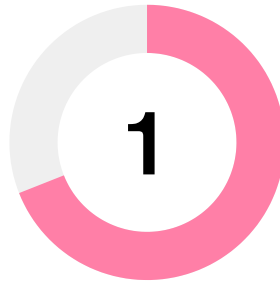


Hindustan Unilever

Product Profile Categories

Concentrates; Ice Cream and Frozen Desserts; Sauces, Dressings and Condiments; Soup; Sweet Spreads



↑ Rank 1 / Score 6.9

Rank 2 (2016)



Product Profile

Rank 8 / Score 5.3

Headquarters

India

Retail sales (INR – millions)

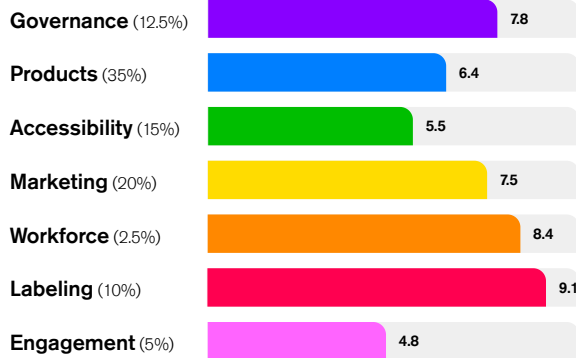
86117

Number of employees

18000

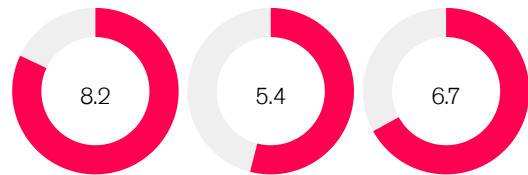
Company Profile

Rank 1 Score 6.9



(%) 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

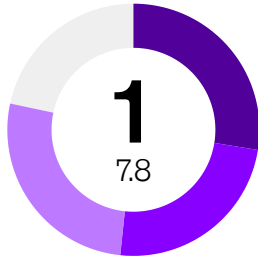
- Hindustan Unilever is joint leader in the India Index 2019 with a score of 6.9 out of 10. Since the previous India Index in 2016, the company has improved its ranking and score in several Index categories.
- Hindustan Unilever continues to demonstrate its clear and well-structured nutrition strategy in India. The company publicly discloses its approach through policies that can be found on its website, and publishes the percentage of products that meet its Highest Nutritional Standards (HNS) in India each year.
- The company actively supports the aims of the Food Safety and Standards Authority of India (FSSAI) and was recognized by the authority in 2019 with the Eat Right Award for its efforts in driving safe and nutritious food. FSSAI also acknowledged its efforts in reducing the salt, sugar and saturated fat content of its products in relation to the Unilever Sustainable Living Plan.
- Hindustan Unilever has developed an approach to improve the affordability of its healthy products using specifically defined price points, and ensures that products meeting its HNS are affordable for key consumer groups. Further, Hindustan Unilever demonstrates a continued commitment to improving the accessibility of its products through its Shakti project, which helps addressing undernutrition and micronutrient deficiencies in villages and rural communities through the distribution of healthy foods (in addition to other products). There are now over 100,000 Shakti entrepreneurs involved in distribution across 18 states in India.
- The company's 'Health & Wellbeing' strategy has been enhanced since 2018. It aims to help deliver healthier diets and lifestyles for its employees and throughout the wider value chain. One element is the long-established Hindustan Unilever Lamplighter Program which helps employees to improve their nutritional intake and encourages healthy lifestyles. The program is regularly independently evaluated.

Priority areas for improvement

- Hindustan Unilever ranks eighth in the Product Profile with a score of 5.3 out of 10. The assessment is based on product categories that represent 30-40% of the company's 2018 sales in India (tea, coffee, wheat flour and salt products were not assessed). Within the assessed categories, the company is estimated to have derived 6% of sales from products that achieve a Health Star Rating (HSR) of 3.5 or more, i.e. the 'healthy' threshold. In comparison with its competitors, the company scored well in two product categories.
- In recent years, there has been no evidence of improvement in portfolio healthiness – either through company reporting or the Product Profile findings. The mean healthiness score was found to be lower than in 2016, which may be explained by the evaluation of a larger number of products. The company should accelerate improving the healthiness of its products.
- Hindustan Unilever voluntarily fortifies some of its whole wheat flour products according to the FSSAI's Food Safety and Standards (Fortification of Foods) Regulation, 2018, and iodizes salt products. The company should consider fortifying all wheat flour products and applying double fortification to salt products.
- The company's approach to improving the affordability and physical accessibility of its healthy products could further be strengthened by formalizing its policy, introducing quantitative targets, and reporting on progress.
- Hindustan Unilever could improve its marketing approach by committing to only marketing products to children that meet the World Health Organization (WHO) South-East Asia Region (SEAR) regional standard. The Product Profile found that 17% of the assessed products currently meet the criteria. The company could also explore options to include children above 12 years in the commitment, and by excluding inappropriate marketing in secondary schools and in places near schools. Notably, Hindustan Unilever plans to implement an improved marketing policy by the end of 2020, which is not currently reflected in ATNI's assessment.
- To further improve its labeling approach, 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 developed in partnership with the Government and other relevant stakeholders.

