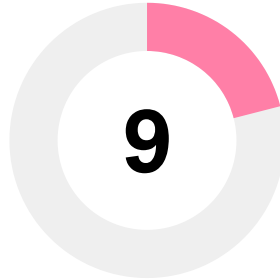




Product Profile Categories

Confectionery; Ready Meals; Rice, Pasta and Noodles; Savoury Snacks; Sweet Biscuits, Snack Bars and Fruit Snacks



Rank 9 / Score 2.1



Product Profile

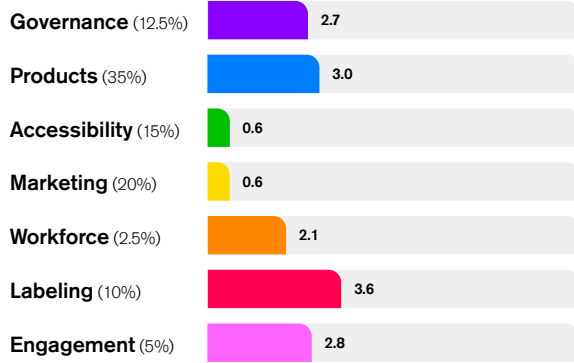
Rank 11 / Score 4.4

Headquarters
India

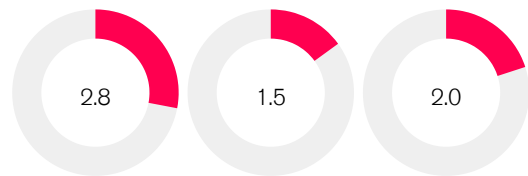
Retail sales (INR – millions)
96763

Company Profile

Rank 9 Score 2.1



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.

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

Main areas of strength

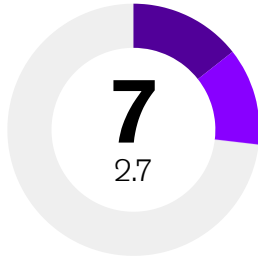
- ITC is assessed in full for the first time in the India Index 2020. With its large and diverse portfolio of packaged foods and beverages in India, it is crucial the company is assessed as part of the current India Index iteration.
- In 2016, the company was interviewed regarding its approach to address undernutrition. ITC has since demonstrated a continuous commitment to micronutrient fortification as an approach to help address undernutrition and micronutrient deficiencies in India. Further, the company shows examples of product innovation and reformulation to help address challenges related to obesity and non-communicable diseases.
- ITC publishes annual Sustainability Reports with relevant information regarding the company's packaged food products, including new product launches and how specific formulations aim to address identified health needs. The company also discloses its Food Products Policy, which covers important elements related to labeling and micronutrient fortification.
- The company fortifies some of its products voluntarily. For example, one of its Aashirvaad Atta-branded products and its Sunfest Marie Light biscuits are fortified with B vitamins, iron and other nutrients. The company could further improve its approach to fortification by disclosing how it voluntarily aligns with the Food Safety and Standards Authority of India (FSSAI)'s Food Safety and Standards (Fortification of Foods) Regulation, 2018.
- The company is committed to reducing the quantities of fat, salt and sugar within its products in alignment with FSSAI's pledge and Eat Right Movement. ITC also states that none of its snack products contain industrially-produced trans fats and commits to 'disclose added trans fats, if any, in all food products', supporting FSSAI's goal to eliminate industrially-produced trans fats from the food supply by 2022.
- The company focuses on pricing and distribution strategies to ensure the affordability and physical accessibility of its healthy products, particularly for economically disadvantaged groups.
- ITC's corporate social responsibility initiatives, such as its Women Economic Empowerment Program, are helping to address nutrition and health issues in India. The company also supports FSSAI's Safe and Nutritious Food at School initiative which works to build awareness amongst children about healthy and hygienic food practices.

