Benefits of consuming fortified foods		●					●			
Benefits of maternal micronutrient supplementation							●			
Benefits of exclusive breastfeeding		●					●			
Benefits of safe, timely and adequate complementary feeding for infants and young children							●			
Benefits of dietary supplementation for infants and young children		●		●			●			
Benefits of infant/child micronutrient supplementation		●		●			●			
Benefits of a diverse diet			●	●	●		●			
Benefits of access to drinking water and sanitation			●	●	●		●			

Not filled in means no and/or not specified.



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BOX 26 NESTLÉ INDIA PROGRAMS EDUCATING UNDERNOURISHED CONSUMERS

Nestlé India establishes itself as a leader by committing to support programs that educate undernourished consumers on a wide variety of topics. For example, the company implemented the Swasth Jananee, Swasth Shishu program in partnership with Mamta Health Institute for Mother and Child. The program was implemented in Delhi, reaching out to over 130,000 people living in slum conditions. It focussed on creating support groups for pregnant and lactating women, to counsel them on good nutrition and breastfeeding practices.

This included creating awareness about the benefits of iron and folic supplementation, balanced diet, good hygiene and good complementary feeding practices. It also included spreading awareness on the early initiation of breastfeeding and the benefits of exclusive breastfeeding. The program involved the health care system and stakeholders from the community to create an enabling environment for the best health outcomes.

BOX 27 THE CONSUMER EDUCATION PROGRAMS OF ADANI AND CARGILL

Adani Foundation works with local grassroots NGOs to be able to reach the most marginalized segments of India's population. The Foundation's flagship malnutrition and anemia reduction project 'Suposhan' is a leading example of consumer education. The company applied a community management approach where local health workers, familiar with the local culture and habits, play a major role to help identify malnutrition and to share health and nutrition knowledge with children, adolescent girls and women of childbearing age. The community health workers receive monthly training.

Cargill has a strategic partnership with CARE. Their cooperation focusses on a number of areas including educating undernourished consumers, specifically children under six, adolescent girls, pregnant and lactating women. Cargill is reaching out to more than one million people across 750 villages over three districts of Madhya Pradesh and building capacities within the communities for better nutrition practices and strengthening the government programs. Cargill & CARE partnership project 'Madhya Pradesh Nutrition Project' provides health and nutrition training, promotes safe drinking water and sanitation, and helps create kitchen gardens to improve nutritional intake and provide income.

NOTES

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All links accessed August 2016.

F Labeling

Informative labeling and appropriate use of health and nutrition claims (15% of Corporate Profile score)

An important way to help Indian consumers choose healthy diets and the right products for them is to provide them with accurate, comprehensive and readily understandable information about the nutritional composition and potential health benefits of what they eat. This can be done through nutrition labels on the back and front of packs, responsible use of nutrition and health claims, and by providing nutritional composition information online. Everyone can benefit from this information whether they are trying to maintain a healthy weight, lose weight, manage diabetes, hypertension or similar diet-related chronic diseases, or if they are deficient in particular micronutrients.

This Category assesses companies' approaches to product labeling and their use of health and nutrition claims, particularly with respect to the consistency of their application across product portfolios and their accordance with international standards that go beyond national regulation such as CODEX labeling standards (see F1 Nutrition labeling).

The assessment is divided into two criteria:

F1 Nutrition labeling

F2 Health and nutrition claims

To perform well in this Category, companies should (in addition to observing national standards where they exist):

- Adopt and publish a policy on labeling that goes beyond Indian law¹ and comply with: 1) CODEX labeling recommendations; 2) Including all key nutrients on back-of-pack labels (i.e. trans fat, saturated fat, separate to total fat, dietary fiber, sodium (or salt)); 3) Present this information as a percentage guideline of daily amounts or daily values; 4) Provide the appropriate information for single and multiple portions; and 5) Commits to providing nutritional information on the front of packs.
- Provide nutritional information online for all products in order to enhance consumers' access to information about what they are eating.
- Adopt and publish a policy on the use of health and nutrition claims that states that these claims will only be placed on products if they are in full compliance with the relevant Codex standard.²
- Track the number of products (that meet their healthy standard) that carry health claims and nutrition claims.

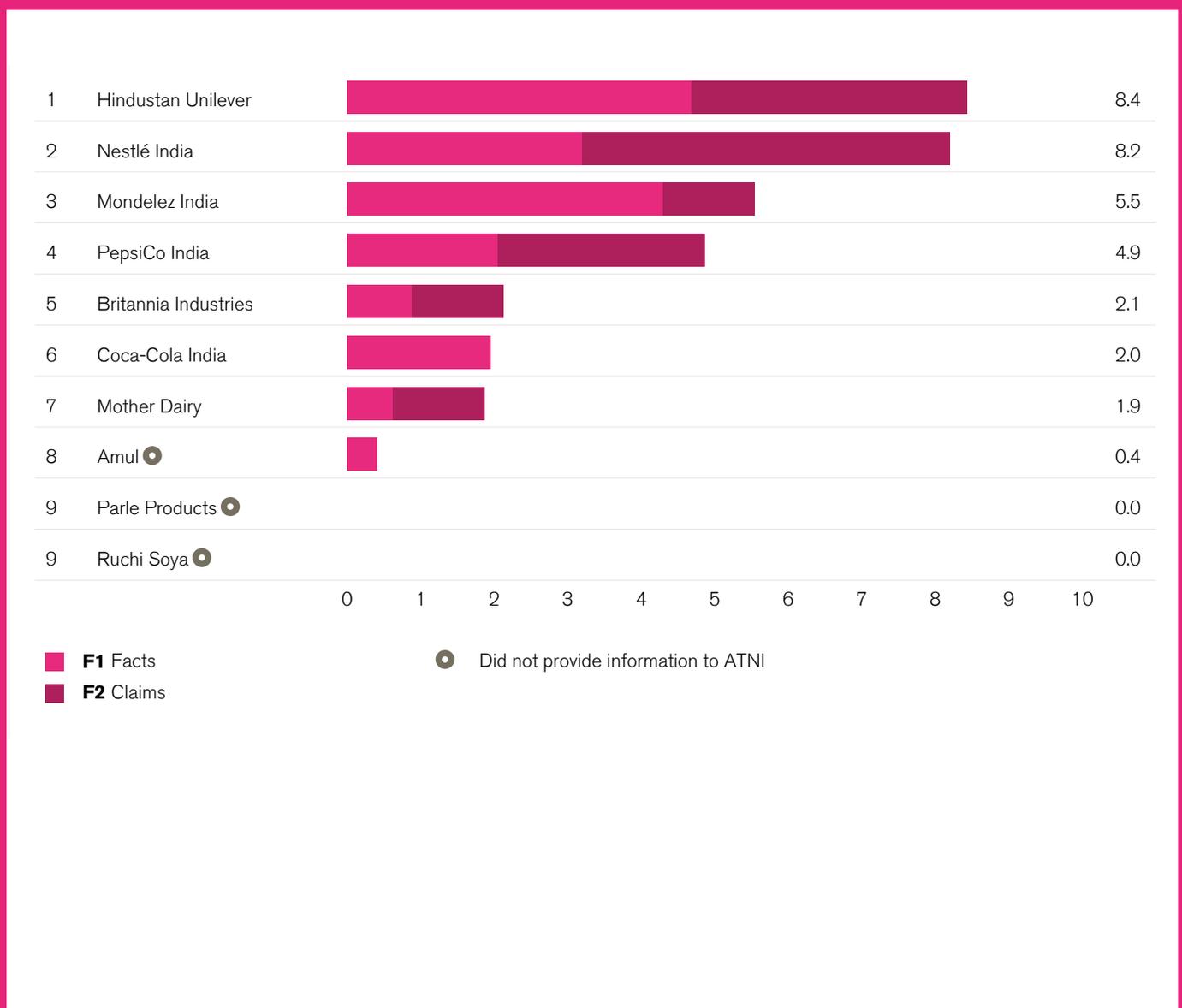
Methodology changes between the Global and India Spotlight Index

Similar to the Global Index Methodology, the India Spotlight Index labeling indicators are based on the requirements of the Indian law and Codex guidelines on nutrition labeling and use of claims. As with other Categories, the indicators in Category F has been streamlined: for instance, in this edition companies are not asked whether they commit to interpretative front-of-pack labeling.

Moreover, indicators related to labeling fortified products were removed because this is already regulated by Indian law to some extent. As a result, there is no Undernutrition section in Category F.

Finally, a performance indicator assessing whether companies voluntarily implement Codex labeling guidelines has been added. Evidence on which companies are scored was gathered by The George Institute as part of the Product Profile research (see Section Product Profile).

Results



Key findings

- Hindustan Unilever places highest overall in Category F, with a score of 8.4. Nestlé India also scores high at 8.2. The top four scoring companies in Category F are all Indian subsidiaries of multinational companies, followed by Britannia Industries, Indian-based company, ranking fifth. Despite this, Category F is an area in which companies, in general, demonstrate low performance.
- In general, Indian-based companies demonstrate a low level of commitment to disclose nutritional information. Scores in this category remain low, with an average score of only 3.3 and none disclose a commitment to back-of-pack and/or front-of-pack labeling. However, Mother Dairy and Britannia Industries have taken the first step by disclosing some commitments and initiatives to provide nutritional information on products.
- With respect to compliance with Codex CAC/GL 2-1985, Mondelez India, Nestlé India, Coca-Cola India and Hindustan Unilever apply their strong global commitments to disclose nutritional information on a per serving basis for both single and multiple portion products. Mother Dairy is the only Indian-based company to demonstrate best practice in this area by complying with Codex CAC/GL 2-1985 for both single and multiple portion products.
- Although most products on the market that were assessed by The George Institute comply with Indian labeling regulations (for most of the companies, compliance was over 90%) only Mondelez India, Hindustan Unilever and Nestlé India label their products to a large extent in line with voluntary Codex guidelines (85%, 79% and 61% of products respectively).
- Only Britannia Industries and Coca-Cola India demonstrate best practice in term of providing nutrition information online. They disclosed that they provide this online on their websites (in sections dedicated to their products) for 90% or more of all their products offered in India. Mother Dairy and Hindustan Unilever provide nutritional information online on their websites for between 50-90% of their products, indicating progress towards best practice.
- Indian subsidiaries of all five multinational companies disclose that they will only place a nutrition claim on a product if that claim complies with Codex. Mother Dairy is the only Indian-based company to demonstrate this best practice with respect to nutrition claims.

Key recommendations

- **Indian-based companies particularly should adopt formal commitments to provide nutrition information on product labels beyond legal requirements:** While Indian-based companies may be providing some nutrition information on their products, they do not disclose any systematic policies or commitments in this area that go beyond legal requirements, e.g. by providing fuller nutrition information as stipulated by Codex. This is a key area for improvement, as policies demonstrate a company's strategic commitment to increased disclosure.
- **Indian-based companies should adopt policies that comply with Codex, both with respect to product labeling, and with respect to health and nutrition claims:** As stipulated in Codex CAC/GL 2-1985 for product labeling, companies should disclose nutritional information on a per portion basis – Mother Dairy is the only Indian-based company that commits to doing so for both single and multiple portion products. With regard to labeling, all companies can improve by complying with Codex standards by providing information on two additional components – saturated fat and sodium⁹. Moreover, companies originating in India can also improve by stating their commitment to comply with Codex guidance on health and nutrition claims. None of the Indian-based companies, except Mother Dairy, state that they will only place a health or nutrition claim on their product when it complies with Codex. Mother Dairy sets a positive example, as it states that when the national Food Safety and Standards Authority of India (FSSAI) regulations are not stated, it endeavors to take into account Codex guidance.
- **All companies should provide full nutrition information online:** In order to make the nutrition content of their products easily and widely accessible, all companies should aim to increase publication of nutrition information online. For the 2016 India Spotlight Index, only Britannia Industries and Coca-Cola India disclosed that they provide nutritional information online for 90% or more of all products.

F1 Nutrition labeling

The WHO Strategy on Diet, Physical Activity and Health states that consumers require accurate, standardized and comprehensible information on the content of food items in order to make healthy choices.

Nutrition information is provided on product packages in two ways:

- Back-of-pack (BOP) labels that list the nutrient content of products.
- Front-of-pack (FOP) labels that typically summarize quantitative information about levels of key components of the products (generally based on what is provided on the back of packages).

In India, at the time of the research companies were required by law to label certain nutrients on the back of packs (energy, protein, carbohydrate, sugar and total fat⁴.) Codex also recommends labeling saturated fat separately, and sodium – or salt, and, in some countries, trans fat).⁵ The Indian regulation does not provide a standard template. It does, however, stipulate which information is mandatory (see Figure 1).

FIGURE 1 Mandatory information of packaged food products based on Indian regulation



Nutritional Information				
	Hindi traslation	per 100g/ml	per serving	
energy	ऊर्जा मान	kcal	kcal	mandatory
Protein	प्रोटीन	g or ml	g or ml	
Carbohydrate	कार्बोहाइड्रेट			
of which				
-Sugars	शक्कर की मात्रा निर्दिष्ट	g or ml	g or ml	Voluntary (once you decide to declare voluntary nutrient(s), the information per 100g or 100 ml or per serving is mandatory)
Fats	वसा	g	g	
For claims only				
— saturated fatty acids	संतृप्त फैटी एसिड	g	g	
— mono-unsaturated fatty acids	मोनो असंतृप्त वसायुक्त अम्ल	g	g	
— polyunsaturated fatty acids	पाली असंतृप्त वसायुक्त अम्ल	g	g	
---Cholesterol	कोलेस्ट्रॉल	mg	mg	
---Trans-fatty acids	ट्रांस वसायुक्त अम्ल	g	g	
Vitamins and Minerals	विटामिन और खनिज	Metric units	Metric units	

Source: <http://compliancecloud.selerant.com/latestnews/india-labeling-guidance-available.aspx>

BOX 28 DISCLOSING PRODUCT NUTRITION INFORMATION ONLINE

In this digital age, many consumers increasingly look up information online. Companies should work to ensure that they provide full nutrition content information on their corporate or brand websites, that is easily accessible, to make it more convenient for consumers to learn about their products.

In India, companies also need to state on labels whether products are enriched with micronutrients e.g. minerals, proteins, vitamins, metals or their compounds, amino acids or enzymes. However, because this is already regulated by law companies are not assessed on this point in the Corporate Profile. The percentage of products with labels that comply with Indian regulations (and the stronger Codex recommendations) was assessed as part of the Product Profile study carried out by The George Institute.

BOP labels are generally quantitative and can be difficult for consumers to interpret quickly and easily, particularly when they are making purchasing decisions based on the relative healthiness of different products. Most consumers have expressed a preference for labels that are easier to interpret and several studies have indicated that putting summary nutrition information on FOP labels attracts consumers' attention to nutrition information.⁶

India does not require mandatory FOP labeling nor does it prohibit such labeling. Several schemes are in use in other countries which companies could, therefore, apply in India, such as the traffic light system in use in the UK, the Facts Up Front scheme that originated in the U.S. or the Health Star Rating used in Australia.

Basis for company assessment

This criterion focusses on companies' own policies and commitments rather than simply their compliance with national regulations.

The assessment is based on input from the ATNI Expert Group, and the indicators related to BOP labeling are based primarily on Codex guidance on food labeling which goes beyond local regulation.

Companies are assessed on whether:

- They state commitments to disclose nutritional information on both FOP and BOP labels.
- With respect to BOP labels, commit to providing information on all key nutrients as recommended by Codex,⁷ and to state this information on a per serving or per portion size basis relative to daily values⁸ or guideline daily amounts.⁹
- With respect to FOP labels, commit to providing some type of numeric information on key nutrients.
- The proportion of labels that meet Indian regulatory requirements and the proportion that meet Codex standards.
- The proportion of nutrition information published online.
- Disclosure of their labeling policy/commitments

Detailed results

Nutrition general

What did multinational companies commit to in the Global Index regarding labeling and how does this relate to companies' commitments in India?

- Nestlé India and Coca-Cola India disclose documents stating that they comply with Codex CAC/GL 2-1985 globally and in India, for both single and multiple portion products. This means that these two multinational companies commit to providing nutrition information on a per serving or per portion basis (or on a per 100g/100ml basis) for products packaged either as single or multiple portions.
- Two multinational companies, Mondelez India and Hindustan Unilever disclosed documents stating that they comply with Codex CAC/GL 2-1985 for at least single portion products globally, without specifying that this compliance also extends to multiple portion products. However, in India, these companies stated that they comply with Codex CAC/GL 2-1985 for both single and multiple portion products. Thus, Mondelez India and Unilever demonstrate stronger performance in India than globally, with respect to compliance with Codex labeling.
- PepsiCo India aligns with its global commitment and complies with Codex CAC/GL 2-1985 for single portion products, i.e. it has a commitment to providing nutrition information on a per serving basis for single portion products.

To what extent have companies adopted best practice BOP and FOP labeling policies in India?

Nutrition general

- All five multinational companies assessed on the India Spotlight Index – Mondelez India, Nestlé India, PepsiCo India, Coca-Cola India and Hindustan Unilever – commit to disclosing nutrition information on their products both through back-of-pack and front-of-pack labeling. None of the Indian-based companies has a formal commitment to disclose nutrition information on back-of-pack and/or front-of-pack labels.
- Hindustan Unilever is the only company that commits to providing back-of-pack information for the two nutrients not covered by Indian regulations: saturated fat separate to total fat and sodium (salt). Indian-based companies fall behind on this, as none of them disclose a formal commitment to provide nutritional information on ingredients not covered by Indian regulation. See Table 16.
- All five multinational companies provide numeric information on levels of key nutrients on front-of-pack labeling and show the percentage recommended daily intake or a similar measure. None of the Indian-based companies use any front-of-pack labeling and none disclose any numeric information on levels of nutrients.

TABLE 16 Commitment to providing Back-of-Pack nutrition information on nutrients not covered by Indian regulation in force at the end of June 2016

	Saturated fat separate to total fat	Transfat	Dietary Fibre	Sodium (salt)
Amul				
Britannia Industries				
Coca-Cola India	●			●
Hindustan Unilever	●	●	●	●
Mondelez India	●		●	●
Mother Dairy				
Nestlé India	●		●	●
Parle Products				
PepsiCo India	●	●		●
Ruchi Soya				

Not filled in means no and/or not specified.



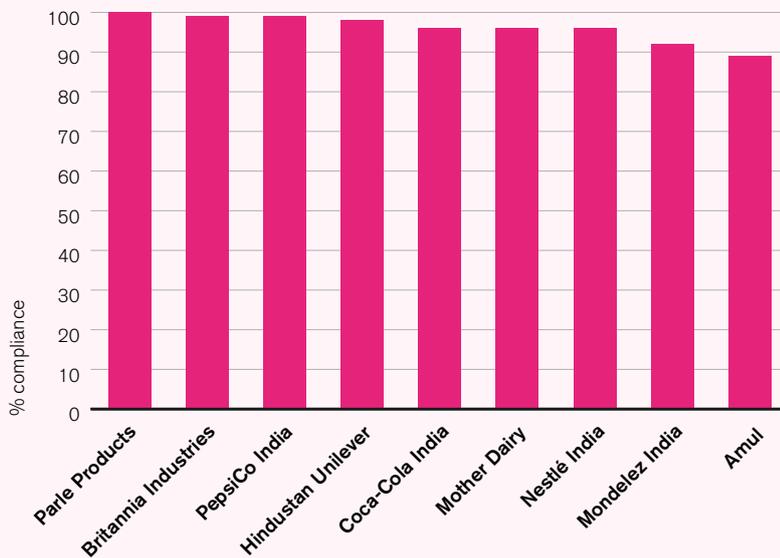
© Exotica / Alamy Stock Photo

To what extent do companies meet Codex labeling standards?

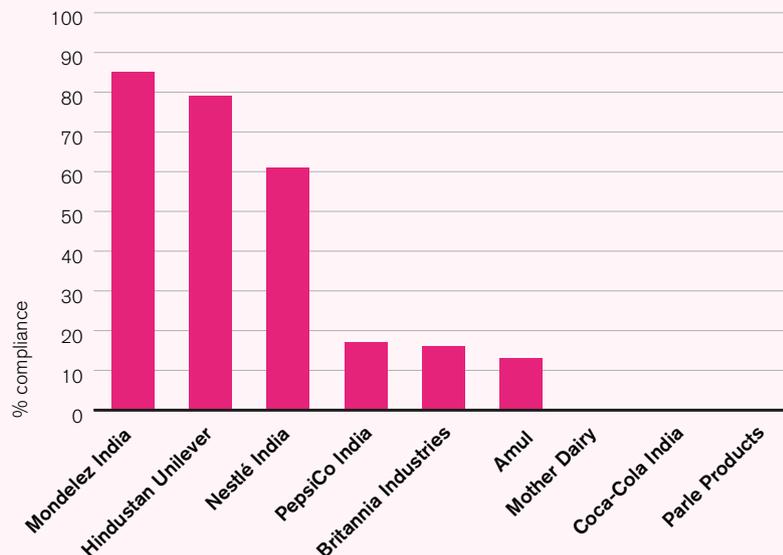
(This indicator has been scored by means of labeling data collected by The George Institute – for more details, see the Product Profile chapter)

- The study conducted for ATNF by The George Institute that assessed the labeling of a large number of the companies' products found that although most companies comply with Indian labeling regulations to a large degree (with a couple of exceptions), their compliance with Codex labeling guidelines that go beyond the Indian regulatory requirements is low. Only Mondelez India, Hindustan Unilever and Nestlé India demonstrated a high degree of compliance with the Codex guidelines (levels of 85%, 79% and 61% respectively).

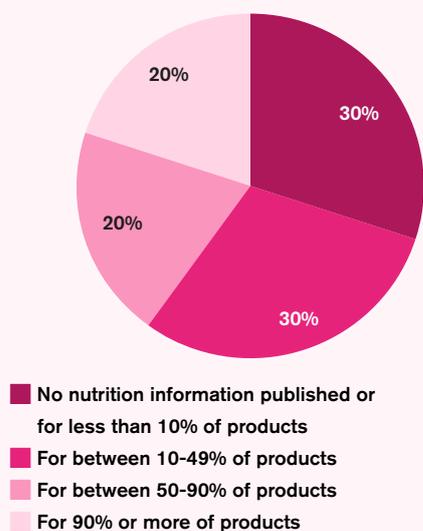
GRAPH 8 Percent compliance with Indian labeling regulations by company – overall product portfolio (9 companies)



GRAPH 9 Proportion of each company's products meeting Codex nutritional labeling recommendations



GRAPH 10 Scope of nutrition information provided online



Note: Neither ATNF nor TGI assessed whether these figures are accurate. They were provided by the companies.

To what extent do companies provide consumers with nutrition information online?

Nutrition general

- Only Britannia Industries and Coca-Cola India stated that they provide nutrition information online for 90% or more of all their products. Mother Dairy and Hindustan Unilever provide nutritional information online for between 50-90% of their products.

F2 Use of nutrition and health claims

Health and nutrition claims can help consumers choose food and beverages that have (or do not have) specific levels of nutrients or ingredients in them. They can also be aimed at helping consumers to manage certain health conditions such as high cholesterol or diabetes. In order for this to be the case, companies must use health and nutrition claims responsibly. Use of nutrition claims without reference to any standards and use of unapproved health claims, can be misleading to consumers and hinder their ability to make informed purchasing choices.

Nutrition claims highlight products that are a good source of nutrients, such as calcium that may be beneficial to a consumers' health. They might also indicate a specific vitamin or a better source of vitamins or nutrients relative to other foods within the category. These claims are also used to highlight products that have low or lower levels of items for which guidelines recommend reduced consumption, such as salt/sodium, trans fats, saturated fats or sugar.

Health claims are, "any representation that states, suggests, or implies that a relationship exists between a food or a constituent of that food and health."¹⁰ Health claims may help consumers choose foods that reduce the risk of disease, manage a health condition or improve their health. For instance, a health claim on a product may state that it can reduce the risk of heart disease, high blood pressure or osteoporosis, or improve digestive health.

In India, health and nutrition claims are governed by the Food Safety and Standards (Packaging and Labeling) Regulation, 2011. All health, nutritional claims and risk reduction claims are scrutinized by the FSSAI authorities and the claims need to be validated by test data.¹¹ This act states that all foods bearing false claims are 'misbranded' and therefore prohibited.

