Children's Food and Beverage Advertising Initiative

Amended Pledge of PepsiCo Inc.

Effective January 1, 2014

PepsiCo, Inc. is proud to be one of the first companies to commit as a participant in the Children's Food and Beverage Advertising Initiative (CFBAI) and has updated its pledge periodically since the original effective date of January 1, 2008. As an industry leader in the discussions of children's marketing, PepsiCo believes children are a special audience and takes particular care developing advertisements and evaluating programming that carries messages to children.

Through the company's major business units, which include Pepsi-Cola and Aquafina beverages, Frito-Lay snack foods, Quaker food products, Tropicana juices and Gatorade sports beverages, PepsiCo is continuously transforming its portfolio to meet consumer needs, including products chosen by young people. As part of that on-going transformation, PepsiCo has improved the nutritional profile of its flagship brands by changing to healthier oils, reducing sugar and sodium content, and expanding the range of products offered. A major plank of PepsiCo's “Performance with Purpose” commitment revolves around improving “human sustainability” and continuing the transformation of the PepsiCo portfolio to support that commitment.

PepsiCo is the only food and beverage company to have signed voluntary agreements regarding beverages in schools and snacks in schools through the partnership with the Alliance for a Healthier Generation - a joint initiative of the William J. Clinton Foundation and the American Heart Association. Both agreements represent break-through steps to adopt a practical policy in the U.S. that provides a sensible and workable solution for young people, parents and educators.

In accordance with CARU guidelines PepsiCo defines "advertising directed primarily to children under age 12" based on an analysis of the following factors, no single one of which will be controlling:

- whether the content of the media (e.g.: subject matter, format, characters and other advertising) is designed primarily for children under 12,
• whether the advertised product or service is intended primarily for use by, or is of interest primarily to children under 12;

• where the media in which the advertising appears is promoted and advertised;

• whether 35% or more of the audience is projected to be children under 12, based on available projections, at the time the advertising is placed, of audience demographics; and

• for television programs, whether they are aired during what is generally understood to be children’s programming.

To continue its responsible leadership, PepsiCo pledges to incorporate the core principles of the CFBAI into its advertising primarily directed to children under 12 as fully described below (the "PepsiCo Pledge").

**The PepsiCo Pledge and Nutrition Criteria**

PepsiCo understands the importance of being a responsible marketer to children and we commit to standards that exceed the CFBAI policies and programs.

PepsiCo does not direct any form of advertising primarily to children under age 6. PepsiCo defines "advertising directed primarily to children under age 6" utilizing the same factors set forth above, substituting “6” for “12” where appropriate.

In the U.S., beginning January 1, 2014, PepsiCo advertising directed primarily to children under the age of 12 will feature only products that meet the CFBAI Uniform Nutrition Criteria.

PepsiCo will continue to abide by its global commitment that all PepsiCo advertising (including TV, radio, print and internet advertising) directed primarily to children under the age of 12 will feature only products that meet PepsiCo’s Nutrition Criteria for Advertising to Children, which have been in effect since January 1, 2011 and can be found at: [www.pepsico.com/Purpose/Performance-with Purpose/Policies.html#responsible-marketing](http://www.pepsico.com/Purpose/Performance-with Purpose/Policies.html#responsible-marketing).1 These criteria meet or

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1 Between 2008 and 2011, the PepsiCo Pledge was based upon the former “Smart Spot™ nutrition criteria.
exceed established nutrition criteria based on authoritative statements from the Food and Drug Administration and the National Academy of Sciences, as well as standards that the CFBAI finds acceptable. In the event of a conflict between the CFBAI Uniform Nutrition Criteria and the PepsiCo criteria for a particular nutrient, PepsiCo will follow the stricter criteria with respect to its U.S. advertising primarily directed to children.

PepsiCo Inc. is headquartered at 700 Anderson Hill Road, Purchase, New York 10577. For information regarding Pledge implementation contact Jeanne E. O’Neill, Frito-Lay Legal Senior Director, Marketing, 7701 Legacy Drive, Plano TX 75024; Phone: (972) 334-3839; email: Jeanne.e.oneill@pepsico.com.

On behalf of all of its U.S.-based businesses PepsiCo makes the following commitments:

**TV & Radio**
One hundred percent (100%) of any PepsiCo advertising on television or radio directed primarily to children under 12 will be for products that meet PepsiCo’s Nutrition Criteria for Advertising to Children. Television compliance will be measured using Nielsen and IRI ratings at the time the advertisement is purchased as well as the time of programming and programming content. Radio compliance will be measured using Arbitron and/ or RADAR ratings as appropriate. Compliance will be measured separately for each medium. This commitment (or a similar commitment based on PepsiCo’s prior Smart Spot nutrition criteria) has been in effect since not later than January 1, 2008.

