



MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2023



Introduction

As a global company with deep local ties, we faced many of the same challenges in 2023 as our consumers, customers, and competitors across the world, including supply chain disruptions, inflationary pressures, ongoing climate issues, and continued macroeconomic and political volatility, including the deadly conflicts in Ukraine and the Middle East.

To meet the challenges of today – and those of tomorrow – we are driven by an approach called pep+ (PepsiCo Positive). pep+ is our roadmap for how we operate within planetary boundaries and promote positive change for the planet and people, and it is underpinned by the belief that success can only be achieved when all our stakeholders – including farmers and growers, workers, and community partners – are treated with dignity and respect.

Human rights are essential to addressing systemic inequity, building resilient communities, and fostering sustainable economies. Yet, there are still a variety of challenges in ensuring human rights are consistently respected around the world – from weak rule of law to attacks against human rights defenders. Ongoing global crises have continued to exacerbate these challenges and disproportionately impact vulnerable populations, resulting in the number of people trapped in modern slavery rising significantly over the past five years.

We recognize there is still much work ahead of us to help ensure human rights are fully respected throughout our value chain, and we remain committed to helping eradicate forced labor. We are working to transform how we grow our ingredients, how we make, move, and sell our iconic portfolio of products, and how we inspire people through our brands to help transform the global food system and build a stronger, more sustainable future for all.

This statement builds on our previous disclosures and outlines the steps we have taken to prevent, identify, and address modern slavery risks across our business and supply chain. This statement covers PepsiCo, Inc. and its consolidated subsidiaries, including the identified reporting entities.¹ It covers the fiscal year ending December 30, 2023.



Gratefully,

A handwritten signature in black ink that reads "Melissa DeBernardis".

Melissa DeBernardis
PepsiCo Chief Human Rights Officer,
Senior Vice President, Employment Law

CONTENTS

ABOUT PEPSICO.....	2
HUMAN RIGHTS APPROACH.....	3
EMBEDDING RESPECT FOR HUMAN RIGHTS.....	4
CONDUCTING HUMAN RIGHTS DUE DILIGENCE.....	8
CATALYZING COLLABORATIVE ACTION.....	10
ENABLING ACCESS TO REMEDY.....	11
REPORTING ON OUR PROGRESS.....	12
APPENDIX I: REPORTING REQUIREMENT INDEX.....	13

¹ This consolidated statement addresses the 2010 California Transparency in Supply Chains Act, UK Modern Slavery Act 2015, the Australian Modern Slavery Act 2018 (Commonwealth), the Norwegian Transparency Act 2021, and the Canadian Fighting Against Forced Labor and Child Labor in Supply Chains Act 2023. Reporting entities under the Australian Modern Slavery Act 2018 include: The Smith's Snackfood Company Pty Limited and its holding company PepsiCo ANZ Holdings Pty Ltd. Reporting entities under the UK Modern Slavery Act 2015 include: PepsiCo International Limited, Walkers Snacks Limited, Walkers Snack Foods Limited, and Walkers Snacks (Distribution) Limited. Reporting entities under the Norwegian Transparency Act 2021 include: PepsiCo Nordic Norway A/S and SodaStream International B.V Norway Branch. Reporting entities under the Canadian Fighting Against Forced Labor and Child Labor in Supply Chains Act 2023 include: SodaStream Canada Ltd., The Pepsi Bottling Group (Canada), ULC, and PepsiCo Canada ULC.

About PepsiCo

PepsiCo is one of the world's leading convenient food and beverage companies. Our products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. We generated more than \$91 billion in net revenue in 2023, driven by a complementary beverages and convenient foods portfolio that includes Lay's, Doritos, Cheetos, Gatorade, Pepsi-Cola, Mountain Dew, Quaker, and SodaStream. Our product portfolio includes a wide range of enjoyable beverages and convenient foods, including many iconic brands that generate more than \$1 billion each in estimated annual retail sales.

Our company is made up of seven divisions: Frito-Lay North America (FLNA), Quaker Foods North America (QFNA), PepsiCo Beverages North America (PBNA), Latin America (LatAm), Europe; Africa, Middle East and South Asia (AMESA); and Asia Pacific, Australia and New Zealand and China Region (APAC). We employ approximately 318,000 people worldwide, including approximately 134,000 people within the United States, more than 4,500 in the United Kingdom, nearly 11,000 in Canada, and more than 1,500 in our Australia and New Zealand Business Unit, and we operate approximately 300 manufacturing facilities globally. We make, market, distribute and sell a wide variety of beverages and convenient foods, and our brands reach customers and consumers in more than 200 countries and territories.² Our largest operations include the United States, Mexico, Canada, Russia, China, the United Kingdom, Brazil, and South Africa.

For more information on our business and supply chain, please see our latest [Annual Report](#).



\$91+
BILLION
net revenue
in 2023

318,000
employees worldwide

7 DIVISIONS
FLNA • QFNA • PBNA • LatAm
Europe • AMESA • APAC

~300
manufacturing
facilities
GLOBALLY

products
enjoyed in
200+
countries &
territories

100,000+
JOBS
throughout
our agricultural
supply chain

source
from **~60**
COUNTRIES

² Including products produced, sold, and distributed by authorized bottlers and other third parties.

Our Human Rights Approach

As one of the world's leading beverages and convenient foods companies, we have a responsibility to respect human rights throughout our business and broader value chain. Guided by the [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#), we have established a global human rights approach to help ensure we are positioned to help prevent, identify, address, and track the effectiveness of our actions to remediate potential impacts across our value chain when they do occur. We also follow the [OECD Guidelines for Multinational Enterprises](#) and are a signatory to the [UN Global Compact](#).

