

# Global Human Rights Policy

Effective 2017

Revised May 2022

## Introduction and Scope

At PepsiCo, we believe our success can only be achieved when all of our stakeholders are treated with dignity and respect. This belief is woven into everything that we do, and it is the foundation of our vision: to Be the Global Leader in Convenient Foods and Beverages by Winning with pep+ (PepsiCo Positive). Wining with pep+ is the future of our company—a strategic, end-to-end transformation that places sustainability and human capital at the center of how we create growth and value.

Wining with pep+ is about many things, but among the most vital is our commitment to human rights. Given the presence of political and economic volatility around the world, the principles of the [Universal Declaration of Human Rights](#) are as relevant today as they were when the Declaration was adopted over 70 years ago. Human rights abuses of any kind are unacceptable. As one of the world's leading food and beverage companies, we recognize that we have a responsibility to advance respect for human rights in our business and throughout our value chain.

This 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 and joint venture employees over which we have management control. 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.

## Our Commitment

PepsiCo is committed to respecting the rights of all individuals and communities throughout our value chain. Specifically, we are committed to respecting the rights and freedoms defined in the following international instruments:

- [Universal Declaration of Human Rights](#)
- [International Covenant on Civil and Political Rights](#)
- [International Covenant on Economic, Social and Cultural Rights](#)
- [International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#)
- [United Nations Convention on the Rights of the Child](#)
- [United Nations Convention on the Elimination of All Forms of Discrimination against Women](#)
- [United Nations Declaration on the Rights of Indigenous Peoples](#)
- [International Convention on the Elimination of All Forms of Racial Discrimination](#)
- [International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families](#)

In fulfilling our responsibility to respect human rights, we are committed to implementing the [UN Guiding Principles on Business and Human Rights](#) throughout our business and reporting on our progress in line with the [UN Guiding Principles Reporting Framework](#). We are also supporters, signatories, or members of the following frameworks: [OECD Guidelines for Multinational Enterprises](#), [UN Global Compact](#), [UN Standards of Conduct for Business on Tackling Discrimination against LGBTI People](#), and [Women's Empowerment Principles](#).

## Our Human Rights Standards

PepsiCo requires compliance with all applicable local laws and regulations. The following standards are based on recognized international human rights standards and reflect the salient human rights issues we have identified for our value chain. Our respect for human rights is not limited to these standards.

We recognize that instances may arise where national law and international human rights standards do not align. Where they conflict, we will comply with national law and explore alternative ways to respect international human rights standards to the greatest extent possible.

### 1. Child Labor

PepsiCo prohibits the use of child labor in our operations and supply chain. We prohibit the hiring of individuals under the age of fifteen (15) or the local legal minimum working age or the compulsory schooling age, whichever is higher. Younger workers may be employed through Company approved,

short-term internships, apprenticeships, or work experience programs, but they are never permitted to perform work that may threaten their health and safety or hinder their education or vocational training. We require the age of our workers to be verified at the time of hiring and have processes in place to responsibly remediate any potential policy violations.

## **2. Forced Labor and Human Trafficking**

PepsiCo prohibits the use of all forms of forced labor, including involuntary prison labor, indentured labor, bonded labor, military labor, slave labor, and any form of human trafficking. All employment decisions must be based on free choice. No employee may be coerced to work or subjected to physical punishment or threats of violence or other forms of physical, sexual, psychological, or verbal abuse as a method of discipline or control. All employees must be provided with a written employment document (e.g., offer letter, contract, etc.) that clearly states the terms of their employment (e.g., hours, pay, benefits, etc.) in a language understood by the worker, with a verbal explanation provided when necessary. All employment agreements must be freely agreed to in writing by the worker and their employer.

All workers have freedom of movement, and the conditions of employment must not restrict their movement through the retention of identity papers, holding of deposits, accommodation requirements, or any other action aimed at restricting worker mobility. Furthermore, 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. The cost of recruitment should be borne by the employer.

