

# Children's Food and Beverage Advertising Initiative

## PepsiCo, Inc. Pledge

January 2021

### Purpose and Scope

At PepsiCo, we believe children are a special kind of audience. When communicating about our products, we take particular care to support the role of parents or others responsible for guiding children's diet and lifestyle choices. For example, pursuant to our Global Policy on Responsible Advertising to Children, we advertise to children under age 12 only those products that meet PepsiCo's Global Nutrition Criteria for Advertising to Children. We also restrict direct sales of certain foods and beverages to schools and signed on to industry-led voluntary initiatives through several global, regional and national Pledge Programs. More information about these and related commitments can be found on [www.pepsico.com](http://www.pepsico.com).

PepsiCo is proud to be a founding participant in the Children's Food and Beverage Advertising Initiative (CFBAI), a self-regulation program with the goal of improving the landscape of food and beverage advertising directed to children. PepsiCo supports CFBAI's objectives and is committed to its Core Principles. PepsiCo is pleased to submit this restated pledge, which reflects CFBAI's Core Principles, 5th ed. (2020). This pledge takes effect January 1, 2021, except for implementation of the Uniform Nutrition Criteria, 2nd ed., which took effect January 1, 2020.

### Identifying Information

#### 1. Corporate Contact Information:

PepsiCo, Inc.  
700 Anderson Hill Road  
Purchase, NY 10577  
[www.pepsico.com](http://www.pepsico.com)

#### 2. Individual(s) Responsible for Overall Implementation of the Pledge:

Susan Y. Chao	David Wexler
Senior Counsel	Senior Counsel
Frito-Lay North America	PepsiCo
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#### 3. Entities Covered by the Pledge:

PepsiCo and its U.S. subsidiaries.

PepsiCo commits that it will advertise only products that comply with CFBAI's nutrition criteria in advertising primarily directed to children under 12, in accordance with this pledge. PepsiCo will provide information regarding such products to CFBAI prior to advertising them so that CFBAI can assess whether the products meet CFBAI's nutrition criteria and publicly indicate that the products qualify, and effectively monitor PepsiCo's compliance with its Pledge.

### Core Principles

#### 1. Advertising Primarily Directed to Children under Age 12

PepsiCo commits that all advertising primarily directed to children in covered media will be for foods that meet CFBAI's Category-Specific Uniform Nutrition Criteria, 2nd ed.

#### 2. Covered Media

The advertising commitment applies to the following media ("covered media"):

- Television
- Radio
- Print
- Internet/Digital media, including but not necessarily limited to:

- PepsiCo-owned websites
- Third-party websites, including display, banner, pop-up, audio or video advertising<sup>1</sup>
- Mobile apps or mobile media, including advertising on phones, laptops, tablets, other personal digital devices, in whatever form, including email, text, IM or SMS messaging
- Platforms (e.g., YouTube) that may have content or channels that are primarily directed to children<sup>2</sup>
- Video and computer games that are primarily directed to children under age 12
- DVDs of movies that are rated “G” whose content is primarily directed to children under age 12, and other DVDs whose content is primarily directed to children under age 12
- Word of mouth.<sup>3</sup>

### 3. Product Placements

PepsiCo commits to not paying for or actively seeking to place its foods or beverages into third-party program or editorial content of any medium primarily directed to children under age 12 to promote the sale of those products.

### 4. Product Integrations

PepsiCo commits that the paid for or actively sought integration of their foods or beverages in any medium primarily directed to children under age 12, including in interactive games or other digital content, will promote only foods or beverages that meet CFBAI’s uniform nutrition criteria.

### 5. Influencers

PepsiCo commits to use influencers to promote foods and beverages in communications primarily directed to children under 12 only if the foods or beverages meet CFBAI’s Uniform Nutrition Criteria.

