



PepsiCo U.S. School Policy for Beverages

Through our bottling partners and third-party distributors in the United States, PepsiCo is committed to offering schools a portfolio of low-calorie and nutritious beverage choices. This wide variety of products includes bottled waters, juices, sports drinks and no- or low-calorie carbonated soft drinks, juice-flavored drinks and iced teas. Schools decide which beverages are available, and where and when they are sold. Within this framework:

- I. PepsiCo instructs our bottlers and third-party distributors to strictly comply with all federal, state and local regulations, including where and when vending machines are placed and operated.
- II. PepsiCo encourages our bottlers and third-party distributors to work closely with parents, community leaders and school officials to ensure that only products that meet the following guidelines, which were set by the American Beverage Association and the Alliance for a Healthier Generation,* are offered to schools for sale to students through vending machines, á la carte lines and school stores.

Elementary school

- Water
- Milk and juice in 8-ounce servings or less, which meet the following criteria:
 - Fat-free or low-fat milk and nutritionally equivalent (per USDA) milk alternatives;
 - Fat-free or low-fat nutritionally equivalent flavored milk with no more than 150 calories per 8-ounce serving;
 - 100% juice (or 100% juice plus water) with no added sweeteners, no more than 120 calories per 8-ounce serving and at least 10% of the recommended daily value (DV) for at least three micronutrients (e.g., calcium, vitamins, iron).

Middle school

- Same as elementary school except that juice and milk meeting elementary school criteria may be available in 10-ounce servings.
- As a practical matter, if middle school and high school students have common access to areas where beverages are sold on a common campus or in common buildings, then the school community has the option to adopt the high school standard.

High school

- Water
- No or low-calorie beverages with no more than 10 calories per 8-ounce serving (e.g., diet sodas, unsweetened teas, fitness waters, flavored waters, seltzers)
- Milk, light juice, juice and sports drinks in 12-ounce servings or less, which meet the following criteria:
 - Fat-free or low-fat milk and nutritionally equivalent (per USDA) milk alternatives;
 - Fat-free or low-fat nutritionally equivalent flavored milk with no more than 150 calories per 8-ounce serving;
 - 100% juice (or 100% juice plus water) with no added sweeteners, no more than 120 calories per 8-ounce serving and at least 10% of the DV for at least three micronutrients;
 - Light juices, sports drinks and other beverages with no more than 66 calories per 8-ounce serving.
- At least 50% of non-milk beverages must be water and no- or low-calorie options (no more than 10 calories per 8-ounce serving).

**The Alliance for a Healthier Generation is a joint initiative of the American Heart Association and the William J. Clinton Foundation.*

As we continue to develop innovative beverage choices, including low and no-calorie products, we will work with our school partners to evolve our policies to encompass these new beverages.

Time of day

This school beverage policy applies to beverages 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, yearbook, band and choir practice, student government, drama and childcare programs.

This beverage policy does not apply to sale of beverages in staff areas which are not accessible to students or to school-related events where parents and other adults are a significant part of an audience or are selling beverages as boosters during intermission, as well as immediately before or after the event. Examples of these events include interscholastic sporting events, school plays and band concerts.

Implementation of Approved Products

This policy is in effect as of May 3, 2006 for all new contracts, contract renewals and non-contract business in all schools (public, private, parochial, etc.) For contracts signed before May 3, 2006, we will strive to amend the contracts to meet this policy subject to the willingness of the schools and school districts to renegotiate. Our goal is to implement this policy for 75 percent of schools under contract with our bottlers prior to the beginning of the 2008-2009 school year. We will strive to achieve full implementation for all schools prior to the start of the 2009-2010 school year.

- III. PepsiCo encourages our bottlers and third-party distributors not to offer beverages marketed as energy drinks to schools below the College & University level.
- IV. PepsiCo encourages our bottlers 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 elementary and middle schools. We also recommend the use of nutritional information panels that can be attached to vending machines. The information on these panels is intended to help students make informed decisions about the calories in beverages and the amount of physical activity needed to burn off these calories.
- V. PepsiCo does not make up-front payments to schools, nor do we support the practice of our bottlers or third-party distributors making large, up-front payments for school contracts.
- VI. PepsiCo and our bottlers and third-party distributors encourage schools to use contract-related sponsorship and marketing funds for student fitness, wellness and health education programs.

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August 1, 2007