With this approach as our foundation, we prioritize our efforts by focusing on seven salient human rights issues – the human rights with the highest risk of severe negative impact through our company activities and business relationships. This process helps us to create appropriate policies, procedures, and initiatives in place to help prevent and address potential human rights risks, including modern slavery, throughout our value chain. We closely monitor emerging issues and regularly review our salient issues to determine whether other human rights have become greater priorities over time.

We remain committed to implementing the UN Guiding Principles on Business and Human Rights throughout our business and regularly reporting on our progress in line with the [UN Guiding Principles Reporting Framework](#). Please see our [Human Rights Webpage](#) for more information on our approach and PepsiCo's [ESG Topics A-Z Webpage](#) for details on our broader ESG initiatives.

CONSULTING WITH OWNED AND CONTROLLED ENTITIES

PepsiCo's Human Rights Approach is led centrally by our Human Rights Office, which partners with internal stakeholders to operationalize our approach in each of our business divisions. All company-owned operations and PepsiCo consolidated subsidiaries are within scope of our Global Code of Conduct and Global Human Rights Policy, and our global governance structure promotes ongoing consultation with our business divisions and controlled entities to ensure consistency in our standards, due diligence efforts, and approach to mitigating modern slavery risks

across our shared value chain. Our Senior Leadership team, Chief Human Rights Officer, and Human Rights Operating Council serve in central oversight roles, and our Human Rights Office drives our global strategy and due diligence efforts. The PepsiCo Human Rights Office led the development of our 2023 Modern Slavery & Human Trafficking Statement, partnering with our core functions (e.g., Law and Compliance & Ethics, Human Resources, Sourcing & Procurement, Corporate Affairs, and Global Sustainability) and coordinating with representatives from each reporting entity to ensure consistency in our efforts to prevent, identify, and mitigate potential modern slavery risks across our business and supply chain.

ADVANCING RESPECT FOR HUMAN RIGHTS THROUGH PEP+

pep+ is our roadmap for how we operate within planetary boundaries and promote positive change for the planet and people. Not only does pep+ drive sustainable long-term value and competitive advantage for PepsiCo, but it also seeks to fundamentally transform business as usual for our industry by inspiring and working alongside our peers to advance positive social, environmental, and economic change for all, including our commitment to human rights. We are very clear that pep+ is the future of our company, and we are focused on three interconnected pillars:



POSITIVE AGRICULTURE

We are working to source our crops and ingredients in ways that restore the earth and strengthen farming communities.



POSITIVE VALUE CHAIN

We are helping to build a circular and inclusive value chain.



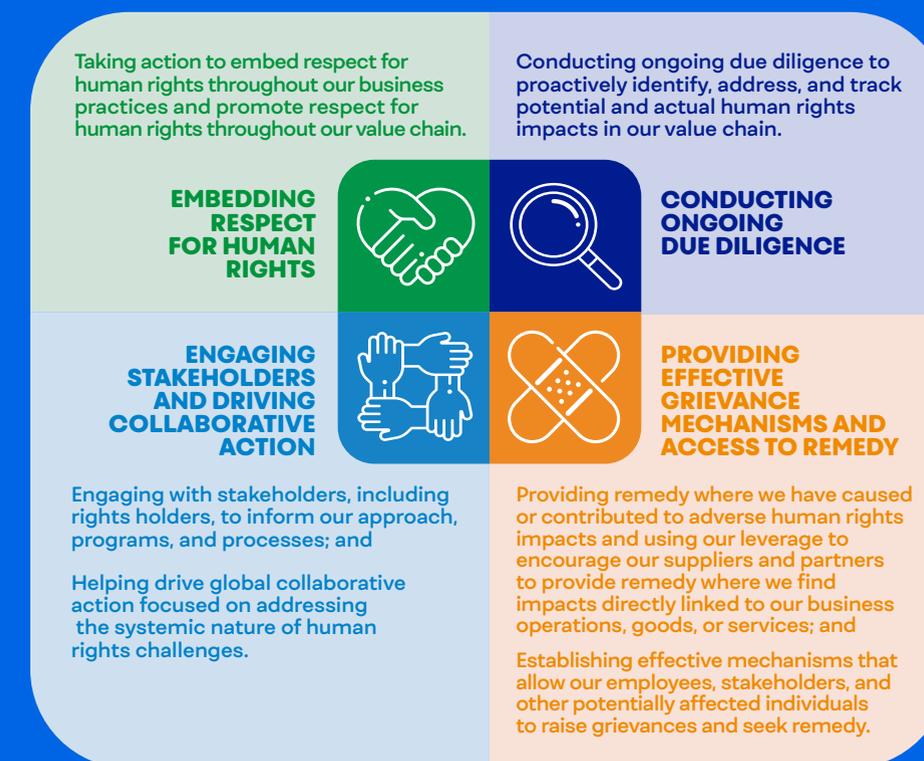
POSITIVE CHOICES

We are inspiring people through our brands to make choices that create more smiles for them and the planet.

For more information on pep+, please see our [PepsiCo Positive Webpage](#).

Operationalizing Our Human Rights Strategy

In 2023, PepsiCo's Global Human Rights Office continued to partner with our global functions and sector businesses to embed and operationalize our global human rights approach. This included deploying our market-level due diligence guidelines in key markets to conduct enhanced risk assessments, targeted due diligence, and tailored trainings to build capability and help identify potential risks specific to our local business models and sourcing practices.