## **3. Freedom of Association and Collective Bargaining**

PepsiCo respects our employees' right to join or form an organization such as a labor union and to bargain collectively. We prohibit any form of intimidation, harassment, retaliation, or violence against union members, trade union representatives, and any employee seeking to exercise these rights. Where our employees are represented by a legally recognized union, we are committed to establishing a constructive dialogue and bargaining in good faith with their freely chosen representatives. Where the right to freedom of association is restricted by law, we will support the development of alternative mechanisms for engagement while remaining in compliance with local law.

## **4. Harassment and Discrimination**

We value the diversity and unique contributions of our employees and have a long-standing commitment to equal opportunity and intolerance of discrimination and harassment. Simply put, PepsiCo has zero-tolerance for any type of harassment or discrimination. This includes harassment or discrimination based on race, color, age, sex or gender, sexual orientation, gender identity, gender expression, transgender status, religion, creed, national origin, ethnicity, citizenship, ancestry, disability, genetic information, military or veteran status, pregnancy, marital or familial status, or any other protected category under applicable law. Prohibited behavior includes harassment or discrimination by or against PepsiCo employees, applicants for employment, and third parties, including customers, visitors, or vendors of PepsiCo.

## **5. Human Right to Water**

Water stewardship has long been one of PepsiCo's top priorities. As one of the first companies of our size to acknowledge water as a human right, we have adopted an approach to watershed management that includes improving water-use efficiency across our value chain, replenishing water in the local watersheds that are most at risk and where we operate, and increasing safe water access for communities that face scarcity. As a food and beverage company, we are acutely aware of the critical role water plays in the food system, and it is our vision that wherever in the world PepsiCo operates, water resources will be in a better state because of our presence. To support this vision, we have established an impact-driven Net Water Positive ambition, including a set of 2030 goals aimed at becoming net water positive in our operations, enhancing watershed management in our agricultural supply chain, and contributing to community water health.

## **6. Land Rights**

PepsiCo recognizes that secure land rights are a vital component of economic prosperity, sustainable food production, and the responsible use of natural resources. As outlined in our [Land Policy](#), we have a zero-tolerance policy for illegal activities in our operations and a zero-tolerance policy for land displacements of any legitimate land tenure holders. When PepsiCo acquires land (including purchasing, leasing, and utilization), we will engage in fair and legal negotiations and use the IFC Performance Standards to implement the Free, Prior, and Informed Consent (FPIC) principles for agricultural development in developing countries.

## 7. Voluntary Prison Labor

In line with ILO Guidance, voluntary prison labor may be used in highly supervised situations where prisoners have given their consent, are being rehabilitated or trained in preparation for release, and the terms and conditions of their employment are similar to those of the free labor market.

The specific requirements include:

- Work or service can only be required from prisoners who have been convicted in a court of law. Such work or service must be carried out under the supervision and control of a public authority, for example the prison administration of a State-run facility. Prison workers must not be hired to or placed at the disposal of private individuals, companies or associations. Compulsory work or service by prisoners is not allowed for private undertakings either inside or outside the prison, or within privately administered prisons.
- Work or service performed by prisoners in a private undertaking must be voluntary. Prison workers must give their consent to working for a private employer without being subject to a threat or penalty, including the loss of rights or privileges within the prison.
- Conditions for prisoners who have consented to work within private undertakings should approximate the conditions enjoyed by free workers. Prison workers should have access to wage levels, social security benefits, and occupational safety and health standards that approximate a free labor relationship. Reasonable differences in wage levels are acceptable based on deductions made for board and lodging.

## 8. Wages and Benefits

We believe that all of our employees should be paid a wage sufficient to afford a decent standard of living, and we are committed to providing fair wages and equitable benefits for our employees and their families. PepsiCo compensates our employees competitively relative to the industry and requires compliance with all applicable local laws governing the payment of wages and benefits. All employees must receive wages that meet or exceed the legal minimum wage. Overtime must be compensated at the appropriate premium rate required by local law, and all wages must be paid on time and in full. All employees must receive a pay statement for each pay period that clearly outlines the components of their compensation, including hours worked, benefits received, and any deductions. PepsiCo prohibits the deduction of wages as a disciplinary measure and requires that all deductions be made in accordance with local law.