Priority areas for improvement

- ITC ranks ninth in the India Index with a score of 2.1 out of 10.
- The company ranks eleventh in the Product Profile with a score of 4.4 out of 10. It is estimated that 11% of its 2018 sales in India were derived from products that achieve a Health Star Rating (HSR) of 3.5 or more out of 5 - the 'healthy' threshold. In the Confectionery category, ITC scores better than its peers in terms of healthiness, but in other product categories, the company's relative performance is not as good. Overall, the Product Profile results demonstrate that the company has substantial scope to improve the nutritional quality of its product portfolio.
- ITC should define which of its products are healthy based on objective nutrition criteria using an internationally recognized Nutrient Profiling System. The company should also implement a strategy towards a healthier product portfolio by adopting SMART – Specific, Measurable, Achievable, Relevant and Time-bound – formulation and/or reformulation targets, to ensure stakeholders can hold the company accountable.
- The company publicly adheres to the Advertising Standards Council of India code, which addresses some general aspects of responsible marketing. To improve its performance, ITC is advised to adopt a responsible marketing policy covering all consumer groups, with specific commitments regarding children and teenagers. The company should further consider 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 4% of its products currently meet this standard.
- The company could improve its labeling practices by ensuring nutrition information is provided on all products according to the Codex Alimentarius guidelines, and in compliance with local regulations in India. ITC 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.
- ITC could further increase public disclosure about 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

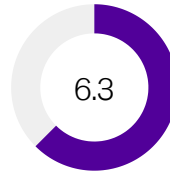
Governance



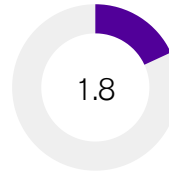
- A1** Nutrition strategy
- A2** Nutrition management
- A3** Reporting quality

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

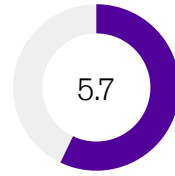
Commitment



Performance



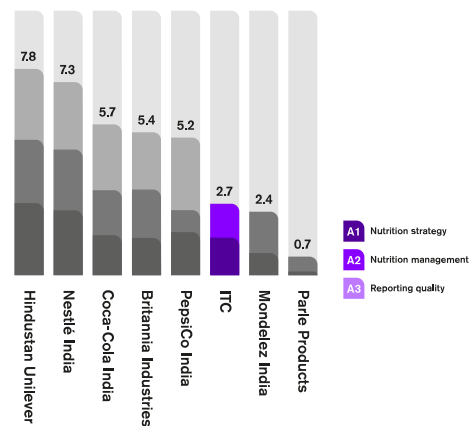
Disclosure



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.

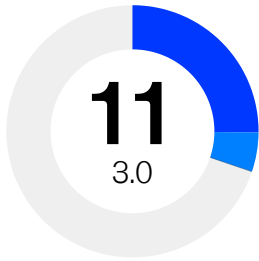
Peer Comparison

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.



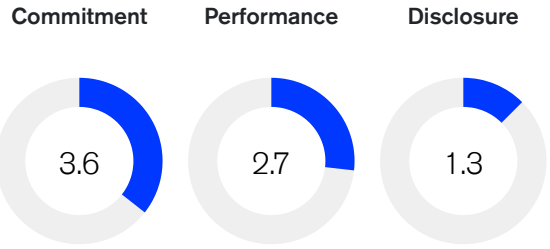
- A1** Nutrition strategy
- A2** Nutrition management
- A3** Reporting quality

Products



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

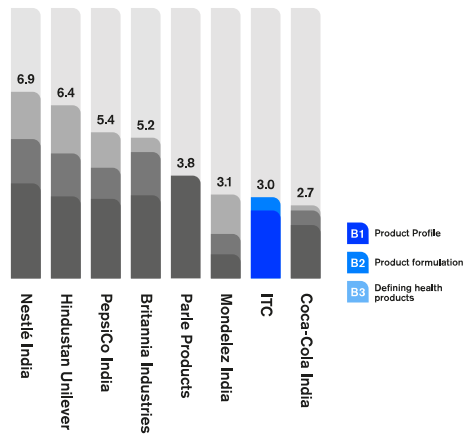
All category, criteria, commitment, performance and disclosure scores are out of 10