Embedding Respect for Human Rights

GOVERNANCE AND ACCOUNTABILITY

We believe that strong governance is the foundation for delivering on our pep+ agenda and successfully embedding respect for human rights throughout our business. At PepsiCo, our human rights approach is integrated into – not separate from – our business. Our governance reflects this approach, with an integrated structure that combines Board and senior leadership oversight with the subject-matter expertise that informs our strategy and how we execute it.

BOARD OF DIRECTORS (BOARD)

The full Board considers sustainability issues, including human rights, to be an integral part of its business strategy oversight. Throughout the year, the Board and the relevant Committees receive updates from and discuss with management sustainability, human capital management, including diversity, equity and inclusion, and public policy matters, including the company's key programs and related goals on these topics and progress toward achieving those goals.

The Board established a Sustainability, Diversity, and Public Policy Committee to assist it in reviewing and monitoring key programs, policies, and initiatives related to key sustainability, diversity, equity and inclusion, and public policy matters. The Committee is comprised entirely of independent directors and reflects a mix of public policy, risk, international and science-related skills, qualifications, and experience. The Committee reviews PepsiCo's sustainability programs and goals and monitors our progress toward achieving such goals, including updates on our human rights program and work to address our salient human rights issues.

SENIOR LEADERSHIP

Embedding sustainability within our business requires the commitment of our senior leadership, who drive the necessary mindset throughout their respective areas of oversight. Our Chairman & CEO, his direct reports and top functional leaders have direct oversight of the sustainability agenda, strategic decisions and performance management and receive updates regularly. This helps ensure that sustainability, including human rights, is a key accountability factor for every member of our senior leadership team.

Strategy and progress against our sustainability goals are reviewed each month during meetings of the Sustainability Committee—an Executive Committee sub-committee comprised of members of our senior leadership management team—and also reviewed as part of the expanded Executive Committee agenda. This provides opportunities for our senior leadership to align on major strategic issues relating to sustainability and keep sustainability in focus. In between these meetings, senior leadership team members remain actively engaged in executing our sustainability goals.



Photo by Sarah Mercadante, PepsiCo Global Sustainable Agriculture

GLOBAL HUMAN RIGHTS OFFICE

PepsiCo's Global Human Rights Office, led by the company's Chief Human Rights Officer, who reports directly to our Executive Vice President, General Counsel and Corporate Secretary, is charged with setting and operationalizing the company's human rights strategy across our value chain. The Human Rights Office works closely with leaders across the business to embed human rights throughout our practices, conduct ongoing human rights due diligence, and drive continued progress against our human rights agenda and salient issues.

HUMAN RIGHTS OPERATING COUNCIL (HROC)

The Human Rights Operating Council (HROC) is a cross-functional group of senior business leaders that support and advise the Global Human Rights Office on its efforts to embed and operationalize the company's human rights agenda across our value chain. The HROC receives progress and trend updates, reviews our due diligence findings, and provides ongoing feedback to shape key initiatives and determine our future priorities. We revised the HROC's charter in 2023 to reflect business changes and help ensure it remains positioned to adapt to the emerging needs of the business.

Embedding Respect for Human Rights

POLICY FRAMEWORK

Our policies play an integral role in our work to embed respect for human rights throughout our business. They help us set clear expectations for our employees, suppliers, and business partners, and they also establish a framework that helps us monitor compliance with our standards. We have a series of core policies that outline our commitment to human rights and explicitly prohibit the use of forced labor, child labor, and human trafficking in our value chain.

GLOBAL SUPPLIER CODE OF CONDUCT

Our [Global Supplier Code of Conduct \(SCoC\)](#) incorporates our Human Rights Policy and outlines the expectations we have of our suppliers and business partners in the areas of business integrity and anti-corruption, human rights and labor practices, health and safety, and environmental management. We expect our suppliers, business partners, vendors, contractors, consultants, agents, and other providers of goods or services who do business with or on behalf of PepsiCo ("suppliers") to comply with the standards outlined in the SCoC. We advance compliance with the SCoC, including its prohibition on forced labor, and our suppliers are expected to communicate and apply the SCoC and all other relevant policies throughout their supply chain through contractual obligations. We initiated a review of our SCoC in 2023 and anticipate publishing a revised version in 2024.

ADDITIONAL POLICIES & STATEMENTS

We also have a variety of additional policies and statements that cover other related topics, such as our Human Rights Defenders Statement. Copies of these can be found on the [ESG Topics A-Z section](#) of our website. We regularly review our policies for alignment with stakeholder feedback, emerging regulatory developments, and internationally recognized best practices.

Global Human Rights Policy

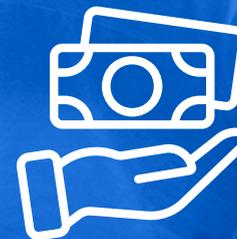


Our [Global Human Rights Policy](#) outlines the core standards and expectations we have established for our employees, direct suppliers, and business partners in the area of human rights. This policy is incorporated into our Global Code of Conduct and applies to all PepsiCo employees, including employees of PepsiCo's consolidated subsidiaries. It is also embedded in our Global Supplier Code of Conduct, and we expect our suppliers and business partners to adhere to the standards outlined in this policy. The Global Human Rights Policy was most recently revised in May 2022 to clarify our expectations around several key issues, including human right to water, land rights, wages and benefits, and working hours and rest periods.

Global Code of Conduct



Our [Global Code of Conduct \(Code\)](#) is the foundation of our commitment to ethical excellence and provides a roadmap of the policies and standards that govern how we do business around the world. The Code outlines our commitment to ethical practices in all aspects of our business: respect in the workplace, trust in the marketplace, fairness in our business relationships, honesty in business conduct, and purpose in our world. The Code recognizes the importance of maintaining and promoting human rights throughout our operations and includes compliance with our Global Human Rights Policy as a core expectation. It applies to all PepsiCo employees, including employees of PepsiCo's consolidated subsidiaries.



