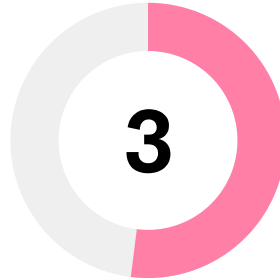


PepsiCo India

Product Profile Categories

Bottled Water; Breakfast Cereals;
Carbonates; Juice; Savoury Snacks



Rank 3 / Score 5.2

Rank 3 (2016)



Product Profile

Rank 9 / Score 5.2

Headquarters

U.S./India

Retail sales (INR – millions)

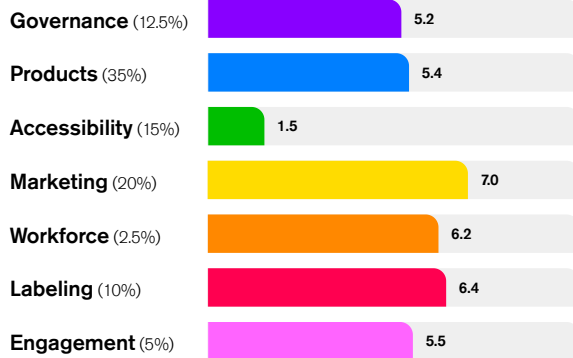
111166

Number of employees

143000

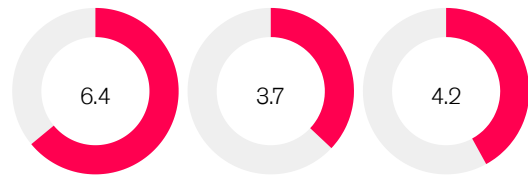
Company Profile

Rank 3 Score 5.2



(%) 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

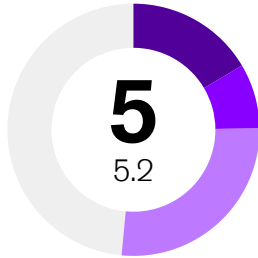
- Pepsico India ranks third out of 16 companies in the 2020 India Index with a score of 5.2 out of 10. Pepsico India has increased its overall score by one full point and improved its performance within six of the seven Categories (the most improved being F – Labeling, G – Engagement and D – Marketing).
- The company's Performance with Purpose (PwP) 2025 product reformulation commitments are well aligned with the Food Safety and Standards Authority of India's (FSSAI) Eat Right Movement, which aims to reduce the amount of added sugars, salt and saturated fat in packaged foods and beverages, and to ensure products remain free of trans fat originating from partially hydrogenated vegetable oils.
- Pepsico India has improved its commitments and performance on addressing undernutrition and micronutrient deficiencies by developing several new products, including those that address the needs of women of childbearing age with iron deficiency. In addition to products that are naturally rich in micronutrients, the company has introduced several fortified 'Tropicana' juice products that are adapted to nutritional needs in India.
- Pepsico India performs well in Category D – Marketing – with a comprehensive and responsible marketing policy, including a commitment to avoid marketing in primary schools. The company is a Food & Beverage Alliance of India pledge signatory, and thereby commits to limit the marketing of unhealthy products to children and to regular auditing of these commitments.
- The company has improved its approach to stakeholder engagement and partnerships by publicly disclosing its engagement with national bodies and scientific experts to develop its commercial nutrition programs. PepsiCo India also actively contributes to FSSAI's initiatives by, for example, creating awareness about healthy eating and active lifestyles – including education about anemia – for the Authority's Eat Right School Program.

Priority areas for improvement

- Pepsico India ranks ninth in the 2019 Product Profile with a score of 5.2 out of 10. The company provided ATNI with nutrition information about its portfolio, which was used to estimate the percentage of 2018 sales derived from products achieving a Health Star Rating (HSR) of 3.5 or more out of 5 – i.e. that meet the 'healthy' threshold. When compared to the India Index 2016, this percentage increased from 8 to 18%. The company should continue improving the composition of its products and the overall nutritional quality of its product portfolio.
- Pepsico India publicly discloses elements of its PepsiCo Nutrition Criteria (PNC), including the nutrients it limits. The company should align its definition of healthy products with external benchmarks, such as the HSR 3.5-star threshold, and consider publishing the full details of its PNC – including the tiered criteria it has defined for 20 product categories.
- Pepsico India has set up a partnership with Varun Beverages Limited to address the distribution of healthy and fortified products in India. It could improve its approach by formalizing its strategy to enhance the accessibility of its healthy products and by defining concrete targets to reach low-income populations and aspirational districts.
- The company could further strengthen its marketing approach by pledging only to market products to children that meet the World Health Organization (WHO) South-East Asia Region (SEAR) regional standard. The Product Profile found that 15% of the assessed products currently meet this standard. Additionally, Pepsico India could explore options to include children above 12 years in its commitment, and to exclude inappropriate marketing in secondary schools (beyond its current policy on beverage sales), and in places near schools.
- Pepsico India's employee health and wellness program, available for all employees, could be improved by ensuring the program's impact is independently evaluated and by extending it to workers throughout the wider value chain.
- 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 is developed in partnership with the Government and other relevant stakeholders.

