

Nutrition Risk Management

PepsiCo reviews nutrition-related risk through the PepsiCo Risk Committee (PRC). The PRC is chaired by our Chairman & CEO, and is comprised of a cross-functional, geographically diverse senior management group that meets regularly to identify, assess, prioritize and address our top strategic, financial, operating, business, compliance, safety, reputational and other risks.

The PRC is also responsible for reporting progress on our risk mitigation efforts to the PepsiCo Board of Directors. We are a global food and beverage company operating in highly competitive categories, and we rely on continued demand for our products. Our success depends on, among other things, our ability to anticipate and effectively respond to shifts in consumer trends, including increased demand for products that meet the needs of consumers who are concerned with nutrition and health & wellness.

The achievement of our strategic and operating objectives involves taking risks. To identify, assess, prioritize, address, manage, monitor and communicate these risks across the company's operations, we leverage an integrated enterprise risk management framework, with direct involvement from our Board of Directors, which has oversight responsibility for this framework. One of the Board's primary responsibilities is overseeing and interacting with senior management with respect to key aspects of our business, including risk assessment and risk mitigation of the company's top risks. The Board receives updates on key risks throughout the year.

Our ability to broaden the range of our product portfolio, including expanding our offerings of more nutritious products to adapt to consumer tastes and preferences is reviewed regularly with the Board and the PepsiCo's senior leadership as part of the risk management process. Risk assessments are updated at least annually, and action plans are developed across multiple stakeholders, including our R&D, Global Nutrition, Regulatory, and Public Policy & Government Affairs (PPGA) groups, as well as across our key markets.

As part of the Product pillar of our Performance with Purpose agenda, specific steps are taken to mitigate this risk. For example, we will continue to:

- Expand our offerings of more nutritious products in both developed and developing markets.
- Reduce added sugar, sodium and saturated fat, while continuing to focus on the great taste consumers expect from our products.
- Expand our Affordable Nutrition business, with a focus on markets within Latin America and Sub-Saharan Africa.

The Public Policy & Sustainability Committee of the Board has reviewed each of the goals within the Product pillar of our Performance with Purpose agenda.