Commitment to Employer Pays Principle

In line with the Employer Pays Principle, no worker should be required to pay recruitment or other similar fees to secure or retain their employment. This standard is embedded within our Global Human Rights Policy and Global Supplier Code of Conduct.

Embedding Respect for Human Rights

TRAINING & COMMUNICATION

We believe ongoing communication and engagement are critical to successfully embedding respect for human rights and strengthening capacity throughout our value chain. To support our work in this area, we have established regular communication channels and formal training programs for our employees and direct suppliers. These programs help us raise awareness of potential issues, communicate our policies and standards, and provide our employees and suppliers with targeted guidance on how to prevent, identify, and respond to potential human rights issues, such as forced labor and human trafficking.

ENGAGING OUR EMPLOYEES

Every year, we require employees at all levels of the company to complete a training on our Global Code of Conduct. The Code training is designed to help ensure that our employees understand their obligation to comply with our Code and the behaviors expected under it, including compliance with our Global Human Rights Policy. More information on our 2023 trainings can be found on our [Ethics and Integrity webpage](#). The specific policies embedded in the Code are also regularly communicated to associates through internal communications and townhalls, as appropriate.

In addition to our annual Code training, in 2023, we launched a dedicated combatting modern slavery training to nearly 2,000 PepsiCo employees across key global functions (e.g., Law Department, Compliance and Ethics, Corporate Affairs, Procurement & Sourcing). The training

detailed how modern slavery risks may materialize across business operations and supply chains, covered high-risk countries, and provided guidance on how to identify potential risks and report concerns, when needed. We also launched intermediate and advanced in-person and virtual trainings for key functional groups and sector teams on select topics. These trainings aimed to build capability and provide employees with targeted guidance on how to proactively identify and mitigate risk through their respective functional and sector roles. For example, PepsiCo's Human Rights Office delivered an advanced training for our Sustainable Agriculture team, which focused on how to identify on-farm risks, escalate issues through the appropriate channels, and engage suppliers in remediation, when necessary.



TRAINING SPOTLIGHT



PepsiCo Foods North America & TAT (Truckers Against Trafficking)

As part of our ongoing efforts to raise awareness about human rights risks in our value chain, PepsiCo's Transportation team partnered with TAT to deploy a human trafficking training course in 2023 during National Human Trafficking Prevention Month. TAT is a nonprofit organization that equips truck drivers and other transportation industry employees to identify and report human trafficking incidents. The initiative with TAT raised awareness on indicators of human trafficking and trained more than 1,600 associates in 2023.

Embedding Respect for Human Rights

ENGAGING OUR DIRECT SUPPLIERS

Our Sustainable Sourcing Program (SSP) builds supplier awareness and capabilities on the expectations covered in our Global Supplier Code of Conduct (SCoC), including forced and child labor. In 2023, we provided open-access online training to help our suppliers better understand the principles of our SCoC and deployed targeted trainings to our business-critical suppliers on priority topics such as forced labor and ethical recruitment. Initiatives included:

- Deploying responsible recruitment training to more than 130 of our business-critical suppliers located in high-risk countries to clarify our policies, expectations, and supplier obligations.
- Co-sponsoring the Ganapati Project with several other AIM-Progress member companies to improve the implementation of responsible recruitment standards and practices by suppliers in Thailand and Malaysia through in-person training and in-depth coaching.
- Co-sponsoring the Tackling Forced Labor and Child Labor Initiative with several other AIM-Progress member companies to strengthen the capability of our co-manufacturers, co-packers, suppliers, labor providers, and service providers to adhere to applicable labor laws, recruit labor responsibly, and minimize risks of forced and child labor in the United States.

Based on the insights and feedback gathered from these trainings, we will continue to focus on building suppliers' capabilities and management systems to proactively mitigate and address forced labor and child labor risks. For more information on our industry initiatives see Catalyzing Collaborative Action.