Labels should not:

- Contain reference to Act or rules or regulations contradictory to required particulars.
- Use words implying recommendations by medical profession.
- Contain false, misleading or deceptive statements.
- There shall be no advertisement of any food which is misleading or contravening the provisions of Food Safety and Standards Act, 2006 (34 of 2006) or the rules/regulations made thereunder.

FSSAI is currently developing additional guidelines on nutrition and health claims and regulation – but they are still in the draft phase.¹²

Globally, Codex sets stricter guidelines for the use of health and nutrition claims.¹³ This guidance defines terms and states conditions under which various claims can be used. It also notes that claims should be consistent with national policies on health and nutrition.

Basis for company assessment

The indicators in F2 are based on input from the ATNI Expert Group because of a lack of robust national guidelines on Codex guidance on the use of health and nutrition claims.

Companies are assessed on whether they:

- Have policies that state that they will only use health and nutrition claims when those claims comply with Codex guidance.
- Track and disclose the number of products that carry health or nutrition claims.
- Disclose their commitments on using health and nutrition claims.

Detailed results

To what extent do companies follow best practice policies controlling their use of health and nutrition claims in India?

Nutrition general

- Mondelez India, PepsiCo India, Nestlé India and Hindustan Unilever disclose that they only place a nutrition claim on a product if that claim complies with Codex. In addition, Mother Dairy is the only company originating in India to demonstrate this best practice with respect to nutrition claims.
- Mondelez India, Nestlé India and Hindustan Unilever are the only three companies that disclose a statement/policy that they will place a health claim on a product only if that claim complies with Codex. In addition, Mother Dairy is the only company originating in India to demonstrate this best practice with respect to health claims.
- Nestlé India, Hindustan Unilever and PepsiCo India are the only three companies that track the number of products that meet their healthy standards and that carry health and nutrition claims. They are the only three companies to demonstrate best practice with respect to performance on health and nutritional claims.

NOTES

- ¹ Energy, protein, carbohydrate, sugar and total fat must be labeled by law. The law was extended in June 2016 when a new rule was introduced stipulating that saturated fat and trans-fat must be labeled too.
- ² Codex standard CAC/GL 23-1997, amended most recently in 2013
- ³ Note that in June 2016 the government issued new requirements that companies should label saturated fat and transfat, bringing the Indian regulations closer to Codex standards.
- ⁴ In June 2016 the Indian government published a notification that "(iii) Every package of edible oils, interesterified vegetable fat, both hydrogenated or partially hydrogenated oils, edible fats, margarine and fat spreads (mixed fat spread and vegetable fat spread) and package of food in which fats, oils and fat emulsions is used as an ingredient shall declare the quantity of trans fat content and saturated fat content on the label." http://www.fssai.gov.in/Portals/0/Pdf/Gazette_Notification_Edible_Trans_Oils_Fats_02_06_2016.pdf
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- ⁶ Becker, M., Bello, N., Sundar, R., Peltier, C., & Bix, L. (2015). Front of pack labels enhance attention to nutrition information in novel and commercial brands. *Food Policy*, 56, 76-86. <http://dx.doi.org/10.1016/j.foodpol.2015.08.001>
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- ¹² Food Safety and Standards Authority of India (Ministry of Health and Family Welfare),. (2012). *Subject: Draft "Regulation on Labelling (Claims)"*. New Delhi. Retrieved 9 August 2016, from <http://www.fssai.gov.in/Portals/0/Pdf/covering%20letter%20for%20draft%20regulation.pdf>
- ¹³ *Ibid*

All links accessed November 2016.

G Engagement

Engagement with governments, policymakers and other stakeholders (5% of Corporate Profile score)

Companies can have an impact on consumers' access to healthy foods by engaging constructively with the Indian government and policymakers on key nutrition issues. This can relate to, for example, support of the adoption or revision of regulations on better product labeling, better use of nutrition content and health claims, or, with respect to undernutrition, adoption of national fortification standards or strategies. Transparency with respect to these activities is essential so that other stakeholders can understand companies' activities with respect to the government and the positions they take.

In addition, constructive engagement by companies with a wide range of other stakeholders (including international organizations in India, civil society organizations and academia) should be used to inform corporate nutrition strategies, policies and practices.

This Category focusses on companies' engagement with governmental and non-governmental stakeholders on corporate nutrition practices and nutrition-related issues.

Companies are assessed under two criteria:

G1 Influencing governments and policymakers

G2 Stakeholder engagement

To perform well in this Category, companies should:

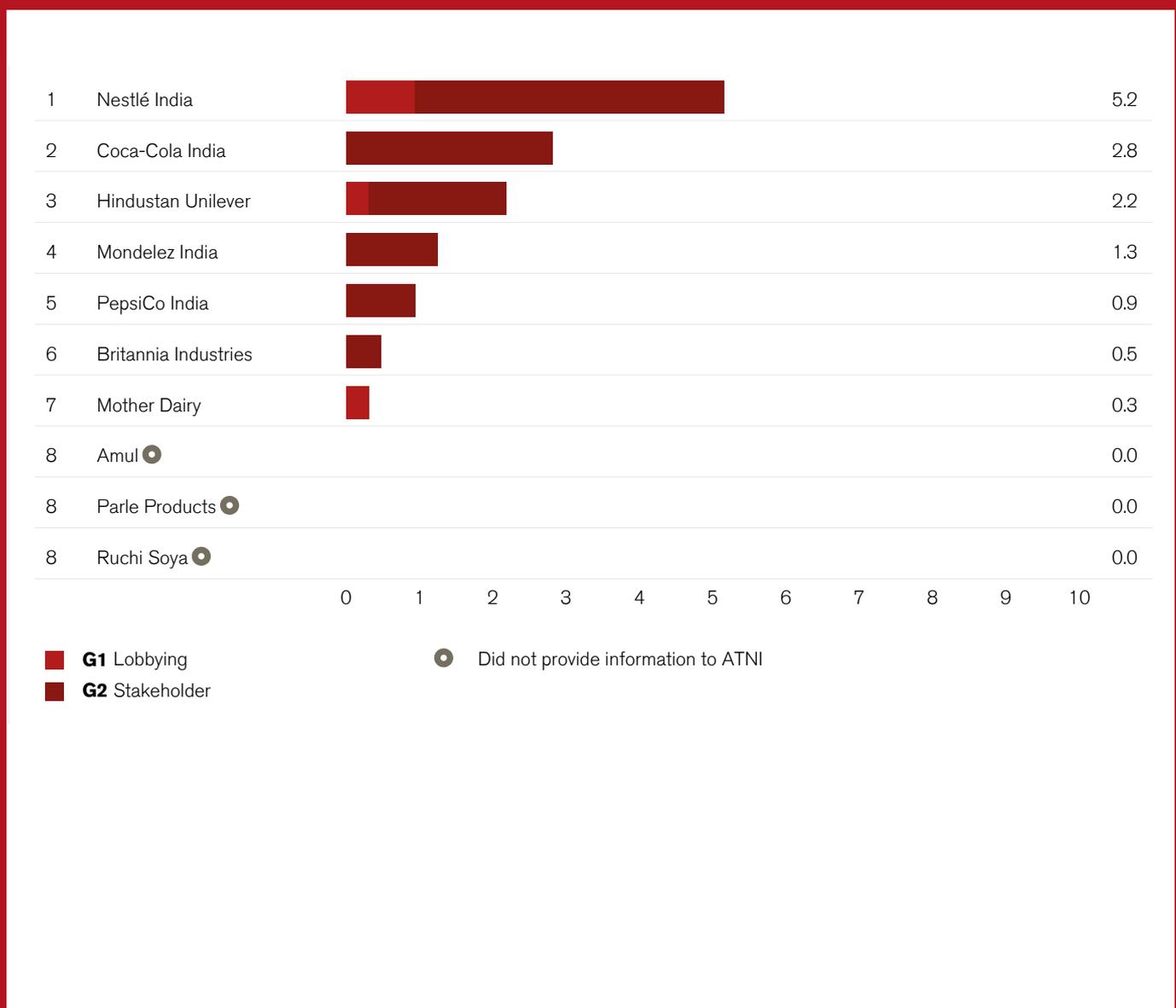
- Commit to engage with the Indian government and policymakers – when requested – in support of preventing and addressing obesity, diet-related chronic diseases and undernutrition.
- Disclose fully, on a global basis, their lobbying activities, their positions on nutrition issues and their membership and funding of industry associations and lobbying organizations.
- Disclose any Board seats on such bodies and any potential governance conflicts of interest (or state that none exist).
- Demonstrate a comprehensive, structured approach to stakeholder engagement.
- Provide evidence of extensive engagement with stakeholders to solicit input on their nutrition strategies, policies, performance and disclosure.
- Report on how the input received through stakeholder engagement is used to improve the company's strategies, policies and/or practices.

Methodology changes between the Global and India Spotlight Index

For the first criterion, G1, the focus of the India Spotlight Index is on how companies engage with the Indian government and policymakers, but less on lobbying activities, because companies are not invited to be involved in policymaking in India. Questions on engagement with government and policymakers on undernutrition have been omitted, as experts informed ATNI that this is not common practice.

As the principles of engagement are universal, the India Spotlight Index methodology mostly follows the Global Index. We have limited the number of indicators and all approaches to stakeholder engagement are scored (rather than only the use of AA1000, as was the case in the Global Index, because this standard is not well known in India).

Results



Key findings

- Scores on Category G are the lowest of any category in the 2016 India Spotlight Index. While the companies assessed demonstrate varying levels of stakeholder engagement, overall there are opportunities to better structure and advance the dialogues between companies and key stakeholders on nutrition topics.
- Nestlé India is the leader with a score of 5.2 out of 10. Both publicly and upon engagement, the company disclosed various activities related to engaging with regulators and expert groups on nutrition issues, including consulting them on how to strengthen its own nutrition strategy. Notably, Nestlé India provides more disclosure in this area than its parent company for the 2016 Global Index. Nestlé India is the only company in this Index that provided commentary on collaboration with external experts to enhance its product fortification strategy.
- Coca-Cola India and Hindustan Unilever rank second and third respectively. They provide narratives about the experts they engage and the focus of their engagement, which typically relates to their commercial strategies.
- Mondelez India ranks fourth for its commitment to structure its engagement activities according to the AA1000 standard, in line with its parent company's commitment. However, the company has not disclosed actual engagement activities designed to enhance its nutrition strategy with experts or organizations in India.
- PepsiCo India and Britannia Industries rank fifth and sixth respectively. Both companies, upon engagement, provided some relevant evidence on how they use feedback from nutrition experts.
- Ruchi Soya, Parle Products and Amul neither publicly reported their activities in this area nor did they provide commentary through feedback to ATNF during the engagement process. Upon engagement, Mother Dairy states that it has been engaging policymakers as well as industry for many decades to advance national product fortification policies.

Key recommendations

- **When requested, be available to engage with policymakers and policymaking bodies in support of preventing and addressing obesity and diet-related chronic diseases:** Food and beverage companies play a significant role in the lives of millions of consumers across India by providing numerous food and beverage choices on a daily basis. As such, they are in a position to contribute to a wider discussion on nutrition at the public policy level by sharing expertise, know-how and other valuable resources.
- **Engage external experts on nutrition and undernutrition:** Companies should engage systematically with expert organizations specializing in nutrition in India to formulate and evolve their business strategies and solicit feedback on their performance on nutrition. This would allow companies to better understand and respond to local perspectives.
- **Increase transparency:** Those companies that have not yet started disclosing their stakeholder engagement activities should do so. Companies are encouraged to be transparent about who they engage, how, why and the results of such activities. The public would benefit from understanding the role and the competency of selected organizations/experts the companies engage with. In addition, greater transparency would address perceived conflicts of interest and enhance the companies' trustworthiness.

G1 Lobbying and influencing governments and policymakers

In this criterion, companies are assessed on the level of disclosure of their involvement in and financial support for industry associations (which sometimes lobby on companies' behalf) and on disclosure of documents that set out their various nutrition positions.

Basis for company assessment

In the absence of consensus guidelines or statements from bodies that set the norm, the assessment approach (developed in consultation with the ATNI Expert Group) incorporates existing good corporate practices and parallels the approach used by other indexes and rating systems that assess companies' lobbying efforts in other sectors.¹

Companies are assessed on whether they:

- Commit to engage with policymakers and policy-making bodies when requested, in support of preventing and addressing obesity and diet-related chronic diseases.
- Disclose membership of industry associations, support for lobbyists (individuals or groups), think tanks, interest groups or other organizations that lobby on its behalf.
- Disclose financial support provided to these organizations, Board seats at industry associations, advisory bodies and potential conflicts of interest.
- Disclose policy positions on key nutrition issues and their membership of industry associations and lobbying groups.

Detailed results

Is there evidence that companies have commitments and disclosure related to how they lobby and engage with governments on overweight and obesity and diet-related chronic diseases?

Nutrition

- Nestlé India and Hindustan Unilever are the only two companies that disclose the details of their memberships in industry associations, think tanks and other organizations that engage with the government to support public health goals. For example, both companies disclose that they have membership in the Confederation of Indian Industry (CII) and the Federation of Indian Chamber of Commerce and Industry (FICCI). However, like other companies assessed for this Index, they do not report their financial contributions to these organizations, any potential conflicts of interest (nor state that none exist), or Board seats at industry associations and on advisory bodies related to nutrition issues.
- Nestlé India is the only company that publicly reports its engagement with government bodies and regulators to contribute to the development of the food-related legislation. Regarding nutrition issues, the company works to ensure “harmonization of Indian food regulations with the Codex Alimentarius and other best practices”, which is leading practice. The other nine companies do not disclose their public policy positions to form the basis for public advocacy work with respect to health and nutrition claims associated with product enhancement features; front-of-pack labeling; fiscal instruments related to nutrition; or marketing to children.

G2 Stakeholder engagement

Companies have numerous stakeholders (including consumers, nutrition experts/academics, civil society organizations, think tanks, investors etc.); engaging with and responding to them is an essential component of good business practice. Companies should solicit stakeholders' views on its strategy, policies and nutrition practices on a regular basis (every year or two years, in order to identify areas for improvement). This is also good practice when a company is developing a new policy, setting new targets or developing new initiatives or programs.

Basis for company assessment

This section evaluates standard elements of good corporate practice in stakeholder engagement and parallels the approach used by other indexes and rating systems, that evaluate companies' stakeholder engagement practices in other sectors.

Companies are assessed on whether they:

- Conduct comprehensive, well-structured engagement focused on improving business strategy and performance.
- Provide evidence of extensive engagement with international organizations and/or local organizations with specialist knowledge of nutrition issues.
- Provide examples of how engagement has been used to change policies or practices.
- Provide evidence of engagement with relevant organizations on undernutrition.
- Provide a narrative on their engagement with stakeholders on undernutrition.

BOX 29 THE AA1000 STAKEHOLDER ENGAGEMENT STANDARD – EXAMPLE MONDELEZ INDIA

This industry standard developed by the independent organization Accountability, sets out best practice guidelines for developing and conducting effective and responsible stakeholder engagement. It addresses organizational commitments, scoping and integration with company practices, as well as guidelines to assist in engagement planning, execution, feedback implementation and effectiveness review.

To engage effectively with stakeholders, this standard recommends that companies first map out relevant groups and determine the appropriate type, level and frequency of engagement with each. Thereafter, companies should develop a systematic approach to engagement and report regularly on what they have learned and how they have taken into account the input of stakeholders from that engagement. The standard is publicly available at www.accountability.org/standards/aa1000ses.html

One of the few companies adopting the AA1000 engagement standard is Mondelez India, following the steps of its parent company, that conducts a broad set of engagement initiatives focused on business strategy and performance, including considerations for product profiling and product development.

This included creating awareness about the benefits of iron and folic supplementation, balanced diet, good hygiene and good complementary feeding practices. It also included spreading awareness on the early initiation of breastfeeding and the benefits of exclusive breastfeeding. The program involved the health care system and stakeholders from the community to create an enabling environment for the best health outcomes.

Detailed results

To what extent do companies engage systematically with relevant stakeholders on nutrition issues?

Nutrition

- Mondelez India and Nestlé India are the only two companies that use the AA1000 standard to structure or inform their stakeholder engagement activities. The rest of the companies assessed for this Index do not report having a standard procedure for engaging with stakeholders in soliciting their feedback.
- In terms of the depth and breadth of stakeholder engagement, Coca-Cola India, Nestlé India and Hindustan Unilever report that their activities involve various expert groups, that are structured and focus on their nutrition strategies and related performance. Upon engagement, Britannia Industries and PepsiCo India state that they also engage with nutrition experts; however, the reported activities do not seem to be well structured. Amul, Mondelez India, Mother Dairy, Parle Products and Ruchi Soya do not report on whether they consult expert organizations on their nutrition strategies, policies or practices.

BOX 30 PUBLIC DISCLOSURE BY COCA-COLA INDIA OF ENGAGEMENT WITH STAKEHOLDERS

Coca-Cola India provides a narrative on who it engaged with, what kind of feedback it received and its plans to address feedback. For example, it engaged consumers through toll-free hotlines and satisfaction surveys, who provided feedback related to nutritional information. The company's response was to enact its commitment to providing transparent nutrition information, conducting active healthy living programs, and implementing female empowerment programs.



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- Of the five companies that report on engaging with stakeholders, only Coca-Cola India provides explicit public disclosure of the stakeholder groups it engaged; the main points of their feedback on its performance including its nutrition strategy; and how it acted on received feedback. Nestlé India discloses a broad statement about the benefits of stakeholder dialogue. The companies are encouraged to increase transparency surrounding their stakeholder engagement activities to provide greater clarity on the expertise they rely on in deciding its nutrition strategy.

Undernutrition

- With the exception of Nestlé India, no other company assessed was able to provide evidence of engaging with undernutrition experts to solicit input on its commercial strategy on undernutrition. Nestlé India states that it engages with expert organizations “to understand how the food industry can be more effective in addressing issues arising from the double burden of malnutrition.”
- Another best practice example comes from Cargill. Though the company was not assessed in the methodology, it was interviewed about how it developed its approach to fortification. Through the interview, the company shared that it engaged a globally renowned NGO, GAIN, to solicit feedback on its fortification strategy (see Box 31).
- The disclosure of engagement with expert organizations that work towards addressing undernutrition in India remains a challenge for the companies assessed for this Index. To improve the health of malnourished people in India, companies are encouraged to build stronger relationships with such organizations to leverage their expert knowledge to benefit public health through nutrition.

BOX 31 CARGILL'S STAKEHOLDER ENGAGEMENT

Cargill engaged with GAIN India during the development of its commercial fortification strategy. GAIN provided scientific information and technical support to Cargill which helped the company to fortify all of its edible oils. Apart from Nestlé India, Cargill is the only company that solicited input on its commercial strategy on undernutrition.

NOTES

¹ For example: SustainAbility Ltd, & WWF UK., (2005). *Influencing Power: Reviewing the conduct and content of corporate lobbying* (1st ed.). Retrieved from <http://www.wwf.org.uk/filelibrary/pdf/influencingpower.pdf> and [Accessed: 5 November 2015] and Access to Medicine Foundation,(2016). Retrieved 9 August 2016, from <http://www.accesstomedicineindex.org/2015-methodology>

All links accessed November 2016.



Marketing of breast-milk substitutes (BMS) in India

The following section explains the scope of the assessment of marketing of breast-milk substitutes for the India Spotlight Index, how the research was carried out and sets out the results, conclusions and recommendations.

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BMS: Marketing of breast-milk substitutes

The WHO recommends that to achieve optimal growth, development and health, babies everywhere should be breastfed exclusively for the first six months, at which point safe, appropriate complementary foods should be introduced to meet their evolving nutritional requirements. It notes that complementary foods should not be used as breast-milk substitutes (BMS), and infants and young children should continue to be breastfed until they are two or older.¹

Global recommendations for infant and young child feeding are set out in WHO and UNICEF's joint 2003 Global Strategy for Infant and Young Child Feeding.² In addition, due to the sub-optimal rates of breastfeeding worldwide, and continuing poor infant mortality and health, the WHO has set several global targets for 2025 which are highly relevant to India: to reduce wasting to less than 5%, reduce stunting by 40%, increase the rate of exclusive breastfeeding in the first six months to at least 50% and curb levels of overweight children.

To protect and encourage breastfeeding and appropriate complementary feeding, the International Code of Marketing of Breast-milk Substitutes (The Code) was adopted in 1981. It sets out 'a recommended basis for action' for member states to regulate and monitor the marketing of breast-milk substitutes. Several World Health Assembly (WHA) resolutions were subsequently passed that augment The Code, clarifying and/or extending its scope and application. The Code's articles relate to different entities including governments, BMS manufacturers, healthcare systems, workers and others.

To give legal effect to The Code, countries need to enact laws and regulations. India first enacted the Infant Milk Substitutes Act in 1992 and strengthened it through an Amendment Act in 2003.³

Assessment

This assessment of BMS marketing conducted for the 2016 India Spotlight Index is intended to determine whether BMS manufacturers in India comply with The Code and the IMS Act. It was conducted for ATNF by health and social sciences research organization Westat, in partnership with the Centre for Media Studies (CMS), a not-for-profit research agency and think-tank based in New Delhi. The assessment included eight companies whose products were found in the study area (Greater Mumbai) during the summer of 2016. The same approach was used as for the 2016 Global Index, i.e. using the IGBM Protocol, adapted to the Indian context.

To perform well, companies need to demonstrate full compliance with the provisions of the IMS Act and The Code, as assessed using the IGBM Protocol.

Companies were not given notice of the study being conducted; they were only informed of the location when the study was complete. The results should be representative of the study area but cannot necessarily be extrapolated to other cities or areas of India.



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Results

Company	Level of compliance	Normalized level of non-compliances	No. of products evaluated	Total incidences of non-compliance identified
Abbott	HIGH	1.0	7	7
Amul	HIGH	1.0	1	1
Danone	HIGH	0.1	13	1
Hain Celestial	HIGH	1.0	1	1
Heinz	HIGH	1.0	2	2
Mead Johnson	HIGH	0.6	5	3
Nestlé India	HIGH	1.0	11	11
Raptakos Brett	COMPLETE	0.0	4	0
Total			44	26

Of the eight companies assessed, only Nestlé India and Amul are included in the 2016 India Spotlight Index. Thus, only these two companies' overall Index scores are adjusted based on their BMS score. The total possible adjustment is -0.75. Nestlé India's Corporate Profile score was reduced by -0.25. Amul's Corporate Profile score was reduced by -0.25.

How the level of compliance and ATNI score is calculated.

- The companies' overall score is calculated as follows, drawn from the figures presented later in this section:
- Aggregating the total number of observations of non-compliance with the methodology. However, the data based on mothers' and healthcare workers' recall are not included in these calculations for several reasons outlined in the Westat report. In short, this is because recall is subjective and can be biased in several ways. The recalled data can, however, be used to corroborate the objective information collected in the study.
- Calculating the number of incidences of non-compliance, normalized by the total number of each company's products assessed in each country, to provide a relative measure of the scale of non-compliance. Assigning a rating to reflect the level of normalized compliance: Complete (0 incidences of non-compliance, normalised), high (1 or fewer incidences), medium (between 1.1 and 2 incidences) or low (more than 2.1 incidences).
- An adjustment is made to India Spotlight Index companies' Corporate Profile scores based on the level of compliance.

Key findings

- **Regulation, monitoring and enforcement appears to be broadly effective:** Local experts noted in consultations prior to this BMS study that the Indian IMS Act is fully aligned with, and in some areas, more demanding than The Code, and that its enforcement by the Indian government was strong. This assessment reinforces that view, at least in the limited area covered by this study (although it may not be the case elsewhere in the city or across India.) Advertising of BMS products monitored appeared to be virtually non-existent in Greater Mumbai on the media assessed. Likewise, no point-of-sale promotions were found in any of the 'bricks and mortar' retail establishments visited. Company representatives appear to have little direct contact with women or healthcare workers. There were no incidences of non-compliance found on labels of any products other than one relating to Amulspray and seven relating to parallel imports. This is a credit to the strength of the IMS Act, and to diligent application by healthcare workers and vigilant monitoring by local stakeholders such as BPNI.
- **Further consideration should be given to wording allowed on product labels:** While none of the labels included the specific phrases designed to increase the saleability of products precluded by labeling regulations, many other statements were found on products that seem intended to have this effect.
- **Online product promotions are a concern:** As Westat noted in its conclusions, three online retailers, of the 12 monitored, offered promotions and price discounts. It is not possible to determine whether these online stores procure the products they sell from the manufacturers directly, or whether they initiate the promotions and discounts themselves, with or without the agreement of the manufacturers. Nevertheless, these findings have been included in the results, logged against each company whose products were being promoted or discounted. How such promotional activity might be curtailed is an area that requires more investigation.
- **Marketing websites and online magazines need to be carefully monitored:** Various websites aimed at mothers and pregnant women were found to invite mothers to "sign-up" to access information and engage in exchanges with other members. Although Westat did not find any adverts or promotions on such sites, they are, potentially, routes through which brand profile and loyalty could be established which may, in turn, lead to purchases of BMS products.
- **More focus is needed on informational and educational materials:** Some printed informational or educational materials were found in healthcare facilities. Companies should ensure that any such materials intended for healthcare workers are not left in common areas.

