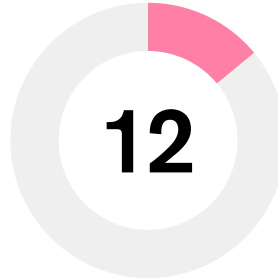


Hatsun Agro Product

Product Profile Categories

Dairy; Ice Cream and Frozen Desserts



Rank 12 / Score 1.4



Product Profile

Rank 5 / Score 6

Headquarters

India

Retail sales (INR – millions)

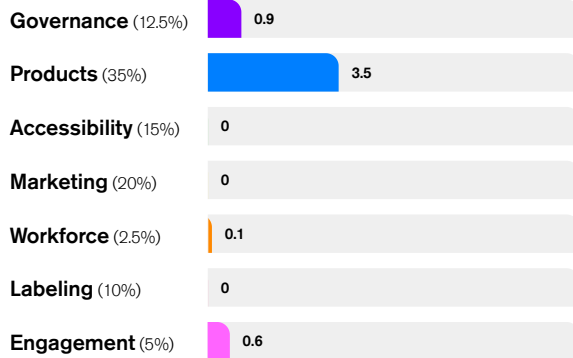
1²
49947

Number of employees

1800

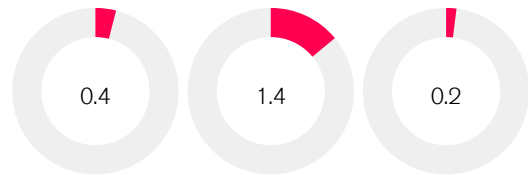
Company Profile

Rank 12 Score 1.4



(%) Figure in brackets is the weighting of the category. All category, commitment, performance and disclosure scores are out of 10

Commitment Performance Disclosure



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

Main areas of strength

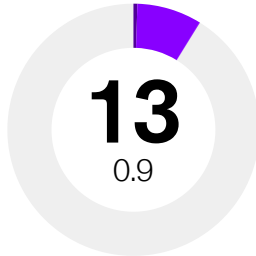
- Hatsun Agro Product is assessed for the first time in the India Index 2020. With its large portfolio of dairy products for consumers in India, and being the only privately-owned dairy company, it is an important addition to the group of assessed companies.
- Hatsun Agro Product ranks fifth in the Product Profile with a score of 6.0 out of 10. It is estimated that 41% of the company's sales in 2018 were derived from products achieving a Health Star Rating (HSR) of 3.5 or more out of 5, i.e. the 'healthy' threshold. The company is estimated to have derived 80-90% of its 2018 sales from products in its healthiest category, Dairy.
- The company performs well in terms of the mean healthiness of its products as well as in comparison to its peers within the same product categories. Notably, Hatsun Agro Product performs best compared to its peers within the Ice Cream and Frozen Desserts product category regarding healthiness.
- Hatsun Agro Product makes a broad commitment to improving nutrition in India by enhancing cattle feed and health to increase the nutritional quality of the milk used in its products. The company also demonstrates a focus on food safety and quality; its milk certification and quality process, for example, has been assessed by India's Food Safety and Standards Authority (FSSAI).

Priority areas for improvement

- Hatsun Agro Product ranks joint twelfth overall in the Index with a score of 1.4 out of 10. The company's score is based almost entirely on its Product Profile results.
- The company could improve its score by adopting and publishing a formal nutrition policy to address malnutrition challenges in India. The company should also observe the health and nutrition priorities set out in the National Nutrition Strategy and Vision 2022 (Kuposhan Mukht Bharat – free from malnutrition, across the life cycle), and POSHAN Abhiyaan, in its commercial strategy. Hatsun Agro Product should also consider to voluntarily fortify all relevant products as per the FSSAI's Food Safety and Standards (Fortification of Foods) Regulation, 2018.
- Hatsun Agro Product should adopt and publish a policy to improve the affordability and physical accessibility of its healthy products, taking into account how it can reach low-income, rural or urban populations that lack regular access to nutritious food, including in aspirational districts.
- Hatsun Agro Product is advised to adopt and publish a responsible marketing policy covering all consumer groups and with specific commitments regarding children and teenagers. It may consider signing the Food and Beverage Alliance India Pledge as a first step towards this. The company should also consider committing to only market products to children that meet the World Health Organization (WHO) South-East Asia Region (SEAR) regional standard. The Product Profile found that 8% of the company products currently meet this standard.
- Hatsun Agro Product should adopt and publish a labeling policy that ensures nutrition information is provided on all packaged food and beverage products according to the Codex Alimentarius guidelines, and in compliance with India's local regulations. Further, the company is encouraged to implement an interpretive front-of-pack labeling system as soon as possible, that aligns with other companies or industry associations, and is developed in partnership with the Government and other relevant stakeholders.
- More generally, Hatsun Agro Product could further increase public disclosure of its nutrition-related commitments, policies and practices in India and is encouraged to engage with ATNI to allow for a more complete assessment of these aspects.