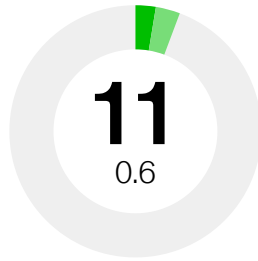
The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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

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

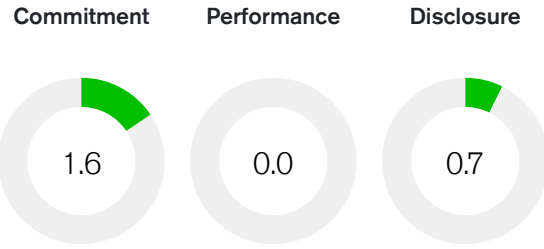


Accessibility



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

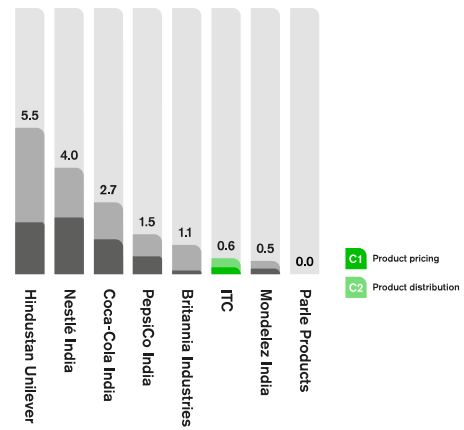
All category, criteria, commitment, performance and disclosure scores are out of 10



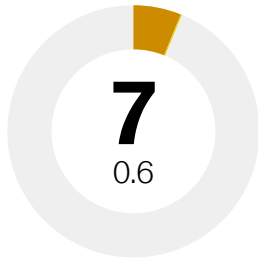
The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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

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

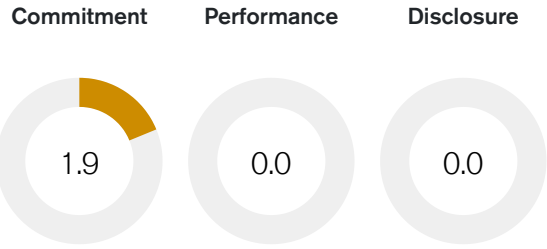


Marketing



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

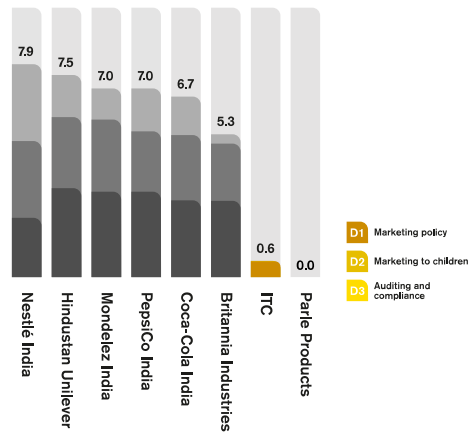
All category, criteria, commitment, performance and disclosure scores are out of 10



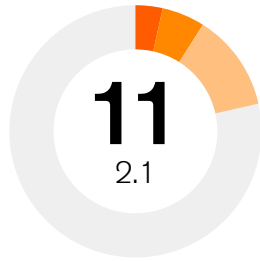
The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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

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



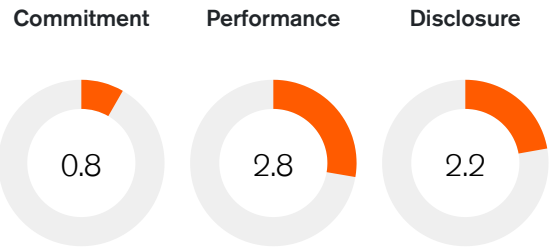
Workforce



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

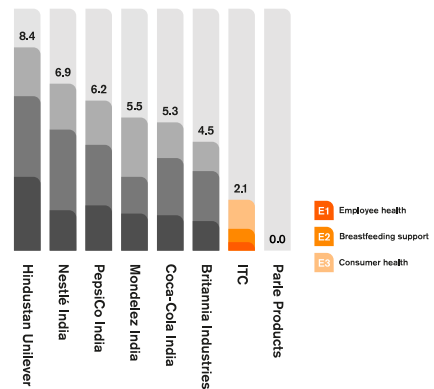
All category, criteria, commitment, performance and disclosure scores are out of 10

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.