Key recommendations

BMS companies

- All BMS companies in India should look at whether they could take steps to exercise more control or influence over online retailers and to pre-empt marketing sites from initiating any promotions or activities that might contravene the IMS Act.

The Government of India

- While the IMS Act is strong and compliance is relatively good, the Government of India could consider acting to restrict both parallel imports and online sales promotions. It should also monitor the efforts of marketing websites to engage with pregnant woman and mothers and deter them from any activity that contravenes the letter or the spirit of the IMS Act. Further, it should consider whether it should further restrict wording on packages designed to improve saleability.

State Governments

- State Governments may also find it valuable to undertake or commission regular, comprehensive studies of compliance with the IMS Act in their areas especially in states where sales of BMS are increasing and/or where breastfeeding rates are low or falling.

Stakeholders concerned with BMS marketing

- There is ample scope for other organizations to conduct similar monitoring studies in other localities in India, ideally using the IGBM Protocol. ATNF would welcome such studies to draw upon for future Indexes.

Context

The impact of poor infant and young child nutrition in India

In India, around 1.7 million children under five die every year. Half of these deaths occur in the first 28 days of life.⁴ The WHO estimates that nutrition-related factors contribute to about 45% of deaths in children under 5 years.⁵ Moreover, poor feeding practices during the first six months of life are estimated to contribute to 53% of pneumonia and 55% of diarrheal deaths.⁶

In 2011, India had the highest number of underweight children under five in the world (around 54 million, 37% of the world's underweight children).⁷ Around 70% of these children were anemic⁸, 15% were wasted and 39% were stunted.⁹ More recent data from the Rapid Survey on Children 2015 shows that some progress is being made with the proportion of underweight children declining from 45% in 2005-2006 to a historic low of 31%.

The importance of breastfeeding

Optimal infant and young child feeding is recognized as one of the most important factors in preventing infant deaths and addressing undernutrition.

Breastfeeding confers a range of health and other benefits to infants and children, as extensive research has consistently demonstrated. Babies that are breastfed are at a lower risk of:

- 1 Dying
- 2 Gastroenteritis
- 3 Respiratory infections
- 4 Obesity
- 5 Type 1 & 2 diabetes¹⁰

A recent, systematic review and meta-analysis found that babies that continued to be breastfed 12 months of age exhibited two-fold lesser risk of mortality than those that weren't breastfed.¹¹ Research also shows that initiation of breastfeeding within one hour of birth can reduce neonatal mortality by up to 22% by averting deaths related to sepsis, pneumonia, diarrhea and hypothermia.¹¹

Mothers also benefit from breastfeeding by deriving greater protection against breast cancer, and may be better protected against ovarian cancer and type 2 diabetes in later life.¹² Recent evidence has demonstrated an association between prolonged breastfeeding and postmenopausal risk factors for cardiovascular disease. These illnesses all represent the greatest threats to women's health across all ages.¹³ By reducing the incidence of infants' and mothers' illness, extensive breastfeeding can, therefore, reduce the burden on health systems.

Rates of breastfeeding in India

The rate of breastfeeding of the 26 million babies born each year in India has been improving and is now better than the global average, as shown in Table 17. Rates of timely introduction of complementary feeding have declined recently though, and average national rates of all measures disguise significant variation by state. However, advances are being made. For example, in the seven northern states of India – where over 50% of infants are born and 72% of infant deaths occur – rates of early initiation of breastfeeding within one hour of birth increased from 12.4% in 2006 to 42.1% in 2011.¹⁴

TABLE 17 Levels of infant and child feeding globally and in India

Measure	Global %	India %
Source	UNICEF	RSC 2013-14
Infants that are initiated into breastfeeding in the first hour	43%	45%
Infants exclusively breastfed for first six months	38%	65%
Infants to whom complementary foods are introduced at 6-8 months	55%	51%

These rates need to increase if the rate of infant mortality is to fall substantially and if the health of India's children is to improve significantly. This requires more priority being placed on, and investment directed towards, achieving optimal infant feeding by national and state governments, international and national non-governmental organizations and their funders. The focus needs to be on: i) educating women – and those that influence their choices – about the importance of breastfeeding; ii) providing women, healthcare workers and healthcare facilities with the necessary support systems and tools, and; iii) continuing efforts to limit BMS companies' marketing of formula and prepared baby foods for infants under six months and to curtail their influence on women, healthcare workers and healthcare facilities.

India's regulation and monitoring of marketing of breast-milk substitutes

India first enacted the Infant Milk Substitutes Act in 1992 and strengthened it through an Amendment Act in 2003.¹⁵ (Hereafter, the term IMS Act is used to mean the two documents together). According to an analysis by the Breastfeeding Promotion Network of India (BPNI), the Act complies or exceeds The Code in all aspects, and also incorporates the additional provisions of three of the four relevant WHA resolutions. The only element it omits is that companies place a statement on the labels of BMS products, and in any informational and educational material, that they may contain pathogenic micro-organisms, a requirement of WHA resolution 58.32.¹⁶

A notable difference between The Code and the IMS Act is its scope: the latter extends to the marketing of complementary foods intended for infants up to two years, whereas The Code's scope extends only to foods intended for infants up to six months of age.¹⁷ While some experts see this as an important positive departure from The Code, encouraging mothers to prepare complementary foods at home, others see it as a problem. They argue that poor sanitation and hygiene conditions in much of India, and the lack of access of many families to nutritious local foods, means that many mothers feed their children unsafe weaning foods, of poor nutritional quality. If the marketing of manufactured complementary foods were not so restricted, they believe that more companies would make foods that would be safer and more nutritious.¹⁸

Other areas in which the IMS Act is more demanding than The Code include restrictions on informational and educational materials and labeling (explained later in this chapter).

Importantly, the IMS Act also provides for regular monitoring of The Act and for any company found to be in breach of it to be prosecuted. The Breastfeeding Promotion Network of India (BPNI) is the only non-governmental organization in India formally tasked with monitoring companies' compliance with The Act. When it identifies breaches of the Act, by companies or other entities, it writes to the appropriate ministries to request they take action. Examples of the types of concerns it has raised in recent years relate to adverts in professional journals, pamphlets produced and distributed to hospitals, sponsorship of conferences and quizzes by BMS companies, and adverts and promotions of BMS products on online retail sites.¹⁹ See Annex 4 for further detail.

The breast-milk substitute market in India

According to Euromonitor, baby foods sales increased from US\$271 million in 2010 to US\$775 million in 2015, a 24.3% compound annual growth rate.²⁰

TABLE 18 Baby food sales in India in 2015

	Total 2015 sales baby food in India, INR mn	Market share
Nestlé India	INR 23,192.6 mn	45%
Amul	INR 16,021.0 mn	31%
Danone	INR 2,050.5 mn	4%
Abbott	INR 297.7mn	0.6%
Others	INR 10,321.7 mn	20%
Total	INR 51,833.5 mn	100%

Bold denotes the company is included in the 2016 India Spotlight Index.

In 2015, Nestlé India was the biggest company in the Indian market, with a market share of 45%. Amul (the brand name under which the Gujarat Cooperative Milk Marketing Federation sells its products) commanded 31% of the market, though it only sells one infant formula product - Amulspray. Danone was a distant third, with around 4% of the market, all the other producers garner much smaller shares.

Commentators expect the market to continue to grow quickly, driven by the growth of the middle and upper classes (which now account for a quarter of India's total population), more women entering the workforce and increased urbanization and adoption of a western lifestyle.

Approach to assessment

The BMS component of the 2016 India Spotlight Index is based solely on an in-country assessment of marketing and does not include an assessment of the companies' policies, management systems and disclosure, as was the case for the 2016 Global Index. The quality and completeness of the policies and management systems of Nestlé India, Danone, Abbott, Heinz and Mead Johnson was assessed for the 2016 Global Index and the results can be found in that report.

Greater Mumbai was chosen as the geographical location for the study on the advice of ATNF's Expert Group. It has one the highest population densities in India and high GDP per capita, likely making it an appealing market for infant foods companies. Moreover, a similar study had previously been carried out in Delhi by PWC on behalf of FTSE4Good; ATNF, therefore, wished to conduct its study in a different location. Prior to conducting the study, the support of the Public Health Department of the Municipal Corporation of Greater Mumbai was sought and obtained.

As for the 2016 Global Index, ATNF contracted Westat, a US-based global health research organization, to undertake the study, building on its experience of the similar studies carried out for ATNF in Vietnam and Indonesia in 2015. Westat appointed The Centre For Media Studies (CMS) Research House as its local partner through a competitive process. CMS is an Indian-owned and managed not-for-profit, non-partisan agency based in New Delhi, India. It is a leading research organization in India with established facilities and 25 years of experience in training, interviewing and data management and media monitoring as well as other areas.

Prior to selecting CMS, Westat verified that CMS had no commercial links to the BMS companies being assessed and that the staff of the professional media monitoring service, TVADINDEX (iBankLIVE) to which media monitoring was sub-contracted, had no personal links to representatives of BMS companies.

The same methodology was used as for the Vietnam and Indonesia studies undertaken in 2015 – the IGBM Protocol (the Protocol) – on the advice of stakeholders. The Interagency Group on Breastfeeding Monitoring (IGBM) was a UK-based coalition of international NGOs, churches, academic institutions and interested individuals which originally developed and tested the Protocol between 1998-2007. Its use is now controlled by UNICEF New York.

The Protocol requires several types of research to be undertaken to assess companies' compliance with five Articles of The Code (Articles 4,5,6,7 and 9) and/or related local regulatory requirements. The research, following the requirements of The Protocol, includes interviews with pregnant women and mothers of infants in healthcare facilities, interviews with healthcare workers in healthcare facilities, identification of informational materials produced by BMS manufacturers available in healthcare facilities and retail stores, identification of sales promotions by BMS manufacturers in retail stores, analysis of product labels and inserts of products found in the study area, and monitoring of media advertising.

A full explanation of how healthcare facilities and retail outlets were selected, and how women and healthcare workers were selected and interviewed, as well as how products were identified, procured and assessed is available in the Westat report available at www.accestonutrition.org. Table 19 summarizes the scope of the study.

TABLE 19 Summary of the study's scope

Metric	Number
No. of women interviewed	808
No. of health workers interviewed	120
No. of health facilities visited	40
No. of retail outlets visited	120
No. of online retailers monitored	12
No. of products assessed	44
No. of companies assessed	8

An Indian expert reviewed Westat's analysis of the differences between The Code and the IMS Act to ensure that such differences were picked up by the research, particularly in areas where the IMS Act is stronger than The Code. The forms used for interviews and to capture information throughout the study were then adapted to account for these differences. They included, for example, the definition used in the IMS Act of the term 'advertisement', the Act's strict restrictions on informational and educational materials, and its requirements with respect to product labels and inserts.

It is important to note that while the IMS Act covers both BMS (i.e. infant formulas for infants up to 24 months and complementary foods for infants up to six months) and complementary foods for infants from six to 24 months, the latter category of products were not included in the study as ATNF's scope currently extends only to BMS.

Detailed results

Overall findings

A total of 44 products made by the eight companies were found in Greater Mumbai. Table 20 summarizes how many of each type of BMS product were found for each company. Table 21 shows which types of incidences of non-compliance were found for each company.

TABLE 20 How many of each type of BMS product were found

Company	Total no. of products found in Mumbai	Infant formula (from birth)	Follow-on formula (from 6 months on)	Growing-up milks (From 12 months on)	Complementary foods (0 - 6 months)
Abbott	7	4	2	1	
Amul*	1	1			
Danone	13	7	3	3	
Hain Celestial	1				1
Heinz	2				2
Mead Johnson	5	2	2	1	
Nestlé India	11	4	3	4	
Raptakos Brett	4	3	1		
Total	44	21	11	9	3

* No age of introduction indicated on pack. Counted as an infant formula here, though the product may be used by consumers as a follow-on formula and/or a growing-up milk.

The number of products assessed is the number bought by the research teams from a wide range of retailers. Their labels were then assessed for compliance with the methodology. However, this was not necessarily the total number of products for sale; more could have been available in stores that the researchers did not visit. Note also that products made specifically for sale in India, as well as parallel import products (designed for sale in other countries but imported by retailers or others) were also included. In one case, this meant that two versions of the same product (in terms of ingredients and branding) were assessed, as consumers are able to buy both versions.

TABLE 21 All incidences of non-compliance by company.

Company	No. of products evaluated	Total non-compliances identified	No. of unique informational and educational materials	No. of adverts found on assessed media	No. of point of sales promotions*	No. of labels with at least one non-compliance
Abbott	7	7	3	0	4	0
Amul	1	1	0	0	0	1
Danone	13	1	0	0	1	0
Hain Celestial	1	1	0	0	0	1
Heinz	2	2	0	0	0	2
Mead Johnson	5	3	0	0	1	2
Nestlé India	11	11	2	0	7	2
Raptakos Brett	4	0	0	0	0	0
Total	44	26	5	0	13	8

Note that the Westat report record the total number of non-compliances on all labels.

Here the labels with one or more non-compliance are counted as one labeling non-compliance.

Findings by company

The incidences of non-compliance identified related to each companies' products were as follows:

Abbott: A total of 7 incidences of non-compliance were found relating to Abbott's seven products. These included three informational and educational materials found in healthcare facilities. The labels of all of Abbott's seven products complied with Indian regulatory requirements. No adverts or other forms of promotion were found in 'bricks and mortar' retail stores, but four were identified on an online store.

Amul: One incidence of non-compliance was found relating to Amul's one infant formula product, Amulspray. This product's label was missing directions about how to store it. No adverts or other forms of promotion in 'bricks and mortar' retail or online stores were found.

Danone: One incidence of non-compliance was found among Danone's 13 products. No examples of informational or educational materials produced by the company were found nor any adverts or other forms of promotion in 'bricks and mortar' retail stores. All of the company's product labels complied with labeling requirements. One promotion was found on an online store.

Hain Celestial: One incidence of non-compliance was found relating to one Ella's Kitchen product which appears to be a parallel import. As a result, its label does not comply with Indian regulations in several respects (e.g. the age of introduction is listed as 'from 4 months' and required wording was missing). However, no examples of informational or educational materials produced by the company were found nor any forms of promotion in 'bricks and mortar' retail or online stores.

Heinz: Two incidences of non-compliance were found relating to Heinz's two products, both of which appeared to be parallel imports. Their labels lacked a number of elements required by the Indian regulation (e.g. the age of introduction was listed as 'from 4 months' and required wording was missing). No examples of informational or educational materials produced by the company were found, nor any forms of promotion in 'bricks and mortar' retail or online stores.

Mead Johnson: A total of three incidences of non-compliance were found relating to Mead Johnson's five products. Three of these products appeared to be intended for the Indian market and two appeared to be parallel imports. The labels of the parallel import products were not compliant with Indian regulatory requirements because they lacked several items of required information. However, no examples of informational or educational materials produced by the company were found and no adverts or other forms of promotion in 'bricks and mortar' retail stores. One promotion was found in an online store.

Nestlé India: A total of 11 incidences of non-compliance were found relating to Nestlé India's 11 products. Two of the products assessed appeared to be parallel imports. Therefore, these products' labels did not comply with Indian regulatory requirements; they omitted the words on the front of the packs in capital letters in 5mm letters saying "Important Notice: Mother's milk is best for your baby". Two examples of informational or educational materials produced by the company were found in a healthcare facility. While no adverts or other forms of promotion were found in 'bricks and mortar' retail stores, promotions were found in one online store for each of Nestlé India's Lactogen products (Stage 1,2,3 and 4) and its NanPro 1, 2 and 3 products. However, it is not possible to determine whether Nestlé India or the retailer initiated these promotions. Moreover, when the researchers clicked on the products, they were all indicated to be 'out of stock'.

Raptakos Brett: No incidences of non-compliance were found relating to Raptakos Brett's four products.

Further detail about the nature of the incidences of non-compliance is presented in the Westat report.

BOX 32 INTERPRETATION OF THE IMS ACT IN TERMS OF PHRASES 'INTENDED TO INCREASE SALEABILITY'

The IMS Act prohibits graphic material or phrases designed to increase products' saleability. It states that such phrases include the term "humanized" or "maternalised" or any other similar words and the words "full protein food, energy food, complete food or health food" or any other similar expression.

However, the following examples of text were found on packages that describe their contents and in some cases how that supports babies' growth and development, which could also be considered as designed to increase saleability.

'Contains B. lactis. B.lactis is a probiotic culture that helps in increasing the number of bifidobacteria in gut flora of infants.'

'Delivers the right nutrients to support growth and development. Contains ingredients that support: Immune system, Digestive Health, Brain Development, Strong Bones.'

'Entamil Stage 2 Infant Formula is scientifically formulated with precursors of DHA & ARA, Sialic Acid, Choline, Iron and all important vitamins and minerals, and an appropriate protein level to match the nutritional needs of the rapidly growing baby's mental and physical development.'

'Unlock your child's amazing potential to learn' Smart 10' and goes on to describe role of each of the Smart 10 key brain building nutrients.

'A specialised Infant Milk Substitute containing a blend of Milk Fat and Vegetable Oils rich in ESSENTIAL FATTY ACIDS'

Additional findings

The study also included interviews with women attending the selected healthcare facilities to determine whether they i) recalled seeing adverts or promotions for any BMS products made by particular manufacturers; ii) had been provided with product samples or gifts; iii) any marketing personnel had had contact with them, and; iv) had been advised to use formula and/or a specific product. In total, 61 such instances were identified by Westat. Thirty-three women reported being spoken to by a healthcare worker about using formula, with 23 having been recommended a particular product. It may be beneficial for the Government to remind healthcare workers of their responsibilities under the IMS Act, and when it is and is not appropriate to make product recommendations (i.e. only when an infant has a particular health condition that means it cannot be breastfed).

Similarly, healthcare workers were asked whether: i) any equipment or materials bearing product names had been donated by the companies; ii) they had been offered any material contributions or pecuniary benefits by the companies; iii) any product samples (other than those for professional evaluation or research) or equipment or utensils had been donated to their facilities, and iv) whether company representatives had visited to give product information to healthcare workers. At least one worker at 14 of the 40 facilities (35%) reported that a company representative had visited the facility within the last 6 months. However, none said that the visits were with the intent of talking to women, obtaining their contact information or providing materials to them nor to distribute samples. Twenty-one workers said that the purpose was to give product information to health professionals. These observations are not included in companies' final scores.

The reasons for not including either type of recall data in the companies' scores is outlined fully in the Westat report. In short, it is because recall is subjective and can be biased in several ways. The recalled data can, however, be used to corroborate the objective information collected in the study.

Note that the challenges and further limitations of the BMS assessment are set out in the Methodology chapter of the report and in the Westat report.

Future opportunities

ATNF intends to publish an India Spotlight Index every two years. The next Index, due at the end of 2018, will include a follow-up BMS marketing study. The geographic scope of that study will be determined by available resources: a complete picture could be painted were the study to be conducted in multiple states or cities, and/or extended to rural areas. It is hoped that no incidences of non-compliance will be found at that time and that the emerging areas of concern highlighted here will have been addressed by the eight companies studied and others, and by the Government and other stakeholders, as appropriate.

The methodology and approach used in the next BMS assessment will reflect feedback provided by stakeholders and any developments related to the IGBM Protocol or other tools to monitor BMS companies' marketing. The next BMS assessment could also include an evaluation of BMS companies' policies, management systems and disclosure, to more closely mirror the approach taken for the ATNI Global Indexes, were stakeholders to indicate that they would find such additional analysis valuable.

NOTES

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All links accessed between June and November 2016.



Product Profile

A comprehensive assessment of the nutritional quality of packaged foods in India.

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In order to build a full picture of the contribution that India's packaged food industry is making to address the country's mounting health challenges related to obesity, overweight and diet-related chronic diseases, it is essential to complement the Corporate Profile with an assessment of the nutritional quality of the products that food and beverage manufacturers sell.

The Product Profile is designed to provide such an assessment. It is intended primarily to stimulate action by companies to improve the nutritional quality of the products they sell and to encourage them to expand their portfolios by developing new healthier options. It is also hoped that the results will contribute to the national dialogue on combatting obesity and diet-related diseases.

Even though packaged foods are estimated to make up only 6% of consumer spending on food in India currently¹, economists expect that as incomes in India grow, consumers will follow the typical patterns seen in other parts of the world as countries develop and buy more packaged foods and beverages. It is, therefore, essential that all manufacturers of these products take steps to limit levels of fats, particularly saturated fat, salt and added sugar and to maximize levels of fruit, vegetables, legumes, wholegrains, fiber and vitamins and minerals.

ATNF piloted product profiling in 2012 in Mexico, South Africa and India, working with a team led by Professor Mike Rayner at the University of Oxford (who is a member of the ATNF Expert Group).² Building on that experience, and feedback from stakeholders, ATNF commissioned The George Institute for Global Health (TGI) to undertake this first-ever Product Profile study for India.

This Product Profile study had two primary objectives:

1. To assess the nutritional quality of the packaged food and beverage products made by the largest manufacturers in India, and the relative sales of more and less healthy products.
2. To assess the level of compliance of product labels with Indian nutrition content labeling regulations and Codex nutrition labeling guidelines.

A secondary objective was to explore whether it is possible to analyse the relative pricing of healthy and less healthy products, particularly to determine whether healthy products are more expensive than less healthy options.

Note that the results of the labeling analysis are incorporated into companies' scores in Category F of the Corporate Profile. Further, this analysis is not designed for and does not include, an assessment of whether products have been fortified appropriately to address specific micronutrient deficiencies, as the nutrient profile models used in this Product Profile study were not designed for this purpose.

Approach to research: summary

The following is a summary of the methodology used for the Product Profile. The full explanation is available in TGI's report.

Research partner and advisor: In mid-2016, ATNF commissioned the Food Policy Division of The George Institute for Global Health (TGI), based at the University of Sydney, to undertake this Product Profile for India. TGI was selected because of its established presence in India with offices in Hyderabad, Bangalore and New Delhi, and because it has an extensive database containing food composition data for over 10,000 products in India. Professor Mike Rayner advised the research team.

Companies assessed: A total of 12 food and beverage manufacturers were initially selected for inclusion in the TGI study: the ten companies initially included in the India Spotlight Index, plus the next two largest with diverse product portfolios – Karnataka Cooperative Milk Producers' Federation (which markets its products under the brand name Nandini) and ITC. They were included to give a wider picture of products available to consumers in India. However, because Nandini and ITC are not constituents of the Index, their results are not included here but can be found in the TGI report. Further, during the data collection phase, TGI found very few Ruchi Soya products and only one of those could be assessed due to the lack of nutritional data on the pack. Thus, Ruchi Soya was excluded from the analysis.

How products' nutritional quality was determined: Two nutrient profiling systems were selected that met the qualitative criteria developed by ATNF's Expert Group and based on those used to catalogue existing NPSs by WHO³.

The criteria were that the systems must: be developed with appropriate stakeholder consultation; cover the majority of categories of processed food and beverage products; take account of both positive and negative nutrients; not be designed solely to address school foods, given requirement to assess foods on the general market; well-validated with results published in the peer-reviewed literature demonstrating that the models produce internally consistent classifications of 'healthy' and 'unhealthy' foods, consistent with general nutrition principles; enable differentiation of nutritional quality within and between categories; have an algorithm in the public domain so as to be able to access and apply it; able to generate meaningful results in the Indian context.

