

PepsiCo Nutrition Criteria

May 2018

In 2006, PepsiCo started on a journey to transform the way we do business so that we can deliver strong financial returns in a way that is responsive to the needs of the world around us. We called this Performance with Purpose, and it is our fundamental belief that the success of our company is inextricably linked to the sustainability of the world around us.

Our Performance with Purpose agenda for the next decade starts with what we make. We are moving our business towards providing more healthy food and beverage options. We will reduce added sugars, sodium, and saturated fat so it's easier to maintain a healthy diet, while also working to improve affordability and accessibility of nutritious foods in the communities who need it most.

To meet these targets, we are guided by the PepsiCo Nutrition Criteria (PNC), a set of science-based nutrition guidelines that serve as a compass to assist PepsiCo's portfolio transformation and that are designed to help diversify the portfolio and achieve our Performance with Purpose goals. Specifically, these criteria represent high nutrition standards guiding the reduction of nutrients to limit and the increase of nutrients and food groups to encourage for the entire PepsiCo portfolio.

What is included in the PepsiCo Nutrition Criteria?

The PepsiCo Nutrition Criteria provides nutrition guidelines for our beverage, snacks and nutrition brands. The criteria that apply to our nutrition brands include both Nutrients to Limit and specific guidelines for Food Groups and Nutrients to Encourage. For our snack and beverage brands we have specific guardrails for nutrients to limit. Similarly, a set of criteria specifically for foods and beverages developed for children is currently under development. The PNC for each category includes:

- Standards for Nutrients to Limit – Nutrients that have been well-established as dietary factors that can contribute to the risk of certain non-communicable diseases, when consumed in excess. They include:
 - Saturated Fat
 - Trans Fat
 - Sodium
 - Added Sugars
- Standards for Food Groups to Encourage – Food groups that have been well-established as contributing to healthier diets. They include:
 - Fruits
 - Vegetables
 - Whole Grains
 - Low Fat Dairy
 - Nuts
 - Seeds
 - Legumes/Pulses
- Standards for Nutrients to Encourage – Nutrients that have been identified as being commonly under-consumed in a given population. They can vary by market or region, and are often called “shortfall nutrients.” Depending on population needs, they can include:
 - Iron
 - Fiber
 - Specific Vitamins and/or Minerals such as Calcium or Potassium

How were the PepsiCo Nutrition Criteria designed?

Our entire portfolio of snacks, beverages and nutrition brands was divided into 20 categories and a unique set of criteria were developed for each category. The categories are listed below along with some examples of included product types (continued on next page):

Beverages	
Beverages	Carbonated soft drinks, non-carbonated beverages, energy drinks, coffee, and tea.
Snacks	
Snacks	Salty or sweet foods eaten between regular meals
Dips	Hummus, salsa, tzatziki, guacamole etc.
Appetizers/Mini Meals	Frozen snacks, other snacks that may have food combinations such as crackers and cheese
Nuts, Seeds, Nut butters	Products containing at least 90% whole or shelled tree nuts, peanuts, coconut / nut / peanut spreads, whole seeds, seed pastes, tahini NU
Nutrition	
Grain Foods	Foods containing the minimum amount of grains and whole grains
Grain Beverages	Beverages containing the minimum amount of grains and whole grains
Dairy Beverages	Milk or products made from or containing a minimum amount of milk
Fruit and Vegetable Juice	A beverage product containing a minimum amount of fresh fruit or vegetable equivalent content
Fruit and Vegetable Foods	Frozen, canned, dried and dehydrated vegetables or fruits, purees, tomato paste. Dried fruits without added salt, fats, added sugars
Combination Product	Snack or beverage product including multiple positive nutrition elements (fruit & vegetables, dairy, grains)
Cereal	Hot, cold, ready-to-eat cereals including instant oat products and savory cereals
Yogurt & Dairy	Any yogurt, ice cream, custard, curd, etc.
Side Dishes	Mixture of pasta, rice, cereal grains or vegetables with seasonings/ sauce including: rice pilaf, rice and sauce.
Breads, Grains, Pasta, Flours	Plain pasta, plain rice, pancakes and couscous. Does not include bread snacks
Soup	Soup and ready to eat noodles
Nutrition Bars & Clusters	Nutrition bars, clusters, biscuits and nut clusters
Savory Foods	Nutritious foods that are tangy, salty, or spicy
Meals	A combination of >3 food components packaged together providing more calories and nutrition than a mini meal and positioned as an entire meal
Mini-Meals	A single or combination of >2 food components packaged together providing more calories and nutrition than a snack