Category Analysis

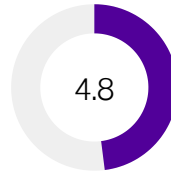
Governance



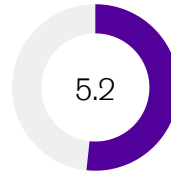
- A1** Nutrition strategy
- A2** Nutrition management
- A3** Reporting quality

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

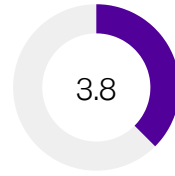
Commitment



Performance



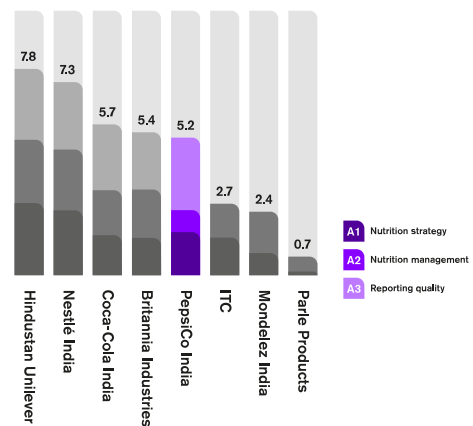
Disclosure



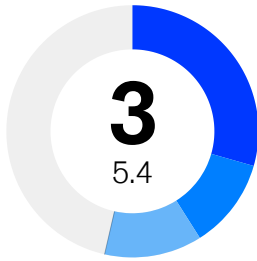
The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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

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.



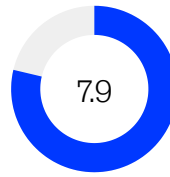
Products



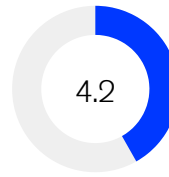
- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

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

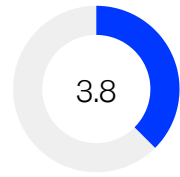
Commitment



Performance



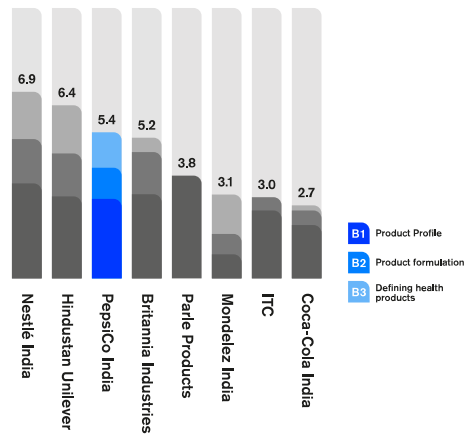
Disclosure



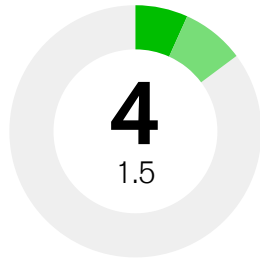
The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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

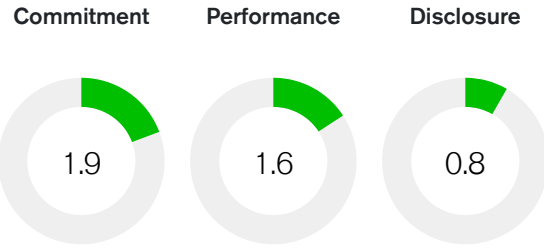


Accessibility



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

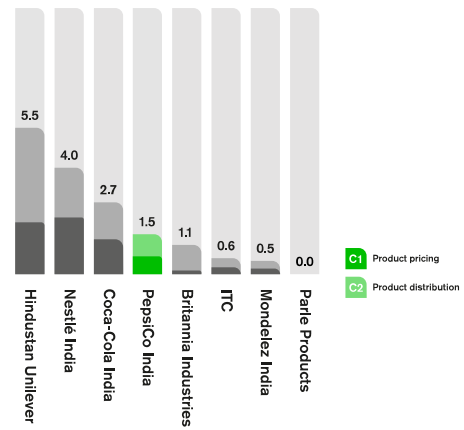
All category, criteria, commitment, performance and disclosure scores are out of 10



