

Category Report

Policy Engagement

This category holds 5% of the overall Index score.

Through policy engagement and advocacy, companies can collectively influence policymaking decisions with regards to measures to address malnutrition that might affect their commercial activities. This Category assesses companies' approaches to policy engagement and advocacy in India, including via third-parties such as trade associations, including their advocacy policies, management systems, and transparency.

To perform well in this category, companies should:

- Have a clear policy or code of conduct setting out rules and expectations for individuals (including third-parties) engaging with policymakers/government officials on nutrition related policy decisions on behalf of the company;
- Establish effective management systems for governing lobbying activities, such as clear internal approval procedures for staff to engage with policymakers, or other tracking mechanisms;
- Assign to their Boards of Directors oversight over the company's advocacy activities, including in relation to nutrition-related policy measures;
- Publicly disclose its position on the important nutrition-related public health policies that are under consideration in India;
- Disclose a comprehensive list of trade association memberships in India, including seats held on Boards or committees;
- Have a clear approach for dealing with the hiring of former government officials/ policymakers, such as 'cooling-off periods'.





Policy Engagement

Category context

In recent years, an array of policy proposals to address the rapidly rising rates of obesity and diabetes in the country have been under consideration by the Government of India.¹³³ These policy measures include introducing mandatory front-of-pack (FOP) labelling, restrictions on marketing and health claims, and a nationwide 'fat tax', in order to stem the proliferation of products with high levels of fat, sugar and salt (HFSS).¹³⁴ These measures are aligned with the World Health Organization (WHO)'s policy recommendations on addressing obesity and diet-related non-communicable diseases (NCDs).¹³⁵ Since then, a nationwide tax on 'aerated beverages' of 40% (regardless of sugar content) was introduced in 2017,¹³⁶ for example, and a ban on the sale and marketing of HFSS foods in and near schools in 2020.¹³⁷

Various media and civil society sources have noted industry advocacy efforts regarding these policy measures, especially through trade associations, .^{138,139,140,141} A prominent debate in recent years has been over the selection of a FOP labelling system, the nutrient profiling model (NPM) to underpin it, and the timeline of its implementation, in which some civil society and consumer organizations report disproportionate industry presence during the consultations, relative to public health advocates without commercial incentives.¹⁴²

These potential policy measures can have a positive impact on public health in India while creating a level playing field for industry. However, as new policy measures have the potential to impact companies' business, public health advocates point out that industry influence over these policies can raise a conflict of interest risk. It is therefore crucial that companies consider the wider public health interest and long-term value of these measures, and, at minimum, be transparent about their involvement in public health-related policy debates (including via trade associations) to enable them to be held accountable by its stakeholders.

While India has extensive regulations and mandatory requirements of companies to prohibit and manage the risk of bribery and corruption,¹⁴³ the regulatory framework around private interests influencing policy (or 'advocacy') is more limited, and lobbying is not formally recognised as a lawful or permissible practice.¹⁴⁴ That said, the top 1,000 largest companies listed in India are required to report against the Business Responsibility & Sustainability Reporting (BRSR) framework (designed by the Securities and Exchange Board of India(SEBI)), previously known as the Business Responsibility Reporting (BRR) framework), which includes Principle 7: "Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent".¹⁴⁵

As part of this, all listed companies are required to publicly disclose their 10 main trade associations (an 'Essential indicator') and, optionally, "Details of public policy positions advocated by the entity" (a Leadership indicator). This shows that industry influence over policymaking is recognized as an important issue, as well as the need for transparency and accountability. Table G1 shows the 10 companies assessed in this Index that are listed on the India Stock Exchange, and are therefore required to report on the BRSR indicators, and which companies report on the optional 'Leadership' indicators.