The Australian Health Star Rating nutrient profiling system was used to determine how healthy each product is. Products are rated between 0.5 stars (least healthy) to 5 stars (most healthy). The WHO Regional Office for Europe Nutrient Profile Model (WHO EURO) was used to identify which products are suitable to be marketed to children.

Food and beverage products included in the study: Products eligible for inclusion were defined as 'all packaged foods and non-alcoholic beverages manufactured by the included companies available for purchase in India.' However, several types of product were excluded from the analysis: unprocessed meat, poultry, fish and raw agricultural commodities (e.g. fresh vegetables, grains); plain tea and coffee, and condiments such as herbs, vinegars and spices because nutrient profiling is not appropriate for these single ingredient foods; infant formulas, and baby food and baby beverages, because these products are not consumed by the general population and the selected models are not appropriate for their evaluation.

How products were identified and how nutrition data was collected: Three companies (Hindustan Unilever, Mother Dairy and Britannia Industries) supplied their full product list to the research team. Hindustan Unilever also provided nutrition information for its products. Products made by the other companies were collated from two sources i) the FoodSwitch India database, but only for products with data entered or updated after 1 July 2014; ii) in-store surveys done at retail and wholesale outlets in Hyderabad, Bangalore, Delhi and surrounding areas. Using a smart phone app, data collectors systematically photographed publicly available nutrition information displayed on the product package. Nutrient information was extracted from photographs and entered into the project database. An iterative process of review was used whereby the products collected in-store were checked against any product portfolio information provided by companies, and information publicly available on company websites and in two large Indian online retailers. Products missing from the dataset were then targeted for collection.

At the end of the data collection period in July 2016, companies were provided with their data for review (product list and nutrient content) and offered an opportunity to make corrections or additions to information about their product range. Coca-Cola India, Britannia Industries, Mondelez India and Hindustan Unilever did so and any corrected or added information was updated in the project database. The dataset, therefore, contains a substantial majority, if not all, of most companies' products produced for the Indian market.⁴

Nutrition data and categorization of products: The vast majority of the product labels met national Indian requirements (protein, energy, total fat, carbohydrate and sugar)⁵ but less than one third displayed information for sodium and saturated fat as recommended by Codex.⁶ Information about added sugar, fiber, calcium, and other vitamins and minerals was much less frequently available. For most products, the available nutritional information was insufficient to apply the selected nutrient profile models and so missing data was imputed, i.e. it was derived from data for similar products in the TGI database. While this is a limitation of the approach, the most likely impact of using proxy nutrient values is the underestimation of the real differences between products and therefore an underestimation of the real differences between companies.

Analysis of compliance of the labels with Indian labeling requirements and Codex was based on the information extracted from the photographs of the labels.

Products were categorized in two ways: they were assigned to one of 515 categories used by the FoodSwitch India database to obtain the proxy data required to generate nutrient profile scores, as noted above. In addition, they were assigned to one of the 50 categories of the Euromonitor International food categorization system to allow nutrition data to be combined with sales data.

Final universe of products analyzed: The initial dataset consisted of 1,450 products from the covered companies; 59 were removed per the exclusion criteria above (i.e. baby foods, wheat, rice,). Then 60 were removed because they did not have sufficient baseline data to conduct nutrient profile scoring and 388 were removed as duplicates (i.e. different pack sizes of the same product). This left 943 products in the final dataset for analysis, including Nandini and ITC products. The total number of products assessed for the nine Index companies is 703. However, given that each nutrient profile model requires different data, the necessary data was not available for all products and thus not all were analyzed in each element of the study. TGI rated 937 products using the WHO EURO model (685 produced by the nine Index companies) and 918 using the HSR system (758 produced by the nine Index companies assessed for the Product Profile).

Nutritional quality analysis: Once the dataset was complete, the analysis was run using the two selected nutrient profiling models.

Pricing analysis: Indian retailers were reluctant to allow in-store collection of data on product prices. Regular retail prices were therefore collected instead from India's largest online retailer, BigBasket.com, recorded in August 2016, with care taken to assign correct prices by pack size. The price per 100g (ml) of the product (unit price) was then calculated. Not all products were displayed with a barcode, necessary to correctly match pricing and nutrition data. Further, perishable products, which make up a large proportion of those in the product dataset are not generally available for sale online. They are therefore not represented in the pricing dataset. Data was only available for 350 products in total (37% of the total dataset).

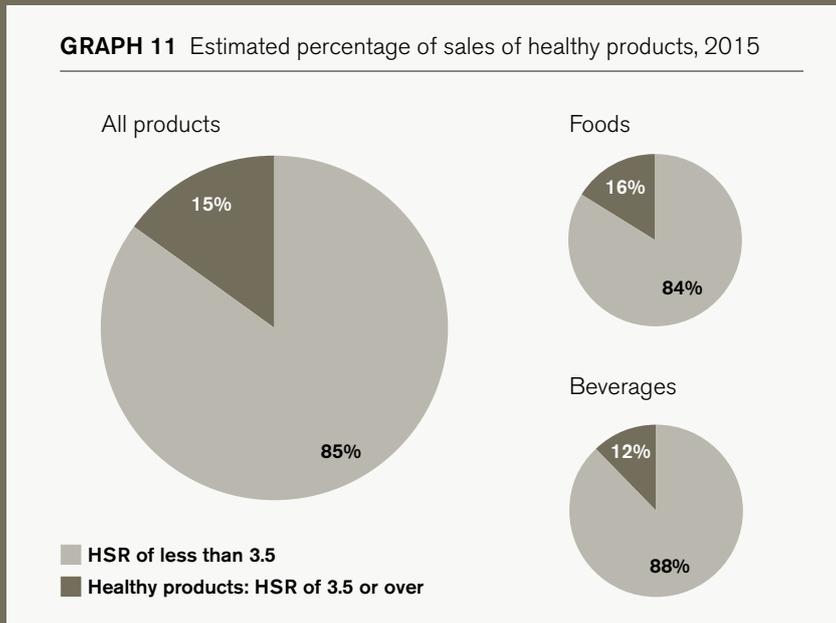
Outputs: A range of outputs resulted from the analysis, set out below, enabling observations to be made and conclusions to be drawn at both the aggregate and individual company level.



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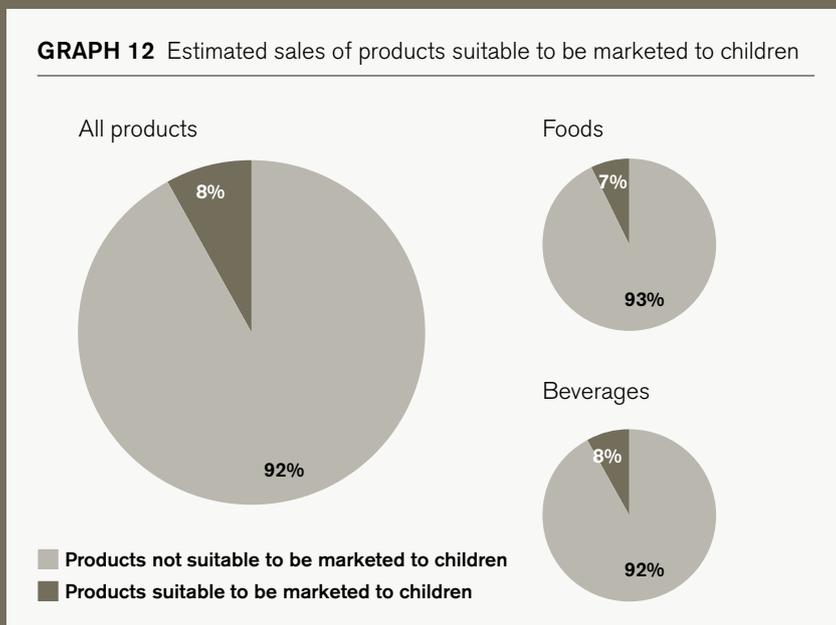
Key findings: Sector-level

GRAPH 11 Estimated percentage of sales of healthy products, 2015



- 15% of the sales of the nine Index companies in 2015 were estimated to be derived from products that are 'healthy' (i.e. achieve 3.5 stars or more on the Health Star Rating system – the threshold for healthy used by this study.)⁷
- Of the foods sold, 16% were estimated to have met the healthy standard whereas only 12% of the beverages sold were estimated to have met that standard.

GRAPH 12 Estimated sales of products suitable to be marketed to children



Note these figures do not necessarily relate to the sales of products that each company actually markets to children.

- Only 8% of the 2015 sales of the nine Index companies were estimated to be generated by products of sufficient nutritional quality to be marketed to children, according to the WHO EURO nutrient profiling model.
- Just 7% of the foods and 8% of the beverages sold by these companies are suitable to be marketed to children.

How overall sales of healthy products were calculated

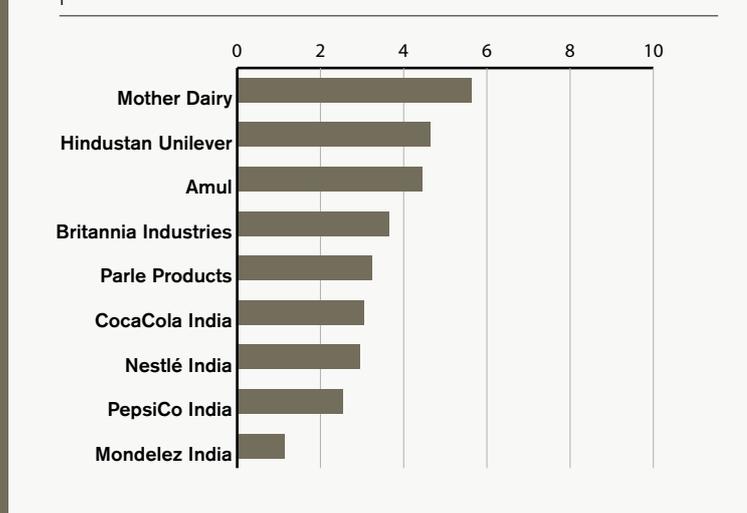
The following calculations based on HSR ratings were made for each company and aggregated.

Product category	Total no. of products	No. of products with HSR of 3.5 or more	% products, by no. with HSR or 3.5 or more	2015 sales INR mn	Total value of healthy sales 2015
Sweet biscuits	25	5	20%	75,000	15,000
Savory biscuits	10	2	20%	50,000	10,000
Spreads	3	0	0%	20,000	0
Juice drinks	5	1	20%	10,000	2,000
Total	43	8	18%	155,000	27,000
% healthy sales					17%

Note: These figures exclude sales of tea, instant coffee and products in categories where any company's sales account for less than 0.1% of market share. See TGI report for further explanation of the approach taken to calculating these figures.

Key findings: Company-level

GRAPH 13 Product Profile: Overall nutritional quality of products sold in India



- The Product Profile results provide an indication of the overall nutritional quality of the sales of each company in 2015.
- The local Indian companies in the Index do relatively well in the Product Profile. Mother Dairy ranked first, with a sales-weighted score of 5.6 out of 10. This is because 77% of its sales derive from drinking milk products with an average of 2.7 out of 5 stars. (Some of the company's products in this category have relatively high sugar levels which brings down the average score). Amul ranked third, with a score of 4.4 out of 10 and Britannia Industries ranked fourth with a score of 3.6. Parle Products ranked fifth with a score of 3.2 out of 10.
- Hindustan Unilever ranked highest among the multinationals, at second with a score of 4.6 out of 10.
- Coca-Cola India, Nestlé India, PepsiCo India and Mondelez India all ranked in the bottom four, with scores ranging from 3.0 to 1.1 out of 10.

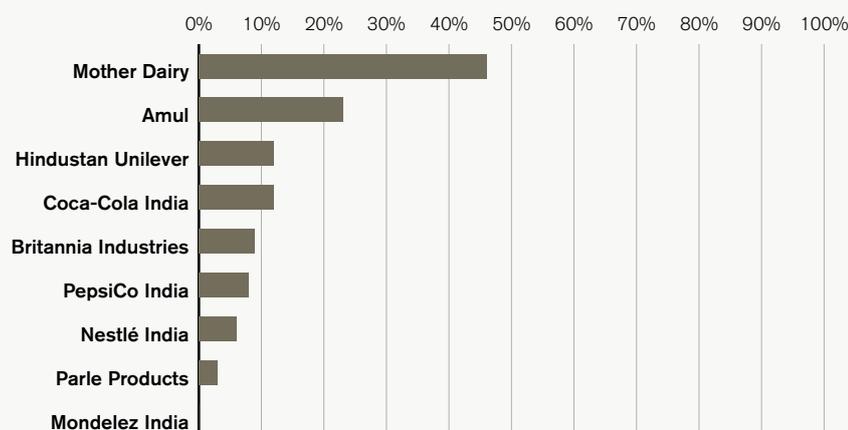
Box 33: How the Product Profile score is calculated: an example

A mean HSR was calculated for each relevant Euromonitor category for each company. This figure was then multiplied by the 2015 sales of that category (using Euromonitor data) to generate a sales-weighted score for each category. These category-level figures were then added up to give the initial sales-weighted HSR rating for the whole portfolio, out of a possible total of 5, which would indicate that all of the company's sales derive from products that achieve a Health Star Rating of 5 out of 5. The lowest possible initial sales-weighted HSR rating is 0.5, which would indicate that all of the company's sales derive from products that get a Health Star Rating of 0.5. To facilitate comparison of the Corporate Profile scores (which are calculated out of a maximum of 10), the initial sales-weighted HSR score was doubled so that it is also presented as a score out of 10.

Product category	Mean HSR	% sales 2015	Sales weighted score
Sweet biscuits	0.75	25%	0.19
Savory biscuits	1.20	20%	0.24
Spreads	0.66	50%	0.33
Juice drinks	2.10	5%	0.10
Initial sales-weighted HSR rating			0.86 out of 5
Final PP score			1.72 out of 10

The full data set used to calculate these figures is available in Annex 5.

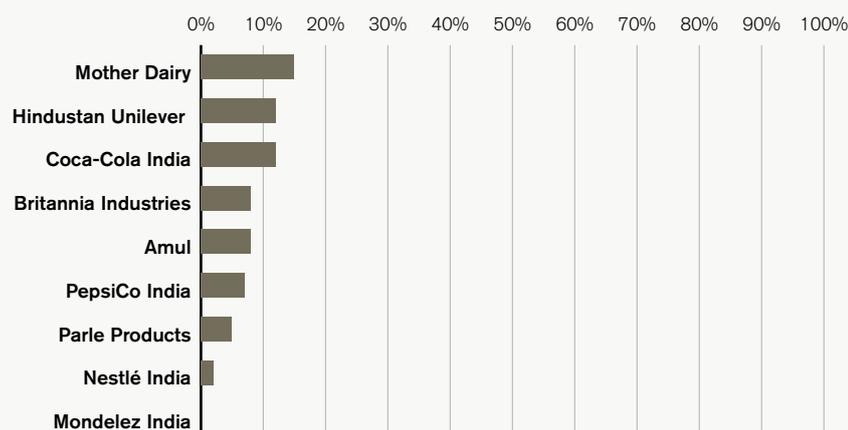
GRAPH 14 Percentage of sales generated by healthy products by company



See explanation in sector-level findings for a summary of how these figures were generated and see the TGI report for a comprehensive explanation.

- The proportion of companies' 2015 sales estimated to be generated from healthy products (i.e. that achieve an HSR rating of 3.5 stars or more) varies significantly. Mother Dairy was estimated to have generated 46% of its 2015 sales from healthy products whereas only 23% of Amul's sales in that year derived from healthy products. Hindustan Unilever and Coca-Cola India each generated approximately 12% of 2015 sales from products that achieved an HSR rating of 3.5 or more.
- Britannia Industries, PepsiCo India, Nestlé India and Parle Products derived less than 10% of their total 2015 sales from healthy products. Mondelez India does not sell any products with an HSR above 3.5 stars.

GRAPH 15 Percentage of 2015 sales generated from sales of products suitable to be marketed to children, by company



See explanation in sector-level findings for a summary of how these figures were generated and see the TGI report for a comprehensive explanation.

- In terms of the percentage of 2015 sales estimated to be generated by products suitable to be marketed to children, Mother Dairy generated around 15% of sales that year from such products. Hindustan Unilever and Coca-Cola India derived 12% of 2015 sales from such products. All other companies generated less than 8% of their sales from products suitable to be marketed to children. (Note that this does not imply that these companies actually market these products to children.)

Box 34: Discrepancies between companies' figures and those generated by the Health Star Rating

The Product Profile highlights substantial discrepancies between the proportions of foods and beverages defined as healthy by some companies using their own Nutrient Profiling Systems and the proportions defined as healthy using the Health Star Rating system. In all cases, the proportion resulting from the HSR calculations was lower than the proportion the companies' systems generated. The companies that provided data to ATNF on the proportion of their products assessed as healthy were: Britannia Industries, Hindustan Unilever, Mother Dairy, Nestlé India and Mondelez India. However, only Hindustan Unilever, Nestlé India and Mondelez India publish their systems to enable scrutiny. This implies that the companies' own systems for assessing nutritional quality are less strict than the HSR system and/or differ substantially in the way that they calculate nutritional quality and set their healthy standard. Further exploration is needed to explain the differences fully. It is not clear how Mother Dairy and Britannia Industries arrived at the figures they provided for the number or proportion of healthy products in their portfolios.

Are products labeled in accordance with Indian labeling regulations and with Codex recommendations?

At the time of publication, the FSSAI required the nutrients shown in Table 22 to be included on product labels⁸. In June 2016, it passed an amendment creating additional labeling requirements for saturated and trans fats for packaged foods, but this amendment only comes into force from 2 December 2016. This amendment brings Indian labeling requirements more closely into line - but not fully - with nutrients recommended to be included on labels by Codex Alimentarius Guidelines on Nutrition Labeling CAC/GL-2-1985 (most recently amended in 2011). These new requirements do not include salt/sodium to be labeled.

The analysis presented below assessed compliance with Indian regulations in force as of the end of June 2016.

TABLE 22 Nutrients required to be labeled under Indian regulations and Codex

Nutrients required	Indian Regulations	Codex
Protein	●	●
Energy	●	●
Total fat	●	●
Saturated fats	●	●
Trans fat	●	[●]
Carbohydrate	●	●
Total sugars	●	●
Sodium		●
Other*		●

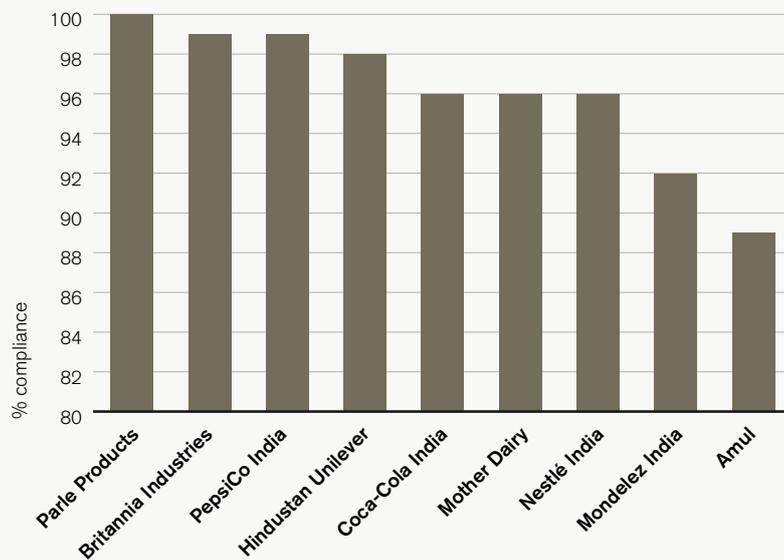
● Current ○ Additional from Dec 2016

Not filled in means no and/or not specified.

* Amount of any other nutrient for which a nutrition claim is made

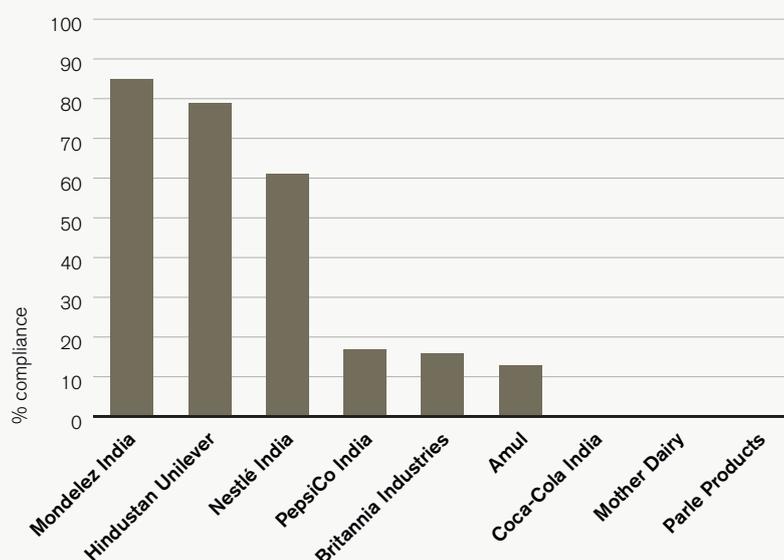
As illustrated in Graph 16, most of the companies exhibit a high level of compliance with the statutory Indian labeling requirements in force at the time of analysis; average compliance is 96%.⁹ One company is in complete compliance: Parle Products. Britannia Industries and PepsiCo India achieved 99% compliance and Hindustan Unilever 98%. All other companies, other than Amul, had greater than 90% compliance. Only 89% of Amul's product labels were aligned with Indian regulations on nutrition labeling.

GRAPH 16 Percent compliance with Indian labeling regulations by company – overall product portfolio



Compliance with the more comprehensive Codex recommendations is much lower, as shown in Graph 17, with only 23% of all products overall labeled in line with them. However, Mondelez India achieved the highest level of compliance, at 85%, followed by Hindustan Unilever with 79%. The majority of Nestlé India’s products also complied (61%). PepsiCo India, Britannia Industries and Amul’s level of compliance was very low, below 20%. Three companies did not label any products in line with Codex – Coca-Cola India, Parle Products and Mother Dairy.

GRAPH 17 Proportion of each company’s products meeting Codex nutritional labeling recommendations



Key recommendations

- **Widespread reformulation is urgently needed:** The companies analyzed in this study urgently need to reformulate many of their packaged foods by cutting sugar, salt and saturated fat particularly. Beverage producers also need to take steps to reduce sugar levels in their products substantially and to diversify product ranges to offer more healthy beverages with no or little added sugar.
- **Redirect marketing towards healthier products:** Sales figures inherently capture to some degree the marketing effort companies put into selling products. These results indicated that several of the companies need to spend much more on marketing their healthier options and much less on marketing their less healthy products. For unhealthy or so-called 'indulgent' products, messaging needs to be around limiting consumption to small portions on very few occasions.
- **Companies that have NPSs should review them:** The analysis has shown that the figures provided by some companies as to the number of products defined as healthy by their own NPS differ substantially from the figures generated by analysis using the HSR system. These companies should take the opportunity to check that their systems fully align both with international dietary guidelines and published models that have broad stakeholder support.
- **All companies that do not already use an NPS must adopt one that is robust, accurate and unbiased, developed with extensive independent expert input:** It is essential for companies to have a nutrient profiling system to analyze the nutritional quality of their portfolios, and to underpin reformulation, new product development and marketing to children. These systems must align with international dietary guidelines and be consistent with internationally agreed nutrient profile models such as those published by WHO. The models should be thoroughly reviewed by independent experts to ensure that they are robust, accurate and unbiased – i.e. do not classify companies' products as healthy when they are not. They must be published too, to facilitate evaluation and comparison with others.
- **The Government of India should adopt an NPS suited to the Indian context:** Future analysis would be greatly facilitated if the Government were to adopt one of the many well-supported nutrient profiling models that have already been developed and adapt it to the Indian context, taking food and dietary norms and needs into account. The Government could then also use such a system, as other countries have, to restrict marketing to children, guide front-of-pack labeling requirements or underpin evaluation of submissions for health claims.
- **The Government of India should further extend Indian labeling regulations to align with Codex and require salt/sodium to be listed:** The lack of comprehensive mandatory nutrition content labeling of products meant that some proxy data had to be used. Thus, the products' scores will not be completely accurate. Better mandatory labeling is essential both for consumers and to enable proper monitoring of products' nutritional composition. The new June 2016 amendment to nutrition labeling regulations for packaged foods that requires that both saturated fat and trans fats be included on labels from December 2016 is a step in the right direction. However, the proven link between high salt consumption and hypertension means that the Government of India should also add a requirement to label sodium/salt, which would bring India's nutrition labeling regulations fully into line with Codex. If the Government takes the step of adopting an India-specific nutrient profiling system, it should at that time further amend the regulations to require all food components included in that NPS to be labeled, to facilitate its application.