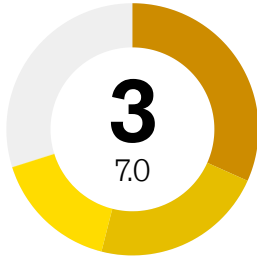
The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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



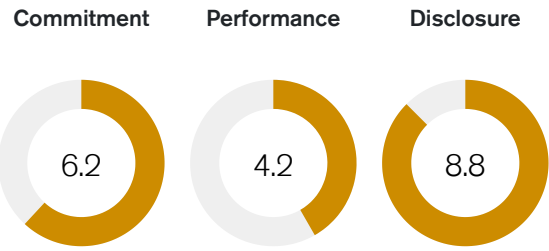
Marketing



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

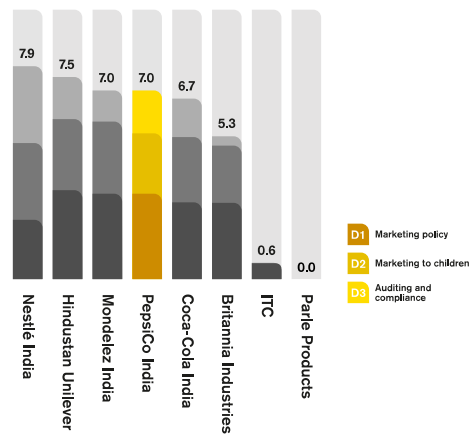
All category, criteria, commitment, performance and disclosure scores are out of 10

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.

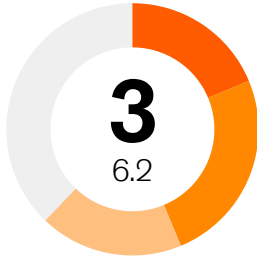


The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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

Peer Comparison



Workforce

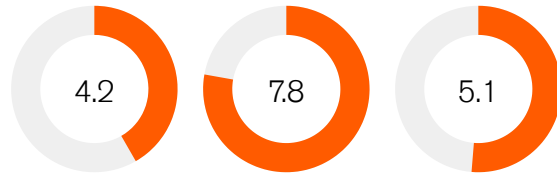


- E1** Employee health
- E2** Breastfeeding support
- E3** Consumer health

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

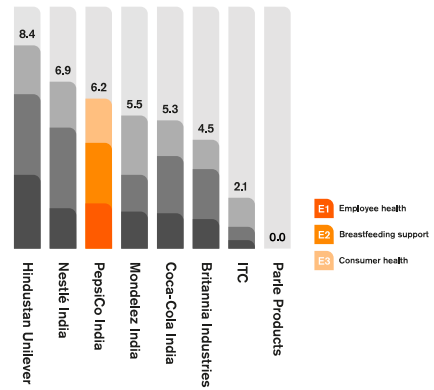
Companies are grouped into three different industry segments in this Index based on the type of products they predominantly sell (i.e. contributing 80% or more to their total food and beverage sales) – dairy, edible oil or mixed portfolio. The graph on the right shows how the company's result within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

Commitment Performance Disclosure

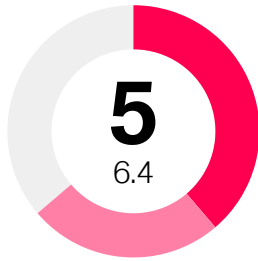


The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles indicate how the company performs on the three types of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

Peer Comparison



Labeling



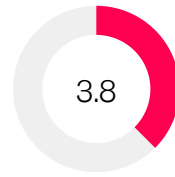
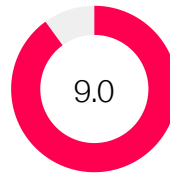
- F1** Product labeling
- F2** Claims

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

Commitment

Performance

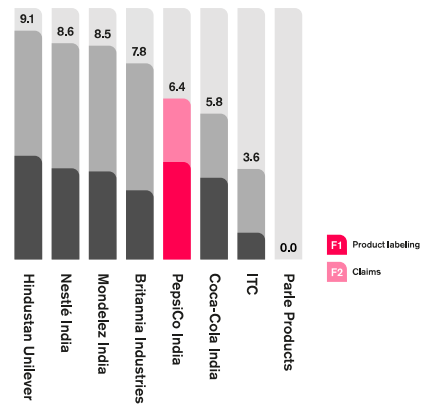
Disclosure



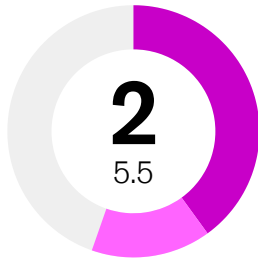
For this category performance indicators were not included. The circle on the left represents the company result for this Index category, showing the rank out of 16 and the score below it. The colored segments represent the respective criteria contributions to the overall category score. The above circles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

