

	<b>PepsiCo, Inc.</b>	<b>Effective Date:</b> 11/01/2012 Revised September 1, 2018
	<b>Title:</b> <b>GLOBAL ANTI-BRIBERY COMPLIANCE POLICY</b>	<b>Page 1 of 5</b>
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## GLOBAL ANTI-BRIBERY COMPLIANCE POLICY

### OVERVIEW OF THE POLICY

Together with the PepsiCo Global Code of Conduct, this policy emphasizes PepsiCo's obligation to act ethically and responsibly in all business dealings by providing a clear framework that:

- Prohibits both public sector and commercial bribery
- Explains the rules that must be followed regarding gifts, meals, travel, and entertainment relating to Government Officials and customers, suppliers and other third parties
- Identifies required anticorruption due diligence processes to be conducted on third parties
- Outlines requirements for donations, sponsorships, and corporate social responsibility (CSR) activities with a government touchpoint
- Emphasizes the importance of maintaining accurate books and records for all PepsiCo transactions

PepsiCo's **Global Anti-Bribery Compliance Procedures Manual** (Anti-Bribery Manual) contains more detailed guidance on each of these core topics. The Anti-Bribery Manual is available here and on the Compliance & Ethics homepage on myPepsiCo.com. All PepsiCo Personnel have the responsibility to act in accordance with the anti-bribery principles outlined in this policy.

### APPLICABILITY OF THE POLICY

This policy applies to all PepsiCo Personnel, including:

- All PepsiCo associates around the world (including employees of our subsidiaries)
- Members of the PepsiCo Board of Directors when they act in their capacity as directors
- The employees, officers, and directors of any joint venture or affiliate over which PepsiCo has management control

The provisions within this policy also apply, *where appropriate*, to all third parties who are bound by PepsiCo's Supplier Code of Conduct.

#### Who is a Government Official?

- All government employees, including employees of regulatory agencies, departments or other public bodies such as universities
- Any candidate for political office
- Any political party or an official of a political party
- Representatives of public international organizations
- Mayors or other local city officials
- Members of law enforcement
- Employees of a State-Owned Enterprise
- Members of royal families
- Employees of public international charities
- Spouses or immediate family members of any of the above

#### What is a Bribe?

A Bribe is any payment of, or an offer to pay, anything of value (to a Government Official or to any person or entity in the private or commercial sector) if the payment is intended to induce the recipient to misuse his or her position or to obtain or retain an unfair business advantage

#### What is Anything of Value?

Anything of Value could be cash, gift cards, vouchers, gifts, hospitality, meals, goods, services or merchandise, event tickets, retail certificates, entertainment, travel perks, use of vacation homes, airfare or accommodations, special favors such as educational or employment opportunities for friends and relatives, stock options, donations to designated charities, discounts, personal services, loans, co-signing of a loan, or a promise of future employment

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## 1.0 BRIBES AND FACILITATING PAYMENTS

No PepsiCo Personnel may give or offer a Bribe or Facilitating Payment. Although under certain countries' laws a Facilitating Payment may be legal, PepsiCo does not allow Facilitating Payments and considers them to be a violation of this policy. Accordingly, all references within this policy to a Bribe also include Facilitating Payments.

### What is a Facilitating Payment?

A Facilitating Payment is a payment made to a Government Official to expedite non-discretionary actions or services, such as providing police protection or mail service, processing visa, permit or licensing applications, or providing utilities like phone service, water and power; they are not allowed at PepsiCo

If any PepsiCo Personnel receive a demand for a Bribe, they must decline to make the payment (unless it would be unsafe to do so as detailed below), and must promptly report the demand to the local Compliance & Ethics officer or local Law Department. PepsiCo Personnel may make the payment *only* if they have a reasonable good faith belief that a refusal to pay would jeopardize their health and safety. If forced to make a Bribe in order to avoid a dangerous situation, the payment and the surrounding circumstances must be reported immediately to the local Compliance & Ethics officer or local Law Department once out of danger. As discussed in [Section 5.0](#) below, all payments must be accurately recorded.

## 2.0 BRIBERY RISKS RELATING TO THIRD PARTIES

The Company may be liable for the actions of PepsiCo's Third Parties who offer or pay a Bribe to a Government Official. Therefore, this policy prohibits any Bribes made through PepsiCo's Third Parties. It is also a violation of this policy to ignore warning signs suggesting that a Third Party's activities may result in a Bribe being given or offered.

### What is a Third Party?

Under this policy, a Third Party is any entity or individual that PepsiCo hires to conduct business on its behalf, such as suppliers, agents, consultants, vendors, or service providers. Distributors who buy product from PepsiCo at negotiated prices, take title and resell to end users are also considered Third Parties

### Third Party Due Diligence (TPDD)

To protect PepsiCo and promote compliance, PepsiCo has a risk-based Third Party anticorruption due diligence program, known as the TPDD Program. More detail on the TPDD Program, including an explanation of the five-step TPDD process, may be found in [PepsiCo's Global Anti-Bribery Compliance Procedures Manual](#) or please contact Global Compliance & Ethics for further information.