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Detailed results

Which categories and how many products does each company manufacture?

Of the nine India Spotlight Index companies, PepsiCo India offers the largest number of products for sale (141), around two thirds of which were savory snacks (potato chips, extruded snacks, Indian namkeen), including multiple flavor variants across its Lay's, Kurkure and Lehare brands. Hindustan Unilever (excluding tea bags) and Mother Dairy both offer more than 100 products; the biggest categories for both were ice-creams and frozen desserts. By contrast, Coca-Cola India sells the smallest range of products, with just 33 beverages.

Most companies only sell products across few categories; for example, the portfolios of Mother Dairy and Amul are made up almost exclusively of dairy products. Britannia Industries and Parle Products make predominantly sweet and savory biscuits and snacks. In some categories, only one company made products, such as Hindustan Unilever which is the only company to make soups. The biggest category, with six companies contributing products, was sweet biscuits.

TABLE 23 Number of products by company organized by Euromonitor category

Euromonitor Subset	Britannia Industries	Coca-Cola India	Amul	Hindustan Unilever	Mondelez India	Mother Dairy	Nestlé India	Parle Products	PepsiCo India	Total
BEVERAGES										
Regular cola carbonates	0	2	0	0	0	0	0	0	1	3
Low calorie cola carbonates	0	2	0	0	0	0	0	0	1	3
Lemonade/lime carbonates	0	4	0	0	0	0	0	0	2	6
Orange carbonates	0	1	0	0	0	0	0	0	1	2
Mixers	0	5	0	0	0	0	0	0	2	7
Other non-cola carbonates	0	3	0	0	0	0	0	0	1	4
Nectars (25-99% juice)	0	1	0	6	0	0	0	0	0	7
Juice drinks (up to 24% juice)	0	7	0	0	0	7	0	0	19	33
Still bottled water	0	2	0	0	0	0	0	0	1	3
Sports drinks	0	0	0	0	0	0	0	0	3	3
Liquid concentrates	0	0	0	1	0	0	2	0	0	3
Powder concentrates	0	0	0	2	7	0	4	0	2	15
Ready-to-drink tea	0	2	0	1	0	0	0	0	2	5
Hot beverages	0	1	1	8	5	0	12	0	0	27
Subtotal beverage	0	30	1	18	12	7	18	0	35	121

Note: Tea and instant coffee products (with no additional ingredients) are excluded

Euromonitor Subset	Britannia Industries	Coca-Cola India	Amul	Hindustan Unilever	Mondelez India	Mother Dairy	Nestlé India	Parle Products	PepsiCo India	Total
FOODS										
Bread	7	0	0	0	0	0	0	0	0	7
Cake	12	0	0	0	0	0	0	0	0	12
Dessert mixes	0	0	0	0	0	0	0	0	0	0
Savory biscuits	8	0	0	0	0	0	0	10	0	18
Sweet biscuits	46	0	0	0	7	0	1	45	0	99
Breakfast cereals	0	0	0	2	0	0	2	0	14	18
Confectionery	0	0	3	0	29	0	13	12	0	57
Cheese	7	0	9	0	0	4	0	0	0	20
Drinking milk products	3	2	19	0	0	16	4	0	0	44
Yoghurt and sour milk	3	0	5	0	0	14	8	0	0	30
Ice cream and frozen desserts	0	0	41	34	0	56	0	0	0	131
Fats and oils	1	0	5	0	0	7	0	0	0	13
Processed fruit and vegetables	0	0	0	0	0	3	0	0	0	3
Ready meals	0	0	1	0	0	1	3	0	0	5
Rice, pasta and noodles	0	0	0	5	0	0	7	0	0	12
Cooking sauces	0	0	0	17	0	0	6	0	0	23
Table sauces	0	0	0	8	0	7	4	0	0	19
Soup	0	0	0	19	0	0	0	0	0	19
Spreads	0	0	0	7	0	4	0	0	0	11
Savoury snacks	0	0	0	0	0	0	0	9	92	101
Other dairy products	0	0	1	0	0	2	1	0	0	4
Whitener	0	1	2	0	0	1	3	0	0	7
Condensed milk	0	0	1	0	0	0	2	0	0	3
Subtotal foods	87	3	87	92	36	115	54	76	106	656
Total beverages and food	87	33	88	110	48	122	72	76	141	777

Note:

- Euromonitor listed data for additional product categories but TGI did not find all products during the data collection phase. Those products are therefore not included in the sales-weighted calculations.
- Euromonitor classifies all dairy products as foods.

What is the spread of nutritional quality of the products offered by the nine Index companies overall?

The nine Index companies assessed offer products of a range of nutritional qualities, but a large number (402) score particularly poorly in terms of healthiness, i.e. 1.5 stars or below, accounting for 53% of all products on the market. The number and percentage of products that score 3.5 and above and can be considered healthy is low: 123 products, accounting for only 16% of all products analyzed.

TABLE 24 Spread of nutritional quality of products offered by all companies

Star rating (HSR model): 3.5 stars or more = healthy product											
	0.5	1	1.5	2	2.5	3	3.5	4	4.5	5	Total
Britannia Industries	11	8	23	23	2	9	4	6	1	0	87
Coca-Cola India	6	11	5	4	0	1	1	0	0	5	33
Amul	12	10	8	19	15	6	5	8	1	1	85
Hindustan Unilever	4	12	8	12	7	24	13	23	0	0	103
Mondelez India	41	2	2	0	1	0	0	0	0	0	46
Mother Dairy	4	7	23	27	20	8	7	8	12	4	120
Nestlé India	35	3	5	5	4	9	1	4	2	0	68
Parle Products	14	12	26	5	8	8	1	1	0	0	75
PepsiCo India	70	20	20	8	4	4	1	3	7	4	141
Total no. of products	197	85	120	103	61	69	33	53	23	14	758
% of total products	26%	11%	16%	14%	8%	9%	4%	7%	3%	2%	100%

How does the percentage of each company's product portfolio (by number) rated healthy using the Health Star Rating system compare to the percentage of sales each company generates from these products?

The proportion of healthy products offered by only two companies exceeds 25% - Hindustan Unilever (39%) and Mother Dairy (27%). However, taking into account the level of sales of these products reveals a very different picture, as shown in Table 25.

The dairy-focused companies vary in the percentage of their revenues that resulted from selling healthy products: it is estimated that 46% of Mother Dairy's 2015 sales derived from the 27% of products rated as healthy. Amul generated an estimated 23% of its 2015 sales from the 17% of its products rated as healthy.

Of the companies that have broad product portfolios, such as Hindustan Unilever, while 39% of its products are rated as healthy, it generated only an estimated 12% of its 2015 sales from those products. Nestlé India's healthy products which number 12% of the total portfolio appeared to account for only 6% of its 2015 sales.

TABLE 25 Percentage of healthy products by number, and percentage of sales from healthy products

Company	% products by number scoring ≥ 3.5 HSR	% sales of healthy products
Hindustan Unilever	39%	12%
Mother Dairy	27%	46%
Coca-Cola India	19%	12%
Amul	17%	23%
Britannia Industries	13%	9%
Nestlé India	12%	6%
PepsiCo India	11%	8%
Parle Products	3%	3%
Mondelez India	0%	0%

Looking at the two companies that offer the largest number of beverages shows that while 19% of Coca-Cola India's products achieve an HSR of 3.5 stars or more, these products are estimated to have generated only around 12% of its 2015 sales. Only 11% of PepsiCo India's beverages gain a rating of 3.5 stars or more but they were estimated to have contributed only 8% to 2015 sales overall.

Of the two major biscuit producers, 13% of Britannia Industries' products are judged to be healthy and they contributed around 9% to the company's 2015 sales whereas only 3% of the products offered by Parle Products meet the healthy standard of 3.5 stars and they accounted for the same proportion of 2015 sales.

None of the products offered by Mondelez India, which offers only confectionery, sweet biscuits and flavored powdered hot drinks, is judged healthy.

How does the nutritional quality of products vary within sub-categories?

In 14 of the food sub-categories at least two companies make five or more products. The mean Health Star Rating for these sub-categories is illustrated in Table 26 by the short vertical line and the range of Health Star Ratings by the horizontal lines. These results show that there is significant variation in the nutritional quality of the products between companies and in some cases the lowest and highest HSR rating is substantially different. This indicates there is ample room for reformulation of some products within many sub-categories. For example, PepsiCo India's savory snacks rate on average much less than Parle Products' (1.1 versus 2.3) and Hindustan Unilever's cooking sauces average 3.5 stars versus those of Nestlé India that score only 1.8 on average.

PRODUCT PROFILE

TABLE 26 Mean and range of Health Star Ratings for selected product sub-categories

	n	0	2.5 HSR	5	Mean HSR	(range)
Sweet Biscuits						
Britannia Industries	46				1.6	(0.5 to 3.0)
ITC	29				1.3	(0.5 to 3.0)
Parle Products	44				1.5	(0.5 to 4.0)
Mondelez India	7				1.1	(0.5 to 2.5)
Confectionery						
Mondelez India	29				0.5	(0.5 to 1.0)
Nestlé India	13				0.7	(0.5 to 3.0)
Parle Products	12				0.9	(0.5 to 2.0)
Drinking Milk Products						
Amul	19				2.8	(1.0 to 5.0)
Nandini	14				2.9	(0.5 to 4.5)
Mother Dairy	16				2.7	(1.0 to 4.5)
Ice Cream Frozen Desserts						
Amul	39				1.8	(0.5 to 2.5)
Hindustan Unilever	34				2.5	(1.0 to 4.0)
Nandini	26				1.7	(0.5 to 3.0)
Mother Dairy	55				2.1	(1.5 to 3.0)
Savory Snacks						
PepsiCo India	92				1.1	(0.5 to 4.5)
ITC	19				2.0	(1.5 to 3.0)
Parle Products	9				2.3	(1.5 to 3.5)
Hot Beverages						
Nestlé India	12				0.5	(0.5 to 1.0)
Mondelez India	5				0.5	(0.5 to 0.5)
Savory biscuits						
Britannia Industries	8				2.2	(1.5 to 3.5)
Amul	9				2.3	(1.5 to 3.0)
Cheese						
Britannia Industries	7				2.3	(1.5 to 3.0)
Amul	9				2.9	(0.5 to 4.0)
Yogurt and Sour Milk						
Mother Dairy	14				3.5	(2.0 to 4.5)
Nestlé India	8				3.4	(3.0 to 4.0)
Amul	5				3.5	(2.5 to 4.5)

	n	0	2.5 HSR	5	Mean HSR	(range)
Cooking sauces						
Hindustan Unilever	17				3.5	(3.0 to 4.0)
ITC	7				0.5	(0.5 to 0.5)
Nestlé India	6				1.8	(0.5 to 4.5)
Table Sauces						
Hindustan Unilever	8				2.1	(1.5 to 2.5)
Mother Dairy	7				3.9	(2.5 to 4.5)
Rice, pasta, noodles						
Hindustan Unilever	5				2.9	(2.5 to 3.0)
ITC	8				3.1	(2.0 to 4.0)
Nestlé India	7				1.4	(0.5 to 2.0)
Juice Drinks						
Coca-Cola India	7				0.8	(0.5 to 1.5)
PepsiCo India	19				0.7	(0.5 to 1.0)
Mother Dairy	6				1.1	(0.5 to 2.0)
ITC	5				1.8	(1.5 to 2.0)

What percentage of companies’ products by number are suitable to be marketed to children?

The number of products judged suitable for marketing to children using the WHO EURO model varies considerably across the companies and was on the whole lower than the proportions that met the healthy standard using the HSR system. Around 26% of Hindustan Unilever’s products met this standard as did 19% of Coca-Cola India’s and 11% of Mother Dairy’s. However, less than 10% of the other companies’ products are suitable for marketing to children.

Three companies provided figures, confidentially, to ATNF about the proportion of products they consider suitable to be marketed to children; the other companies did not. The figures provided by those three companies were all substantially higher than figures generated by the TGI study. However, Britannia Industries and Mother Dairy did not provide information to ATNF about their NPS and how they calculated their figures, and the model used by Mondelez India is quite different from the WHO EURO system.

This result indicates that more research is needed to understand these differences and underlines the importance of companies publishing details of their NPS so that stakeholders can interpret companies’ figures.

TABLE 27 Percentage of products suitable to be marketed to children, not sales weighted

	All products	Foods	Beverages
Hindustan Unilever	26%	26%	0%
Coca-Cola India	19%	n/a	19%
Mother Dairy	11%	11%	n/a
PepsiCo India	9%	8%	10%
Britannia Industries	8%	8%	n/a
Parle Products	7%	7%	n/a
Nestlé India	6%	6%	0%
Amul	5%	5%	n/a
Mondelez India	0%	0%	n/a

Note, however, from the Corporate Profile research, that Coca-Cola India commits not to advertise any products to children under 12 on media where they comprise 35% or more of the audience.

Is there any evidence that healthier product options are more expensive than less healthy options?

It was possible to analyze the association between price and healthiness for 14 of the 22 Euromonitor food categories. In just four of those categories, a significant association was detected; in three cases (cheese, drinking milk, yogurt and sour milk) the healthier products were cheaper and in one (savory snacks) the healthier products were more expensive. In every other food category there was no detectable association of price with healthiness.

Similar analysis was possible for only 4 of the 17 Euromonitor beverage categories. There was only one sub-category for which there was evidence of a significant association between price and healthiness and that was for juice drinks, where healthier drinks were more expensive. Overall, for the 68 beverage products, there was a highly significant ($p < 0.001$) negative association between price and healthiness – i.e. healthier products were less expensive.

When the 350 food and beverage products were examined together, there was a highly significant inverse association ($p < 0.001$) indicating that healthier products tended to be less expensive.

However, caution must be exercised in interpreting these results because they are based on only 36% of the products in the overall study (350) and the numbers of products within most sub-categories analysed was relatively small (from 4 to 26).

Limitations

The limitations are set out more fully in the methodology section of this report and in the TGI report. In summary:

- Because this analysis focusses only on nine of the largest food and beverage manufacturers in India it does not provide comparative data on other purveyors of food, such as smaller manufactures, quick service restaurants and artisanal producers.
- There is no universally accepted system for determining the nutritional quality of products and the extent to which the HSR or WHO EURO system is appropriate to the Indian market has not yet been explored. Moreover, these models are both still in early stages of implementation and subject to ongoing evaluation and refinement. While both are based upon extensive research and validation, there is continuing discussion of how each operates for some food categories, e.g. 100% fruit juices and with respect to non-nutritive products such as tea and instant coffee.
- Most companies did not provide a complete list of all products they sell currently in India nor complete nutrition content information.
- Also, as some nutrition values for products were missing from labels, imputed values were used, derived from the existing TGI database of more than 10,000 products available in India. This proxy data should, therefore, be fairly accurate.
- Products' serving size, recommended by companies, is not taken into account because HSRs for all foods and beverages are calculated on a 100gm/100ml basis rather than taking recommended serving size into account. This can generate seemingly unrealistic results for some products typically consumed in small or large quantities.
- Moreover, the HSR system calculates product ratings on the basis of how they are sold, not on how they are generally consumed, e.g. milk powder and some drink powders were not assessed as they are typically consumed, e.g. by mixing them with water.
- Some single ingredient products, such as instant coffee and tea bags, were not scored although some companies, such as Nestlé India and Hindustan Unilever generate significant revenues from them.
- The approach to generating sales-weighted estimates is imperfect because it will not reflect the different levels of sales of more and less healthy products within a category. It is possible that the sales of healthy products, and those suitable to be marketed to children, accounted for a much smaller fraction of sales than this calculation indicates, in which case it will overestimate their sales. Conversely, if such products in reality accounted for a higher percentage of sales, the figures presented here will underestimate their actual sales.
- Little data was available on pricing due to Indian retailers being reluctant to allow in-store collection of data on product prices and the difficulty of collating pricing data from online sites. The total number of products for which data was available was only 350 and regression analysis looking at the association of pricing against healthiness was done on small sample sizes, limiting the conclusions that can be drawn from the results.

Future opportunities

This first-ever Product Profile for India demonstrates the great value of such studies to provide a comprehensive and clear picture of the nutritional quality of packaged foods that major companies market to consumers. It has also given some insight into whether such products are labeled well and their pricing relative to their healthiness.

If companies improve the nutritional quality of their products, diversify their portfolios to offer more healthy products or direct their marketing to healthier products to drive their sales, the Product Profile of future India Spotlight Indexes will demonstrate that and provide a way to track any improvements.

It is hoped that the next Product Profile will include an even larger and more accurate dataset created by companies sharing their full list of products and complete nutritional information. Similarly, obtaining full pricing data for all products would facilitate more complete analysis of the association between price and nutritional quality.

ATNF will work with TGI – and would welcome input from others – on how to improve the approach to Product Profile. Factoring in serving size, for example, would be a useful additional analytical tool.

Studies such of these would be helped enormously were the Government of India to adopt a national Nutrient Profiling model, through a multi-stakeholder process, much as the Government of Australia has done in developing the Health Star Rating. The model could be used for a variety of purposes, from restricting marketing to children to new front-of-pack labeling requirements or evaluating submissions for health claims. Were the Government to adopt such a model, it should also consider revising nutrition labeling requirements to ensure that all nutrients needed to apply the model must be listed on products.



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NOTES

- ¹ ATNF calculation using data from <http://www.tradingeconomics.com/india/consumer-spending> and Euromonitor.
- ² The methods for the study can be found at https://www.accessnutrition.org/sites/www.accessnutrition.org/files/atni_product_profile_methodology_final.pdf.
- ³ World Health Organization (in press) Nutrient profiling: catalogue of nutrient profile models: Geneva: WHO
- ⁴ The research team found that a lot of imported products, designed for other markets, are available for sale on online retail sites such as Amazon. These have not been included in the analysis.
- ⁵ Ministry of Health and Family Welfare,. (2011). *Notification. Food Safety and Standards (Packaging and Labelling) Regulations, 2011* (pp. [http://fssai.gov.in/Portals/0/Pdf/Food%20Safety%20and%20standards%20\(Packaging%20and%20Labelling\)%20regulation,%202011.pdf](http://fssai.gov.in/Portals/0/Pdf/Food%20Safety%20and%20standards%20(Packaging%20and%20Labelling)%20regulation,%202011.pdf)). New Delhi.
- ⁶ FAO,. *Codex Guidelines on Nutrition Labelling. CAC/GL 2-1985 (Rev. 1 - 1993)*.
- ⁷ The cut point of 3.5 or above (≥ 3.5 HSR) is based on work commissioned by the New South Wales Ministry of Health in Australia examining the alignment of HSR with existing school food service provision standards and the Australian 2013 Dietary Guidelines. That work found that “healthy core foods with a HSR of ≥ 3.5 can be confidently promoted in public settings as healthier choices.”
- ⁸ Food Safety and Standards (Packaging and Labelling) Regulations 2011 (India), Section 3(v)(i)
- ⁹ Note that Gujarat Cooperative Milk Marketing Federation (Amul) displayed added but not total sugar amounts for the majority of its products. This was assessed as compliant with Indian regulation which does not specify which type of sugar content should be displayed, but not with the Codex Guidelines which state that total sugars be displayed.

All links accessed November 2016.



Company Scorecards

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Company Description

Amul is a dairy cooperative. Its main product categories are wide range of dairy products, ice cream, confectionery and oils and fats.

Headquarters Anand, Gujarat, India

Employees Not available

Total revenues* 181,615.5 mn INR

* Source: Euromonitor

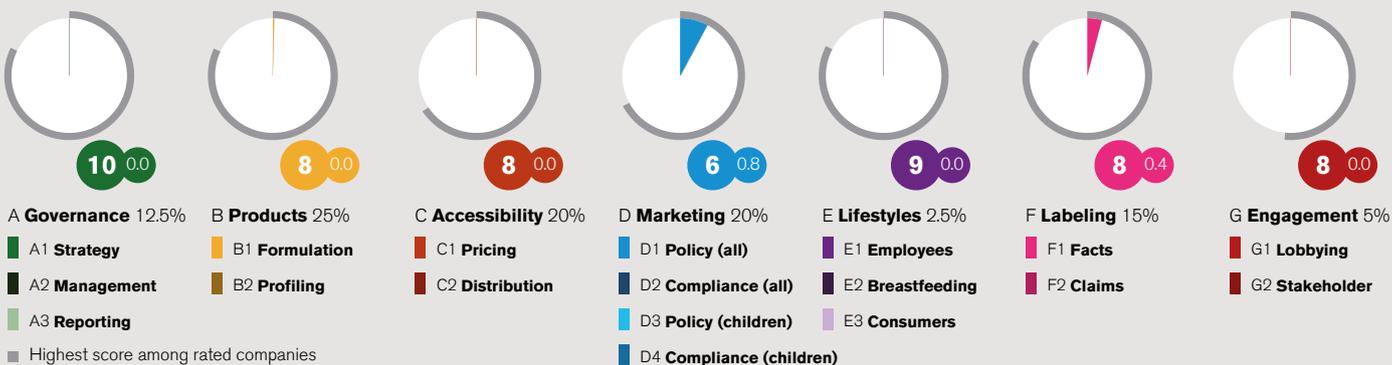
Product Profile**

	Revenues	Mean HSR rating
Drinking milk products	44%	2.84
Oils and fats	26%	0.70
Yogurt and sour milk products	10%	0.35
Ice cream	9%	1.78
Cheese	5%	2.94
Other dairy	4%	1.88
Confectionery	1%	1.00

Corporate Profile

NUTRITION GENERAL **9** 0.2

UNDERNUTRITION **8** 0.0



Areas of strength

- Amul states on its website that "health beverages" are among the products that it offers; however, no further detail was provided on what percentage of products the health beverages account for.
- Amul ranks third on the Product Profile, with a sales-weighted score of 4.4 out of 10. This is principally because nearly 45% of its products are drinking milks, some of which achieve a relatively good Health Star Rating.
- Also, Amul performs in line with the industry average in terms of providing nutrition information about its products online. It is encouraged to increase such disclosure on its website.

Areas for improvement

- In general, Amul's limited disclosure means that no clear strengths were identified in the Corporate Profile research. Better disclosure by Amul about its approach to tackling the double burden of malnutrition in India, in terms of nutrition governance, product formulation, affordability and accessibility, responsible marketing practices, lifestyles, labeling and nutrition engagement, would allow for a more complete assessment and identification of specific areas for improvement. Similarly, engagement with ATNF would facilitate a fuller assessment of the company's policies and practices. Amul is encouraged to engage with ATNF during the research phase for the next India Index.
- Although the company ranks third on the Product Profile, its relatively low score of 4.4 out of 10 shows that it has significant scope to reformulate its products to improve their nutritional profile, and/or to develop new, healthier products.
- Amul could improve its back-of-pack nutritional labeling to bring it fully into line with Codex recommendations. The George Institute found that only 13% of the company's labels currently comply with such recommendations.
- Amul's infant formula product, Amulspray, was included in the assessment of marketing of breast-milk substitutes carried out for ATNF by health research company Westat in Mumbai during the summer of 2016. While no adverts or point-of-sale promotions were identified for this product, nor any informational or educational materials, the label for Amulspray does not fully comply with labeling requirements for BMS products set out in the IMS Act 2003.

i Amul was evaluated in the BMS assessment as it produces and markets BMS in India. The Corporate Profile score has been adjusted by -0.25 to reflect its performance in the BMS assessment. Amul publishes little information pertaining to its nutrition practices and did not provide any information upon request during the research process. As a result, it has been difficult to assess the company for the 2016 India Index.

****** The mean HSR is calculated per category and multiplied by the percentage of 2015 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.

Britannia Industries



CORPORATE PROFILE



PRODUCT PROFILE

Company Description

Britannia Industries Limited is a publicly listed food company that makes predominantly sweet and savory biscuits, wide range of dairy products, and some oils and fats.