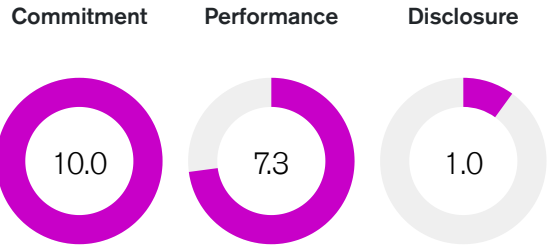


Engagement



- G1 Influencing policymakers
- G2 Stakeholder engagement

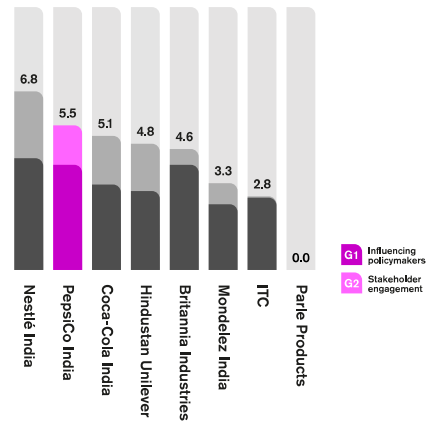
All category, criteria, commitment, performance and disclosure scores are out of 10



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



9

Rank 9 / Score 5.2

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	
2.1	21%	18%	81	15%	32%	81	90-100%

- A total of 81 products from across five categories, representing 90-100% of PepsiCo India's estimated 2018 retail sales, were included in the Product Profile. Seventeen products (21%) were found to meet the HSR healthy threshold and the company is estimated to have derived 18% of its 2018 sales 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 decreases to 2.1 out of 5, resulting in a mean healthiness score of 4.1 out of 10.
- A total of 81 products were assessed to determine their suitability to be marketed to children according to the WHO SEAR nutrient profile model. Twelve products identified in the Bottled Water, Breakfast Cereals and Carbonates categories, and estimated to represent 32% of 2018 sales, were found to meet the criteria.

Product Category Results

Category	Bottled Water	Breakfast Cereals	Carbonates	Juice	Savoury Snacks
Mean HSR	5.0	4	1.8	2.5	1.7
% products healthy	100	80	12	37	3
% products suitable to market to children	100	20	47	0	0

- After Bottled Water (with a mean HSR of 5 out of 5), the second best performing category for PepsiCo India is Breakfast Cereals, which achieves a mean HSR of 4.0 out of 5. Four out of five (80%) of the company's Breakfast Cereal products were found to meet the HSR healthy threshold, yet only one was found suitable to be marketed to children according to the WHO SEAR criteria. In the Savoury Snacks category, the company achieved the lowest mean HSR of 1.7.

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

Mean HSR	Bottled Water	Breakfast Cereals	Carbonates	Juice	Savoury Snacks
PepsiCo India	5.0	4	1.8	2.5	1.7
Britannia Industries					2.2
Campbell				3.3	2.5
Coca-Cola			1.5	2.7	
Coca-Cola India	5.0		1.7	1.3	
Conagra		3.7			2.5
General Mills		3.1			
Grupo Bimbo					2.1
ITC					1.8
Kellogg		3.2			1.7
Keurig Dr Pepper			1.3	2.1	
Kraft Heinz				3.6	3.5
Lactalis				4.3	
Marico		3.7			
Mars					1
Mondelēz					2.2
Nestlé		3.1	1.8		
Parle Products					2.3
PepsiCo		3.9	1.6	2.6	
Suntory			1.6	3.5	
Tingyi				3.6	
Unilever		3.8			

- Among three other companies that sell products in India in the Savory Snacks category (as part of their top-selling categories), PepsiCo India ranks last with a mean HSR of 1.7 out of 5. The company ranks best of two companies for the Carbonates, Juice and Breakfast Cereals categories and ranks joint first for the Bottled Water category.
- PepsiCo India competes with other companies in five categories and achieves a relative category score of 6.2 out of 10 based on its ranking within these categories.

Conclusion

- PepsiCo India's mean healthiness score of 4.1 and relative category score of 6.2 result in an overall Product Profile score of 5.2 out of 10, ranking the company ninth in the assessment.
- PepsiCo India's Product Profile score is driven more so by the company's relative performance against its peers (the relative category score) than by its mean healthiness score. PepsiCo India should continue improving the healthiness of its products and is encouraged to shift its sales towards healthier products and product 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.