## 9. Working Hours and Rest Periods

We recognize the importance of work-life balance and have established policies to guide working hours, overtime, and rest periods for workers in our operations and supply chain. As we continue to evolve our approach, we will strive to meet international standards regarding working hours and rest periods, which include: (i) a standard workweek of no more than 60 working hours (48 regularly scheduled work hours and 12 voluntary overtime hours), (ii) a minimum of 8 hours of rest between days of work, and (iii) at least 24 hours of consecutive rest in every 7-day period, except in emergencies or unusual situations.

## 10. Workplace Health and Safety

Protecting the safety, health, and well-being of our associates around the world is one of our top priorities as a company. We have established policies and systems to drive health and safety values throughout our business, including our [Global Environmental, Health and Safety \(EHS\) Policy](#) that outlines our “Beyond Zero” vision of achieving an injury-free work environment and creating a culture of positive impact on the health and well-being of our employees and surrounding environment. Our Global EHS function leads the strategy to achieve this vision and oversees our Global Environmental, Health, and Safety Management System (GEHSMS), which sets the global health and safety standards for our business and assesses our performance. We are committed to providing and maintaining a safe and healthy workplace, and we are dedicated to engaging with our employees to continually improve health and safety in our workplaces, including the identification of hazards and remediation of health and safety issues.

## Our Grievance and Remedy Process

We recognize that our policies and programs may not prevent all adverse impacts in our value chain, and we are committed to providing and/or helping enable remedy where we caused or contributed to those impacts and to using our leverage to encourage our suppliers and partners to provide remedy where we find impacts directly linked to our business operations, goods, or services. To facilitate this process, we have established a variety of mechanisms that allow our employees, stakeholders, and other potentially affected individuals to raise grievances and seek remedy. Our mechanisms do not obstruct access to other remedy channels or procedures and, where appropriate, we will collaborate with other organizations and companies to help prevent, mitigate, or remediate adverse impacts.

### Our Direct Operations

All PepsiCo employees have an obligation to report suspected violations of our Global Code of Conduct, policies, and applicable law. Our employees have several avenues for reporting issues and seeking advice, including through their manager, Human Resources, the Law Department, the Global Compliance and Ethics Department, and our Speak Up hotline. 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. Speak Up is accessible anywhere in the world:

- By phone in over 60 countries and multiple languages using a special toll-free telephone number based on the country from which someone is calling. For a list of international country phone numbers, please see the [Speak Up](#) section on our website.
- By web in 26 languages at <http://www.pepsicospeakup.ethicspoint.com/>

Our Non-Retaliation Policy strictly prohibits retaliation against any individual who, in good faith, reports a suspected violation. Any instance of retaliation against an individual for reporting a concern in good faith is itself a serious violation of our Global Code of Conduct, and any employee found to have engaged in such retaliation will be subject to appropriate discipline. Similarly, for our employees, failure to adhere to the standards outlined in this policy may result in disciplinary action up to and including termination of employment.

### Our Value Chain

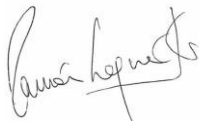
We expect our suppliers and business partners to operate with the same high standards to which we hold ourselves. This expectation includes having an effective operational-level grievance management system in place for their operations and prohibiting retaliation against individuals who raise concerns about their practices. To complement any operational-level systems, their workers may also report suspected violations of our policies and standards through the PepsiCo Speak Up Hotline, which is made available to suppliers through our Global Supplier Code of Conduct. Our [Agricultural Grievance Mechanism](#) is also available to anyone who has a specific concern that our policies and expectations are not being met in our agricultural supply chain.

When managing non-compliances, we first look to engage our suppliers and business partners to drive corrective actions that help address the underlying issues and build capacity. Where direct engagement does not lead to meaningful progress, we consider all appropriate forms of leverage, including the reduction and/or termination of supply or potential impacts to the relationship.

## Transparency and Reporting

In fulfilling our responsibility to respect human rights, we are committed to implementing this Policy throughout our business in line with the UN Guiding Principles on Business and Human Rights and to regularly reporting on our progress in line with the UN Guiding Principles Reporting Framework.

Signed,



Ramon Laguarta  
Chairman & Chief Executive Officer PepsiCo, Inc.