**Print Advertising**
One hundred percent (100%) of any print advertising directed primarily to children under 12 will be for products that meet PepsiCo’s Nutrition Criteria for Advertising to Children. Compliance will be measured using PIB (Publisher's Information Bureau) or MRI (Mediamark research) data. This commitment (or a similar commitment based on PepsiCo’s prior Smart Spot nutrition criteria) has been in effect since not later than January 1, 2008.

**Internet Advertising Not On Company Owned Websites**
One hundred percent (100%) of any internet advertising directed primarily to children under 12 will be for products that meet PepsiCo’s Nutrition Criteria for Advertising to Children. Compliance will be
calculated relying upon ComScore Networks estimate of target age. This commitment (or a similar commitment based on PepsiCo’s prior Smart Spot nutrition criteria) has been in effect since not later than January 1, 2008.

**Advertising on Company Owned Websites**  
Any company owned websites directed primarily to children under 12 will acknowledge that the website is a form of advertising and will do so in language appropriate for communication to the target audience. One hundred percent (100%) of the products featured on child-directed sites will meet PepsiCo’s Nutrition Criteria for Advertising to Children and the site will also encourage active lifestyles. This commitment (or a similar commitment based on the prior Smart Spot nutrition criteria) has been in effect since not later than January 1, 2008.

**Third-Party Licensed Characters**  
PepsiCo acknowledges that from time-to-time third-party characters may be used to promote its products. In contrast to company-owned characters such as Cap'n Crunch or Chester Cheetah, these third-party characters are usually licensed for a set period of time. These third-party characters may be associated with television programs, movies, or the like. When such third-party characters are used in advertising directed primarily at children under 12, they will be used in conjunction with only those products meeting PepsiCo’s Nutrition Criteria for Advertising to Children. Licensing agencies have been notified of PepsiCo's position. This commitment (or a similar commitment based on PepsiCo’s prior Smart Spot nutrition criteria) has been in effect since not later than January 1, 2008.

**Product Placement**  
PepsiCo does not and will not pay for or actively seek placement of our products in the content of any medium directed primarily to children under 12. Product placement agencies were notified of PepsiCo's position. This commitment has been in place since not later than January 1, 2008.

**Use of Products in Interactive Games**  
PepsiCo does not and will not allow its products to be incorporated into interactive games designed primarily for children under 12 unless such products meet PepsiCo’s Nutrition Criteria for Advertising to Children.
Such interactive games include video and computer games rated “Early Childhood” or “EC” and other video/computer games that are age graded on the label or packaging as being primarily directed to children under 12. Licensing agencies were notified of PepsiCo's position. This commitment (or a similar commitment based on PepsiCo’s prior Smart Spot nutrition criteria) has been in effect since not later than January 1, 2008.

**Paid-Word-of-Mouth Advertising**
PepsiCo does not and will not advertise its products to children under 12 via the medium of word-of-mouth advertising. This commitment has been in place since not later than January 1, 2010.

**Cellphones and PDAs**
PepsiCo does not and will not advertise its products to children under 12 via these media. This commitment has been in place since not later than January 1, 2010.

**DVD Advertising and Sponsorship**
PepsiCo does not and will not advertise on nor sponsor DVDs of “G” rated movies that are primarily directed to children under 12. Neither does it nor will it advertise on or sponsor other DVDs whose content is primarily child-directed. This commitment has been in place since not later than January 1, 2010.

**Advertising in Schools**
PepsiCo does not and will not advertise its products in elementary and middle schools as these are the schools which children under 12 attend. This prohibition includes book covers, book packs, pencils, posters and the like. PepsiCo is the only company which is a signatory to both the snack food and the beverage school policy statements of the Alliance for a Healthier Generation, a joint initiative of the William J. Clinton Foundation and the American Heart Association. PepsiCo is fully committed to compliance with these policy commitments. This commitment has been in place since not later than January 1, 2008.

**Advertising Not Directed Primarily at Children**
PepsiCo has provided CFBAI with a list of all of its brands, including those that do not direct advertising primarily to children under 12.
PepsiCo advertising which is not directed primarily to children under 12 will continue to be held to the highest standards of the advertising industry.

**Eligible Products**

PepsiCo has many products that qualify under the applicable nutrition criteria; however, for 2014, the only PepsiCo products that are anticipated to engage in advertising primarily to children under 12 are:

- QUAKER® Instant Oatmeal – Original Flavor – marketed by The Quaker Oats Company, a division of PepsiCo, Inc.;
- QUAKER® Old Fashioned Oats – marketed by The Quaker Oats Company, a division of PepsiCo, Inc.; and
- QUAKER® Quick Oats – marketed by The Quaker Oats Company, a division of PepsiCo, Inc.
- QUAKER® Life Cereal – Original, marketed by the Quaker Oats Company, a division of PepsiCo, Inc.

At any time in the future should a decision be made to advertise one or more additional PepsiCo products to children under 12, PepsiCo agrees that only products which meet the applicable nutrition criteria will be so advertised. PepsiCo will notify CFBAI of any such decision and will amend our Pledge accordingly so that CFBAI can effectively monitor PepsiCo's on-going compliance.