The PepsiCo Nutrition Criteria are based on dietary and nutrient recommendations from leading global and national nutrition authorities. The most recent dietary recommendations on nutrients to limit (saturated fat, trans fat, cholesterol, added sugars and sodium) and food groups to encourage from the following organizations were considered:

- **Country and Regional Authoritative Organizations and Scientific Committees:** World Health Organization (WHO), Food & Agricultural Organization (FAO), US Institute of Medicine of the National Academy of Sciences (IOM), European Food Safety Authority (EFSA), USDA Evidence Analysis Library (EAL), Eurodiet.
- **Country-specific dietary guidelines:** USA, Canada, China, India, Saudi, Australia, Malaysia, Mexico, Argentina, Brazil, Peru, Chile, Ecuador, Russia, UK, Turkey, France, South Africa.

The principles that underlay the nutrition science-based criteria include external authoritative recommendations from leading global and regional authorities, consideration of the role of individual foods and beverages in the overall diet, and published scientific research.

For nutrients to limit, criteria are based on a model diet of 2,000 kcal per day, with both saturated fat and added sugars at or below 10% of total energy, sodium at or below 2,000 mg per day, and no industrially produced partially hydrogenated oils (PHOs).

For food groups to encourage, the minimum inclusion in a product is set at ½ of a serving, with the possibility to add together smaller amounts of multiple food groups to reach ½ of a serving (e.g. ¼ of a serving of a juice plus ¼ serving of vegetables).

The criteria include a range of acceptable limits in order to account of factors including but not limited to: product type dietary consumption patterns and technical and food safety issues.

How are the PepsiCo Nutrition Criteria applied?

Based on dietary consumption pattern data, product development projects for both new products and renovations of existing products are categorized within the 20 product categories and required to meet the baseline criteria, or:

- If the product is one of our Everyday Nutrition brands, it is held to a more stringent criteria for both nutrients to limit and food groups and nutrients to encourage, or
- If the product is an indulgent product, it is measured differently.

Product developers and commercialization teams are required to use the criteria to guide both renovation of existing brands and the development of new products, with ultimate goal of transforming portfolio in line with stated 2025 Product targets within our Performance with Purpose agenda.

Adherence to the PepsiCo Nutrition Criteria is reviewed in the early stages of our product development stage gate process. If a product fails to adhere to PNC, there is a formal review process that elevates the issue for resolution to senior leaders in respective R&D category and brand management teams.

Granted exceptions are assigned resolution windows to allow for technical developments that could resolve issue with ultimate goal of reversing the exemption.

How do the PepsiCo Nutrition Criteria compare to external guidance?

The PepsiCo Nutrition Criteria for each category includes ranges that are applied to products based on dietary consumption patterns, food safety and other factors as evaluated by our product development teams. Most products are expected to meet entry criteria for each category while our Everyday Nutrition products are held to higher standards and other products are categorized as indulgent and evaluated for renovation opportunities.

Our criteria are comparable with those from the WHO and The Healthy Choice standards.

			
Added Sugars	10% of total energy contribution	Total sugars ≤ 4.5g/100g*	0g - 7g/100ml*
Sodium	< 5g salt (equals < 1.966g sodium)	≤ 400mg / 100g**	1.0mg - 1.6 mg/kcal**
Saturated Fat	< 10% of total energy contribution***	≤ 6.0g/ 100g**	0.8g- 1.7 g/100 kcal**

*Beverages Category (for PepsiCo criterion assuming 1cc liquid weighs 1g)

**Snacks Category (for PepsiCo criterion assuming typical serving size of 28g serving)

***Based on 2,000kcal diet = 22g per day of sat fat