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GLOBAL ANTI-BRIBERY COMPLIANCE POLICY

OVERVIEW OF THE POLICY

This policy emphasizes PepsiCo’s obligation to act ethically and responsibly in all business dealings by providing a clear framework that:

- Prohibits both public sector and commercial bribery
- Addresses required anticorruption due diligence processes to be conducted on third parties
- Explains the rules that must be followed regarding gifts, meals, travel, and entertainment relating to Government Officials
- Outlines requirements for donations, sponsorships, and corporate social responsibility (CSR) activities with a government touchpoint
- Emphasizes the importance of maintaining accurate books and records for all PepsiCo transactions

PepsiCo’s [Global Anti-Bribery Compliance Policy FAQs](#) contain more detailed guidance on each of these core topics. The FAQs are available here and on the Compliance & Ethics homepage on myPepsiCo.com (the C&E homepage).

APPLICABILITY OF THE POLICY


This policy applies to all PepsiCo Associates. For purposes of this policy, PepsiCo Associates include:

- All PepsiCo associates around the world (including employees of our wholly owned subsidiaries)
- Members of the PepsiCo Board of Directors when they act in their capacity as directors
- The employees, officers, and directors of any joint venture (JV) or affiliate over which PepsiCo has majority ownership or management control (e.g., consolidated subsidiaries). Where PepsiCo participates in a JV as a non-controlling shareholder for sale and distribution of PepsiCo branded food or beverages product (e.g., Bottlers), the JV will be made aware of PepsiCo’s policy and encouraged to apply a similar standard to its operations

The provisions within this policy also apply, *where appropriate*, to all third parties who are bound by PepsiCo’s Supplier Code of Conduct. PepsiCo Associates who engage non-frontline contractors to provide services are responsible for communicating the policy requirements, to the full extent permitted by local law.

Who is a Government Official?

- All government employees, including employees of regulatory agencies, departments, ministries and other public bodies such as universities, civil servants such as customs officials and clerks, and inspectors
- Any candidate for political office (even if s/he never held political office)
- Any political party or an official of a political party
- Elected officials at any level of government, including mayors, commissioners, and municipal board members
- Representatives of public international organizations, such as the World Health Organization and World Bank
- Members of law enforcement/police and the military
- Employees of State-Owned Enterprises such as government-owned railways, airlines, hospitals, and laboratories, petrol stations, or prisons
- Members of royal families
- Employees of public international charities
- Spouses or immediate family members of any of the above

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1.0 BRIBES AND FACILITATING PAYMENTS

No PepsiCo Associate may give or offer a Bribe or Facilitating Payment. PepsiCo does not allow Facilitating Payments and such payments are a violation of this policy, even where allowed by law. Accordingly, all references within this policy to a Bribe also include Facilitating Payments.

PepsiCo Associates must never pay a Bribe, except where a refusal to pay a Bribe demand would create an immediate threat to their health or safety. All Bribe payments made to avoid a dangerous situation, and all Bribe demands (regardless whether the payment was actually made), must be reported immediately to the local Compliance & Ethics officer or local Law Department. As discussed in [Section 5.0](#) below, all payments must be accurately recorded.

2.0 BRIBERY RISKS RELATING TO THIRD PARTIES

PepsiCo may be liable for the actions of Third Parties who offer or pay a Bribe to a Government Official on behalf of PepsiCo. Bribes made through PepsiCo's Third Parties are prohibited. It is also a breach of this policy to ignore warning signs that a Third Party's actions may result in a Bribe being given or offered.

Third Party Due Diligence (TPDD)

PepsiCo has a risk-based anticorruption due diligence program, known as Third Party Due Diligence (TPDD). More detail on TPDD, including an explanation of the five-step TPDD process, may be found in [PepsiCo's Overview of the TPDD Process](#), available here and on the C&E homepage or please contact Global Compliance & Ethics for further information.

Note: No PepsiCo Associate may engage a Third Party until all required anticorruption due diligence processes have been completed. PepsiCo Associates must provide at the point of vendor set-up supporting documentation demonstrating successful completion of applicable TPDD.

What is a Bribe?

A **Bribe** is any payment of, or an offer to pay, **anything of value** to a Government Official or to any person or entity in the private or commercial sector with the aim to induce the recipient to misuse his or her position or to provide an unfair business advantage

What is Anything of Value?


Anything of Value could be cash, cash equivalents such as gift cards that may be redeemed for products or cash, vouchers, gifts, hospitality, meals, goods, services or merchandise, event tickets, retail certificates, entertainment, travel perks, use of vacation homes, airfare or accommodations, favors such as educational, employment or internship opportunities for friends and relatives, stock options, donations to designated charities, discounts, personal services, loans, co-signing of a loan, or a promise of future employment

What is a Facilitating Payment?