Headquarters Bengaluru, India
Employees 1,654
Total revenues* 99,962.1 mn INR

* Source: Euromonitor

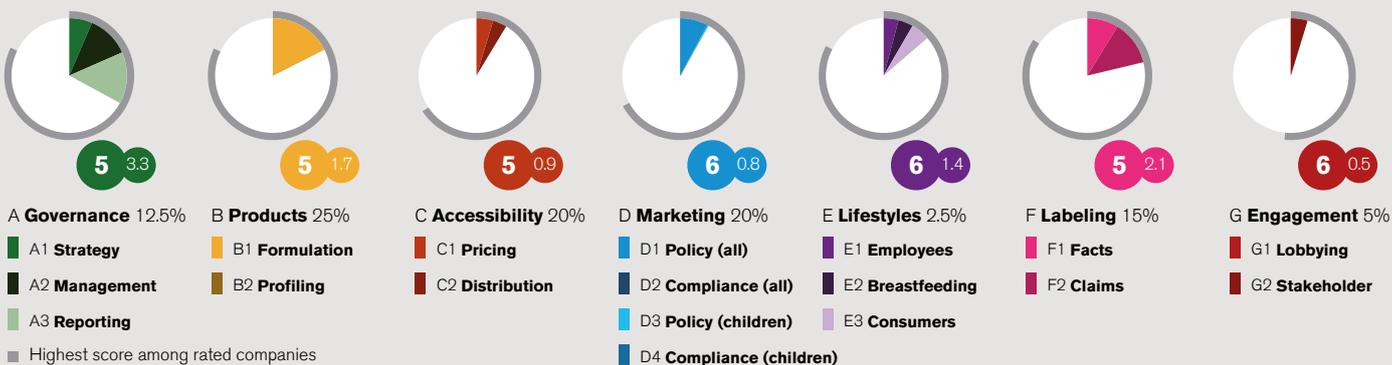
Product Profile**

	Revenues	Mean HSR rating
Sweet biscuits	68%	1.55
Savory biscuits	11%	2.19
Bread	7%	3.79
Butter and Margarine	4%	0.50
Cakes	4%	1.42
Cheese	3%	2.29
Yoghurt and sour milk products	2%	2.83
Drinking milk products	1%	2.67

Corporate Profile

NUTRITION GENERAL 6 1.3

UNDERNUTRITION 2 4.1



Areas of strength

- Britannia Industries scores the highest on the Corporate Profile among the Indian-based companies assessed due to its relatively good disclosure on nutrition issues. It is one of two Indian companies that committed to engaging with the Access to Nutrition Foundation (ATNF) and provided confidential information to ATNF during the preparation of this Index.
- Britannia Industries scores highest on Category A, Nutrition Governance and Management. Its corporate identity "Eat Healthy, Think Better" is supported by its focus on "healthy, fresh and delicious food" in its product portfolio. Moreover, the company obtained ISO 22000 certification for its food safety management system across all its manufacturing facilities in India. Both its relatively strong performance on Category A and its active engagement are indicative of the company's willingness to invest in and further develop its activities to address India's double burden of malnutrition.
- Britannia Industries demonstrates a strong and comprehensive approach to addressing undernutrition in India. The Britannia Nutritional Foundation (BNF) aims to address undernutrition among underprivileged children. It does this by pursuing research and product innovation for Britannia Industries, distributing fortified products to targeted populations, like children, and engaging in community education activities with respect to undernutrition and malnutrition. Through activities of the BNF, Britannia Industries also has a commitment to funding/supporting external organizations that educate undernourished consumers in areas such as fortified food, breastfeeding and micronutrient supplementation.

Areas for improvement

- Despite its relative high rank, Britannia Industries has a below average overall Corporate Profile score (1.6) on the ATN Index 2016 and could improve its performance in several areas.
- Like many of its Indian industry peers, Britannia Industries does not have a Nutrient Profiling System (NPS) and should adopt one to guide its improvement of the nutritional value of its products and development of new healthy products. Britannia Industries discloses that a NPS is under development.
- Britannia Industries ranked fourth on the Product Profile with a score of 3.6 out of 10, and was estimated to derive only around 9% of its 2015 total sales from healthy products, i.e. achieving a rating of 3.5 stars or more on the Health Star Rating system.
- While Britannia Industries discloses a few examples of having improved the affordability of its fortified products, such as the Tiger range of biscuits, it does not have a formal commitment to improving the accessibility or affordability of its healthy products.
- Britannia Industries has a responsible marketing policy that applies only to TV and radio. The company should broaden the scope of its policy to cover all media embracing the principles of the ICC Framework for Responsible Food and Beverage Marketing Communications.
- Britannia Industries does not disclose a formal policy on marketing to children which is an important omission. The company has stated that such a policy is currently under development. Britannia Industries should consider becoming a signatory of the Food and Beverage Alliance of India (FBAI) Pledge.
- There is no evidence that Britannia Industries has a commitment to provide nutritional information on both back- and front-of-pack labels. The company is encouraged to make such a commitment and be more transparent about its labeling commitments.

** The mean HSR is calculated per category and multiplied by the percentage of 2015 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.

Coca-Cola India



CORPORATE PROFILE



PRODUCT PROFILE

Company Description

Coca-Cola India is a private limited company. The company offers products in various beverage categories including lemonades, regular cola carbonates, juice drinks and bottled water.

Headquarters United States; Gurgaon, India

Employees 25,000

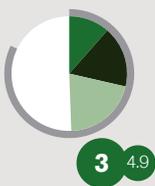
Total revenues* 99,738.9 mn INR

* Source: Euromonitor

Product Profile**

	Revenues	Mean HSR rating
Lemonade/Limeade	30%	1.25
Regular cola carbonates	26%	1.00
Juice drinks (up to 24% juice)	26%	0.79
Still bottled water	11%	5.00
Orange carbonates	5%	1.00
Mixers	1%	3.60
Low calorie cola carbonates	1%	2.00

Corporate Profile



A **Governance** 12.5%

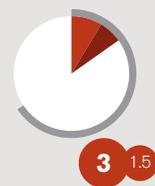
- A1 Strategy
- A2 Management
- A3 Reporting

■ Highest score among rated companies



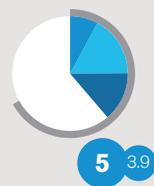
B **Products** 25%

- B1 Formulation
- B2 Profiling



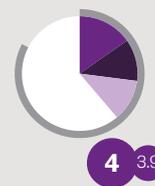
C **Accessibility** 20%

- C1 Pricing
- C2 Distribution



D **Marketing** 20%

- D1 Policy (all)
- D2 Compliance (all)
- D3 Policy (children)
- D4 Compliance (children)



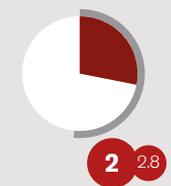
E **Lifestyles** 2.5%

- E1 Employees
- E2 Breastfeeding
- E3 Consumers



F **Labeling** 15%

- F1 Facts
- F2 Claims



G **Engagement** 5%

- G1 Lobbying
- G2 Stakeholder

NUTRITION GENERAL **5** 2.6

UNDERNUTRITION **4** 1.6

Areas of strength

- Coca-Cola India demonstrates good governance practices in managing its nutrition strategy in India. It is aligned with The Coca-Cola Company's strategic commitments to address obesity on a global scale: offering more low- or no-calories beverages, providing nutrition-related information on packaging, supporting physical activity programs and marketing products responsibly.
- Regarding marketing to children, the company fully adopts its parent company's policy that is applied across many media types and explicitly commits to not advertise any products to children under 12. This policy is supplemented by its Global School Beverage Guidelines which also apply in India, with some modifications to address local regulatory compliance. The company is also a signatory to the FBAl India Pledge.
- Compared to its parent company in the 2016 Global Index, Coca-Cola India provides more information on policies and programs that promote the wellbeing of various stakeholders. Coca-Cola India discloses Maternity Leave and Flexible Work Hours policies for several business units in India, as well as a commitment to fund programs through Coca-Cola India Foundation aimed at, among other initiatives, promoting active lifestyles.
- Coca-Cola India has commitments to front- and back-of-pack labeling, including: saturated fat separate to total fat and sodium; nutrition information on a per serving or per portion basis, and; numeric information on levels of key nutrients. The company also offers nutrition information online for all products, outstanding performance compared to peers assessed for this Index.
- In terms of stakeholder engagement to solicit feedback on the company's nutrition strategy, Coca-Cola India's disclosure is strong: it provides a narrative on who it engaged with, what kind of feedback it received and how its plans to address feedback.

Areas for improvement

- Although Coca-Cola India demonstrates some commendable policies and practices, it has various opportunities to improve its performance to promote health and nutrition among the wider population and to address undernutrition.
- As noted in the 2016 Global Index, Coca-Cola India does not have a Nutrient Profiling System. Were it to adopt one, it would be able to evidence its shift towards offering healthier products more definitively. For example, the Product Profile study found that 19% of Coca Cola India's 26 beverages assessed achieved a Health Star Rating of 3.5 or more – the threshold for a healthy product - the highest percentage of the three cold beverage makers assessed.
- Coca-Cola India ranked sixth out of nine companies on the Product Profile with a sales-weighted score of 3 out of 10 which shows that it has significant scope to further improve its products nutritional profile and to develop new, healthier products. Importantly it should direct more of its marketing spending towards lower and zero calorie products to drive their sales compared to higher calorie options.
- The company is encouraged to augment its reporting on influencing governments and policymakers by disclosing its membership in industry associations that lobby on nutrition issues, and whether it provides financial support to these organizations, and/or has a role on their boards. Or, if the company is not involved in such activities, to clearly state that is the case.
- While the company has released several fortified products in the past, as of 2016 it does not offer any fortified products. It does not disclose a policy pledging to play a role in combating undernutrition in India nor has it done an assessment of specific micronutrient needs among key undernourished groups in India. Coca-Cola India is encouraged to do more in this area.

i Coca-Cola India is the only company assessed for this Index that only sells beverages. Given the company's product portfolio, the analysis in Category B does not assess whether the company has reduced salt, transfat or saturated fat in its products as its products do not contain these ingredients. It was solely assessed on its commitments and performance relating to calories and the performance indicators relating to introduction or existence of healthy products.

****** The mean HSR is calculated per category and multiplied by the percentage of 2015 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.

Hindustan Unilever



CORPORATE PROFILE



PRODUCT PROFILE

Company Description

Hindustan Unilever is a publicly listed company in India, offering a range of F&B products. Its biggest selling product category in India is tea. Other major categories are ice creams, table sauces, soups and jams and preserves.

Headquarters United Kingdom, The Netherlands; Mumbai, India

Employees 18,000

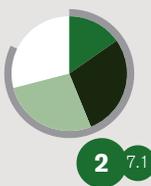
Total revenues* 75,503.56 mn INR

* Source: Euromonitor

Product Profile**

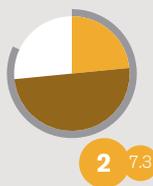
	Revenues	Mean HSR rating
Ice cream	45%	2.47
Table sauces	18%	2.13
Soup	12%	3.82
Jams and preserves	10%	1.71
Liquid concentrates	8%	0.50
Still RTD tea	4%	1.00
Cooking sauces	1%	3.50
Instant Noodles	0.5%	2.90

Corporate Profile



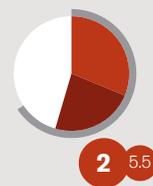
A **Governance** 12.5%

- A1 Strategy
 - A2 Management
 - A3 Reporting
- Highest score among rated companies



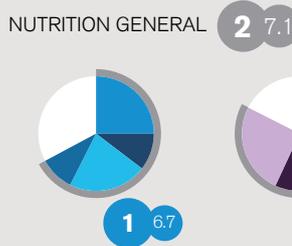
B **Products** 25%

- B1 Formulation
- B2 Profiling



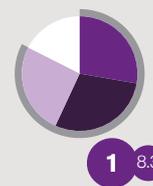
C **Accessibility** 20%

- C1 Pricing
- C2 Distribution



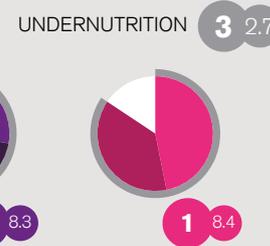
D **Marketing** 20%

- D1 Policy (all)
- D2 Compliance (all)
- D3 Policy (children)
- D4 Compliance (children)



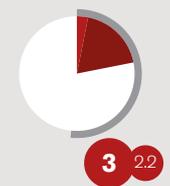
E **Lifestyles** 2.5%

- E1 Employees
- E2 Breastfeeding
- E3 Consumers



F **Labeling** 15%

- F1 Facts
- F2 Claims



G **Engagement** 5%

- G1 Lobbying
- G2 Stakeholder

Areas of strength

- Hindustan Unilever (HUL) ranks second on both the Corporate Profile and the Product Profile.
- HUL adheres to its parent company's comprehensive and well-structured Unilever Sustainable Living Plan (USLP) which sets out two nutrition-related commitments: Improving Nutrition and Health & Hygiene. The former focuses on the goal of "doubling the proportion of the foods portfolio that meets the highest nutritional standards by 2020"; the latter commitment focusses on Water, Sanitation & Hygiene (WASH).
- HUL also demonstrates leading practice by assigning top executive and Board-level accountability for its nutrition strategy. Further, the progress on its 'Improving Nutrition' commitment is reviewed by its Board-level Corporate Social Responsibility Committee and audited independently at a global level.
- HUL uses the NPS of its parent company, which is among the best assessed for this Index, as it is based on WHO dietary guidelines and has been developed by experts, addresses all product categories and sets thresholds for nutrients, and is published in peer reviewed scientific magazines. It also commits to the same product reformulation targets as its parent company.
- Like its parent company, HUL is an industry leader in terms of its overall approach to responsible marketing practices. The company wholly adopts the policies and monitoring systems of its parent company. Of note, the company has signed the FBAl India Pledge for responsible marketing to children.
- HUL is one of the best performing companies on Category F; it publicly reports its approach to back- and front-of-pack product labeling. On front-of-pack labels, HUL commits to indicate energy value per portion and percentage of the Guideline Daily Amounts (GDA). The company also demonstrated a relatively high degree of compliance with the Codex labeling guidelines, with 79% of its products assessed by The George Institute also listing sodium and saturated fat content.

Areas for improvement

- It was estimated that Hindustan Unilever derives only 12% of its 2015 total sales from healthy products, i.e. achieve a rating of 3.5 stars or more on the Health Star Rating system, the threshold for a healthy product. The Product Profile study illustrates that HUL could improve the nutritional quality of many of its products.
- HUL could improve its disclosure in several areas relating to its healthy product launches, the share of its portfolio suitable for consumption by children, its work to increase the affordability of its healthy products, its level of compliance with its responsible marketing policy for children and its engagement with stakeholders to inform its commercial nutrition and undernutrition strategies.
- HUL should consider committing to support consumer education programs on healthy diets and active lifestyles tailored to the India context, ideally developed and implemented by independent expert organisations.
- HUL could improve its low score in Category G by articulating a policy on engaging with public policymakers on nutrition-related issues.
- With respect to doing more to tackle undernutrition through product fortification, HUL should consider developing and reporting more extensively on both its commercial and philanthropic strategies in this area. HUL's undernutrition sustainability strategy in India is centered on increasing access to water and improving hygiene, which can improve health but is not an undernutrition-focussed strategy per se. Comprehensive product fortification programs are also yet to be rolled out in India.

** The mean HSR is calculated per category and multiplied by the percentage of 2015 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.

Mondelez India



Company Description

Mondelez India is a private limited company producing predominantly confectionary, sweet biscuits and powdered hot and cold beverages. The company was formerly known as Cadbury India Ltd.

Headquarters United States; Mumbai, India

Employees >1,000

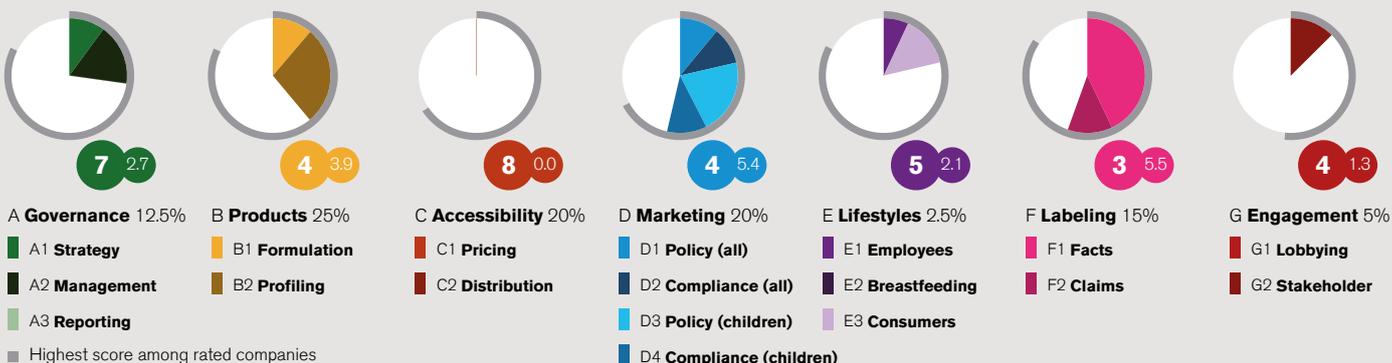
Total revenues* 69,833.26 mn INR

* Source: Euromonitor

Product Profile**

	Revenues	Mean HSR rating
Confectionary	84%	0.53
Flavoured powder drinks	12%	0.50
Sweet biscuits	4%	1.07
Powder concentrates	1%	0.50

Corporate Profile



Areas of strength

- Mondelez India scores above average on the Corporate Profile. The company has a strong commitment with respect to recognizing its role in tackling India's challenges of obesity and diet-related chronic diseases as its parent company Mondelez International, Inc. was found to do in the 2016 Global Index. The company's nutrition strategy was established at a group level, with global scope, and so applies to its Indian operations.
- Mondelez India applies the Nutrient Profiling System (NPS) developed by its global parent, one of the few companies among its industry peers to have such a system.
- Mondelez India has strong responsible marketing policies for the general population and for children, adherence to which is monitored. It is noteworthy that Mondelez International discloses the results of the independent audits that assess whether it applies its responsible marketing policy relating to children properly and consistently, including in India. It discloses its individual compliance level for both TV and internet-based media in India.
- As of January 1, 2016, Mondelez International, Inc. ceased advertising to children under 12. This commitment applies globally. Mondelez India is one of only two companies assessed that does not advertise any products to children aged under 12.
- The company is the highest scoring with respect to compliance of the back-of-pack nutritional labeling with Codex recommendations. The George Institute found that 85% of the company's labels currently comply with such recommendations.
- Mondelez India, like Mondelez International, Inc., is one of few companies in the 2016 India Index that conducts its stakeholder engagement in line with AA1000 standards. This strong commitment is an industry leading practice.

Areas for improvement

- Mondelez India ranked ninth out of nine companies in the Product Profile study with an overall score of 1.1 out of 10. All of its 2015 sales were generated by products that score less than 3.5 stars on the Health Star Rating (HSR) system, the level used to designate a healthy product.
- While Mondelez International, Inc. specifies that approximately 25% of its global product portfolio meets its composite healthy standard, Mondelez India does not provide a similar figure for the percentage of its Indian product portfolio that meets this standard – though, as noted, The George Institute study, on which the Product Profile score is based, found that none of its 46 products assessed meet the healthy standard of the HSR system.
- Unlike its global parent's commitment, noted in the 2016 Global Index, to invest in research and development to improve the nutritional quality of its products, Mondelez India does not disclose any India-specific commitment to do the same.
- Mondelez India demonstrates nutrition reduction targets with deadlines for salt/sodium, trans fat and saturated fats. To further enhance its contribution to improving diets in India, Mondelez India is encouraged to set targets for added sugars with deadlines for achieving them.
- Despite some strong policies and practices, Mondelez India has gaps in disclosure. Unlike the parent company's disclosure of formal, regular Well-Being Progress reports that detail its approach to nutrition issues, Mondelez India does not publish such reports. Information about the company's Corporate Social Responsibility programs published on its website on a yearly basis is not specific to the company's approach to nutrition issues in India.

** The mean HSR is calculated per category and multiplied by the percentage of 2015 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.

Mother Dairy



Company Description

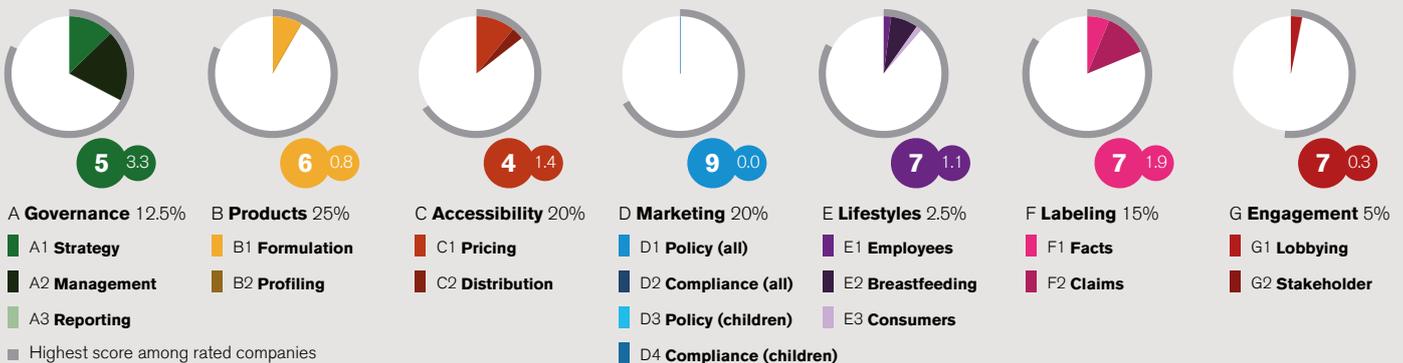
Mother Dairy operates as a subsidiary of the National Dairy Development Board. Mother Dairy markets and sells milk and other dairy products under the Mother Dairy brand. It also sells canned/preserved food, edible oils, frozen vegetables, pulses, fruit juices and jams.

Headquarters Noida, India
Employees 2,916
Total revenues* 108,038.7 mn INR
 * Source: Euromonitor

Product Profile**

	Revenues	Mean HSR rating
Drinking milk products	77%	2.74
Yogurt and sour milk products	13%	3.50
Ice cream	7%	2.11
Processed frozen fruit and vegetables	2%	5.00
Butter and margarine	2%	2.00

Corporate Profile



Areas of strength

- Mother Dairy is one of two Indian companies that committed to engaging with the Access to Nutrition Foundation (ATNF).
- The company states that nutrition is part of its strategic focus and reports having a Board-level Corporate Social Responsibility (CSR) committee charged with designing and implementing nutrition-related commercial and non-commercial strategies. During the engagement process, Mother Dairy indicated that its nutrition strategy is under development, signalling increased attention to nutrition at the highest level of the company.
- Mother Dairy ranked first in the Product Profile, with a score of 5.6 out of 10, as it has the highest sales-weighted score among the nine companies assessed. This is primarily because 76% of its 2015 sales are derived from drinking milks, most of which are relatively healthy.
- To reach more people with its products, Mother Dairy pledges "to provide affordable, safe, healthy and tasty products." The company offers discounts on its healthy products and adopts initiatives to reach low-income populations in India. Its performance is above average in Category C, which is generally an area of weakness for many companies assessed on the 2016 India and Global Indexes alike.
- The company states that it complies with the Food Safety and Standards Authority of India (FSSAI) regulations regarding claims it makes on labels, and where applicable the company "takes into account the Codex guidance." This is good practice regarding health and nutrition claims.
- Mother Dairy stands out among its peers assessed for this Index for its fortification of bulk-vended milk with vitamin A for over three decades. It also has been engaging with policymakers and industry to advance national product fortification policies. The company recognized and addressed micronutrient deficiencies ahead of time, making it a role model for other companies operating in India.

