PepsiCo India

**Areas of strength**

- PepsiCo India is one of the top three companies on the Corporate Profile in the 2016 India Index. This is a better result than that of its parent sixth ranking in the 2016 Global Index.
- PepsiCo India is one of the top performing companies in the 2016 India Index on product reformulation. It is committed to providing an increasing number of healthier products to consumers, such as Quaker Oats Plus that was launched in 2014. It has a formal commitment to invest in R&D, set reduction targets for sodium, saturated fats and sugars in its products and has a comprehensive Nutrient Profiling System (NPS).
- The company's approach to responsible marketing is consistent with PepsiCo Inc. and in line with industry standards. PepsiCo Inc. has a comprehensive responsible marketing strategy for adults and children and has internal and external compliance checks.
- Compared to the 2016 Global Index, PepsiCo India demonstrates a wider range of commitments and programs aimed at improving health and well-being of its employees, consumers and community members in India. The Get Active program, operating since 2006, educates children about healthy diets and active lifestyles. In contrast to its parent company, in India, the company has policies on maternity leave and provides facilities to accommodate the needs of breastfeeding mothers at work.
- The company's approach to nutrient labeling is fully aligned with that of its parent. However, unlike the 2016 Global Index, PepsiCo India provided more information about its practices related to health and nutrition claims, namely that all claims are scientifically substantiated and compliant with local regulations.

**Areas for improvement**

- Despite its relatively good score in the Corporate Profile, PepsiCo India still has many opportunities to improve the healthiness of its portfolio, given that it ranked eighth on the Product Profile with a score of 2.5 out of 10, and was estimated to derive only 8% of its 2015 total sales from healthy products, i.e. achieve a rating of 3.5 stars or more on the Health Star Rating system, the threshold for a healthy product.
- The company could also improve its disclosure of the governance arrangements for its nutrition strategy.
- Similar to its parent in the 2016 Global Index, PepsiCo India has an opportunity to enhance its reporting on its policies and programs regarding the affordability and accessibility of its healthy products. However, it should be noted that unlike its parent, PepsiCo India has started disclosing examples of relevant initiatives and partnerships in India centered around fortified products.
- PepsiCo India should consider increasing disclosure of its policies, programs and strategies designed to contribute to healthy lifestyles in India. Better disclosure would enable the various stakeholders to gain a better understanding of the company's performance in this area.
- Although PepsiCo India stated that it follows Codex guidelines with respect to nutrition claims, the Product Profile assessment carried out by The George Institute found that only 17% of its product labels comply with Codex nutrition labeling standards.
- Unlike PepsiCo Inc. in the 2016 Global Index, PepsiCo India is not transparent about its lobbying activities, presenting an opportunity for improvement. Further, the company is encouraged to increase disclosure of its stakeholder engagement activities, including the names of organizations it engages with, topics of engagement and how feedback is used to inform its nutrition and undernutrition strategies in India.
- PepsiCo India has provided less information on its product fortification strategy to combat undernutrition in India than its parent company did for the 2016 Global Index. This signals that the company has an opportunity to improve its public reporting practices in this area.

**Product Profile**

- Savory snacks: 47%
- Juice drinks (up to 24% Juice): 19%
- Regular cola carbonates: 11%
- Other non-cola carbonates: 6%
- Lemonade/limeade: 5%
- Still bottled water: 5%
- Orange carbonates: 4%
- Mixers: 1%
- Hot cereals: 1%
- Sports drinks: 1%

**Total revenues**: 133,300.99 mn INR

**Mean HSR rating**

- Savory snacks: 4.7
- Juice drinks (up to 24% Juice): 4.8
- Regular cola carbonates: 4.9
- Other non-cola carbonates: 4.8
- Lemonade/limeade: 3
- Still bottled water: 5
- Orange carbonates: 5
- Mixers: 5
- Hot cereals: 4.9
- Sports drinks: 1.5

**Areas of engagement**

- Governance: 12.5%
  - A1 Strategy
  - A2 Management
  - A3 Reporting

- Products: 25%
  - B1 Formulation
  - B2 Profiling

- Accessibility: 20%
  - C1 Pricing
  - C2 Distribution

- Marketing: 20%
  - D1 Policy (all)
  - D2 Compliance (all)
  - D3 Policy (children)
  - D4 Compliance (children)

- Lifestyles: 25%
  - E1 Employees
  - E2 Breastfeeding
  - E3 Consumers

- Labeling: 15%
  - F1 Facts
  - F2 Claims

- Engagement: 5%
  - G1 Lobbying
  - G2 Stakeholder

**Corporate Profile**

- **Governance**: A1 Strategy, A2 Management, A3 Reporting
- **Products**: B1 Formulation, B2 Profiling
- **Accessibility**: C1 Pricing, C2 Distribution
- **Marketing**: D1 Policy (all), D2 Compliance (all), D3 Policy (children), D4 Compliance (children)
- **Lifestyles**: E1 Employees, E2 Breastfeeding, E3 Consumers
- **Labeling**: F1 Facts, F2 Claims
- **Engagement**: G1 Lobbying, G2 Stakeholder

**Company Description**

PepsiCo India is a publicly listed company that sells a range of products including savory snacks, juice drinks, regular cola carbonates and non-cola carbonates.

**Headquarters**: United States; Gurgaon, India

**Employees**: 4,789

**Total revenues**: 133,300.99 mn INR

* Source: Euromonitor

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Note
Sustainalytics has produced the scoring and ranking of company performance for the Corporate Profile of the India Access to Nutrition Index. Sustainalytics contributed to the report and company scorecards for the Index, and engaged with food and beverage companies as part of the data collection and analysis process.

The George Institute (TGI) is responsible for the data collection for the Product Profile assessment in India. TGI is also responsible for the analysis of the data related to the Product Profile and the TGI Product Profile final report, the results of which have been incorporated by ATNF into the 2016 India Access to Nutrition report and the scoring of company performance for the same Index.

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