

# PepsiCo, Inc. Global Supplier Code of Conduct

April 2023

## Purpose and Scope

At PepsiCo, we believe acting ethically and responsibly is not only the right thing to do, but also the right thing to do for our business. Our Global Supplier Code of Conduct (“**Supplier Code**”) sets out our expectations for suppliers in the areas of business integrity and anticorruption, labor practices, health and safety, and environmental management.

All suppliers, vendors, contractors, consultants, agents and other providers of goods and services who do business with or on behalf of PepsiCo (“suppliers”) are expected to follow the Supplier Code and all other relevant policies<sup>1</sup> as a condition of doing business with PepsiCo and its affiliates. Suppliers are also expected to communicate and apply the Supplier Code and relevant policies throughout their supply chain through contractual obligations.

## Business Conduct Principles

PepsiCo expects its suppliers to conduct business responsibly, with integrity, honesty, and transparency, and to adhere to the following principles:

**1. Maintain awareness and comply with all applicable laws and regulations of the countries of their operation.**

**2. Maintain the confidentiality of all PepsiCo’s and its partners’ information.**

Suppliers must take all reasonable and necessary precautions to safeguard PepsiCo’s and its partners’ information to which it has access, including not disclosing to anyone, inside or outside of PepsiCo, unless disclosure is properly authorized, in connection with a clearly defined legitimate business need (i.e., shared only on a need-to-know basis), and subject to a written confidentiality agreement.

**3. Compete fairly for PepsiCo’s business and conduct all such business on behalf of PepsiCo in a lawful manner.**

PepsiCo is committed to conducting business legally and ethically within the framework of a free enterprise system and strictly prohibits corrupt arrangements with customers, suppliers, government officials, or other third parties. As such, PepsiCo prohibits its suppliers from engaging in any form of public sector or commercial bribery. Under no circumstances may a supplier acting on behalf of PepsiCo promise or provide anything of value directly or indirectly to a government official, or to any person or entity in the private or commercial sector, if the payment is intended to induce the recipient to misuse his or her position to obtain or retain an unfair business advantage or personal benefit. Consistent with these principles, suppliers acting on behalf of PepsiCo must comply with the U.S. Foreign Corrupt Practices Act, any applicable local anticorruption laws, and are expected to comply with PepsiCo’s Global Anti-Bribery Compliance Policy (“ABAC Policy”).

**4. Encourage a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse.**

PepsiCo suppliers shall create a work environment in which employees and business partners feel valued and respected for their contributions. Harassment, including unwelcome verbal, visual, physical, or other conduct

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<sup>1</sup> Applicable policies/commitments include PepsiCo’s: (i) Environmental Health and Safety Policy, (ii) Sustainable Agriculture Policy, (iii) Land Use Policy, (iv) Forestry Stewardship Policy, (v) Sustainable Packaging Policy, (vi) Cage-Free Egg Policy, (vii) Human Rights Workplace Policy, (viii) Palm Oil Commitments, (ix) Cane Sugar Commitment, and (x) Global Anti-Bribery Compliance (ABAC) Policy. Copies of each document can be found on [www.pepsico.com](http://www.pepsico.com).

of any kind that creates an intimidating, offensive or hostile work environment will not be tolerated. Employment decisions must be based on qualifications, skills, performance, and experience.

**5. Treat employees fairly, including with respect to wages, working hours and benefits.**

PepsiCo suppliers shall comply with all applicable wage, working hours, and benefits laws and regulatory requirements. Suppliers should also strive to meet international standards for working hours and rest periods, including: (i) work weeks of no more than 48 regularly scheduled work hours and 12 voluntary overtime hours, (ii) overtime hours compensated at a premium rate, (iii) workers provided one day of rest every 7 days, except in emergencies or unusual situations, and (iv) no working more than 21 consecutive days without a rest day. Where a supplier's practices do not meet such international standards, the supplier should identify the root causes and work to improve its practices.

**6. Prohibit all forms of forced or compulsory labor.**

PepsiCo suppliers shall maintain and promote fundamental human rights including freedom of movement of workers. Employment decisions must be based on free choice and there can be no coerced or prison labor, and no use of physical punishment or threats of violence or other forms of physical, sexual, psychological or verbal abuse as a method of discipline or control. Employment contracts must clearly state the terms of employment and must not restrict worker movement through the retention of identity papers, holding of deposits, or other actions aimed to prevent worker termination of their employment. In addition, workers must not be required to pay recruitment or other similar fees to obtain or retain their employment and suppliers shall ensure that any third-party recruitment agencies comply with these principles.