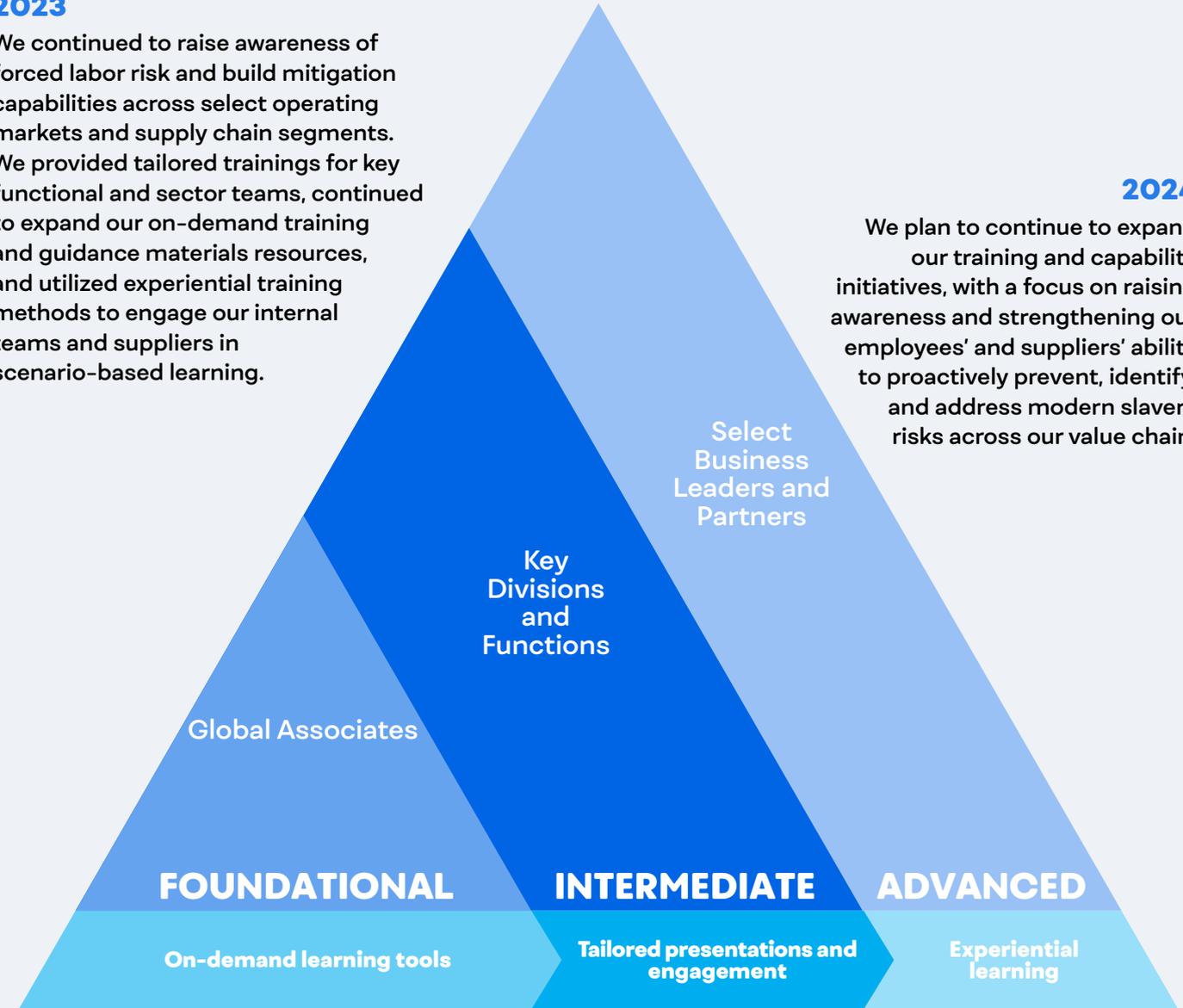
Taking an Experiential and Tailored Approach

2023

We continued to raise awareness of forced labor risk and build mitigation capabilities across select operating markets and supply chain segments. We provided tailored trainings for key functional and sector teams, continued to expand our on-demand training and guidance materials resources, and utilized experiential training methods to engage our internal teams and suppliers in scenario-based learning.

2024

We plan to continue to expand our training and capability initiatives, with a focus on raising awareness and strengthening our employees' and suppliers' ability to proactively prevent, identify, and address modern slavery risks across our value chain.



Conducting Human Rights Due Diligence

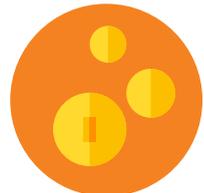
A SALIENCY LENS

In line with the UN Guiding Principles Reporting Framework, PepsiCo defines our salient human rights issues as the human rights at risk of the most severe negative impact through our company's activities and business relationships. We conducted our first salient human rights assessment in 2017 and undertook our most recent assessment in 2022, identifying seven salient issues – Climate Change, Fair Pay and Employment Conditions, Forced Labor, Freedom of Association, Human Right to Water, Land Rights, and Workplace Health and Safety. While we strive to address all potential risks in our value chain, a salient issues lens has helped operationalize our human rights approach and prioritize our efforts to prevent and address potential human rights impacts across our value chain.

PEPSICO'S SALIENT HUMAN RIGHTS ISSUES



CLIMATE CHANGE



FAIR PAY AND EMPLOYMENT CONDITIONS



FREEDOM OF ASSOCIATION



FORCED LABOR



HUMAN RIGHT TO WATER



LAND RIGHTS



WORKPLACE HEALTH & SAFETY

OUR DUE DILIGENCE PROCESS

We have an established due diligence process that helps us assess potential human rights impacts in our value chain, integrate insights into our internal systems, track the effectiveness of our actions, and communicate on our progress. Underlying this process is a series of global due diligence programs that assess, identify, and remediate impacts across our value chain. Learnings and insights from these due diligence programs are integrated into our internal processes to help ensure that we have the appropriate policies and systems in place to review human rights risks across our value chain.

We look for opportunities to enhance our due diligence programs and their underlying assessment processes to strengthen our scope of coverage and depth of action. In 2023, we conducted a formal review of our human rights due diligence process to identify areas where we could strengthen our practices moving forward. As a result of that work, we have enhanced our risk monitoring systems and are evolving our assessment methodology to a risk-based approach, transitioning our audit program from an "announced" to "semi-announced" audit format, and are broadening the scope of our due diligence process to capture additional supply chain segments. In 2024, we plan to update our supplier risk segmentation analysis to examine our current priority segments (e.g., contract labor providers), raw materials (e.g., palm oil), and geographies (e.g., Southeast Asia, Latin America) and determine whether other areas have become greater priorities over time.



Global Human Rights Assessment Program

Our Global Human Rights (GHR) Assessment Program utilizes a risk-based approach to assess, mitigate, and address potential impacts across our company-owned manufacturing operations. GHR audits are conducted by independent, third-party auditors and leverage Sedex Members Ethical Trade Audit (SMETA) 2-Pillar protocol requirements to help ensure compliance with local law, PepsiCo's policies, and international human rights standards. The GHR Program also utilizes innovative remote monitoring tools (i.e., worker voice surveys) to collect anonymous worker feedback on key issues such as workplace safety, working hours, and labor standards.



