

PepsiCo to review label of Aquafina water brand

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PLANO – PepsiCo Inc.'s new chairwoman vowed Wednesday to re-examine the label of the company's popular Aquafina bottled water, after concerns were raised by a watchdog group.

The action came at PepsiCo's annual shareholder meeting, held at the sprawling Plano campus of Frito-Lay Inc., the company's most profitable division.

Corporate Accountability International, a Boston-based group that challenges a range of corporate actions, has waged a campaign against PepsiCo, the Coca-Cola Co. and other makers of bottled water – one of the fastest-growing beverage categories – saying such products undermine consumer confidence in the public water supply.

In regard to PepsiCo, the group charges, among other things, that Aquafina's label should tell consumers that the water usually comes from the area's municipal water supply – the same source as common tap water.

PepsiCo, based in Purchase, N.Y., says it puts the water through a seven-step process to remove minerals and other impurities.

It then sells the processed water at a healthy premium.

Aquafina is the nation's No. 1 selling bottled water, with a 14.5 percent market share last year, up from a 13.8 percent share in 2005, according to *Beverage Digest*, a trade publication.

In some areas, disclosure of the water source is required, but that's not the case nationwide.

The group also says mountain-like artwork on the label inaccurately implies consumers are drinking mountain spring water.

Indra Nooyi, who took over Wednesday as chairman of PepsiCo following the retirement of Steve Reinemund, defended the company and the label.

"A blue squiggly line does not mean snow-capped mountains," Ms. Nooyi, who is also PepsiCo's chief executive, said after the meeting. "We feel very good about the label."

Still, during the meeting, she said she shares the group's concerns about preserving water as a precious natural resource.

"Let us work in partnership to make water a priority," she said. "I'd like to offer a hand to you to say, 'let's work together on this.' "

A committee has been formed to look at the label "to see if it needs to be changed," Ms. Nooyi said.

Patricia Lynn, campaigns director for Corporate Accountability, said she was "encouraged that Pepsi is taking the concerns seriously. And we're looking forward to some actual changes in practice."