Table G1. List of companies assessed in this Index that are required to report on the 'Essential' BRSR indicators, and whether they report on 'Leadership Indicators'

Company name	Reports on Leadership Indicators
Adani Wilmar*	-
Agro Tech Foods	●
Britannia Industries	-
Dabur	●
Hatsun Agro	-
Heritage Foods*	●
Hindustan Unilever	●
ITC	●
Marico	●
Nestlé India	●

● Yes
- No

* Did not provide information to ATNI

Box G1. Changes to the methodology

This category was substantially revised from the 2020 Index as part of ATNI's deliberate efforts to simplify the methodology and reduce the number of indicators. Firstly, the category now focuses exclusively on 'advocacy' and influencing policymakers; Criterion G2 on Stakeholder Engagement has been removed (with an indicator on this topic added to Nutrition Governance, since this is relevant for governance and nutrition strategy). New indicators have been added with greater alignment with the [Responsible Lobbying Framework](#) and findings of the [ATNI Spotlight on Lobbying Report 2022](#), while reflecting the realities of the India context.

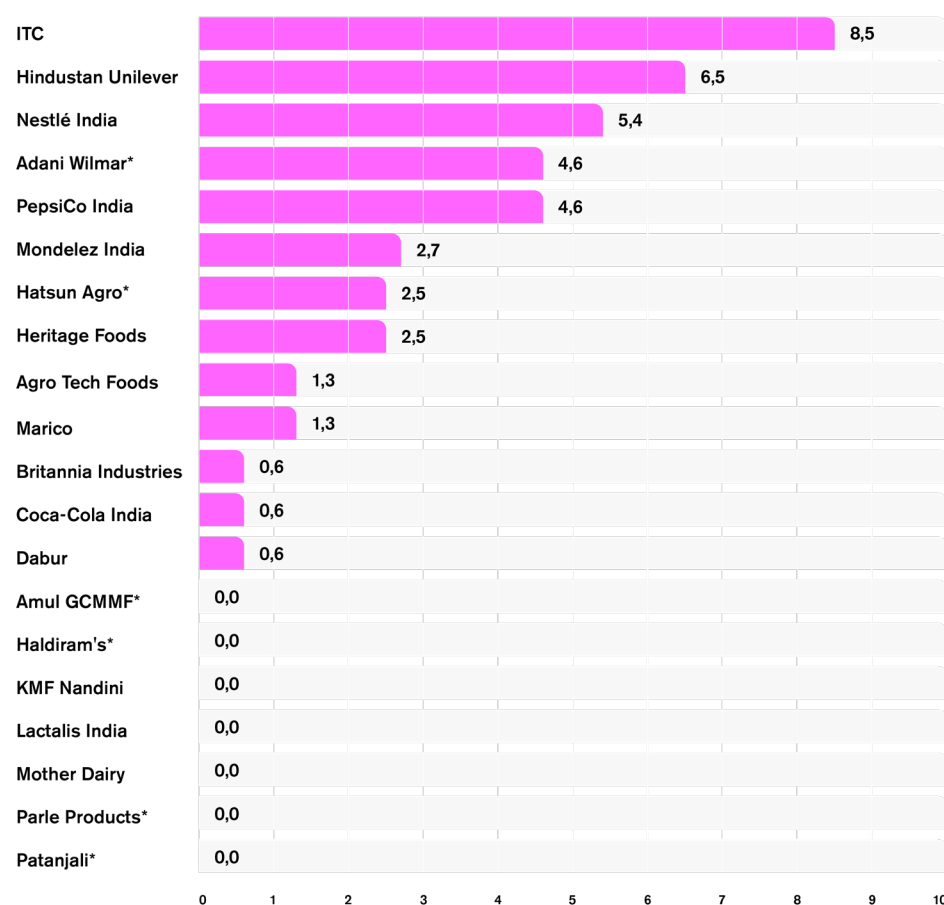
Meanwhile indicators assessing whether companies support government initiatives have also been removed, considering that participation in a number of these can be credited elsewhere in the methodology, and in light of ATNI's decision to no longer credit non-commercial activities. Moreover, commitment indicators have been removed, in order to focus more on what's in place.