Sustainable Sourcing Program

Our Sustainable Sourcing Program (SSP) utilizes scored self-assessments and third-party audits to identify and assess potential impacts of human rights, labor practices, and environmental issues across our most business-critical direct suppliers and contract manufacturing and co-packing locations. SSP audits are conducted by independent, third-party auditors and leverage Sedex Members Ethical Trade Audit (SMETA) 4-Pillar protocol requirements to help ensure compliance with local law, PepsiCo's Global Supplier Code of Conduct, and international human rights standards.



Sustainable Farming Program

Our Sustainable Farming Program (SFP) is a farm-level continuous improvement program that helps us assess our direct growers, identify potential gaps relative to our policies, implement plans to safeguard human rights and embed regenerative agricultural practices. The SFP is designed to help boost agricultural productivity and extend availability of sustainably sourced crops today, while contributing to long-term transformation across the agricultural system. The program is based on self-assessment, capacity-building, and verification. We work with farmers around the world to provide training for on-field agronomy, resource-efficient use of fertilizers and irrigation, plant protection techniques, workers' rights, pest management and other issues. Once a farmer group meets the independently verified social, environmental, and economic principles of our SFP, they are classified as sustainable for three years from the date of the verification assessment results.

Conducting Human Rights Due Diligence

2023 TOP 5 NON-COMPLIANCE CATEGORIES

- Health, Safety, & Hygiene
- Working Hours
- Wages
- Regular Employment
- Environment



ADDRESSING NON-COMPLIANCES

Our due diligence programs address identified non-compliances through the implementation of corrective action plans, which have a set timeframe depending on the type and severity of the non-compliance. In 2023, our Global Human Rights Assessment Program assessed 62 of our company-owned manufacturing operations across 27 countries. In addition, in 2023, our Sustainable Sourcing Program conducted or recognized 885 on-site or

virtual audits of our first-tier suppliers across 70 countries and territories. The accompanying graphic illustrates the top non-compliance categories identified through the audits of our direct third-party suppliers in 2023.

Progress against corrective action plans is tracked through our programs, which may require an additional on-site audit to verify that remediation has been completed. For example, in 2023, we were notified of allegations that one of our suppliers was using undocumented, migrant child labor to produce products for its customers. Once we were made aware of the concerns, we immediately engaged the supplier to request a full investigation into the allegations. The supplier conducted a multi-month, independent audit of their employment practices and implemented a multi-step plan to enhance their policies and procedures to ensure all employees and temporary workers in their facilities are over the age of 18 and authorized to work in the United States. PepsiCo remained in regular contact with the supplier during the investigation, with senior leaders completing multiple site visits to discuss the audit's progress and gain a detailed understanding of the actions the supplier was taking to ensure our policies and local laws were adhered to moving forward. In response to emerging child labor risk in the U.S., we reinforced our internal employment authorization and age verification policies, mandated that all PepsiCo suppliers in the U.S. must use the E-Verify program and required their labor agencies and sub-contractors to use the program as well, and co-sponsored the Tackling Forced Labor and Child Labor Initiative with several other AIM-Progress member companies to strengthen the capability of our co-manufacturers, co-packers, suppliers, labor providers, and service providers to adhere to applicable labor laws, recruit labor responsibly, and minimize risks of forced and child labor in the United States.

We also continue to work with partners across our value chain to address issues as they are identified. For example, in 2023, PepsiCo was alerted by Unilever that a recent audit of a shared Malaysian packaging supplier identified that 95 foreign migrant workers had paid recruitment fees to secure employment at the supplier. Both PepsiCo and Unilever promptly engaged with the supplier to better understand the findings and develop an appropriate corrective action plan. The supplier's initial repayment plan provided for the partial reimbursement

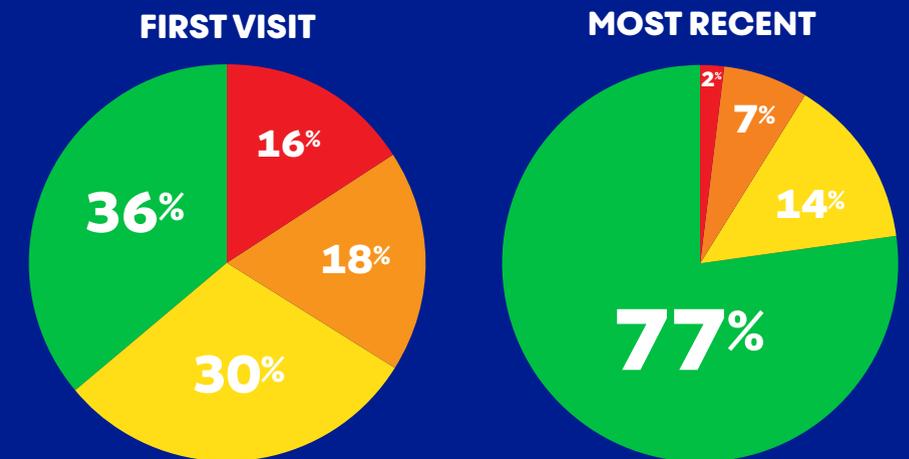
of the identified fees, which the supplier has begun to disperse. PepsiCo, in partnership with Unilever, engaged with a third-party firm, Dignity in Work for All (DIWA, formerly Verite Southeast Asia Inc.), to conduct an in-depth assessment at the supplier site in question. This involved reviewing the repayment plan and rate schedule, evaluating the methodology used to calculate fees paid, verifying the reimbursements paid to workers to date, and examining the supplier's recruitment management systems and hiring practices. As part of the assessment, DIWA conducted interviews with the supplier's site management team, the Malaysian and Nepalese recruitment agencies used by the supplier to source temporary labor, and the foreign migrant workers from each origin country, which included Nepal, Myanmar, and Bangladesh. DIWA also conducted a two-day training session with local management covering the Employer Pays Principle and best practices for ensuring the responsible recruitment of workers. The supplier committed to implementing a more robust repayment plan, improving its policies and recruitment processes, and proactively conducting more effective due diligence moving forward.