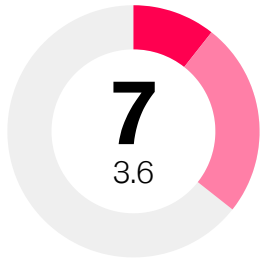


The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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

Peer Comparison



Labeling



- F1** Product labeling
- F2** Claims

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

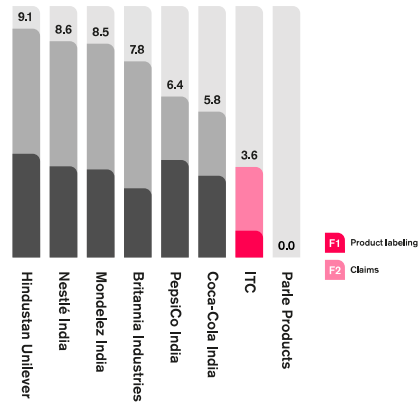
Commitment Performance Disclosure



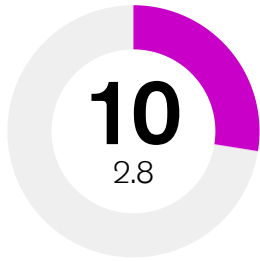
For this category performance indicators were not included. The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles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

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

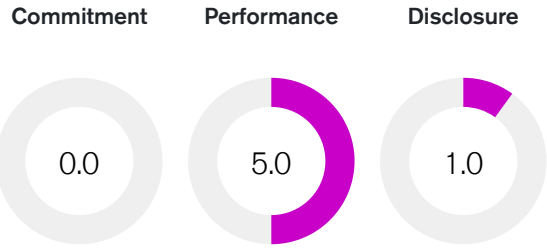


Engagement



- G1 Influencing policymakers
- G2 Stakeholder engagement

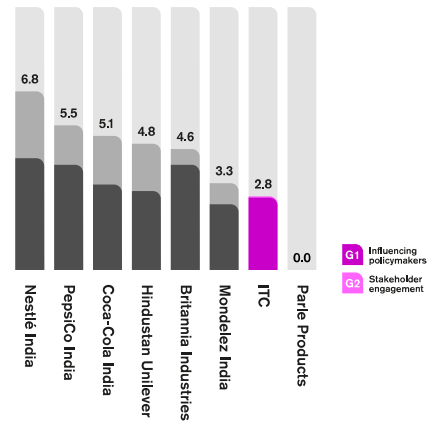
All category, criteria, commitment, performance and disclosure scores are out of 10



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.

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



Product Profile



11

Rank 11 / Score 4.4

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	
1.6	8%	11%	183	4%	6%	188	90-100%

- A total of 188 products from across five categories, representing 90-100% of ITC's estimated 2018 sales, were included in the Product Profile. Of those, 183 products could be assessed using the HSR. Fifteen products (8%) were found to meet the HSR healthy threshold and the company is estimated to have derived slightly more than one-tenth (11%) of its 2018 sales from healthy products.
- The company achieves an unweighted mean HSR of 1.5 out of 5. After sales-weighting the company's mean HSR slightly improves to 1.6 out of 5, resulting in a mean healthiness score of 3.3 out of 10.
- A total of 188 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 6% of 2018 retail sales, were found to meet WHO SEAR criteria and were identified in the Rice, Pasta and Noodles category and the Savoury Snacks category.

