



## **Public Policy & Political Engagement**

PepsiCo's business is shaped by public policy at the local, state, federal, regional and global levels. Our Global Public Policy and Government Affairs (PPGA) team works with senior management to develop annual and long-term public policy priorities. Abiding by the local laws and regulations governing interaction with government officials and PepsiCo's strong Code of Conduct, our public policy engagement goal is to promote a healthy business environment that supports our ability to achieve sustainable growth in the years ahead.

In 2015, we witnessed the convergence of a widely held policy agenda with the adoption of the Paris Agreement on climate change and the United Nations Sustainable Development Goals (SDGs). Governments, civil society and key business leaders came together in pursuit of ambitious, long-term solutions to the world's most significant environmental and social challenges. Companies are being called upon to develop creative, innovative solutions and technologies to better serve society's needs. These historic agreements reflect future policy direction which could impact how we conduct business.

While these global policy agreements call on us to integrate sustainability into our business, we must also address local, state, national and regional regulatory proposals that could affect PepsiCo's ability to operate a successful business. For example, we are facing proposed regulations related to product labeling, sales, advertising and marketing practices, taxes on sugar sweetened beverages and other products.

We therefore participate in public policy dialogue and share our expertise on key issues that support our business strategy and where we or others have identified that we can contribute ideas to solve policy issues. In 2016, these included health and wellness, water and climate change management, land rights and human rights. We aim to make constructive contributions that will lead to policies that help our business, our consumers and other stakeholders thrive in a sustainable fashion.