Category Analysis

Governance



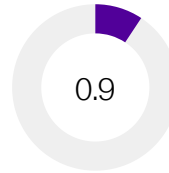
- A1** Nutrition strategy
- A2** Nutrition management
- A3** Reporting quality

All category, criteria, commitment, performance and disclosure scores are out of 10

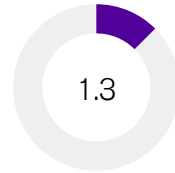
Commitment



Performance



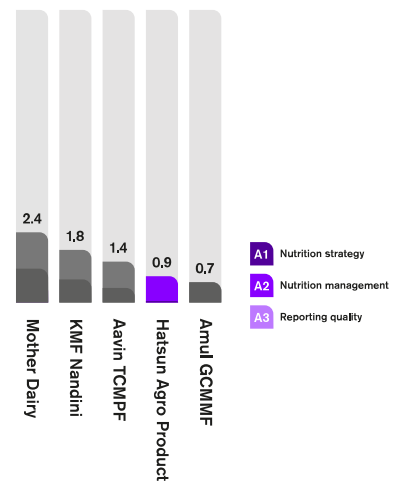
Disclosure



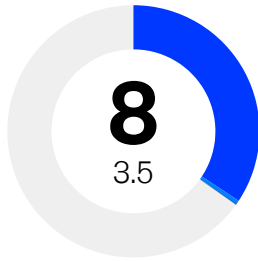
The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of indicators within this category.

Companies are grouped into three different industry segments in this Index based on the type of products they predominantly sell (i.e. contributing 80% or more to their total food and beverage sales) – dairy, edible oil or mixed portfolio. The graph on the right shows how the company's result within this Index category compares to that of its peers within the same industry segment.

Peer Comparison

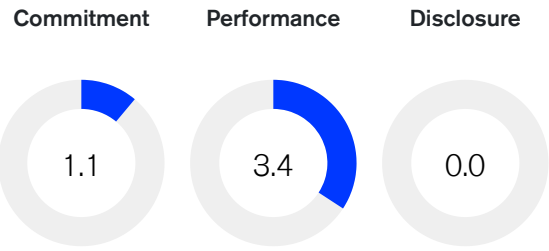


Products



- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

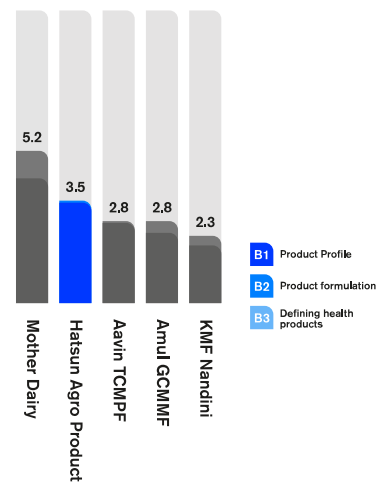
All category, criteria, commitment, performance and disclosure scores are out of 10



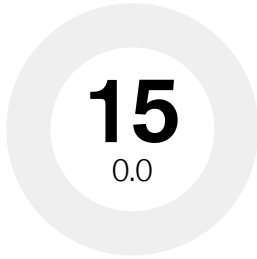
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Peer Comparison



Accessibility



- C1 Product pricing
- C2 Product distribution

All category, criteria, commitment, performance and disclosure scores are out of 10

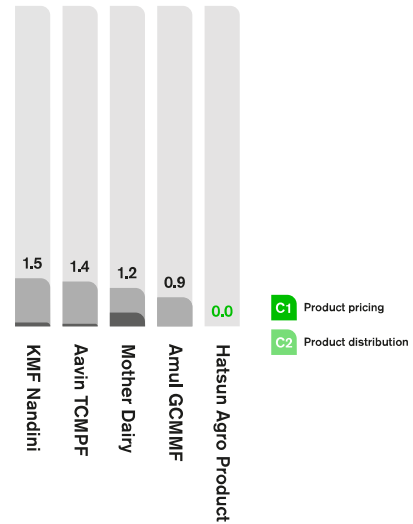
Commitment Performance Disclosure



The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of indicators within this category.