TRACKING OUR PERFORMANCE

We use insights from our due diligence programs, grievance mechanisms, and stakeholder feedback to monitor and track our human rights performance and continuously inform our approach. Our commitment to continuous improvement is illustrated by the strong improvement in supplier site performance as suppliers learn from initial audit findings, strengthen their management systems, and demonstrate closure through corrective action plans and subsequent follow-up audits. High-level results of these improvements are presented in the accompanying chart, based on supplier sites that have completed both initial audits and follow-up audits.

SUSTAINABLE SOURCING SITE IMPROVEMENT OVER TIME

TOTAL NUMBER OF SITES = 1,146



This graphic illustrates the performance of 1,146 supplier sites that received multiple audits requested between 2016-2023. Color score is based on criticality of findings with red being the most severe to green being minor or no findings.

Catalyzing Collaborative Action

In addition to our individual actions, we regularly engage in a variety of multi-stakeholder groups and collaborative initiatives to enhance our knowledge of specific issues, drive industry-wide progress, and help address systemic challenges.

CONSUMER GOODS FORUM (CGF) HUMAN RIGHTS COALITION OF ACTION

The CGF Human Rights Coalition of Action is a CEO-led coalition to end forced labor and achieve decent working conditions and sustainable supply chains across the industry. Through the coalition, members are committed to:

- Advancing the principles of responsible recruitment employment in their own operations and supply chains;
- Conducting human rights due diligence throughout their value chain, beginning with their own operations; and
- Engaging with other members and key stakeholders to support the elimination of forced labor.

Learn more [here](#).

AIM-PROGRESS GANAPATI PROJECT

Several AIM-Progress member companies, including PepsiCo, Unilever, Nestlé, The Hershey Company, Reckitt, Mars, and The Coca-Cola Company, are partnering with Embode to implement the Ganapati Project, an innovative approach to improve the implementation of responsible recruitment standards and practices by suppliers in Thailand and Malaysia. The Ganapati Project approach is practical, collaborative, and consultative providing individually guided capability building for businesses that are expected to have a direct impact on migrant workers in Thailand and Malaysia. It is an innovative approach that places expert advice on responsible recruitment in the hands of supplier companies to AIM-Progress members. Learn more [here](#).

AIM-PROGRESS TACKLING FORCED LABOR AND CHILD LABOR IN THE U.S. INITIATIVE

In response to the increase in incidents of forced labor and child labor in the United States over the past five years, AIM-Progress and its members have sponsored an initiative to strengthen the capability of its members' suppliers and partners to adhere to applicable labor laws, recruit labor responsibly, and minimize risks of forced and child labor in the United States. The initiative will aim to increase the identification of cases of forced and child labor, promote the provision of remediation for exploited workers, and intends to help tackle root causes, including empowering workers to realize their rights and to raise issues. It will focus on both directly employed workers and those sourced via temporary staffing agencies or service providers, recognizing that the risks of forced and child labor apply to, or can impact, both groups. Learn more [here](#).



“We are working to transform how we grow our ingredients, how we make, move, and sell our iconic portfolio of products, and how we inspire people through our brands to help transform the global food system and build a stronger, more sustainable future for all.”

– Melissa DeBernardis

PepsiCo Chief Human Rights Officer,
Senior Vice President, Employment Law

Enabling Access to Remedy

We recognize that our policies and programs may not prevent all adverse impacts in our value chain. Our aim is to provide effective remedy where we have caused or contributed to those impacts and to encourage our suppliers or partners to provide remedy where we find impacts directly linked to our business operations, goods, or services. To facilitate this process, we have established several mechanisms that allow our employees, stakeholders, and other potentially affected individuals to raise grievances and seek remedy.



DIRECT OPERATIONS

PepsiCo encourages all of its employees to voice their opinions fearlessly. All PepsiCo employees have an obligation to report suspected violations of our Global Code of Conduct, policies, or applicable law. This obligation is engrained in our Global Code of Conduct, and employees receive regular trainings and communications to raise awareness of this obligation on an ongoing basis. PepsiCo strictly prohibits employees from retaliating, directly or indirectly, against individuals or organizations that support PepsiCo's culture of ethics and integrity, and we will not impede whistleblowers acting in good faith as described in our Global Non-Retaliation Policy. We provide our employees with several avenues for reporting issues and seeking advice, including their manager, Human Resources, the Law Department, the Global Compliance & Ethics Department, and our [Speak Up hotline](#).

SUPPLY CHAIN

We have established a grievance mechanism for our agricultural supply chain to complement our existing program (e.g., Speak Up) and help us more effectively manage environmental and social concerns throughout our value chain. The mechanism allows third parties to raise concerns that our environmental and social policies are not being upheld in our agricultural supply chain. Our approach is set out [here](#).

In 2023, we continued to evolve our agricultural grievance mechanism by enhancing its data collection and traceability processes to support its ongoing management of stakeholder concerns. Our management process includes an initial investigation into every grievance submitted to determine whether it is "in scope" or "out of scope" of the agricultural grievance mechanism. If a grievance is deemed "in scope," it progresses to the engagement phase where PepsiCo works with the appropriate supply chain partners to create a grievance management plan. PepsiCo continues to monitor whether the corrective action plans are effectively implemented and, if so, the grievance is subsequently deemed closed.