The full methodology can be found [here](#).



Company ranking

Figure G1. Category ranking for Policy Engagement



* Did not provide information to ATNI. Assessment is based on publicly-available information only.

A company scores 0 when insufficient information or evidence is found on its policies and practices across the nutrition topics assessed in this Index.

Key findings

- Seven companies out of 20 were found to have a responsible advocacy policy in place in India, although in the majority of cases these articulated only high-level principles.
- Six companies state that they have systems in place to authorize and track advocacy engagements with policymakers in India.
- Of the companies with India-specific Boards, only Nestlé India indicated that advocacy activities are reviewed at Board-level in India.
- Only four companies disclose one or more positions on key nutrition-related public policy measures that have been under deliberation in India, none of which are comprehensive. This is despite this being a 'Leadership Indicator' of the new Business Responsibility and Sustainability Reporting (BRSR) framework (under Principle 7), which seven companies report on.
- Twelve companies disclose comprehensive lists of trade association memberships in India, four of which also indicate the associations on which they hold Board seats (or equivalent).



Detailed findings

Do companies have a clear policy or code of conduct setting out rules and expectations for individuals engaging with policymakers in India?

When representing the company's interests during interactions with policymakers to influence nutrition-related policy decisions, it is essential that individuals engage responsibly, identify themselves and their purposes clearly, and present honest, evidence-based, and valid information in order not to mislead policymakers. It is therefore important that companies have a clear code of conduct in place for staff who engage with policymakers and third-parties acting on the company's behalf. This should go beyond anti-bribery and corruption policies, which are a legal requirement to have in place for businesses in India.

Seven of the 20 companies assessed were found to have such a policy or code of conduct (Adani Wilmar, Hatsun Agro, Heritage Foods, Hindustan Unilever, ITC, Mondelēz India, and Nestlé India), five of which explicitly applied to third-parties also. In most cases, the policies articulated only high-level principles such as acting with “transparency”, “integrity”, and “ethics”, without being more specific.

Interesting example: Heritage Foods' 'Business Responsibility Policy' is notable due to its explicit reference to consider the wider national interest, acknowledging that its advocacy should “preserve and expand public good and thus shall never advocate any policy change to benefit itself alone or a select few in a partisan manner”.¹⁴⁶

Interesting example: ITC, meanwhile, is the only company to have a responsible advocacy policy specifically in relation to nutrition-related policy issues.¹⁴⁷

What management systems do companies have in place to control their advocacy activities in India?

While policy matters affect the entire business, misguided political engagement can also represent significant risks for the company, not only reputationally but also for the achievement of long-term goals, such as those relating to nutrition. This is especially the case if its staff and/or third-parties advocate for policy positions that are inconsistent with the company's position, which is an increasing concern for the company's key stakeholders, including shareholders, employees, and customers.¹⁴⁸ Consequently, it is important that companies have management systems in place to ensure greater consistency and accountability in relation to the company's political engagement.

Having responsible advocacy policies in place is an important first step in this regard, and most of the companies in this Index that possess them also state that employees (and, where applicable, third-parties) are trained in their adoption. However, beyond this, findings were more limited. Regarding direct control over engagements and tracking advocacy activities, only five companies - Hindustan Unilever, ITC, Mondelēz India, Nestlé India, and PepsiCo India – indicated that they have clear internal approval procedures for staff to engage with policymakers on policy matters.

Interesting example: Adani Wilmar's Responsible Advocacy Policy states that it implements “record management tools to record all advocacy interactions performed on behalf of AWL [Adani Wilmar Ltd] and its subsidiaries by employees and relevant contractors.”¹⁴⁹

Only Nestlé India indicates that its advocacy activities in India are reviewed by its Board of Directors, an important practice to ensure greater consistency in the company's advocacy positions, and which demonstrates the importance of this issue within the company. Meanwhile ITC was the only company



found to address the hiring of any former government officials/policymakers (i.e. the 'revolving door'), stating that it will map "internal potential conflict of interest" and identify "specific responsibilities for the individual amongst other critical requirements would also be undertaken, before engaging and hiring such employees".