Areas for improvement

- The company could improve its performance by establishing relevant policies and programs, monitoring its activities and publicly reporting, particularly on healthy product formulation strategies, adoption of responsible marketing policies for all consumers, children and stakeholder engagement.
- Although Mother Dairy ranks first in the Product Profile and was estimated to derive 46% of its 2015 sales from healthy products according to the Health Star Rating system, it still has significant scope to reformulate its products to improve their nutritional profile, and/or to develop new, healthier products.
- Mother Dairy should disclose its framework for healthy product innovation. It should also adopt and disclose a Nutrient Profiling System (NPS) to guide the reformulation of its products and developing new healthy products. Upon engagement, Mother Dairy confirmed that it is working on the development of an NPS. The company is also encouraged to establish and report on targets to limit the levels of saturated fats and salt in all relevant products.
- Mother Dairy does not report on policies or monitoring activities with regard to responsible marketing practices and it is the lowest ranking company in Category D (Marketing). The company is encouraged to join industry initiatives, such as the Food and Beverage Alliance of India (FBAI) Pledge and to adopt the International Chamber of Commerce (ICC) Framework to demonstrate its commitment to responsible marketing to all consumers.
- Educating consumers and employees about healthy diets and active lifestyles is also an area where the company could significantly improve.
- The company does not have a policy relating to front-of-pack and back-of-pack labeling, although Mother Dairy states that it complies with the Food Safety and Standards Authority of India (FSSAI) regulations.
- Besides its comment to assist the Government of India on matters related to Codex, the company does not provide any further commentary about how it approaches nutrition policy development in India. Further, it does not disclose any information about how it engages with stakeholders to advance its nutrition strategy and practices.

i Although the company participated in the engagement process, it did not sign an NDA agreement, and as a result, it could only submit limited data that it does not consider to be commercially sensitive. This may have influenced the company's scoring and ranking.

****** The mean HSR is calculated per category and multiplied by the percentage of 2015 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.

Nestlé India BMS



Company Description

Nestlé India is a publicly listed company that sells a range of products including and chocolate confectionery, noodles, range of dairy products and table sauces.

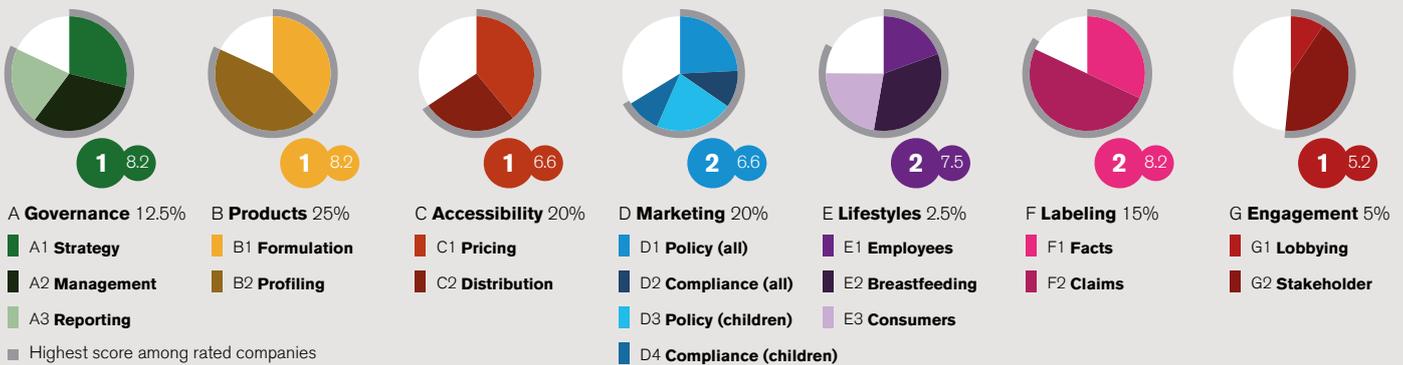
Headquarters Switzerland; Gurgaon, India
Employees 7,495
Total revenues* 70,844.4 mn INR

* Source: Euromonitor

Product Profile**

	Revenues	Mean HSR rating
Confectionery	38%	0.73
Noodles	16%	1.43
Yogurt	11%	3.38
Coffee whiteners	10%	0.50
Table sauces	9%	2.50
Condensed milk	7%	1.33
Drinking milks	4%	3.00
Dried ready meals	3%	1.83
Dehydrated soup	1%	1.83

Corporate Profile



Areas of strength

- Nestlé India ranks number one in the Corporate Profile of the India Index with a score of 7.1.
- Nestlé India implements the global Nutrition, Health, and Wellness (NHW) strategy developed by its parent company. Through this strategy, Nestlé India demonstrates a commitment to integrate nutrition into its core business operations and establishes itself as an industry leader on nutrition issues in the food and beverage industry.
- Nestlé India addresses micronutrient deficiencies both through product fortification and non-commercial initiatives. For example, Nestlé India discloses that it had a partnership with the Drisatee Foundation in the past to deliver fortified products to undernourished populations in nutrition awareness camps.
- The company has a Nutrient Profiling System (NPS), developed by its parent company, that applies globally, including its Indian operations. The company discloses that the NPS was established by incorporating recommendations from relevant authorities, such as the World Health Organization (WHO), the Institute of Medicine in the United States and the European Food Safety Authority. Nestlé S.A.'s global NPS was published in the European Journal of Nutrition in February 2016. This high degree of transparency allows consumers and other stakeholders to assess the NPS.
- Nestlé India is an industry leader with respect to strategies to make its healthy products accessible to low-income populations. Nestlé India commits to the Popularly Positioned Products (PPP) strategy developed by its parent. PPPs are designed with the explicit intention of being accessible to less affluent populations.
- Nestlé India, like Nestlé S.A., is an industry leader with respect to committing to provide facilities that support breastfeeding mothers at work – it offers safe, private rooms to express milk, provides refrigerators to store expressed breastmilk, and allows breaks and/or flexible working hours. Nestlé India also has a strong maternity leave policy that allows women to take six months or more of paid maternity leave.

Areas for improvement

- As noted, Nestlé India applies the NPS of its parent company. It claims that 94% of the products it sells in India meet its healthy standard. However, Nestlé India ranks seventh on the Product Profile with a score of 2.9 out of ten, and was estimated to derive only 6% of its 2015 food sales from healthy products, i.e. achieve a Health Star Rating of 3.5 stars or more, the threshold for healthy. This implies that the company's NPS should be strengthened and that the company has many opportunities to improve the healthiness of its portfolio.
- While Nestlé India has an existing range of fortified products for children over 2, it could also look at developing new fortified products for other undernourished groups, such as women of childbearing age.
- Nestlé India should publicly disclose the results of independent audits of its own compliance in India with its policies on marketing to all consumers and to children.
- Nestlé India is encouraged to move towards exclusively supporting nutrition education and active lifestyle programs developed by independent expert organizations, and commissioning and publishing independent evaluations of such programs.
- Nestlé India could improve its back-of-pack nutritional labeling to bring it fully into line with Codex recommendations. The George Institute found that only 61% of the company's labels currently comply with such recommendations.
- With respect to BMS marketing, Nestlé India demonstrated a high level of compliance with the Indian IMS Act and The Code in the IGBM-based study conducted in Mumbai over the summer of 2016. Two informational and educational materials produced by the company were found in healthcare facilities, which are prohibited by the IMS Act.

i Nestlé India was evaluated in the BMS assessment as it produces and markets BMS products in India. The company's Corporate Profile score has been adjusted by -0.25 to reflect the findings of the BMS assessment.

****** The mean HSR is calculated per category and multiplied by the percentage of 2015 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.

Parle Products



CORPORATE PROFILE



PRODUCT PROFILE

Company Description

Parle Products is a private company. Its largest product categories are sweet and savoury biscuits, confectionery and savory snacks.

Headquarters Mumbai, India
Employees Not available
Total revenues* 78,584.2 mn INR

* Source: Euromonitor

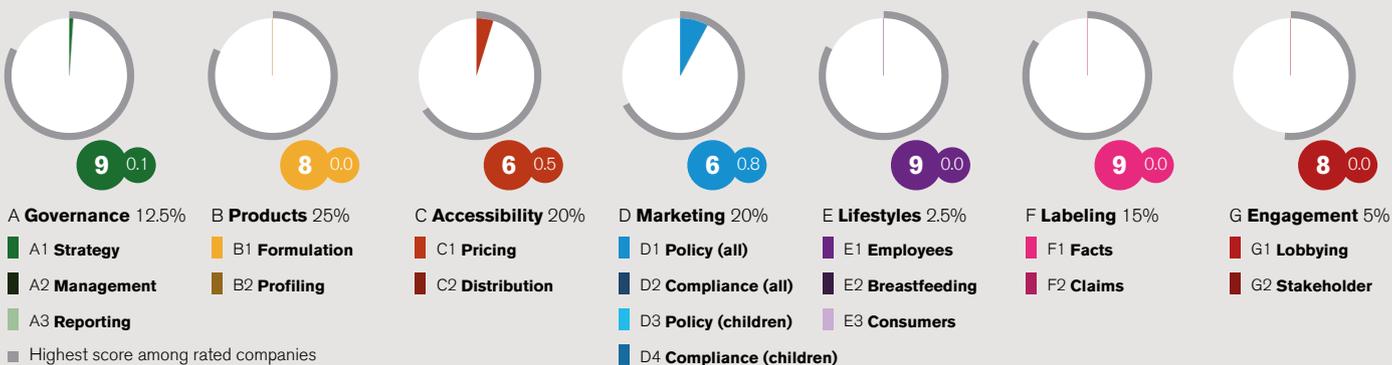
Product Profile**

	Revenues	Mean HSR rating
Sweet biscuits	72%	1.55
Savoury biscuits	11%	2.00
Confectionery	10%	0.88
Savory snacks	8%	2.33

Corporate Profile

NUTRITION GENERAL **8** 0.3

UNDERNUTRITION **8** 0.0



Areas of strength

- Overall, the company's disclosure is limited and therefore no clear areas of strengths were identified.

Areas for improvement

- In general, Parle Products' limited disclosure means that no clear strengths were identified in the Corporate Profile research. Better disclosure by the company about its approach to tackling the double burden of malnutrition in India, in terms of nutrition governance, product formulation, affordability and accessibility, responsible marketing practices, lifestyles, labeling and nutrition engagement, would allow for a more complete assessment and identification of specific areas for improvement. Additionally, engagement with Access to Nutrition Foundation (ATNF) would allow a complete assessment of Parle Products' policies and practices. Parle Products is encouraged to engage with ATNF for the next India Index.

- The Product Profile study, carried out by The George Institute, assessed 75 Parle products across four product categories. Parle Products ranked fifth on the Product Profile with a score of 3.2 out of 10. The company was estimated to derive only 3% of its 2015 total sales from healthy products, i.e. achieve a rating of 3.5 stars or more on the Health Star Rating system, the threshold for a healthy product. This shows that it has significant scope to reformulate its products to improve their nutritional profile, and/or to develop new, healthier products.

- Parle Products could improve its back-of-pack nutritional labeling to bring it into line with Codex recommendations. The George Institute found that none of the company's labels currently comply with such recommendations.

i Parle publishes little information pertaining to its nutrition practices and did not provide any information upon request during the research. As a result, it has been difficult to assess the company for the 2016 India Index.

****** The mean HSR is calculated per category and multiplied by the percentage of 2015 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.

PepsiCo India



CORPORATE PROFILE

PRODUCT PROFILE

Company Description

PepsiCo India is a publicly listed company that sells a range of products including savory snacks, juice drinks, regular cola carbonates and non-cola carbonates.

Headquarters United States; Gurgaon, India
Employees 4,789
Total revenues* 133,300.99 mn INR

* Source: Euromonitor

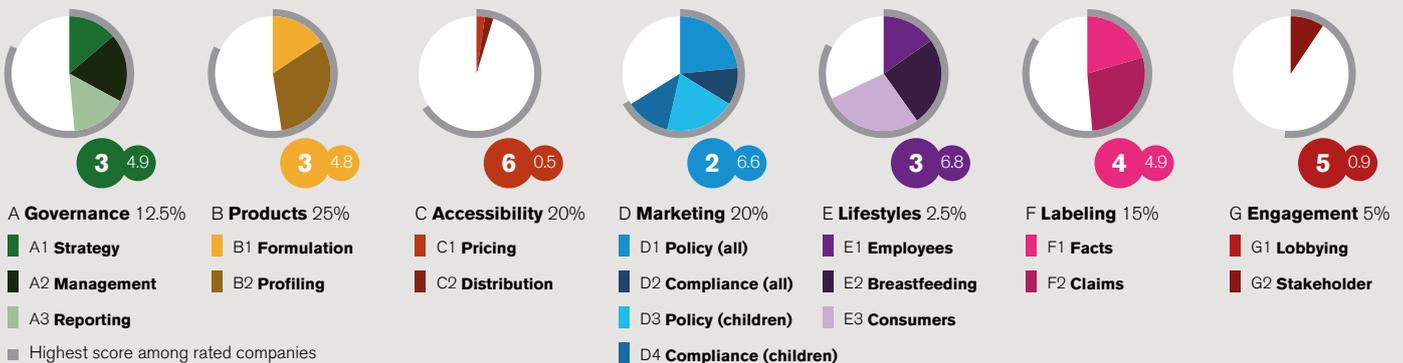
Product Profile**

	Revenues	Mean HSR rating
Savory snacks	47%	1.10
Juice drinks (up to 24% Juice)	19%	0.71
Regular cola carbonates	11%	1.00
Other non-cola carbonates	6%	1.00
Lemonade/limeade	5%	1.00
Still bottled water	5%	5.00
Orange carbonates	4%	0.50
Mixers	1%	5.00
Hot cereals	1%	3.29
Sports drinks	1%	1.50

Corporate Profile

NUTRITION GENERAL **3** 4.3

UNDERNUTRITION **5** 1.3



Areas of strength

- PepsiCo India is one of the top three companies on the Corporate Profile in the 2016 India Index. This is a better result than that of its parent sixth ranking in the 2016 Global Index.
- PepsiCo India is one of the top performing companies in the 2016 India Index on product reformulation. It is committed to providing an increasing number of healthier products to consumers, such as Quaker Oats Plus that was launched in 2014. It has a formal commitment to invest in R&D, set reduction targets for sodium, saturated fats and sugars in its products and has a comprehensive Nutrient Profiling System (NPS).
- The company's approach to responsible marketing is consistent with PepsiCo Inc. and in line with industry standards. PepsiCo Inc. has a comprehensive responsible marketing strategy for adults and children and has internal and external compliance checks.
- Compared to the 2016 Global Index, PepsiCo India demonstrates a wider range of commitments and programs aimed at improving health and well-being of its employees, consumers and community members in India. The Get Active program, operating since 2006, educates children about healthy diets and active lifestyles. In contrast to its parent company, in India, the company has policies on maternity leave and provides facilities to accommodate the needs of breastfeeding mothers at work.
- The company's approach to nutrient labeling is fully aligned with that of its parent. However, unlike the 2016 Global Index, PepsiCo India provided more information about its practices related to health and nutrition claims, namely that all claims are scientifically substantiated and compliant with local regulations.

Areas for improvement

- Despite its relatively good score in the Corporate Profile, PepsiCo India still has many opportunities to improve the healthiness of its portfolio, given that it ranked eighth on the Product Profile with a score of 2.5 out of 10, and was estimated to derive only 8% of its 2015 total sales from healthy products, i.e. achieve a rating of 3.5 stars or more on the Health Star Rating system, the threshold for a healthy product.
- The company could also improve its disclosure of the governance arrangements for its nutrition strategy.
- Similar to its parent in the 2016 Global Index, PepsiCo India has an opportunity to enhance its reporting on its policies and programs regarding the affordability and accessibility of its healthy products. However, it should be noted that unlike its parent, PepsiCo India has started disclosing examples of relevant initiatives and partnerships in India centered around fortified products.
- PepsiCo India should consider increasing disclosure of its policies, programs and strategies designed to contribute to healthy lifestyles in India. Better disclosure would enable the various stakeholders to gain a better understanding of the company's performance in this area.
- Although PepsiCo India stated that it follows Codex guidelines with respect to nutrition claims, the Product Profile assessment carried out by The George Institute found that only 17% of its product labels comply with Codex nutrition labeling standards.
- Unlike PepsiCo Inc. in the 2016 Global Index, PepsiCo India is not transparent about its lobbying activities, presenting an opportunity for improvement. Further, the company is encouraged to increase disclosure of its stakeholder engagement activities, including the names of organizations it engages with, topics of engagement and how feedback is used to inform its nutrition and undernutrition strategies in India.
- PepsiCo India has provided less information on its product fortification strategy to combat undernutrition in India than its parent company did for the 2016 Global Index. This signals that the company has an opportunity to improve its public reporting practices in this area.

** The mean HSR is calculated per category and multiplied by the percentage of 2015 sales per category. These figures are totalled and doubled to give a maximum Product Profile score of 10.



Annexes

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1 Company selection approach

The 2016 India Access to Nutrition Index selected 10 of India's largest food and non-alcoholic beverage manufacturers, including both, publicly listed and privately owned companies and cooperatives. These are the 10 largest F&B manufacturers by total global FY2014 revenues.

Four additional companies that make and fortify dairy products, oil and/or wheat were selected to be interviewed about their approach to fortifying their products, to gain insight into how this has been done and the challenges faced.

Company selection criteria and the process for the 2016 India Access to Nutrition Index

Euromonitor statistics were used to identify the largest F&B companies in India (Packaged Food: Euromonitor from trade sources/national statistics and Soft Drinks: Euromonitor from trade sources/national statistics). The largest food and beverage companies by total revenues (FY2014) were first identified. Revenues derived from non-food and beverage activities, such as pharmaceuticals were discounted. In addition, several exclusion criteria were applied.

Exclusion criteria

The following exclusions were applied during the company selection process:

- Alcohol - companies that mainly produce only alcoholic beverages
- Bottling - companies that bottle beverages for other beverage companies.

Note that the Index focusses only on F&B manufacturers, and so does not include retailers or fast food companies.

Breast-milk substitute (BMS) manufacturer selection

The BMS component in the India Spotlight Index is based solely on an in-country assessment of BMS marketing. Companies' policies, management systems and disclosure were not assessed, as was the case for the 2016 Global Index. All companies whose products were found in the study area were assessed included in the Westat study. Of the eight companies identified, two are included in the ATNI India Spotlight Index, Nestlé India and Amul.

2 India Spotlight Index research approach

Corporate Profile: Nutrition policies, practices and disclosure

ATNF retained Sustainalytics, a leading provider of sustainability research & analysis, as the research consultant for the Corporate Profile for the 2016 India Spotlight Index.¹ Sustainalytics used the ATNI India Spotlight Index methodology to research each company to assess its performance. Sustainalytics was responsible for gathering company information, calculating the scores and rankings, and drafting company scorecards for the Index.

The research process involved the following steps:

Identification and review of relevant, publicly available documents: Sustainalytics began with desk-based research for the India Spotlight Index. Analysts pre-populated the data-gathering platform with all information available in the public domain relevant to the India Spotlight Index methodology in order to reduce the burden for the companies. The documents reviewed included annual reports, corporate social responsibility/sustainability reports, websites, press releases and any publicly available policy statements. All documents publicly available before the end of the company research phase were analyzed.

Companies' contribution to the platform: Once Sustainalytics had completed the review of publicly available information and added initial data to the online platform, companies were asked to provide additional information to fill in any gaps. Companies were given four weeks to add data to the platform. This period was extended by another three weeks to give companies extra time to get approval to share data. All participating companies also provided information on a confidential basis; that information was used to calculate scores but is not directly quoted or referenced in the report without permission. Of the ten companies assessed in the Corporate Profile, three did not provide information during the company contribution stage and have been assessed solely on publicly available information.

Verification of company facts: Sustainalytics then reviewed the information submitted and liaised with companies where more information or clarification was needed. Companies were given a week to provide any additional information or clarifications. Sustainalytics then drafted the company scorecards. Companies were given an opportunity to review both the draft scorecards and the company references in the India Spotlight Index to confirm the factual information.

Data analysis and conduct quality assurance: Sustainalytics used the collected data to score companies according to the ATNI methodology. A robust quality assurance process was applied to ensure accurate data collection, interpretation and scoring. The quality assurance process involved multiple analysts cross-checking information to ensure consistency of company scoring, followed by a final review by the Sustainalytics project manager.

Product Profile

In mid-2016, ATNF commissioned the Food Policy Division of The George Institute for Global Health (TGI), based at the University of Sydney, to undertake research for the first-ever Product Profile for India.

A total of 12 F&B manufacturers were selected for inclusion in the TGI study: the ten companies included in the 2016 India Spotlight Index, plus the two next largest companies with a wide product portfolio – Nandini and ITC. These two companies were included to give a complete picture of products available to consumers in India. The goal of the analysis was to assess and compare the nutritional quality of the products of the selected companies. In addition, the study looked at compliance with Indian nutrition labeling regulations and Codex nutrition labeling guidelines, as well as whether there is any correlation between the nutritional profile of products and their price.

BMS assessment

ATNF and Westat first piloted the methodology in 2015 in Vietnam and Indonesia. In the spring of 2016, ATNF commissioned Westat to carry out another population-based survey in Mumbai, India to systematically assess breast-milk substitute (BMS) manufacturers' compliance with the International Code of Marketing of Breast-milk Substitutes (The Code) and subsequent World Health Assembly (WHA) Resolutions, and compliance with The India Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 as amended in 2003 (IMS Act), in areas where the regulation goes beyond the provisions of The Code. The purpose of this pilot study was to provide analysis for the India Spotlight Index. Westat hired Center for Media Studies (CMS) as its local partner to conduct necessary research and interviews in India.

The study used a Protocol developed by the Interagency Group on Breastfeeding Monitoring (IGBM) entitled Estimating the Prevalence of Violations of The Code and National Measures. This Protocol was last updated in August 2007, and ownership of the Protocol currently rests with United Nations Children's Fund (UNICEF).² ATNF sought and was granted permission to use the Protocol from UNICEF in New York.

Mumbai was chosen as the geographical location for this subsequent pilot study. This city was selected by ATNF, with advice from its Expert Group, because of its high population density and high gross domestic product per capita, likely making it an appealing market for infant foods companies. Moreover, a similar study had previously been carried out in Delhi by PWC on behalf of FTSE4Good.

NOTES

¹ Sustainalytics has not been involved in the BMS assessment. The in-country assessment in India was conducted by Westat. See the BMS section of this report for more information.

² Permission to base the survey on the IGBM protocol does not imply any endorsement of the resulting report by UNICEF

3 Methodology adaptations to add India-specific indicators

Category A2: Addition of a food safety indicator

Foodborne and waterborne diarrhoeal diseases pose major health, social and financial risks. They can have negative financial consequences not only for individuals, families and communities but also create a burden on the healthcare system and negatively influence a country's economic productivity.¹ Foodborne and waterborne diarrhoeal diseases from processed foods occur due to inappropriate technologies being applied during processing, inadequate hygienic conditions and incorrect application of food technologies.²

In India, the use of pesticides, antibiotics and some chemicals in some processed foods are a major threat.³ The Centre for Science and Environment in India claims that pesticides have been found in packaged food products, such as soft drinks, bottled water and in human tissues in India.⁴ In addition, food poisoning, microbiological contamination and foodborne disease can be caused by street food if inappropriately prepared. "Poor hygiene, inadequate access to water supply and garbage disposal, and unsanitary environmental conditions further exacerbate the public health risks associated with street foods"⁵. In addition, improper use of additives, heavy metals and pesticides represent additional hazards.⁶

The World Health Organization (WHO) suggests various actions to improve consumer and food safety⁷:

- Developing health regulation
- Having in place epidemiological/laboratory surveillance systems
- Promotion effective multisector collaboration
- Develop advocacy tools
- Training and capacity building

The Food Safety and Standards Authority of India (FSSAI) is the governing body for food safety. It is responsible for, among other things:

- 1 Laying down mechanisms and guidelines for accreditation of certification bodies engaged in certifying food safety management systems for food businesses.
- 2 Providing scientific advice and technical support to Central Government and State Governments in the matters of framing the policy and rules in areas which have a direct or indirect bearing on food safety and nutrition.
- 3 Collecting and collating data regarding food consumption, incidence and prevalence of biological risk, contaminants in food, residues of various, contaminants in foods products, identification of emerging risks and introduction of a rapid alert system.
- 4 Promoting general awareness about food safety and food standards.⁸

It is compulsory for F&B companies to obtain a license from FSSAI to operate their business. FSSAI also issues approval to sell products.⁹ In 2015, the Food Safety and Drug Administration (FDA) found lead at a level almost seven times higher than the allowed level in Maggi noodles. This led to a nationwide ban of the noodles. Since this case, FSSAI intensified actions related to non-compliance with the Food Standards Act. As a result, a number of multinationals¹⁰ have withdrawn products without approval from the Indian market.¹¹

The India Spotlight Index, therefore, assesses whether companies adopt appropriate food safety programs to manage food safety. Several international certifications are available.