We received 30 grievances between 2022 and 2023, with most concerning palm oil production in Southeast Asia and a combination of environmental and social issues (e.g., deforestation, forced labor, land rights). We have and are continuing to engage with our suppliers and other stakeholders to help resolve open grievances through corrective action plans.



Speak Up Hotline

Speak Up!

Speak Up is a toll-free ethics hotline operated by an independent third-party that provides PepsiCo employees, consumers, suppliers and business partners, and community members with a 24/7, anonymous and confidential

means of reporting suspected violations of our Global Code of Conduct, policies, or applicable law. These reports are used to drive organizational changes and a better work environment, including training, policy revision, and process enhancements. Speak Up is accessible anywhere in the world with dedicated toll-free phone lines in over 60 countries and multiple languages and by web in 26 languages. We regularly publish information on the usage of our Speak Up hotline, including the total number of reports and their categorical distribution. Our latest report can be viewed [here](#).

Reporting on Our Progress

We are committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our business and reporting on our progress in line with the UN Guiding Principles Reporting Framework. In our 2022 Modern Slavery & Human Trafficking Statement, we outlined a series of actions that we would take to advance our work to help prevent, identify, and address potential modern slavery risks in our business and supply chain. Below is an update on our progress against those priorities and an overview of key next steps for 2024.

2023 ACHIEVEMENTS

- ✓ Expanded our global human rights training program, deploying targeted trainings to key functional and sector teams to strengthen our ability to mitigate and address potential human rights risks across our value chain.
- ✓ Conducted a formal review of our global human rights due diligence process, implementing actions to reinforce our risk-based approach, strengthen our management systems, and enhance our assessment methodology.
- ✓ Continued to catalyze collaborative action to help address forced labor risks through industry initiatives such as the Consumer Goods Forum and AIM-Progress, focusing on high-risk markets.

NEXT STEPS

- ➔ Publish our revised Global Supplier Code of Conduct and Supplier Training to provide additional clarity and guidance on our expectations.
- ➔ Update our supplier risk segmentation analysis to determine if other supply chain segments and sourcing geographies have become greater priorities over time due to the evolving external landscape.
- ➔ Advance action plans to mitigate our salient human rights issues, deepening our engagement across key business models, supply chain segments, and sourcing geographies.

This statement has been reviewed and approved by PepsiCo's Board of Directors on behalf of PepsiCo, Inc. and each of the reporting entities.



Signed on behalf of PepsiCo's Board of Directors,

Ramon Laguarta
Chairman & Chief Executive Officer PepsiCo, Inc.
April 30, 2024



Appendix I: Reporting Requirement Index

CANADA FIGHTING AGAINST FORCED/CHILD LABOR IN SUPPLY CHAINS ACT (2023)	NORWAY TRANSPARENCY LAW (2021)	AUSTRALIAN MODERN SLAVERY ACT (2018)	UK MODERN SLAVERY ACT (2015)	CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT (2010)	LOCATION IN 2023 MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT
The entity's structure, activities and supply chains.	A general description of the large enterprise's business, area of operation.	Identify the reporting entity. Describe the structure, operations, and supply chains of the reporting entity.	Organization's structure, its business, and its supply chains.		<ul style="list-style-type: none"> • Introduction (p1) • About PepsiCo (p2)
Its policies and its due diligence processes in relation to forced labor and child labor	<p>Guidelines and procedures for addressing actual and potential adverse impacts on fundamental human rights and decent working conditions.</p> <p>Measures the enterprise implemented or plans to implement to prevent or limit the adverse impacts.</p>	Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	<p>Organization's policies in relation to slavery and human trafficking</p> <p>Organization's due diligence processes in relation to slavery and human trafficking in its business and supply chains</p>	<p>Describe to what extent the organization maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.</p> <p>Describe to what extent the organization requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.</p>	<ul style="list-style-type: none"> • Human Rights Approach (p3) • Embedding Respect for Human Rights (p4-7)
<p>The parts of its business and supply chains that carry a risk of forced labor or child labor being used and the steps it has taken to assess and manage that risk.</p> <p>Any measures taken to remediate any forced labor or child labor.</p> <p>Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labor or child labor in its activities and supply chains.</p>	The adverse impacts and significant risks of adverse impacts discovered through due diligence.	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	<p>Parts of the organization's business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk.</p>	<p>Describe to what extent the organization engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party.</p> <p>Describe to what extent the organization conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit.</p>	<ul style="list-style-type: none"> • Conducting Human Rights Due Diligence (p8-9) • Enabling Access to Remedy (p11)
<p>The training provided to employees on forced labor and child labor.</p> <p>How the entity assesses its effectiveness in ensuring that forced labor and child labor are not being used in its business and supply chains.</p>	The results or expected results of the enterprise's implemented measures.	Describe how each reporting entity covered by the joint statement assesses the effectiveness of its actions to assess and address modern slavery risks.	<p>Organization's effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate.</p> <p>Organization's training about slavery and human trafficking available to its staff.</p>	Describe to what extent the organization provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.	<ul style="list-style-type: none"> • Embedding Respect for Human Rights (p4-7) • Conducting Human Rights Due Diligence (p8-9)
		Describe the process of consultation with any entities the reporting entity owns or controls.			<ul style="list-style-type: none"> • Introduction (p1) • Human Rights Approach (p3)
		Include any other information that the reporting entity considers relevant.			<ul style="list-style-type: none"> • Catalyzing Collaborative Action (p10) • Reporting on Our Progress (p12)