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Peer Comparison



Marketing



- D1 Marketing policy
- D2 Marketing to children
- D3 Auditing and compliance

All category, criteria, commitment, performance and disclosure scores are out of 10

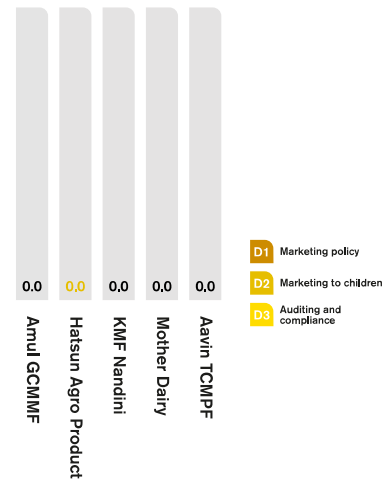
Commitment Performance Disclosure



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Peer Comparison

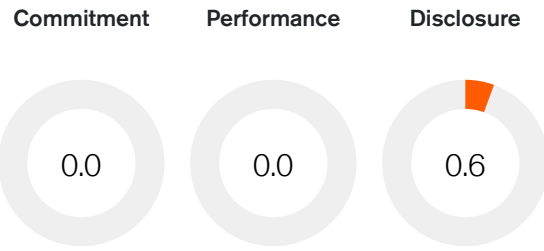


Workforce



- E1 Employee health
- E2 Breastfeeding support
- E3 Consumer health

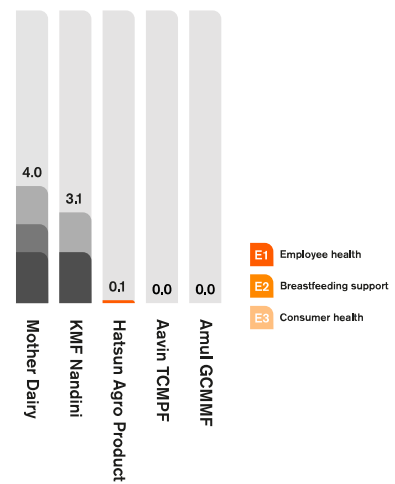
All category, criteria, commitment, performance and disclosure scores are out of 10



The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of indicators within this category.

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Peer Comparison



Labeling



- F1 Product labeling
- F2 Claims

All category, criteria, commitment, performance and disclosure scores are out of 10

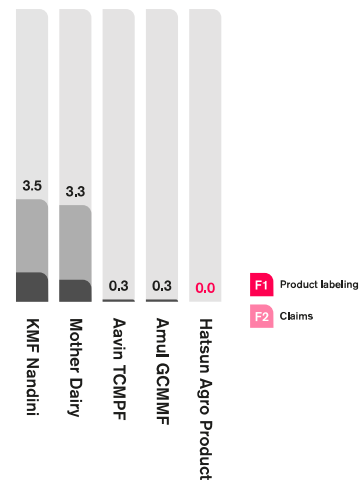
Commitment Performance Disclosure



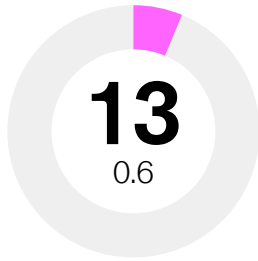
For this category performance indicators were not included. The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of indicators within this category.

