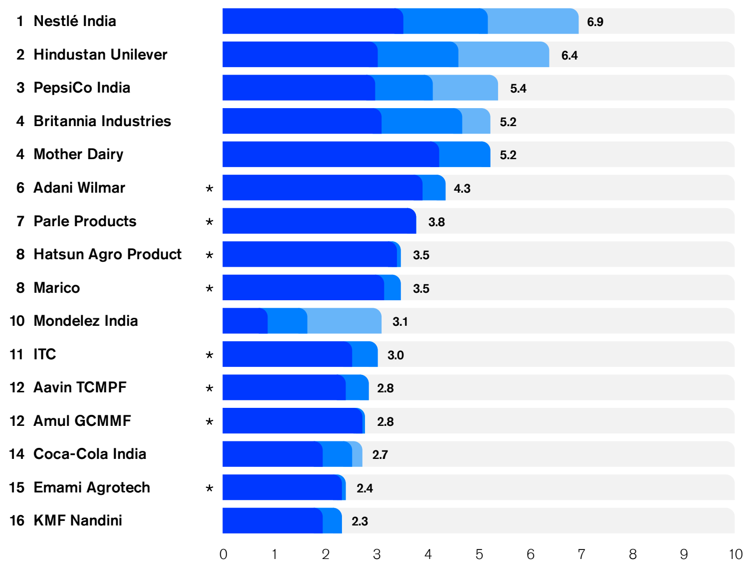
Category B - Products

Category B consists of three criteria:

B1 Product profile
B2 Product formulation
B3 Defining healthy products

Companies in India can help consumers in making healthier choices by improving the nutritional quality of foods made available to them. In addition to analyzing the healthiness of the company's product portfolio, i.e. Product Profile results in B1, this category addresses companies' efforts to achieve this goal through research and development (R&D), new product formulation, reformulation of existing products, and tackling undernutrition and micronutrient deficiencies by developing fortified products or using fortified ingredients. It also assesses the quality of the nutrient profiling system that companies use (if any) to guide their product-formulation efforts.



Nestlé India ranks first in Category B, followed by Hindustan Unilever and PepsiCo India. Aside from their respective Product Profile results (B1), these companies publicly disclose more information than most peers, have reformulation and innovation strategies that are aligned with national nutrition initiatives and have adopted a Nutrient Profiling System.

B1 Product Profile
B2 Product formulation
B3 Defining healthy products
* Did not provide information to ATNI

Findings

- Of the 1,456 food and beverage products assessed in the Product Profile, according to the independent HSR system and the 'healthy' threshold of 3.5 or more stars out of 5 – only 16% of the assessed products are considered healthy. An estimated 27% of the companies' 2018 sales combined is derived from these healthy products. Additionally, only 12% of the products assessed met nutrition criteria for marketing to children, according to the WHO SEAR nutrient profile model.
- Mother Dairy ranks first in the Product Profile[1] with a score of 7.5 out of 10. Adani Wilmar performs best on the 'mean healthiness' score, achieving the highest sales-weighted HSR across its portfolio of Edible Oil products. Parle Products performs best in the 'relative category' score as it ranks better than its peers across three product categories: Savory Snacks; Confectionary; and Sweet Biscuits, Snack Bars and Fruit Snacks.
- The India Index 2020 Product Profile revealed a slight increase in the estimated percentage of total sales derived from healthy products when compared to the 2016 results, which may be attributed, amongst other factors, to the better quality data and higher number of products assessed. A positive development is that seven companies provided up-to-date product nutrition information to ATNI, four more than in 2016, which contributed to a more robust assessment of the healthiness of packaged food and beverage products on the Indian market. PepsiCo India is one of the companies that provided comprehensive data for the current Index, and whilst this meant that fewer of the company's products were assessed compared to 2016, PepsiCo India achieved the highest improvement in mean healthiness score. This result increased the company's sales-weighted mean HSR from 1.2 to 2.1 out of 5.
- In alignment with FSSAI's Eat Right Movement, six companies have made public pledges to FSSAI to reformulate their products, and four companies make other commitments to increase the healthiness of their products. But whilst six out of ten companies define relevant trans-fat reduction targets, fewer than half of the relevant companies define targets for reducing salt/sodium, saturated fat and added sugar/calories. Hindustan Unilever, Nestlé India and PepsiCo India stand out as having the most comprehensive reformulation targets. Of the five companies with an NPS, Hindustan Unilever, Mondelez India, Nestlé India and PepsiCo India have explicit nutrition criteria to define their healthy products. These criteria are applied to all of their products. However, none of these companies benchmark their definition of healthy products against the HSR's healthy threshold, or an equivalent internationally recognized and validated NPS.

Recommendations

ATNI recommends that companies:

- Define healthy products based on objective nutrition criteria that align with national and/or international guidelines. Such criteria should then be used to guide the reformulation of products and to develop new healthy products.
- Adopt an NPS or strengthen an existing system by benchmarking it against internationally recognized systems, such as the HSR.
- Define targets for reducing levels of added sugar, salt, trans- and saturated fat in all relevant products across their portfolio. These efforts will help improve the healthiness of products and lead to better results in future Product Profiles.
- Voluntarily fortify all relevant products according to FSSAI's fortification guidance, and for products not under FSSAI's mandate according to internationally acclaimed guidance from Codex Alimentarius and WHO/the Food and Agriculture Organization of the United Nations.
- Ensure that comprehensive nutrition information is available to ATNI, consumers and other stakeholders to improve the accuracy and comprehensiveness of the Product Profile for a robust assessment of the healthiness of India's packaged foods and beverages.

More details on the findings, recommendations and best practices on Category B, including the Product Profile, can be found on the website.

For other Index Categories, ATNI will publish subsequent detailed findings following the launch of this report.

Footnotes

1. The Product Profile score is the equally weighted mean of two scores: ▪ Mean healthiness score: a representation of the nutritional quality of each company's overall product portfolios (the sales-weighted mean HSR). ▪ Relative category score: a representation of the companies' product categories' performance against peers that sell products in the same categor y (based on the ranking within product categories).