To what extent do companies disclose their policy positions on important nutrition-related policy proposals that are (or recently have been) under consideration in India?

It is crucial that companies disclose information about their positions on key policy measures under consideration in India that may affect them, even if they do not engage in advocacy directly. Doing so not only signals the company's positions to stakeholders (both internal and external), but also enables scrutiny of their alignment with the public health interest (and the company's commitments in this regard), while further exhibiting a commitment to full transparency around advocacy. Moreover, it can help to maintain alignment across its political engagement activities, including via trade associations and other third parties, ensuring the company is only supporting one consistent position.

However, despite there being a number of clear policy deliberations in India over the last three years in which industry was clearly involved, very few companies disclosed clear positions on the measures that have been considered (and are recommended by the World Health Organization (WHO)). This is despite "Details of public policy positions advocated by the entity" being one of the 'Leadership indicators' for Principle 7 of the new BRSR framework. Of the seven companies assessed in this Index that report on the Leadership indicators of this framework (see Table G 1), only Marico and Nestlé India indicate specific policies the company has engaged on in the past year, but they are not clear about their policy position.

Interesting example: In its 2022 Annual Report, Nestlé India states that it "works on public health agendas such as foods high in fat, salt and sugar (HFSS) and front of pack labelling (FOPL) with government/regulatory authorities taking into consideration interests of consumers" for the "development of balanced regulations", disclosing that it has engaged on the [draft regulation of FSSAI in question](#).¹⁵⁰

Interesting example: ITC publishes a document titled 'ITC Food Divisions Position on Public Health Engagement Topics', in which the company states that it "support[s] restrictions on marketing initiatives on products that are unhealthy (as defined in the current regulations) as long as they are [based on] the laws laid down by the regulator and aligned with applicable nutritional profiling systems based on India's dietary patterns and are towards consumer advantage". It also states that it supports regulations for health/nutrition claims and mandatory fortification of salt with iodine. It does not, however, address mandatory FOP labelling systems nor fiscal measures to address obesity.¹⁵¹

Hindustan Unilever and PepsiCo India, meanwhile, publish links on their web domains to the global policy position statements of their parent companies.

Several companies, including Agro Tech Foods, Dabur, Heritage Foods, indicate that they do not engage in *direct* advocacy activities. However, this does not preclude them from engaging indirectly via trade associations, by which they may take a position in the process. Moreover, it is not clear how they define 'direct advocacy', and what specific types of political engagement this includes and excludes.



How comprehensively do companies disclose their trade association memberships in India?

Disclosing trade association memberships is also essential for transparency, given the extent to which engagement on policy is often carried out by such groups, and the risk that they may support positions contradictory to, or in ways that go against, the company's advocacy policy. Recognizing this, reporting on trade association memberships in India is a requirement of Principle 7 of the BRSR framework, which 10 listed companies are required to report against (see Table 1). In addition, PepsiCo India and Coca-Cola India voluntarily disclose each of their trade association memberships. No other companies disclose information about their trade association memberships in India on their own public domain.

Companies can indicate the relative importance to the company of certain trade associations, and influence they hold within them, by disclosing which associations it holds Board or committee seats on. Only four companies – Hindustan Unilever, PepsiCo India, ITC, and Nestlé India – were found to do this comprehensively. Box G2 and Table G2 show the most frequently cited trade associations by the companies that disclosed information about their trade association memberships or are listed on these trade associations' websites as members.