Category Analysis

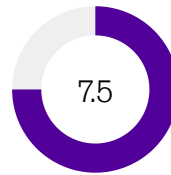
Governance



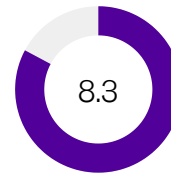
- A1** Nutrition strategy
- A2** Nutrition management
- A3** Reporting quality

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

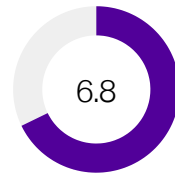
Commitment



Performance



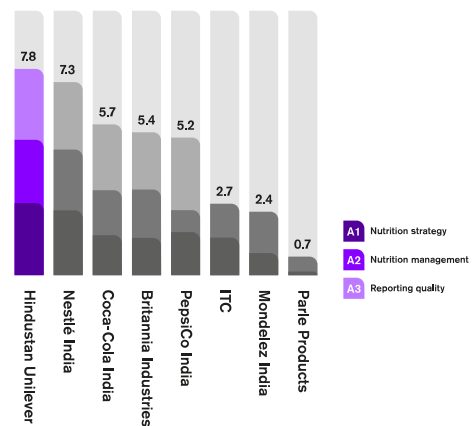
Disclosure



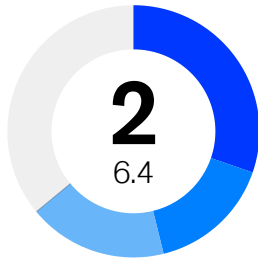
The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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



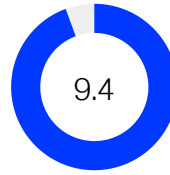
Products



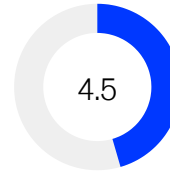
- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

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

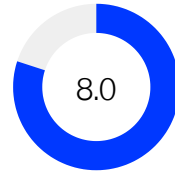
Commitment



Performance



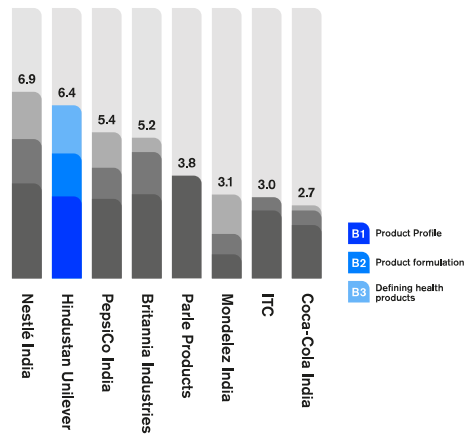
Disclosure



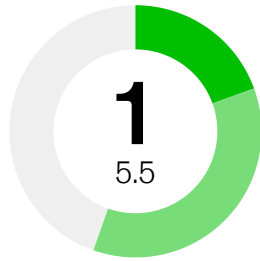
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Peer Comparison

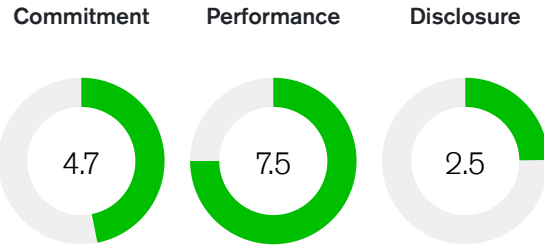


Accessibility



- C1** Product pricing
- C2** Product distribution

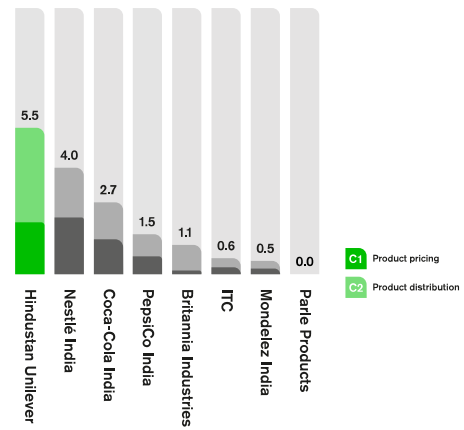
All category, criteria, commitment, performance and disclosure scores are out of 10



