

PepsiCo Global Policy on the Sale of Beverages to Schools

PepsiCo is launching a new sales and distribution policy aimed to help schools outside the United States offer a wider range of low calorie and nutritious beverages to their students. This policy is generally consistent with Pepsi-Cola North America's U.S. School Policy which will remain unchanged.

While it is the schools which must ultimately decide which beverages should be available to students, and where and when they should be sold, we hope we can play a role in shaping an environment in schools which facilitates the healthy choices of school-age children everywhere.

Policy Details

I. Compliance with Law

PepsiCo will instruct our bottlers, vending companies and third-party distributors to strictly comply with all applicable laws and regulations.

II. Product Selection

PepsiCo will encourage our bottlers, vending companies and third-party distributors to work closely with parents, community leaders and school officials to ensure that only products that meet the following guidelines are offered to schools for sale to students through vending machines, the cafeteria and school stores in primary and secondary schools as such schools are defined in the local markets.

Guidelines for Beverages

Primary school

- Water
- Fat-free or low-fat milk, flavored milk or nutritionally equivalent milk alternatives (e.g. oat, rice, soy milk etc. enriched with calcium) containing
- no more than 150 kcal per 240 ml
- 100% juice
- Juice/water beverage combinations containing no added sugar
- Combinations of juice/fat-free or low fat dairy or nutritionally equivalent milk alternatives with no more than 10% kcal from added sugar

Secondary school*

- Water
- Fat-free or low-fat milk, flavored milk or nutritionally equivalent milk alternatives (e.g. oat, rice, soy milk etc. enriched with calcium) containing no more than 150 kcal per 240 ml
- 100% juice
- Juice/water beverage combinations containing no added sugar
- Combinations of juice/fat-free or low fat dairy or nutritionally equivalent milk alternatives with no more than 10% kcal from added sugar
- Beverages containing no more than 40 kcal per 240 ml

*Excluding sports drinks. See Section III.

As a practical matter, if primary school and secondary school students have common access to areas where our products are sold on a common campus or in common buildings, then the school community may opt to adopt the secondary school standard.

III. Sports drinks

Because sports drinks are specially designed to provide benefits relevant to those engaged in physical and sporting activity beyond general nutrition we feel they should be considered as a separate category.

PepsiCo supports the use of sports drinks in appropriate situations specifically before, during and after physical activity/heat. The specific formulation of sports drinks is scientifically proven to re-hydrate, help in the maintenance of correct fluid and electrolyte balance and provide carbohydrate energy for working muscles from which (under certain conditions) students would benefit.

Definition of a sports drink varies regionally and therefore we support local definitions of composition and we recommend a maximum serving size of 355ml.

IV. Energy drinks

PepsiCo encourages our bottlers and third-party distributors not to offer beverages marketed as energy drinks to primary and secondary schools.

V. Time of day

This school policy applies to PepsiCo products sold on school grounds during the school day as well as the extended school day when events are primarily under the control of the school or third parties on behalf of the school. The extended school day includes activities such as clubs, band and choir practice, student government, drama and childcare programs.

At the request of and in agreement with school authorities, the application of this school policy may however be optional during school-related events where parents and other adults are in attendance. Examples of such events may include sports, school plays, dances and concerts.

VI. Vending Machines

PepsiCo will encourage our bottlers, vending companies and third-party distributors to provide vending machines in a variety of graphic designs, including activity-based and non-commercial imagery and to provide only activity-based and non-commercial imagery on vendors placed in primary schools. We also recommend the use of nutritional information panels that can be attached to vending machines.

VII. Implementation Date

This policy will be introduced 1 January 2011 and we will strive to achieve 100%

compliance by 1 January 2012 for schools which PepsiCo supplies directly. PepsiCo encourages adoption of the above guidelines in those schools which sell PepsiCo products but which are obtained from other sources.¹

In the limited number of cases where specific contracts between PepsiCo and/or our bottlers and schools currently exist for the supply of products, we will seek to amend contracts where we can by 1 January 2012 and to ensure that all new contracts meet the policy requirements going forward.

PepsiCo will monitor compliance with this policy beginning in 2012 and annually thereafter.

¹ PepsiCo does not control the final distribution of products in most cases around the world. Thus, whilst we will do our part to encourage full adoption of the guidelines, our ability to mandate compliance is necessarily limited to those entities which are owned or controlled by PepsiCo or with whom we have a specific contract to supply schools with products. Given this, we will require the active help and support of other organisations and education authorities to ensure that these recommendations are fully understood and implemented by schools.