Product Sustainability Standard

Food Ingredients FAQ

Version 2.0: 2024



Does PCC have a standard for food ingredients?

Why does PCC allow the additives that it does?

Some additives are essential to ensure food safety and prevent unnecessary food waste. It is also important to support different dietary choices and needs, such as gluten-free and vegan, which often require different ingredients and additives. If we are going to accept some ready-to eat foods, we must also accept that they will have some additives necessary to the function of that food. We do, however, screen all the ingredients in our foods to ensure they are not linked to serious and scientifically substantiated health concerns for the general population when consumed in moderation. We also prioritize ingredients that are minimally processed and choose products with simpler formulations.

Doesn't the FDA regulate and screen food ingredients to make sure they're safe?

The Food & Drug Administration (FDA) regulates nutrition claims, additives, and packaging of food products to ensure they are not deceptive, misleading, or acutely toxic to humans. Unfortunately, the bar the FDA sets for safety of food ingredients is not as high as many would like it to be. Most ingredients and additives are self-verified as Generally Recognized as Safe (GRAS) without needing pre-market approval from the FDA. When the FDA first implemented this system, many ingredients already in use were grandfathered in and designated as GRAS. This group of GRAS ingredients are designated as Group 1 and include ingredients such as nitrates. Group II includes any ingredient or additive deemed GRAS since 1958.

Read more about the concerns with FDA oversight and GRAS designations in the *Sound Consumer* article, <u>FDA Lacks Oversight of Food Ingredients</u>.

What does the term "natural" mean for PCC?

The term "natural" has no legal definition, unlike the term "organic" that is legally backed by the Organic Food Production Act (OFPA) when used on food products. The FDA does have a policy on the term, to mean that nothing artificial or synthetic has been added to the food. In 2016, the agency collected public comments on a proposal to regulate and define the term, but never proceeded in finalizing a definition or rule. "PCC has long

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advocated for a regulated and official definition of the term natural, because we have seen how brands can abuse and take advantage of the term's ambiguity to greenwash their products. PCC <u>submitted comments to the FDA</u> during their comment period in 2016, which included data from shopper surveys showing how consumers find the term misleading and confusing. Because the term "natural" can be essentially meaningless unless given a definition at the same instance, we attempt to clearly describe our standards, requirements, and expectations for our products and their ingredients. We use the term "natural" occasionally because it is, despite its flaws, a recognized term that can be useful in some contexts, so long as it is further clarified.

Why does PCC allow "natural flavors" in its products?

Natural flavors are derived from plant or animal sources, such as a fruit, vegetable, meat, fish, spice, or herb. They're found in many packaged foods to enhance the flavor and are unfortunately ubiquitous throughout the natural supply chain. It is an issue that goes beyond the scope of one brand or one product category, so our strategy is to work with companies to push the industry away from using natural flavors and work with producers to reformulate, rather than eliminating many of the products our shoppers have come to enjoy. We understand that natural flavors are problematic and do give preference to products without natural flavors whenever possible. PCC currently allows them because they are so common, and they are a step better than artificial flavors, which are derived from petroleum and produced through different methods. We will continue to push producers to improve the ingredients in their products, choose options with fewer additives and natural flavors, and strengthen our position regarding natural flavors as we update and improve our food ingredient standards. You can learn more about this topic in the *Sound Consumer* article, *The Flavor Industry*.

How do you decide whether to allow or prohibit an ingredient in foods you sell?

We take a holistic and science-based approach to determine whether to allow an ingredient and balance the risks with its prevalence in existing products PCC sells. Ingredient evaluations involve looking at the historic use of the substance, health data, environmental impact, and current regulations on use both in the United States and other relevant countries. These evaluations are then reviewed and discussed amongst PCC's Quality Standards Committee and a vote is taken on whether ingredients are allowed, prohibited, or permitted following additional sourcing or use requirements. Overall, we work hard to minimize the number of additives in any foods, encourage vendors to carefully consider the essentiality of ingredients, and air on the side of caution with novel or new ingredients that appear on the market.

I've read about the concerns with carrageenan, why do you still sell some products that contain it?

In 2014, <u>PCC stopped accepting new organic products</u> with carrageenan because of potential health concerns associated with consumption of carrageenan, such as inflammation of the bowel. Carrageenan is still technically allowed in organic products, as it is on the list of acceptable non-synthetics that can be used in foods labelled organic or made with organic ingredients. The National Organic Standards Board (NOSB) <u>recommended in 2016</u> that carrageenan be removed from this list, but the USDA has not followed through on this change, despite the continued requests from the organic community to remove it from the National List. PCC supports the NOSB's recommendation and thus will not accept any new organic products containing carrageenan. However, when that decision was made, we already carried many organic and non-organic products with carrageenan that shoppers rely on. Until the official organic regulations are updated, these companies do not need to reformulate. To respect

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these organic producers and continue providing many of the foods we know our customers enjoy, we've allowed a select number of products with carrageenan to remain on our shelves.

How does PCC address greenwashing and all the various label claims?