- ISO 22000: Food safety management: The ISO 22000 family of standards comprises a number of standards each focussing on different aspects of food safety management. These include the development of management systems and Hazard Analysis and Critical Control Point (HACCP) plans. The standard is developed in such a way that it will enable companies to continually improve and update their management systems. ISO 22000 can be used by any company in the food supply chain including companies which provide staples to large F&B companies.¹²
- O/TS 22002-4:2013: Contains specific prerequisites for food packaging manufacturing and guidelines for audit and certification bodies.¹³
- Global Food Safety Initiative (GFSI): GFSI is not a scheme per se but rather is an industry-driven global collaborative platform to advance food safety.¹⁴ Companies can be certified through one of the GFSI recognized schemes such as SQF, BRC, IFS, FSSC, GLOBALGAP and BAP and CanadaGA). Their schemes comply with minimum internationally recognized food safety requirements. The certification can be obtained through a third-party audit.¹⁵

Category A2: Addition of an indicator related to the CSR Tax

Section 135 of the Companies Act, 2013 defines which companies are obliged to pay the annual CSR tax. These are companies that have a net worth of INR 500 crore or more, a turnover of INR 1000 crore or more, or a net profit of INR 5 crore or more. Companies are obliged to constitute a CSR panel of the Board, publish a CSR policy on the company website and report CSR expenditure annually from FY2015 onwards. Schedule VII of the Companies Act prescribes activities on which the CSR allocation should be spent, including eradicating extreme hunger and poverty, promoting education, ensuring environmental sustainability, social business projects, reducing child mortality and improving maternal health, empowering women, etc.

Category E2: Consideration of maternity rights

Maternity rights in India are defined under the Maternity Act of 1961. Employed women in India are entitled to 12 weeks of leave, to be taken during the time immediately preceding a pregnancy and immediately after. For each day that a woman is legally absent and on maternity leave, she is entitled to her daily wage or one rupee, whichever is greater. In August 2016, the Indian government approved the amendment to the Maternity Benefit Act. The changes adopted extends maternity leave for women from 12 to 26 weeks, companies with 50 or more employees have to provide crèche facilities; the new amendment also facilitates work from home options.¹⁶ However, as this change was introduced after the ATNI research had started, it is not taken into account. Companies are not given credit, however, for simply complying with the Indian Maternity Act but only if they have a policy which commits to exceeding the Act.

Category E3: Credit for activities related to clean water and sanitation

According to the World Bank, 21% of communicable diseases are related to unsafe water in India.¹⁷ Research also shows that diarrheal disease contributes to malnutrition. Diarrhea is often caused by a lack of clean water for proper handwashing. In India, a very high number of water resources are contaminated by sewage and agricultural runoff. Only 14% of the rural population has access to a latrine¹⁸ and half of India's population (estimated to be 620 million) defecates outside.¹⁹

The first program to improve sanitation was introduced by the government in 1954.²⁰ In 2014, the program has been significantly upgraded through the Swachh Bharat Mission (Gramin). The goal of this program is to 'provide every rural person with adequate safe water for drinking, cooking and other basic domestic needs on a sustainable basis'²¹ and to achieve a 'clean and open defecation free India by 2nd October 2019'.²² Companies in India can contribute financially by dedicating some of the 2% annual compulsory CSR tax to effective programs or in other ways. If they do so, they are given credit.

NOTES

- ¹ WHO. (2015). *Food Safety. World Health Day 2015*. Retrieved from http://www.searo.who.int/india/mediacentre/events/world_health_day/whd2015_food_safety_wcoindia.pdf?ua=1
- ² Ibid
- ³ Bureau, O. (2016). *Contamination is the greatest challenge for food safety in India: CSE. The Hindu Business Line*. Retrieved 27 November 2016, from <http://www.thehindubusinessline.com/news/contamination-is-the-greatest-challenge-for-food-safety-in-india-cse/article7074204.ece>
- ⁴ Ibid
- ⁵ FAO., *Ensuring quality and safety of street foods*. Available at: <ftp://ftp.fao.org/docrep/fao/011/ak003e/ak003e09.pdf>
- ⁶ Ibid
- ⁷ WHO. (2015). *Food Safety. World Health Day 2015*. Retrieved from http://www.searo.who.int/india/mediacentre/events/world_health_day/whd2015_food_safety_wcoindia.pdf?ua=1
- ⁸ Food Safety and Standards Authority of India (FSSAI). (2016). *Fssai.gov.in*. Retrieved 27 November 2016, from <http://www.fssai.gov.in/AboutFSSAI/introduction.aspx>
- ⁹ FSSAI extends last date of registration for food companies - *Times of India*. (2016). *The Times of India*. Retrieved 27 November 2016, from <http://timesofindia.indiatimes.com/business/india-business/FSSAI-extends-last-date-of-registration-for-food-companies/articleshow/52537592.cms>
- ¹⁰ Examples of companies that withdrew their products are Hindustan Unilever (Knorr Chinese noodles), Indo Nissin (Top Ramen noodles, Foodles and Wai Wai) and Starbucks.
- ¹¹ FSSAI extends last date of registration for food companies - *Times of India*. (2016). *The Times of India*. Retrieved 27 November 2016, from <http://timesofindia.indiatimes.com/business/india-business/FSSAI-extends-last-date-of-registration-for-food-companies/articleshow/52537592.cms>
- ¹² ISO 22000 Food Safety | BSI India. (2016). *Bsigroup.com*. Retrieved 27 November 2016, from <http://www.bsigroup.com/en-IN/ISO-22000-Food-Safety/>
- ¹³ ISO 22000 - Food safety management. (2016). *ISO*. Retrieved 27 November 2016, from <http://www.iso.org/iso/home/standards/management-standards/iso22000.htm>
- ¹⁴ Headway, G. (2016). *MyGFSI - Global Food Safety Initiative. MyGFSI*. Retrieved 27 November 2016, from <http://www.mygfsi.com/>
- ¹⁵ *MyGFSI - Recognised Schemes*. (2016). *MyGFSI*. Retrieved 27 November 2016, from <http://www.mygfsi.com/schemes-certification/recognised-schemes.html>
- ¹⁶ *Amendments to the Maternity Benefit Act, 1961*. (2016). *Pmindia.gov.in*. Retrieved 27 November 2016, from http://www.pmindia.gov.in/en/news_updates/amendments-to-the-maternity-benefit-act-1961/
- ¹⁷ *India Water Crisis: Clean Water Scarcity In India | Water.org*. (2016). *Water.org*. Retrieved 27 November 2016, from <http://water.org/country/india/>
- ¹⁸ Ibid
- ¹⁹ *Water, Sanitation, Hygiene, and Malnutrition in India*. (2016). *Prb.org*. Retrieved 27 November 2016, from <http://www.prb.org/Publications/Articles/2014/india-sanitation-malnutrition.aspx>
- ²⁰ *Ministry of Drinking Water and Sanitation*. (2016). *Annual Report 2015-2016*. Retrieved from <http://www.mdws.gov.in/sites/default/files/AnnualReport2015-16.pdf>
- ²¹ Ibid
- ²² Ibid 2

All links accessed November 2016.

4 Breast-milk substitutes

TABLE 28 Examples of incidences of non-compliance with the IMS Act reported by BPNI.

Date	Company	Letter(s) to	Issue raised
26/02/2016	British Life Sciences (and Indian Journal of Pediatrics)	GOI - MWCD & MHFW	Advert published in IJP for infant milk brand LF-100 and 'Mum's Care'
01/06/2015	Nestlé India	Health Minister, Govt of NCT of Delhi	Pamphlet for Cerelac distributed to Guru Gobind Singh Hospital staff in Delhi
15/05/2015	Nestlé India	GOI - MWCD & MHFW & Ethics Committee, Medical Council	Nestlé India organizing a symposium entitled "Emerging Trends in Infant Nutrition: Expert input meet for sharing best practices at institutional level" (sic) on 17th May 2015 in Pune.
12/05/2015	Various online shopping sites	GOI- MWCD and CEOs of shopping sites	Promotion of various products, and discounts, via snapdeal.com, shopping.rediff.com, flipkart.com, jungle.com and amazon.in
9+11/04/2015	Nestlé India	GOI - MWCD & MHFW & Secretary General of Trained Nurses Association of India	Nestlé Nutrition Institute organized National Nurses Quiz 2015, approaching pediatric and gynecology departments of medical colleges for nominations of nurses.
30/03/2015	Abbott	Honorary Secretary General, Indian Medical association	Proposed sponsorship of IMA conference by Abbott
13/08/2014	Nestlé India	Commissioner & Mission Director, Dept of Health and Family Welfare, Haryana	Link not posted to letter, so no information about content.
01/08/2014	Heinz and online shopping site	GOI - MWCD	Advertisement for Heinz breakfast fruit with yogurt cereal on shopclues.com as being suitable for 4+-month-old infants, and with a rebate of 8%.
25/08/2014	Nestlé India	Chairman, Railway Board	Avoid sale of Nestlé products like milk whitener in railway stations (but letter not published).
21/04/2014	Danone	GOI - MWCD	Link not posted to letter, so no information about content.
30/10/2012	Online shopping site flipkart.com	GOI - MWCD & CEO of flipkart.com	Advertising and promotion of infant feeding bottles.

Source: BPNI

5 Product Profile

TABLE 29 Individual companies' product profile score calculations

Company	Euromonitor category	% sales, 2015	Mean HSR	Initial sales-weighted rating Max = 5	Final Product Profile score Max = 10
Amul		100%		2.2	4.4
	Yogurt and Sour Milk Products	10%	3.50	0.35	
	Cheese	5%	2.94	0.16	
	Drinking Milk Products	44%	2.84	1.26	
	Confectionery	1%	1.00	0.01	
	Oils and Fats	26%	0.70	0.18	
	Ice Cream	9%	1.78	0.16	
	Other Dairy	4%	1.88	0.08	
Excluded	Ready meals (<0.1 market share)				
Britannia Industries		100%		1.8	3.6
	Yogurt and Sour Milk Products	2%	2.83	0.05	
	Bread	7%	3.79	0.28	
	Savory Biscuits	11%	2.19	0.24	
	Cheese	3%	2.29	0.07	
	Cakes	4%	1.42	0.06	
	Sweet Biscuits	68%	1.55	1.06	
	Drinking Milk Products	1%	2.67	0.03	
	Butter and Margarine	4%	0.50	0.02	
Excluded	Other dairy (<0.1 market share)				
Coca-Cola India		100%		1.50	3.0
	Still Bottled Water	11%	5.00	0.55	
	Mixers	1%	3.60	0.04	
	Low-calorie Cola Carbonates	1%	2.00	0.01	
	Lemonade/Limeade	30%	1.25	0.38	
	Regular Cola Carbonates	26%	1.00	0.26	
	Orange Carbonates	5%	1.00	0.05	
	Juice Drinks (up to 24% Juice)	26%	0.79	0.20	
Excluded	Whitener, hot 1 beverage, 1 nectar, 2 RTD tea (<0.1 market share); drinking milks (new 2016)				

ANNEX 5 PRODUCT PROFILE

Company	Euromonitor category	% sales, 2015	Mean HSR	Initial sales-weighted rating Max = 5	Final Product Profile score Max = 10
Hindustan Unilever		100%		2.28	4.6
	Soup	12%	3.82	0.47	
	Cooking Sauces	1%	3.50	0.03	
	Instant Noodles	0.5%	2.90	0.01	
	Table Sauces	18%	2.13	0.39	
	Jams and Preserves	10%	1.71	0.17	
	Still RTD Tea	4%	1.00	0.04	
	Ice Cream	45%	2.47	1.11	
	Liquid Concentrates	8%	0.50	0.04	
Excluded	Tea, coffee (no HSR, 75% of sales); breakfast cereal, nectars, powder concentrates (<0.1% market share); dessert mixes (no products found by TGI)				
Mondelez India		100%		0.55	1.1
	Sweet Biscuits	4%	1.07	0.04	
	Confectionary	84%	0.53	0.44	
	Flavored Powder Drinks	12%	0.50	0.06	
	Powder Concentrates	1%	0.50	0.00	
Excluded	Other baby food (no HSR)				
Mother Dairy		100%		2.78	5.6
	Processed Frozen Fruit and Vegetables	2%	5.00	0.08	
	Yogurt and Sour Milk Products	13%	3.50	0.44	
	Drinking Milk Products	77%	2.70	2.07	
	Butter and Margarine	2%	2.00	0.04	
	Ice Cream	7%	2.10	0.15	
Excluded	Cheese, ready meals, juice drinks (<0.1% market share). Tomato pastes and purees, jams and preserves, other dairy (<0.5% sales)				
Nestlé India		100%		1.47	2.9
	Yogurt	11%	3.38	0.39	
	Drinking Milks	4%	3.00	0.12	
	Table Sauces	9%	2.50	0.22	
	Condensed Milk	7%	1.33	0.09	
	Dried Ready Meals	3%	1.83	0.06	
	Dehydrated Soup	1%	1.83	0.03	
	Noodles	16%	1.43	0.22	
	Confectionery	38%	0.73	0.28	
	Coffee Whiteners	10%	0.50	0.05	
Excluded	Instant coffee, (no HSR); breakfast cereal, powder concentrates (<0.1 market share); dessert mixes (not found by TGI)				

Company	Euromonitor category	% sales, 2015	Mean HSR	Initial sales-weighted rating Max = 5	Final Product Profile score Max = 10
Parle Products		100%		1.60	3.2
	Savory Snacks	8%	2.33	0.18	
	Savory Biscuits	11%	2.00	0.22	
	Sweet Biscuits	72%	1.55	1.11	
	Confectionery	10%	0.88	0.08	
Excluded	None				
PepsiCo India		100%		1.25	2.5
	Still Bottled Water	5%	5.00	0.25	
	Mixers	1%	5.00	0.06	
	Hot Cereals	1%	3.29	0.05	
	Savory snacks	47%	1.10	0.52	
	Sports Drinks	1%	1.50	0.01	
	Regular Cola Carbonates	11%	1.00	0.11	
	Other Non-Cola Carbonates	6%	1.00	0.06	
	Lemonade/Limeade	5%	1.00	0.05	
	Juice Drinks (up to 24% Juice)	19%	0.71	0.14	
	Orange Carbonates	4%	0.50	0.02	
Excluded	Powder concentrates, RTD tea (<0.1 market share); low-calorie carbonates (<0.5% sales)				

6 Board, Independent Advisory Panel and ATNI Expert Group

Two multi-stakeholder groups – the Expert Group and the Independent Advisory Panel – have provided advice on many aspects of ATNI's development since January 2011. This includes the India Spotlight Index pilot research and the first India Spotlight Index. Since part of the intended impact of ATNI includes active engagement by various stakeholder groups with F&B manufacturers, the Index needed to be a useful tool for a range of interested parties. This led to the selection of Expert Group and International Advisory Panel members with a wide range of expertise including India country experience. In order to ensure the independence of the Index development process, no current executives from F&B companies were members of either group.

Members of each of these groups have served in their personal capacities and in an advisory role. The views in this report do not necessarily reflect the views of these members or of their institutions. The ATNI development team is responsible for the final scope and content of the Index.

Board

Board	
Keith Bezanson	<i>Chair of the Board of ATNF and Chair Independent Advisory Panel, Access to Nutrition Foundation Former President, International Development Research Centre; Former Director, Institute of Development Studies</i>
Lauren Compere	<i>Managing Director, Boston Common Asset Management</i>
Inge Kauer	<i>Executive Director Access to Nutrition Foundation.</i>
Paula Luff	<i>CEO Viso Strategies Corporation Board Philanthropy New York; Senior Associate with the Project on Prosperity and Development at the Center for Strategic and International Studies</i>
Kathy Spahn	<i>President and Chief Executive Officer, Helen Keller International Board member of InterAction, International Agency for the Prevention of Blindness (IAPB), and the Bernadotte Foundation for Children's Eyecare</i>
Susanne Stormer	<i>Vice President, Chief Sustainability Officer, Novo Nordisk, Denmark Adjunct professor, Corporate Sustainability, Copenhagen Business School Member International Integrated Reporting Council.</i>
Marc Van Ameringen	<i>Former Executive Director Global Alliance for Improved Nutrition (GAIN)</i>
Paulus Verschuren	<i>Founder WorldFed NL; Former Special Envoy Food and Nutrition Security Ministry of Foreign Affairs, The Netherlands; Former Senior Director Unilever Global Health Partnerships; Former Executive Director International Life Sciences Institute – ILSI Europe</i>

Independent Advisory Panel

The mandate of the Independent Advisory Panel is to provide strategic, advice on the development of the ATNF. It focusses on how to make ATNI more useful and effective, what institutional arrangements should be made to sustain ATNI over time, and how to engage with a variety of stakeholder groups regarding the objectives and findings of the ATNI.

Independent Advisory Panel	
Keith Bezanson	<i>Chair of the Board of ATNF and Chair Independent Advisory Panel, Access to Nutrition Foundation; Former President, International Development Research Centre; Former Director, Institute of Development Studies.</i>
Ashish Deo	<i>Head of Commercial Solutions, Children's Investment Fund Foundation (CIFF).</i>
Shiriki Kumanyika	<i>Chair ATNI Expert Group, Access to Nutrition Foundation; Professor Emerita of Epidemiology, Department of Biostatistics and Epidemiology, Perelman School of Medicine, University of Pennsylvania.</i>
Nicola Perrin	<i>Head of Policy, Wellcome Trust.</i>
Juan Rivera	<i>Founding Director, Center for Research in Nutrition and Health, National Institute of Public Health, Mexico.</i>
Marie Ruel	<i>Division Director, Poverty, Health and Nutrition, IFPRI.</i>
Senoe Torgerson	<i>Senior Program Officer, Bill & Melinda Gates Foundation.</i>
Victoria Quinn	<i>Senior Vice President of Programs, Helen Keller International.</i>
Observer: Francesco Branca	<i>Director, Department of Nutrition for Health and Development, World Health Organization.</i>

ATNI Expert Group

The function of the ATNI Expert Group is to provide input into the development of the company assessment methodology and to review the analysis and Index report. This group consists of members with expertise in various aspects of nutrition (including both undernutrition and obesity and diet-related chronic diseases) and the role of the F&B industry when it comes to nutrition.

ATNI Expert Group	
Lindsay H. Allen	<i>Director</i> USDA ARS Western Human Nutrition Research Center <i>Research Professor</i> Department of Nutrition, UC Davis.
Terry T-K Huang	<i>Professor</i> School of Public Health, City University of New York.
Shiriki Kumanyika	<i>Chair</i> ATNI Expert Group <i>Professor Emerita of Epidemiology</i> Department of Biostatistics and Epidemiology, Perelman School of Medicine, University of Pennsylvania.
Linda Meyers	<i>Senior Science Advisor</i> for the American Society for Nutrition (ASN).
CS Pandav	<i>Professor and Head</i> Centre for Community Medicine, All India Institute of Medical Sciences (AIIMS).
Mike Rayner	<i>Director</i> British Heart Foundation Health Promotion Research Group, University of Oxford.
Boyd Swinburn	<i>Professor</i> Population Nutrition and Global Health at the University of Auckland and Alfred Deakin <i>Professor and Director of the World Health Organization (WHO) Collaborating Centre for Obesity Prevention at Deakin University in Melbourne.</i>
Kapil Yadav	<i>Assistant Professor</i> All India Institute of Medical Sciences (AIIMS).

7 Acronyms

Acas	Advisory, Conciliation and Arbitration Service
AIIMS	All India Institute of Medical Sciences
ASCI	Advertising Standards Council of India
AMUL	Gujarat Co-operative Milk Marketing Federation
ATNF	Access to Nutrition Foundation
ATNI	Access to Nutrition Index
BMI	Body mass index
BMS	Breast-milk substitute(s)
BNF	Britannia Nutritional Foundation
BOP	Back-of-pack
CAGR	Compound Annual Growth Rate
CDC	Disease Control and Prevention
CEO	Chief Executive Officer
CF	Complementary Foods
CFBAI	Children's Food and Beverage Advertising Initiative
CI	Consumers International
CII	Confederation of Indian Industry
CMS	The Centre for Media Studies
CNC	Common Nutrition Criteria
Codex	Codex Alimentarius
COW	Cart on Wheel
CSR	Corporate Social Responsibility
CV	Cardiovascular
CVD	Cardiovascular disease
EPODE	Ensemble Prévenons l'Obésité des Enfants
EU	European Union
FAO	Food and Agriculture Organisation
FB	Facebook
FBAI	Food & Beverage Alliance of India
FDA	The Food Safety and Drug Administration
FOF	Follow-on Formula
FOP	Front-of-pack
FSSAI	Food Safety and Standards Authority of India
FICCI	Federation of India Chamber Of Commerce & Industry
FY	Financial Year
F&B	Food and beverage
GAIN	Global Alliance for Improved Nutrition
GCMMF	Amul
GDA	Guideline Daily Amount
GDP	Gross Domestic Product
HSR	Health Star Rating
GUM	Growing-up Milk
ICC	International Chamber of Commerce
ICC Code	Consolidated International Chambers of Commerce Code of Advertising and Marketing Communication Practice
ICDS	Integrated Child Development Services
IF	Infant Formula
IFBA	International Food and Beverage Alliance
IFPRI	International Food Policy Research Institute
IGBM	Interagency Group on Breastfeeding Monitoring
IGBM Protocol	Interagency Group on Breastfeeding Monitoring Protocol
ILO	International Labour Organization

IMS Act	India Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 as amended in 2003
INR	Indian Rupees
IOM	Institute of Medicine
IOTF	International Obesity Task Force
IFBA	International Food and Beverage Alliance
KMF	Karnataka Cooperative Milk Producers Federation (Nandini)
MDM	Mid Day Meal Scheme
MDGs	Millennium Development Goals
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
Nandini	Karnataka Cooperative Milk Producers Federation
NASVI	National Association of Street Vendors
NCDs	Non-communicable diseases
NGO	Non-governmental organization
NHW	Nutrition, Health, and Wellness
NPS	Nutrient Profiling System
NP-NSPE	The National Programme of Nutritional Support to Primary Education
PDS	Public Distribution System
PIF	Powdered Infant Formula
PPP	Popularly Positioned Products
R&D	Research and development
RFP	Request for Proposal
SDG	Sustainable Development Goals
SUN	Scaling Up Nutrition
TCCC	The Coca-Cola Company
The Code	International Code of Marketing of Breast-milk Substitutes
UK	United Kingdom of Great Britain and Northern Ireland
UN	United Nations
UNICEF	United Nations Children's Fund
US	United States
USD	US Dollar
VOICE	Voluntary organization in Interest of Consumer Education
VP	Vice President
WFP	World Food Programme
WHA	World Health Assembly
WHO	World Health Organization

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Note

Sustainalytics has produced the scoring and ranking of company performance for the Corporate Profile of the India Spotlight Index. Sustainalytics contributed to the report and company scorecards for the Index, and engaged with food and beverage companies as part of the data collection and analysis process.

Westat is responsible for the collection of data related to company compliance with the International Code of Marketing of Breast-milk Substitutes and any additional country-specific regulations related to marketing of these products in Mumbai. Westat is responsible for the analysis of the data related to compliance with the BMS marketing standards and for the preparation of its final study report, the results of which have been incorporated by ATNF into the 2016 India Spotlight Index report and the scoring of company performance for the same Index.

The George Institute (TGI) is responsible for the nutrition and labeling data collection for the Product Profile assessment in India. TGI is also responsible for the analysis of the nutrition and labeling data related to the Product Profile and the TGI Product Profile final report, the results of which have been incorporated by ATNF into the 2016 India Access to Nutrition report and the scoring of company performance for the same Index.

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Development

73bit Limited (www.73bit.com)

Probench a tool developed by 73bit, set up the online data platform used to collect and process company data. Probench was also used to develop automatic scoring sheets and reports that fed into the scorecards.

ontwerpwerk

Design & development

Ontwerpwerk Design and Development, a Dutch design agency in The Hague, designed and developed the report and website.

Language editor

Koan Communications: copywriting report and scorecards.