**7. Prohibit use of child labor.**

PepsiCo prohibits the hiring of individuals under the age of (15), the local legal minimum working age, or the compulsory schooling age, whichever is higher. PepsiCo suppliers shall adhere to these standards, all applicable laws and regulations, and all relevant International Labor Organization (ILO) standards. In line with ILO Guidance, in no instance shall a supplier permit younger workers to perform work that is potentially hazardous to their health, safety, or development or work that may hinder their education or vocational training. PepsiCo suppliers located in the United States shall use the United States Department of Homeland Security's E-Verify program to verify employment eligibility and mandate the use of E-Verify by all of their labor agencies, sub-contractors, and suppliers located in the United States.

**8. Respect employees' rights to freedom of association and collective bargaining.**

Consistent with applicable law, PepsiCo suppliers shall respect employees' rights to join associations and worker organizations.

**9. Provide safe and healthy working conditions.**

PepsiCo suppliers shall proactively manage health and safety risks to provide an incident-free environment where occupational injuries and illnesses are prevented. Suppliers must implement management systems and controls that identify hazards and assess and control risk related to their specific industry. In addition, suppliers shall provide access to safe drinking water, sanitation and hygiene, including adequate restrooms and handwashing facilities; fire exits and essential fire safety equipment; emergency aid kits; and access to emergency response services including environmental, fire and medical.

**10. Carry out operations with care for the environment and comply with all applicable environmental laws and regulations.**

The potential environmental impacts of daily business decision-making processes should be considered along with opportunities for conservation of natural resources, source reduction, material recycling, and pollution control to ensure cleaner air and water and reduction of landfill wastes. PepsiCo encourages its suppliers to identify, set targets and implement action plans for reducing environmental impacts in the areas of water, wastewater, energy, greenhouse gas emissions, waste and packaging.

**11. Maintain accurate financial books and business records in accordance with all applicable legal and regulatory requirements and accepted accounting practices, including with respect to all invoices submitted to PepsiCo for payment or reimbursement.**

**12. Deliver products and services meeting applicable quality and food safety standards.**

PepsiCo is committed to producing high quality and safe products across all of our brands. Suppliers involved in any aspect of developing, handling, manufacturing, packaging, transporting, or storing our products are expected to:

- Know and comply with the product quality standards, policies, specifications, and procedures that apply to the products produced at your location
- Follow and adhere to good manufacturing practices and testing protocols
- Comply with all applicable federal, state, and local food safety laws and regulations
- Report issues immediately to PepsiCo that could negatively affect the quality or public perception of a PepsiCo product

**13. Support compliance with the Supplier Code by establishing appropriate management processes and cooperating with reasonable assessment processes requested by PepsiCo.**

To conduct business with PepsiCo, suppliers must enter into contracts and execute purchase orders that mandate compliance with the Supplier Code. We expect suppliers to adopt appropriate policies, procedures, and management systems to support ongoing compliance with the standards and expectations outlined in the Supplier Code. With prior notice, PepsiCo may conduct reasonable audits, including human rights audits, and other targeted assessments to verify Supplier's compliance with the Supplier Code. In addition, as further outlined in the ABAC Policy, certain suppliers are required to complete our Third Party Due Diligence process from time to time.

**14. Observe PepsiCo's policies regarding gifts and entertainment and conflicts of interest when dealing with PepsiCo employees.**

PepsiCo suppliers, or anyone acting on PepsiCo's behalf, are prohibited from providing or offering gifts to PepsiCo employees that could inappropriately influence PepsiCo's business decisions or gain an unfair advantage.

**15. Ensure that all land acquisitions (including leasing and utilization) meet International Finance Corporation (IFC) Performance Standards, including Free, Prior and Informed Consent.**

**16. Report suspected violations of the Code.**

PepsiCo expects that suppliers have an effective Grievance Management system in place for grievances raised by workers within their operations or by third parties, which elevate potential violations to management in line with the UN Guiding Principles. Supplier's employees or contractors may also report suspected violations of this Code to the PepsiCo "Speak Up" hotline at 1-866-729-4888 in the United States or to dedicated phone lines in other countries throughout the world. A list of international hotline telephone numbers is attached to this Supplier Code and may be updated from time to time as reflected at <http://www.pepsico.com/Company/Speak-Up.html>.

The "Speak Up" hotline is available worldwide on a 24/7 basis. Communications may also be made electronically at "Speak Up" web-line address <http://www.pepsico.com/Company/Speak-Up.html>. All such reports are treated as confidential, whether provided through our Speak Up telephone or web-line, and you may remain anonymous where permitted by law.