

PEPSICO
FINAL ASSESSMENT OF BMS CALL TO ACTION SIGNATORIES



BMS Call to Action
PepsiCo Response

PepsiCo is pleased to respond to the Call to Action on compliance with the International Code of Marketing of Breastmilk Substitutes (BMS) and relevant, subsequent resolutions (the Code) issued by Meridian on behalf of the World Health Organization, UNICEF, and partner organizations on 25 June 2020.

As a multinational food and beverage company with global brands that millions of consumers enjoy every day, we understand that it is vital to communicate responsibly about our products, including breastmilk substitutes.

We fully support the public health goals to ensure optimal breastfeeding and nutrition for all mothers, infants and young children, and through our baby foods portfolio aim to promote safe and adequate nutrition for young children, by encouraging and supporting breastfeeding as the best type of nutrition in the beginning of life, and by producing and selling high quality, nutritious infant formula and complementary food products.

We are also committed to full compliance with the laws, regulations and policies implemented by national governments, wherever we do business across the globe. We believe those regulatory frameworks are essential to ensure a level playing field for all actors in the respective markets.

We have responded to the Access to Nutrition Initiative (ATNI) Global and Spotlight Indexes since their inception in 2013. Throughout this process, we have been engaged in open and active dialogue with the ATNI Team and welcome their recommendations.

PepsiCo's Baby Foods Portfolio

PepsiCo's BMS and Complementary Foods business is a small part of the company's overall operations. In 2019, net revenues from this business made up approximately 1% of the company's global net revenue. Sales are concentrated mainly in Russia, the Ukraine and Central Asia.

Within that business, less than 5% of sales are from Infant Formula and Follow-On Formula. Over 95% of the business derives from Complementary Foods.

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PepsiCo's BMS Commitments

PepsiCo commits to the following policies and practices in line with the Call to Action. All of these commitments reflect current policy or practice, with the exception of commitments B(3) and B(5) relating to disclaimers on Complementary Foods. While we are working to update these labels as soon as is practicable, given the standard lead time for label redesigns we expect these changes to be implemented by the end of 2021.

A. Guiding Principles Underpinning Infant and Young Child Feeding

1. We support the goal of exclusive breast-feeding up to the age of 6 months, and will correspondingly advocate exclusive breast feeding till 6 months, and encourage continued breast-feeding for up to two years and beyond.

Signatories' assessment

Ask 1: Publicly commit your company to full compliance with the International Code of Marketing of Breast-milk Substitutes and subsequent resolutions (the Code) globally (including covering of breast-milk substitutes up to 36 months of age), and disclose a concrete plan for achieving this goal by 2030 at the latest, with delineation of clear incremental steps.

The company does not make the requested commitments.

2. We will follow the call for more transparency and publish our BMS policy in the public domain by the end of 2020.

Signatories' assessment

Ask 2: As a first step towards full Code compliance, by the end of 2020, for a company that has a BMS marketing policy in place (as is the case for PepsiCo), ensure that your current policy and practices (including promotion to consumers and healthcare providers) are Code-aligned and for products marketed as suitable for infants between birth and 12 months of age, extend them to all countries, and commit to upholding your policy in all jurisdictions even where regulations are absent or less stringent than your policy. In countries where national law is more stringent than your policy, adherence to national law always takes precedence.

The company makes the requested commitments. The Signatories welcome the company's intention to publish its BMS policy by the end of 2020, to not market infant formula for infants under 12 months, and to implement its policy in all markets where BMS products are sold, even where local laws and regulations are absent or less stringent.

Further evaluation will be needed to determine whether the policy is fully Code-aligned.

3. We commit to support the adoption and implementation of national legislation aligned with the Code in order to create a level playing field for all companies.

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Signatories' assessment

Ask 3: Commit to support the adoption and implementation of national legislation fully aligned with the Code in order to create a level playing field for all companies.

The company commits to support the adoption and implementation of national legislation aligned with the Code in order to create a level playing field for all companies. To fully meet this request, the company would need to add that it supports national legislation fully aligned with the Code.

4. We commit to explore ways in which we can execute independent compliance audits of our BMS policy, and will continue our dialogue with ATNI in relation to our BMS portfolio as requested.