A **Facilitating Payment** is a payment made to a Government Official to expedite non-discretionary actions or services, such as providing police protection or mail service, processing visa, permit or licensing applications, clearing goods through customs, or providing utilities like phone service, water and power; **they are not allowed at PepsiCo**

What is a Third Party?

Under this policy, a Third Party is anyone PepsiCo hires, such as suppliers, agents, consultants, vendors, or service providers. Distributors who buy product from PepsiCo at negotiated prices, take title, and resell to end users according to PepsiCo's negotiated terms and conditions are also considered Third Parties

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3.0 GIFTS, MEALS, TRAVEL, AND ENTERTAINMENT FOR GOVERNMENT OFFICIALS*

**For detailed requirements concerning business gifts to or from Customers, Suppliers, and Other Third Parties, please consult the [Global Business Gifts Policy](#).*

Gifts, meals, travel and entertainment have the potential to improperly influence Government Officials. Therefore, PepsiCo Associates are generally discouraged from providing gifts or hospitality to a Government Official. However, under limited circumstances, a reasonable gift or hospitality involving a Government Official may be permitted, provided that:

- (1) the expense meets a series of minimum requirements set out below; and
- (2) the PepsiCo Associate receives **prior written approval of the local Compliance & Ethics officer or local Law Department**

Minimum Requirements for Expenses involving Government Officials¹

Before offering a gift or hospitality to or for a Government Official, ensure that it is, at a minimum:


- given in good faith, without expecting any return favor or improper benefit or business advantage
- reasonable* and customary, meaning consistent with generally accepted standards for professional courtesy
- provided openly and transparently
- given infrequently without creating the appearance of impropriety
- allowed under local laws and regulations

* When determining a reasonable expense for hospitality, consider the global rate caps set out in Section 4.5.1 of, and the appendices to, the [PepsiCo Global Travel & Entertainment Policy](#).

<u>Any gift to Government Officials must also meet the following <i>additional</i> criteria:</u>	<u>Any hospitality for a Government Official must also meet the following <i>additional</i> criteria:</u>
<ul style="list-style-type: none"> • it must be nominal in value (generally under \$100.00 USD) 	<ul style="list-style-type: none"> • have an honest/legitimate business purpose
<ul style="list-style-type: none"> • be given on behalf of PepsiCo and not on behalf of any individual 	<ul style="list-style-type: none"> • be directly related to or associated with the active conduct of PepsiCo business

Written Pre-Approval

¹ Separate approvals relating to campaign finance, government ethics, lobbying and disclosure laws may also be necessary since country-specific laws and regulations may impose restrictions and exemptions that are different from those outlined in this policy.

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All gift, meal, travel and entertainment pre-approval requests for Government Officials must be submitted by completing a brief online form (the Pre-approval Form) available here or on the C&E homepage.

Exemptions from the Pre-Approval Requirement

Subject to applicable local laws and regulations, pre-approval is not necessary for expenses related to Government Officials **only** in the following narrow situations:

- giving (or with respect to a Government Entity, donating, *see* Section 4.0 below) promotional or advertising items with PepsiCo’s logo (such as logo’d golf balls, T-shirts or similar items), with a value of \$100.00 USD or less per Government Official (not to exceed \$200.00 USD per Government Official per year, and with respect to a Government Entity, not to exceed \$1,000.00 USD per year)
- small hospitality for Government Officials such as a sandwich, beverage, snack, etc., whether on or off PepsiCo premises and totaling \$10.00 USD, so long as the hospitality is provided in connection with the active conduct of PepsiCo business

These exemptions do NOT allow for recurring/repetitive hospitality for a Government Official, even at \$10.00 USD or less each time, from any one PepsiCo source.

Reimbursement Documentation


When seeking reimbursement for Anything of Value provided to a Government Official, PepsiCo Associates must clearly specify on their reimbursement reports the name, title, and government affiliation of the Government Official and the purpose for the expense, and must submit a receipt for the expenditure, regardless of the value. In addition, the written pre-approval authorizing the expenditure must be submitted. PepsiCo Associates must select the appropriate “Government Official” expense category available in the local expense reporting system (e.g., Concur).

No PepsiCo manager may approve any direct report’s reimbursement request for expenses incurred on behalf of a Government Official without evidence of written pre-approval. PepsiCo managers will be prompted to confirm a valid pre-approval prior to authorizing the reimbursement.