Product Category Results

Category	Confectionery	Ready Meals	Rice, Pasta and Noodles	Savoury Snacks	Sweet Biscuits, Snack Bars and Fruit Snacks
Mean HSR	1.1	1.2	2.8	1.8	1.3
% products healthy	0	0	57	7	0
% products suitable to market to children	0	0	38	0	0

- ITC's best performing category is Rice, Pasta and Noodles, with a mean HSR of 2.8 out of 5. A total of 21 products were assessed in this category and 12 (57%) were found to meet the HSR healthy threshold. Few of the company's products in the Savoury Snacks category were found to be healthy and none of the company's products in the remaining categories (Confectionery, Ready Meals, and Sweet Biscuits, Snack Bars and Fruit Snacks) were found to meet the healthy threshold.

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

Mean HSR	Confectionery	Ready Meals	Rice, Pasta and Noodles	Savoury Snacks	Sweet Biscuits, Snack Bars and Fruit Snacks
ITC	1.1	1.2	2.8	1.8	1.3
Ajinomoto		2.6	0.5		
Amul GCMMF	0.6				
BRF		2.8			
Britannia Industries				2.2	1.4
Campbell				2.5	
Conagra		3.3		2.5	
Ferrero	0.9				1.2
General Mills		2.6	3.7		2.4
Grupo Bimbo	1.2			2.1	1.5
Kellogg				1.7	2.3
Kraft Heinz		2.8		3.5	
Mars	1.3	3.4	3.5		
Meiji	0.9	2.9			0.8
Mondelēz	1.1			2.2	1.4
Mondelēz India	0.5				0.9
Nestlé		3.2	2.7		2.3
Nestlé India	0.7		3.0		
Parle Products	1.1			2.3	1.5
PepsiCo					2.3
PepsiCo India				1.7	
Tingyi			0.6		
Unilever		3.2	3.2		

- When compared to the other companies that sell products in India within the Confectionery category (as part of their top-selling categories), ITC ranks joint first out of five, achieving the highest mean HSR of 1.1 out of 5.

- In the Savoury Snacks and the Sweet Biscuits, Snack Bars and Fruit Snacks categories, ITC products score less well relative to those of the other companies. For both categories, the company ranks third out of four companies. In the Rice, Pasta and Noodles category, the company ranks second with a mean HSR of 2.8 out of 5.
- ITC competes with other companies in four categories and achieves a relative category score of 5.5 out of 10 based on its ranking within those categories.

Conclusion

- ITC's mean healthiness score of 3.3 and relative category score of 5.5 result in an overall Product Profile score of 4.4 out of 10, ranking the company eleventh in this assessment.
- The company should continue to improve the nutritional quality of all its products, and particularly within the Sweet Biscuits, Snack Bars and Fruit Snacks category, which do not perform well when compared to those of its competitors. The company is also encouraged to adopt strategies and relevant targets to shift its sales towards healthier products and categories.

Disclaimer

India Spotlight

Index 2020

The user of the report and the information in it assumes the entire risk of any use it may make or permit to be made of the information. NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS ARE MADE WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION ARE EXPRESSLY EXCLUDED AND DISCLAIMED.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall Access to Nutrition Foundation, nor any of its respective affiliates, The George Institute, Euromonitor International, Innova Market Insights, or contributors to or collaborators on the Index, have any liability regarding any of the Information contained in this report for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited.

Euromonitor International Disclaimer. While every attempt has been made to ensure accuracy and reliability, Euromonitor International cannot be held responsible for omissions or errors of historic figures or analyses and take no responsibility nor is liable for any damage caused through the use of their data and holds no accountability of how it is interpreted or used by any third party.

The George Institute Disclaimer. While the George Institute has taken reasonable precautions to verify the information contained in the report, it gives no warranties and makes no representations regarding its accuracy or completeness. The George Institute excludes, to the maximum extent permitted by law, any liability arising from the use of or reliance on the information contained in this report.

Footnotes

1. The product categories included in the Product Profile 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. The company is assessed as part of the mixed portfolio industry segment.
2. Source: Derived from Euromonitor International's 2018 industry publications of: Packaged Food, Hot Drinks and Soft Drinks.