Signatories' assessment

Ask 4: Agree to provide information on your company's policies and practices to the Access to Nutrition Initiative (ATNI) as requested, recognizing ATNI as an independent actor responsible for monitoring companies' progress toward their plans for achieving Code compliance.

The company makes the requested commitment.

PepsiCo is not included in ATNI's forthcoming 2021 BMS Index. It may be included in future Indexes. The Signatories welcome the company's commitment to exploring the potential to have independent audits of its compliance with its policy, a good practice employed by other companies.

5. We commit to implement our BMS policy in all markets where BMS products are sold, even where local laws and regulations are absent or less stringent.

B. Marketing Messages

1. We commit not to specifically market infant formulas for infants under 12 months to the general public.
 2. We will not depict infants under 6 months of age in our advertisements.
 3. Acknowledging the fact that some national health and dietary recommendations may recommend the introduction of Complementary Foods after 4 months of age¹, we include Complementary Foods certified for infants aged 4-6 months in our portfolio. However, the labels on these products will include messaging to inform consumers of (1) WHO recommendations on exclusive breastfeeding for 6 months;
(2) the importance of continued breastfeeding for up to two years or beyond; and
(3) the need for a recommendation from a specialist to start using Complementary Foods before 6 months.
 4. We commit to ensure that our marketing messages associated with BMS products will communicate the superiority of breastfeeding and will not discourage breastfeeding or idealize the use of breastmilk substitutes.
- C. We will aim to prevent consumer confusion by including a disclaimer on dairy-based complementary food products for infants <12 months, making clear that they are not intended for use as a breastmilk substitute.

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¹ We also note that EFSA’s Panel on Nutrition, Novel Foods and Food Allergens reviewed 300 studies for its Opinion on the appropriate age for introduction of complementary feeding of infants, and its 2019 conclusions included the reference that the appropriate age to introduce complementary foods depends on the infant’s characteristics and development, even more so in pre-term infants. In most infants, this age is between about 3-4 and 6 months.

D. Product Formulation

1. We commit to ensure our products meet the highest standards for food quality and safety, and follow Codex Alimentarius Commission product formulation recommendations for Infant Formula and Complementary Foods unless they contradict relevant local laws and regulations or are inappropriate due to factors such as climate, geography or technological barriers.²

E. Conflicts of Interest in Health Facilities and Health Systems

1. We provide only scientific, factual, and educational information to health professionals in line with local legislation. All such programs for professionals are subject to prior legal & compliance approval.
2. We do not provide or pay for “professional service representatives”, “mothercraft nurses”, or similar personnel for use by the healthcare system for Infant Formula or Follow-on Formula products.
3. We provide no gifts, branded souvenirs, or other items to healthcare workers or their families.
4. We provide no donations of free or subsidized product to healthcare workers except when necessary for the purpose of professional evaluation or research at the institutional level.
5. We provide no donations to healthcare facilities unless authorized by Health Ministry and in accordance with strict internal procedures.
6. We will aim to prevent consumer confusion by including a disclaimer on dairy-based complementary food products for infants <12 months, making clear that they are not intended for use as a breastmilk substitute.

F. Product Formulation

1. We commit to ensure our products meet the highest standards for food quality and safety, and follow Codex Alimentarius Commission product formulation recommendations for Infant Formula and Complementary Foods unless they contradict relevant local laws and regulations or are inappropriate due to factors such as climate, geography or technological barriers.²

G. Conflicts of Interest in Health Facilities and Health Systems

1. We provide only scientific, factual, and educational information to health professionals in line with local legislation. All such programs for professionals are subject to prior legal & compliance approval. We do not provide or pay for

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“professional service representatives”, “mothercraft nurses”, or similar personnel for use by the healthcare system for Infant Formula or Follow-on Formula products.

2. We provide no gifts, branded souvenirs, or other items to healthcare workers or their families.

² This approach is consistent with Article 2.4 of the World Trade Organization Agreement on Technical Barriers to Trade.

3. We provide no donations of free or subsidized product to healthcare workers except when necessary for the purpose of professional evaluation or research at the institutional level.
4. We provide no donations to healthcare facilities unless authorized by Health Ministry and in accordance with strict internal procedures.