Table G2. Mapping the food and beverage companies' memberships of key trade associations in India, according to disclosures by the companies and trade associations^m

Company	FICCI	CII	ASSO-CHAM	AIFPA	IBA	PAFI	PHDCCI	PFNDAI
Adani Wilmar	-	●	-	-	-	-	-	○
Agro Tech Foods	●	●	-	-	-	-	-	-
Britannia Industries	●	●	●	○	-	-	-	○ ●
Coca-Cola India	●	●	-	○	○ ●	●	○	○
Dabur	●	●	-	●	○ ●	-	●	○
Haldiram's	-	-	-	○ ●	-	-	-	○
Hatsun Agro	-	-	-	-	-	-	-	-
Heritage Foods	-	●	-	-	-	-	-	-
Hindustan Unilever	●	●	●	○	-	○ ●	-	●
ITC	●	●	●	●	●	-	●	●
Marico	●	●	●	●	-	-	-	○ ●
Mondelēz India	○	○	-	○	-	○	-	○
Mother Dairy	-	○	-	○	-	-	-	○ ●
Nestlé India	●	●	●	●	-	○	●	○
Parle Products	-	-	-	○	○	-	-	○
Patanjali	-	-	-	○	-	-	-	-
PepsiCo India	●	●	●	●	●	●	-	○

- Company holds Board, Committee, or other leadership seat
- Company discloses that it is a member
- Company is reported as a member or holding a leadership seat by the association, which is not disclosed by the company
- No/no information

* Did not provide information to ATNI

^m Box G2 lists the full names of industry associations included in Table G2.



Note: Full membership lists are published by AIFPA, IBA, PAFI, PHDCCI, and PFNDAI, which were checked by ATNI.
Note: Information on trade association memberships was not found for Lactalis India, Amul GCMMF, and KMF Nandini.

Box G2: List of key trade associations relevant for food and beverage manufacturers in India

- **AIFPA** – All India Food Processors' Association¹⁵²
- **ASSOCHAM** - The Associated Chambers of Commerce & Industry of India¹⁵³
- **CII** – Confederation of Indian Industry¹⁵⁴
- **FICCI** - Federation of Indian Chambers of Commerce & Industry¹⁵⁵
- **IBA** - Indian Beverage Association¹⁵⁶
- **PAFI** – Public Affairs Forum of India¹⁵⁷
- **PFNDAI** – Protein Foods and Nutrition Development Association of India¹⁵⁸
- **PHDCII** - Progress, Harmony, and Development (PHD) Chamber of Commerce and Industry¹⁵⁹

Recommendations

In order to align their policy engagement activities on nutrition-related policy with the public health interest, and enhance transparency and therefore accountability for its engagement activities, including via third-parties, companies are recommended to:

- Adopt a responsible advocacy policy, which also applies to third-parties advocating on behalf of the company, in which they commit to conduct themselves responsibly; be transparent about their identity and intentions; include requirements to ensure that the evidence presented is as valid, independent, and representative as possible; and consider the wider public interest, including public health, in their efforts. All companies are also recommended to include clear definitions of how it defines 'advocacy interactions' (for example, whether or not this includes participation in policy-related multistakeholder meetings, responding to public consultations, and any other interactions with policymakers).
- Ensure that only approved personnel engage with policymakers on nutrition-related policy matters, and ensure that these interactions are tracked and disclosed on the public domain.
- Disclose their policy positions on key nutrition-related policy measures that are under debate or development in India that would likely affect the company (for example, what type of FOP labelling system it supports, and under what conditions, etc.), even if the company is not engaging directly. These disclosures should be either on its website or in its reporting, ensuring that they are as specific and unambiguous as possible. Policy positions should consider the wider public health interest and long-term material implications of rising levels of malnutrition in India.
- Where applicable, ensure that their advocacy activities and positions on nutrition-related policy measures are reviewed and approved at Board level.
- Disclose comprehensive lists of their trade association memberships in India, and clearly indicate which they hold leadership positions on, such as on their Boards, management committees, or thematic working groups or sub-committees, in order to signify to stakeholders which ones the company has greater stakes in. If no such positions are held, this can be publicly stated.



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