What is a Government Entity?

- Any governments, regulatory agencies, departments or ministries, such as safety, health, tax, licensing and customs agencies, police or fire departments, and the military;
- Any public bodies or state-owned entities (SOEs), such as public universities, laboratories, television stations or hospitals;
- Any state-controlled commercial enterprises even if not majority owned, such as a minority stake in public airlines or utility companies managed by the government;
- Public international organizations, such as the World Health Organization, the World Bank, international labor organizations or international charities
- Political parties

4.0 DONATIONS, SPONSORSHIPS, CORPORATE EVENTS & CSR ACTIVITIES TO/FOR GOVERNMENT ENTITIES OR RELATING TO GOVERNMENT OFFICIALS

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Charitable donations or sponsorships made directly or indirectly to a Government Official are never allowed. However, donations to, or sponsorships of, Government Entities or entities *relating* to a Government Official, may be given in limited circumstances. For purposes of this policy, a donation or sponsorship recipient is considered “relating to” a Government Official if the recipient entity is known to be owned, managed, or directly controlled by a Government Official, including where a Government Official sits on the board.

All donations must be made only for purely charitable purposes, with no intention of influencing a specific business decision. All sponsorships must be made to foster legitimate business interests.

Since Corporate Events may include Government Officials in attendance, and Corporate Social Responsibility (CSR) activities frequently involve interactions with local municipalities, any Corporate Event or CSR initiative involving a Government Entity or relating to a Government Official is also covered by this policy. This policy does not, however, address charitable donations, sponsorships, Corporate Events or CSR activities made by PepsiCo to Non-Government Entities or relating to non-Government Officials. In those instances, consult the **Global Donations Policy** or **Global Events and Sponsorships Policy** for detailed requirements concerning such activities.

Pre-Approval Requirement

If a donation, sponsorship, Corporate Event, or CSR activity will be provided to a Government Entity or relates to a Government Official and is *not already subject to legal review*, **prior written approval of the local Compliance & Ethics officer or local Law Department** must be obtained.² All pre-approval requests must be submitted in writing by completing the online Pre-approval Form as described in Section 3.0 above.

Please consult the local Compliance & Ethics officer or local Law Department for any additional applicable requirements for charitable donations, sponsorships, Corporate Events and CSR activities to be provided to Government Entities or relating to Government Officials.

What is a Donation?

- Donations include anything of value, including donating of cash, product or corporate resources (including personnel time) given on behalf of PepsiCo to build goodwill or promote a charitable purpose, including financial support, products, personnel time and equipment or other physical assets

What is a Sponsorship?

- An arrangement in which PepsiCo pays to be associated with or to support a particular organization, project, event or program


What is a Corporate Event?

- A meeting, conference, training or other business-related gathering **organized or hosted by PepsiCo** in or outside its facilities, including its employees and/or external stakeholders

What is a CSR Activity?

- A community investment where PepsiCo engages in efforts to enhance society and the environment while promoting a positive brand image for PepsiCo

² If unsure whether the expenditure requires pre-approval, seek advice from the local C&E officer or local Law Department or submit directly for pre-approval.

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5.0 ACCURATE BOOKS AND RECORDS

PepsiCo is required to make and keep books and records that fairly and accurately reflect every transaction involving PepsiCo business and that provide sufficient information to present a complete understanding of every transaction. Transactions should never be made without proper manager approval and should be recorded in a transparent manner which allows for the accurate preparation of financial statements. All PepsiCo Associates need to ensure that they comply with the books and record-keeping requirements applicable to their roles and responsibilities.

6.0 REPORTING SUSPECTED VIOLATIONS

All PepsiCo Associates are required to report suspected violations of this policy or any applicable anticorruption law to the local Compliance & Ethics officer or local Law Department. Alternatively, suspected violations may be reported through the PepsiCo Speak Up line. Reports made to the Speak Up line can be anonymous in countries where permitted by law. PepsiCo's Global Non-Retaliation Policy prohibits retaliation against any individual who reports in good faith what he or she believes to be a violation of the Global Code of Conduct, PepsiCo policies or the law.

7.0 DISCIPLINE FOR POLICY VIOLATIONS

Any PepsiCo Associate who violates this policy may be subject to discipline, as determined by the Company, including termination of employment.

8.0 EXEMPTIONS FROM THE POLICY

Any exemptions granted on an exceptional basis must be approved in writing by the applicable local Compliance & Ethics officer or local Law Department and certain exemptions must also be approved in writing by both the Global Chief Compliance & Ethics Officer and the Global General Counsel.