Greenwashing is the practice of misleading consumers, through the use of certain colors, images, and marketing claims, into thinking their product is better for the environment or healthier than it truly is. PCC combats this practice by verifying claims against our standards, encouraging third-party eco-certifications that are verified best practices, and getting as much information from the producers/manufacturers as possible about the products we sell. Sourcing from smaller brands with whom we can develop long-lasting partnerships is another strategy that has worked well. It allows us transparency in sourcing, production, and the ability to communicate directly with the producers if we have concerns.

What is PCC doing to address heavy metals in chocolate?

The issue of heavy metal contamination continues to be a pressing one for many foods, not just chocolate. PCC has been working internally for a number of years to figure out how we, as a retailer, can take meaningful action and support efforts to address this widespread problem. Heavy metals are naturally occurring, but since humans began using them in many industrial applications and in consumer products, like leaded gasoline or arsenic-based pesticides, they have been released into the environment in forms that can accumulate in water, soil, and air, thus leading to contamination of our drinking water, soils, and many different foods.

Consumer Reports has released many articles on contamination in chocolate that have sparked concerns. We have investigated any brands identified in those studies every time a new report is released. So far, PCC has not found it necessary to remove any brands or items in response to these reports.

When we reach out to brands, the overwhelming response has been that they test for heavy metals regularly, at multiple stages during production, including in the final bar form, and those tests all fall below the recommended levels for heavy metal content. That being said, there is a lack of clarity and consistency on what "recommended levels" are actually safe makes this assessment variable. Many producers utilize the European Union standards, while others look to Proposition 65 standards, or the industry settlement

Beyond testing, most vendors noted they have made changes over the years to their sourcing selections, implemented additional cleaning processes to reduce mineral content that contains heavy metals, and worked with farmers and processors to find ways to reduce contamination. While contamination still occurs in the chocolate supply, growers and chocolate manufacturers have been actively taking steps to reduce the levels of heavy metals in their chocolate over the years as well as trying to align and identify appropriate industry safety standards.

It is also important to remember, as many vendors have frequently emphasized, that heavy metal contamination is a global issue not unique to the chocolate industry and to address the root of the problem, we must work collectively to reduce contamination sources and set meaningful regulations.

Do I need to be concerned about heavy metals in all chocolate?

Testing indicates that the greatest concern is with darker chocolates, particularly for cadmium, because the contamination comes from the cocoa solids themselves, which are in higher concentrations in dark chocolates. Consumer Reports tested only a handful of brands and what appears to be a small number of bars, so it is possible that other dark chocolates from those brands are either lower or higher in heavy metal content. The only way to be sure about the levels in a particular bar of chocolate is to test the cocoa and end products for every new batch,

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which we learned nearly all producers are already doing. To learn a bit more from experts on this topic, we would encourage you to check out the recent article from the New York Times, "<u>Do I Need to Avoid Dark Chocolate</u> Now?"

Why doesn't PCC carry the chocolate brands that Consumer Reports identifies as having low levels of heavy metals?

PCC requires that all chocolate sold on our shelves must meet a number of social and environmental quality standards, including fair labor verification and limitations on potentially harmful ingredients (such as genetically modified sugar and artificial preservatives). Most of the brands tested by Consumer Reports as having lower levels of lead and cadmium do not meet PCC's other important product standards. You can learn more about our quality standards here.

Is PCC's Private Label chocolate tested for heavy metals?

One of the primary ways PCC has addressed the concerns of heavy metal contamination in chocolate is by working to improve the supply chains in which we're more directly involved. Specifically, we worked with our Private Label chocolate producer, K'UL to reformulate our chocolate to meet a higher standard for heavy metals. In 2023 and 2024 we released new "versions" of our chocolate bars and chips. The updated items have different packaging, cocoa sourcing, and extremely low heavy metal residues.

By sourcing from a farmer-based cooperative in Ghana, we were able to reduce lead levels and completely remove the presence of cadmium. The beans are tested before they ship out from Ghana and then heavy metal testing is conducted on final bars as well. The most recent tests conducted when the bars were re-released in PCC found levels of 0.011 ppm $(0.000011\mu g)^1$ lead and 0.12 ppm $(0.00012\mu g)$ cadmium. If you consider that Prop 65 has a threshold of $4.1\mu g/day$ for cadmium, this chocolate bar at 65% cacao computes to $1.2\mu g/day$ which is significantly under the requirements for Prop 65.

https://www.scientificamerican.com/article/the-carrageenan-controversy/.

ⁱ Kelly Damewood, "The GRAS Process: How Companies Legally Add Ingredients to Food," Food Safety News, January 30, 2014, https://www.foodsafetynews.com/2014/01/the-gras-process-how-companies-legally-add-ingredients-to-food/.

ii International Food Information Council Foundation (IFIC) and Food & Drug Administration (FDA), "Food Ingredients & Colors" (Food & Drug Administration (FDA), April 2020), https://www.fda.gov/media/73811/download.

ⁱⁱⁱ Center for Food Safety and Applied Nutrition, "Use of the Term Natural on Food Labeling," Food & Drug Administration (FDA) (FDA, February 22, 2021), https://www.fda.gov/food/food-labeling-nutrition/use-term-natural-food-labeling.

iv Monica Reinagel, "The Carrageenan Controversy," Scientific American, July 1, 2015,

¹ Units: ppm = Parts Per Million and μ g = micrograms.