



Product Safety & Quality

Quality & Food Safety Programs

PepsiCo is dedicated to producing the safest, highest-quality and best-tasting beverages and foods in every part of the world. Developing and maintaining robust food safety programs is how we assure safety for every package, every day, in every market. PepsiCo has detailed internal programs and procedures for food safety. Below is a summary of our policies, programs and actions designed to keep our products safe and meeting high quality standards.

PepsiCo Food Safety

PepsiCo has an excellent track record in delivering safe products. We assure PepsiCo brand design is properly vetted and products are produced, stored and sold with rigorous testing of incoming materials and proper controls and metrics to deliver safe products. We have created robust programs and systems to manage the changing external environment and we continue to verify that our programs are delivering against the standards.

We have established a Global Food Safety strategic plan to meet key food safety objectives. These objectives include defending PepsiCo's brands and corporate reputation by assuring robust "on the ground" food safety and regulatory compliance and delivering product design that builds in safety and quality by flawlessly adhering to quality standards, specifications, and processes.

Beginning in 2014, PepsiCo developed and implemented a comprehensive action plan to address the Food and Drug Administration's Food Safety Modernization Act (FSMA), the most sweeping change to food law since the Food, Drug and Cosmetic Act of 1938. We have conducted a thorough food safety gap analysis by developing and implementing action plans to close any identified programmatic gaps. We have delivered compliance to the foundational rule: preventive controls for human foods by leveraging global cross-functional teams to assess, revise and update standards, processes and records. FSMA compliance and program execution is a multi-year process and we are fully compliant with all current regulations and are on track to comply with future regulations.

Our efforts are focused on building a sustainable food safety program and providing the framework to develop and sustain food safety of existing brands and new innovation. The scope covers the design, manufacture and distribution of beverage and food products. Our programs and procedures apply to all current and future divisions in PepsiCo.

PepsiCo utilizes globally recognized third-party organizations to conduct independent audits to assess our manufacturing sites' food safety management practices and provides a detailed inspection to assess food safety hazards based on standard requirements. The auditor also conducts a thorough physical review of each site visited. In 2016, approximately 95 percent of PepsiCo's manufacturing sites received an independent third-party food safety audit.

Quality Organization

The PepsiCo Quality Program (PQP) is a global, multi-year effort, impacting Snacks, Beverages and Nutrition across PepsiCo R&D, Operations and our external partners. It stems from a Board of Directors mandate to reduce global risk and drive value for PepsiCo. The program streamlines, modernizes and shares the best Food Safety & Quality processes, data, insights, and systems across our organization. As a result, our consumer directly benefits with outstanding products that are safe and constantly high quality. This steadfast attention to Food Safety & Quality maximizes PepsiCo's competitive advantage and minimizes product risk in the marketplace. By increasing our collaboration, teamwork and transparency in this arena around the globe, and working Better Together as One PepsiCo we are making the most of our organization's size, scale and knowledge. This program is focused on processes and procedures supporting quality policies and prioritization of critical risk areas. Our quality agenda is led by quality professionals in various regions who oversee the following areas:

- Food Safety
- Innovation (R&D)
- Manufacturing Quality
- Co-Manufacturing Quality
- Supplier Quality
- Plant Quality

Global Policy on Bioengineered Food and Ingredients

PepsiCo is dedicated to producing the highest quality, great tasting food and beverage products in every part of the world, ensuring all products meet or exceed appropriate safety and quality standards. PepsiCo only uses ingredients that have been reviewed and approved by appropriate food authorities and governments for food safety and compatibility with the environment.

PepsiCo's Food Safety and Regulatory Affairs Department and our suppliers work closely together to assure the safety, integrity, and authorized use of bioengineered ingredients and products. In addition, our scientific and regulatory specialists track emerging trends and current scientific reports on issues which are critical to maintaining our high standards in food safety and compliance.

Due to diverse consumer needs, PepsiCo provides a range of products to meet consumer demand when it comes to use of bioengineered foods and materials. But PepsiCo acknowledges the importance for farmers and society of utilizing bioengineered (genetically modified) crops, such as resistance to weeds, pests and diseases, resistance to climatic stress, reducing the need for agronomic chemicals, and potential economic and productivity benefits in certain growing regions. Bioengineered crops that have been assessed and approved by governmental food authorities may become an increasingly valuable tool, both for sustainable food production and feeding growing populations across the globe. PepsiCo recognizes the need for high safety standards concerning bioengineered ingredients and the importance of external stakeholders engaging in dialogues on any concerns or feedback.