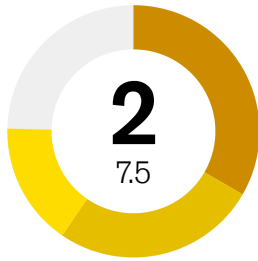
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Peer Comparison



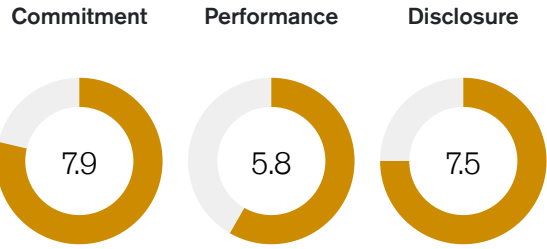
Marketing



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

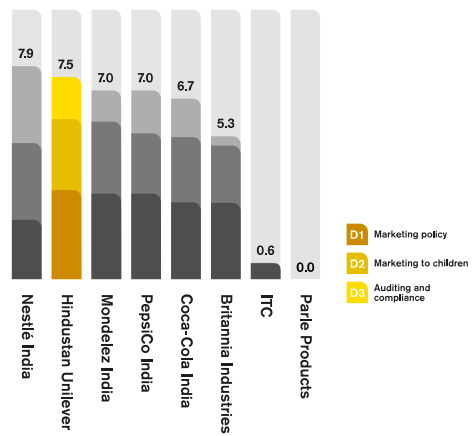
All category, criteria, commitment, performance and disclosure scores are out of 10

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.

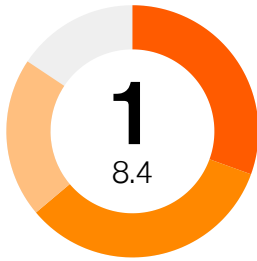


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Peer Comparison



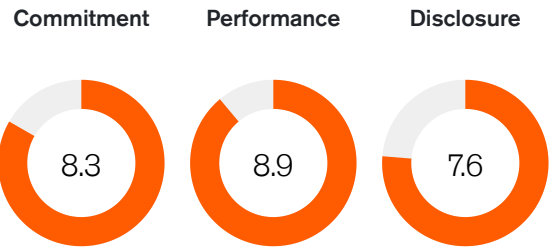
Workforce



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

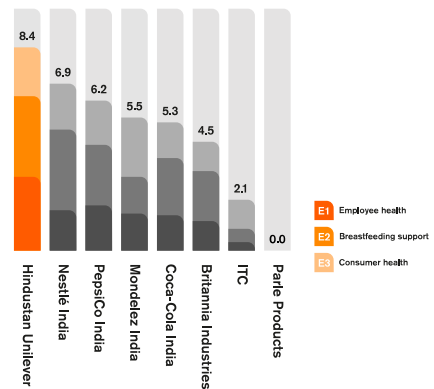
All category, criteria, commitment, performance and disclosure scores are out of 10

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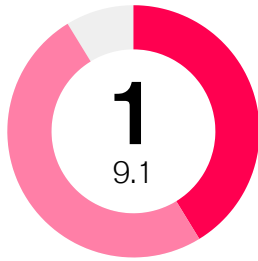


The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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

Peer Comparison



Labeling



- F1** Product labeling
- F2** Claims

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

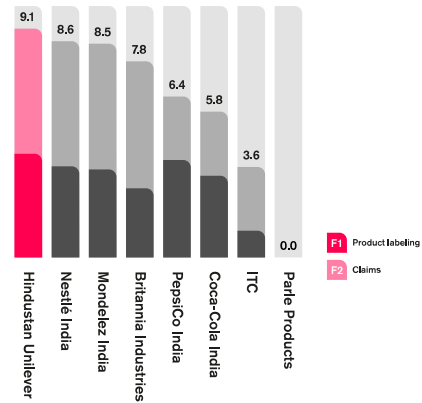
Commitment Performance Disclosure



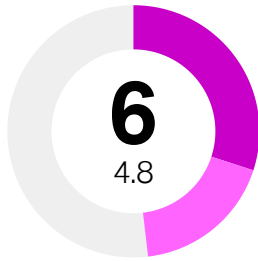
For this category performance indicators were not included. The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles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

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Peer Comparison

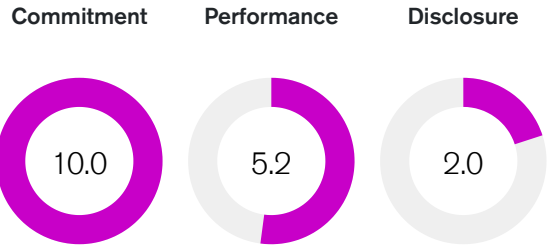


Engagement



- G1 Influencing policymakers
- G2 Stakeholder engagement

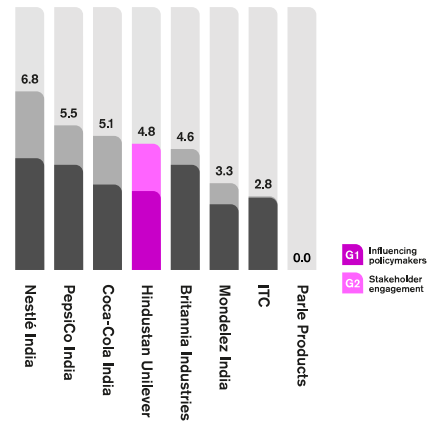
All category, criteria, commitment, performance and disclosure scores are out of 10



