

## **Product Safety & Quality**

Food safety is a top priority for PepsiCo. Our products are sold in many countries around the world, and we have the responsibility to ensure the safety and quality of our products for our consumers to enjoy, every day.

## Our Approach and Performance

PepsiCo has global quality and food safety standards, applied appropriately in each local market. We use approved ingredients and suppliers, and follow all applicable regulations issued by government and regulatory authorities. Our products are traceable, which enables us to quickly investigate and address any potential concerns in the marketplace.

The PepsiCo Global Food Safety strategic plan meets key food safety objectives, defined by a qualified global team. We ensure that product design is properly vetted, and that products are procured, made and sold under applicable standards. We have created sustainable programs and systems using a risk-based approach to improve internal agility while adapting to the changing external environment. Some examples include: implementation of agile product development stages to vet products prior to commercialization, risk-based auditing programs, updating ingredient specifications to reduce supplier input risk, and continuous improvement of food safety record keeping practices.

In response to FDA's implementation of the Food Safety Modernization Act (FSMA), the most sweeping change to food law since the Food, Drug and Cosmetic Act of 1938, PepsiCo has taken numerous actions. We have established a FSMA Leadership Team, which ensures that all covered facilities are in compliance with all applicable FSMA regulations, training is conducted, and all records are kept per the regulatory requirements. PepsiCo is committed to learning from FSMA and incorporating such learnings into our global standards.

PepsiCo utilizes globally recognized third-party organizations through the Global Food Safety Initiative (GFSI) certification process to conduct independent audits to assess our manufacturing sites' food safety management practices. These audits require a detailed inspection assessing food safety hazards based on standard requirements. Our audit strategy also includes a thorough physical GMP inspection of each site by AIB International, periodically, based on risk.

## Governance & Management

PepsiCo has robust global compliance programs and systems that mitigate food safety risks. These programs and systems are housed within various PepsiCo R&D functions, including Food Safety, Quality Assurance, Scientific Affairs, and Regulatory Affairs, supported with input from many other functions within PepsiCo, and under the governance of the PepsiCo Executive Product Integrity Council ("EPIC"). The Compliance functions are leading efforts to address an increasingly challenging external environment, with increased regulatory expectations.