### 6. Licensed Characters, Celebrities and Movie Tie-Ins

PepsiCo commits that its use of third-party licensed characters, celebrities (including athletes) and movie tie-ins in advertising primarily directed to children under age 12 will be consistent with its advertising commitments set forth in above.<sup>4</sup>

### 7. Advertising in Elementary and Middle Schools

PepsiCo commits to not advertising branded foods or beverages to children in elementary and middle schools. This includes but is not limited to advertising on or through the following items:

- Posters
- Scoreboards
- School buses
- Pencils, book covers, and other school supplies offered for sale in school
- Textbooks
- Tray liners, cups, napkins, plates
- Coolers
- Food samples and taste tests

This commitment does not apply to displays of foods and beverages that identify foods that are for sale; fundraising support; public service messaging; curriculum materials; items given to school administrators for their personal use; charitable donations, or sponsorships.

## Definitions of Child-Directed Advertising

PepsiCo will use the following criteria to define advertising primarily directed to children and to demonstrate compliance with CFBAI’s Core Commitments.

**Measured media.** For measured media, PepsiCo will define “advertising primarily directed to

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<sup>1</sup> User-generated content that is not under the control of PepsiCo is not covered by the Core Commitments.

<sup>2</sup> As provided in CFBAI’s Core Principles, advertising on a platform that uses valid age verification to restrict access presumptively is not primarily directed to children under age 12.

<sup>3</sup> Word of mouth advertising refers to advertising primarily directed to children where a participant provides incentives (financial or otherwise), product samples or other support to individuals or groups who are not employees to encourage such individuals or groups to discuss the company’s branded foods or beverages.

<sup>4</sup> This commitment does not apply to other marketing channels, such as point-of-sale materials or packaging (provided that the packaging does not appear in advertising primarily directed to children). This commitment also does not apply to the use of company-owned characters.

children” as advertising for which children ages 2-11 constitute at least 30% of the expected audience (the “audience threshold”). The audience demographics that determine compliance with this audience threshold will be measured in media impressions expected to be received by specific demographic groups at the time the advertising is purchased, based on reliable third-party information (e.g., Nielsen ratings for TV or comScore data for digital media).

PepsiCo typically purchases television advertising once annually, well in advance of when the advertising will air, on a daypart or timeblock basis. Advertising placed in purchased dayparts or timeblocks will be identified as compliant for purposes of CFBAI based on an analysis of the annualized audience composition data for the block of time purchased.

**Digital and online media.** For “contextual advertising,” which is served based on the content that is adjacent to the ad or in which the ad is placed, PepsiCo will determine whether such content is child-directed based on an assessment of the composition of the audience for that content (if known) or, where reliable audience composition data is not available, an assessment of multiple factors related to that content.

Where audience composition is known, PepsiCo will consider such advertising primarily directed to children if 30% or more of the audience for the site, app, or content in which the ad is placed are children under age 12. Where audience composition data is inadequate to make this determination, such advertising will be deemed primarily directed to children if the ad is placed in content that appears to be child-directed based on an evaluation of multiple factors related to that content, including whatever age demographics for the site or digital content may be available, an assessment of the overall nature of the content, including but not limited to the subject matter of the site or video, the visual content, the language used, the kind of music or audio content, the difficulty of game play, the influencer or influencers featured in the content, actions taken to restrict children’s access to the site or content, and content identifier tools that indicate whether content is child-directed provided by platforms or content developers.

Other digital advertising (not “contextual advertising”) is targeted to the audience for that ad in a variety of ways. PepsiCo will meet its CFBAI commitments when placing such “targeted advertising” by using reliable age-targeting tools and/or other interest-based or behavioral factors to avoid serving ads for foods that do not meet CFBAI’s Uniform Nutrition Criteria to children. These tools include:

1. Age-targeting (based on cookie data or other age indicia) to audiences other than children;
2. Targeting based on interest-based or behavioral data to audiences other than children;
3. Blacklisting of specific sites, channels or other content that are directed to children; and
4. The use of relevant topic, keyword, or content classification or identification systems or filters provided by the platform owner or content developer (e.g., an app developer).

## Advertising to Children Under Six Years Old

PepsiCo commits to not engaging in advertising primarily directed to children under six.