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Peer Comparison

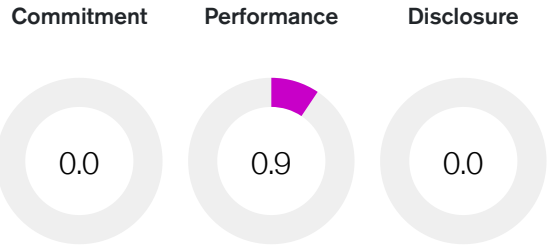


Engagement



- G1 Influencing policymakers
- G2 Stakeholder engagement

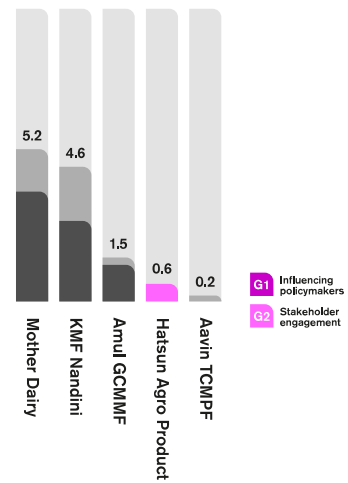
All category, criteria, commitment, performance and disclosure scores are out of 10



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Peer Comparison



Product Profile



5

Rank 5 / Score 6

Portfolio-level Results

Average HSR score products (sales-weighted)	Healthy products (HSR)			Products suitable to market to children (WHO SEAR)			Range of total India F&B sales included
	% products healthy	% sales healthy	No. products assessed	% products suitable	% sales suitable	No. products assessed	
2.6	10%	41%	106	8%	26%	106	90-100%

- A total of 106 products from two categories, representing 90-100% of Hatsun Agro Product's estimated 2018 retail sales, were included in the Product Profile. Eleven products (10%) were found to meet the HSR healthy threshold and the company is estimated to have derived less than half (41%) of its 2018 sales from these healthy products.
- The company achieves an unweighted mean HSR of 2.3 out of 5. After sales-weighting, the company's mean HSR improved to 2.6, resulting in a mean healthiness score of 5.2 out of 10.
- A total of 106 products were assessed to determine their suitability to be marketed to children according to the WHO SEAR nutrient profile model. Eight products, estimated to represent 26% of 2018 retail sales, were found to meet the criteria.

Product Category Results

Category	Dairy	Ice Cream and Frozen Desserts
Mean HSR	2.7	2.2
% products healthy	48	0
% products suitable to market to children	30	1

- The company's products in the Dairy category performed the best, with a mean HSR of 2.7 out of 5. Of the 23 dairy products assessed, almost half (48%) of them were found to meet the HSR healthy threshold.
- In contrast, none of the company's products in the Ice Cream and Frozen Desserts category were found to meet the healthy threshold, and only one product (1%) was found to meet the WHO SEAR criteria for marketing to children.

Relative nutritional quality of Hatsun Agro Product's products by category compared to competitors

Mean HSR	Dairy	Ice Cream and Frozen Desserts
Hatsun Agro Product	2.7	2.2
Aavin TCMPPF	2.3	
Amul GCMMF	2.4	1.8
Arla	3.2	
BRF	2.7	
Britannia Industries	2.2	
Coca-Cola	3.6	
Coca-Cola India	3.5	
Conagra	2.1	
Danone	3.5	
Ferrero	0.7	
FrieslandCampina	3.4	
General Mills	3.5	1.8
Hindustan Unilever		2.1
KMF Nandini	2.2	1.4
Kraft Heinz	2.7	
Lactalis	3.1	
Mars	2.8	
Meiji	3.2	2.2
Mengniu	3	2.3
Mondelēz	2.4	
Mother Dairy	3.0	2.0
Nestlé	2.4	
Nestlé India	3.0	
PepsiCo	3.1	
Suntory	3	
Tingyi	2.7	
Yili	3.1	2.1

- When compared to four other companies that sell products in the Ice Cream and Frozen Desserts category (as part of their top-selling categories), the company's products achieve the highest mean HSR of 2.2 out of 5, ranking them first in this product category.
- Hatsun Agro Product ranks fourth among eight companies that sell products in the Dairy category, with a mean HSR of 2.7 out of 5.
- Competing with other companies in two categories, Hatsun Agro Product achieves a relative category score of 6.8 out of 10 based on its ranking within these categories.

Conclusion

- Hatsun Agro Product's mean healthiness score of 5.2 and relative category score of 6.8 result in an overall Product Profile score of 6.0 out of 10, ranking them fifth out of 16.
- Hatsun Agro Product is encouraged to continue its efforts to improve the nutritional quality of its dairy and other products, and to shift sales towards its healthier dairy products.

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India Spotlight Index 2020

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Footnotes

1. Because the company derives more than 80% of its sales from dairy products, it is assessed as part of the dairy industry segment.
2. Source: Derived from Euromonitor International's 2018 industry publications of: Packaged Food, Hot Drinks and Soft Drinks.