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Peer Comparison



Product Profile



Rank 8 / Score 5.3

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	
2.0	8%	6%	120	17%	12%	120	30-40%

- A total of 120 products from across five categories, representing 30-40% of Hindustan Unilever's estimated 2018 retail sales, were included in the Product Profile (tea, coffee, wheat flour and salt products were not assessed). Ten products (8%) were found to meet the HSR healthy threshold, and the company is estimated to have derived 6% of its 2018 sales of included product categories from healthy products.
- The company achieves an unweighted mean HSR of 2.2 out of 5. After sales-weighting, the company's mean HSR slightly drops to 2.0 out of 5, resulting in a mean healthiness score of 4.1 out of 10.
- A total of 120 products were assessed to determine their suitability to be marketed to children according to the WHO SEAR nutrient profile model. Twenty products from the Soup category and the Sauces, Dressings and Condiments category were found to meet the criteria. These products are estimated to represent 12% of the 2018 sales from the five assessed categories.

Product Category Results

Category	Concentrates	Ice Cream and Frozen Desserts	Sauces, Dressings and Condiments	Soup	Sweet Spreads
Mean HSR	1.5	2.1	1.6	3.2	1.6
% products healthy	0	0	5	39	0
% products suitable to market to children	0	0	5	83	0

- The best performing product category for Hindustan Unilever is Soup, with a mean HSR of 3.2 out of 5.
- Few (5%) of the company's products in the Sauces, Dressings and Condiments category were found to meet the healthy threshold and none of the products in the other categories (Concentrates, Ice Cream and Frozen Desserts, and Sweet Spreads) were found to be healthy.

Relative nutritional quality of Hindustan Unilever's products by category compared to competitors

Mean HSR	Concentrates	Ice Cream and Frozen Desserts	Sauces, Dressings and Condiments	Soup	Sweet Spreads
Hindustan Unilever	1.5	2.1	1.6	3.2	1.6
Ajinomoto	0.5		0.9	0.9	
Amul GCMFF		1.8			
Arla			2.6	3.1	
Campbell			3.2	3.3	
Coca-Cola	1.5				
Conagra			2.6		4.2
Ferrero					0.8
General Mills		1.8	3.5	3.5	1.2
Hatsun Agro Product		2.2			
KMF Nandini		1.4			
Kraft Heinz	1.1		2.2	3.6	2.5
Mars				1.9	
Meiji		2.2			
Mengniu		2.3			
Mondelēz	0.5				
Mondelēz India	0.5				
Mother Dairy		2.0			
Nestlé India			1.7		
PepsiCo	1.5		3.6		
Suntory	1.5				
Unilever			1.9	2.7	2.5
Yili		2.1			

- When compared to the four other companies that sell products in the Ice Cream and Frozen Desserts category in India (as part of their top-selling categories), Hindustan Unilever's products achieve a mean HSR of 2.1 out of 5. This score ranks them second in this product category. For the Concentrates category, Hindustan Unilever scores the highest out of two companies, with an HSR of 1.5 out of 5.
- Competing with other companies in three categories, Hindustan Unilever achieves a relative category score of 6.5 out of 10 based on its ranking within these categories.

Conclusion

- Hindustan Unilever's mean healthiness scores of 4.1 and relative category score of 6.5 result in an overall Product Profile score of 5.3 out of 10, which means the company ranks eighth.

- Hindustan Unilever's Product Profile score is driven more by the company's relative performance against its peers (the relative category score) than by its mean healthiness score. The company is encouraged to continue and accelerate efforts to improve the nutritional quality of its products, and to shift its sales towards its healthy products.

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India Spotlight

Index 2020

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Footnotes

1. The company is assessed as part of the mixed portfolio industry segment. The categories Tea and Coffee, as well as wheat flour and salt products, were excluded from the Product Profile because the Health Star Rating is not applicable to these products, while the company derives a substantial proportion of sales from these products. Additionally, the included product categories were limited to the top 5 the company is estimated to derive most of its sales from. The full portfolio of the company encompasses a broader range of products.
2. Source: Derived from Euromonitor International's 2018 industry publications of: Packaged Food, Hot Drinks and Soft Drinks.