**Note:** No PepsiCo Personnel may engage a Third Party until required anticorruption due diligence processes have been completed. PepsiCo Personnel will be asked at the point of vendor set-up for supporting documentation demonstrating successful completion of applicable TPDD.

## 3.0 GIFTS, MEALS, TRAVEL, AND ENTERTAINMENT

It is never permissible to provide a gift, meal, travel, or entertainment in order to improperly influence Government Officials or customers, suppliers, or other Third Parties. Furthermore, it is never permissible

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to provide to, or accept from, Government Officials, customers, suppliers, or Third Parties a gift of cash (or cash equivalent such as gift cards that may be redeemed for cash).

### Customers, Suppliers, and Other Third Parties

Because a gift or hospitality to or from PepsiCo Personnel is a thing of value, it has the potential to be a Bribe. Before offering or accepting a gift or hospitality, ensure that it is, at a minimum:

- given in good faith, without expecting any return favor or improper benefit or business advantage
- reasonable and customary, meaning consistent with generally accepted standards for professional courtesy
- provided openly and transparently
- given infrequently without creating the appearance of impropriety
- allowed under local laws and regulations

<u>Any gift must also meet the following additional criteria:</u>	<u>Any hospitality must also meet the following additional criteria:</u>
<ul style="list-style-type: none"> <li>• it must be nominal in value (generally under \$75.00 USD)</li> </ul>	<ul style="list-style-type: none"> <li>• have a bona fide and legitimate business purpose</li> </ul>
<ul style="list-style-type: none"> <li>• be given on behalf of PepsiCo and not on behalf of any individual</li> </ul>	<ul style="list-style-type: none"> <li>• be directly related to or associated with the active conduct of Company business</li> </ul>

### Government Officials

Under this policy, PepsiCo Personnel are generally prohibited from providing Anything of Value, including gifts or hospitality, to a Government Official because such acts could violate local anticorruption laws. However, under limited circumstances, a reasonable gift or hospitality involving a Government Official may be permitted, provided that PepsiCo Personnel **receive prior written approval of the local Compliance & Ethics officer or local Law Department**, and the expense meets the bulleted requirements described above.<sup>1</sup>

All gift, meal, travel and entertainment pre-approval requests for Government Officials must be submitted by completing the online form available here or on the Compliance & Ethics homepage on myPepsiCo.com (the Pre-approval Form). PepsiCo Personnel will be prompted to complete a brief online form.

When seeking reimbursement for any gifts, meals, travel and entertainment provided to Government Officials, PepsiCo Personnel must clearly specify on their reimbursement reports the name, title, and government affiliation of the Government Official and the purpose for the expense, and must submit a

<sup>1</sup> Separate approvals relating to campaign finance, government ethics, lobbying and disclosure laws may be necessary since country-specific laws and regulations may impose restrictions and exemptions that are different from those outlined in this policy.

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receipt for the expenditure, regardless of the value. The written pre-approval authorizing the expenditure must also be submitted.

#### Exemptions from the Pre-Approval Requirement

*Subject to applicable local laws and regulations*, pre-approval is not necessary for gifts, meals, travel, or expenses related to Government Officials only in the following narrow situations:

- giving (or with respect to a Government Entity, donating, see Section 4.0 below) promotional or advertising items with PepsiCo’s logo, with a value of \$75.00 USD or less per Government Official (not to exceed \$200.00 USD per Government Official per year, and with respect to a Government Entity, not to exceed \$1,000.00 USD per year)
- *de minimis* hospitality for Government Officials such as a sandwich, beverage, snack, etc., whether on or off PepsiCo premises and totaling \$10.00 USD, so long as the hospitality is provided in connection with the active conduct of Company business

Note: neither of these exemptions allows for recurring/repetitive hospitality for a Government Official, even at \$10.00 USD or less each time, from any one PepsiCo source.

Even when legally permissible, employees must not give, offer or accept Anything of Value, including gifts or hospitality, if doing so would violate any of PepsiCo’s policies. There are a number of global policies that also address gifts, meals, travel, and entertainment, including PepsiCo’s Global Code of Conduct, Smart Spending Global Events and Sponsorships Policy, and Smart Spending Global Travel & Entertainment Policy. Please refer to these global policies and any relevant sector or country-specific policies.

#### 4.0 CHARITABLE DONATIONS AND SPONSORSHIPS HAVING GOVERNMENT TOUCHPOINTS (INCLUDING CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES)

Charitable donations (of cash or product) or sponsorships made directly to a Government Official are never allowed. However, donations to, or sponsorships of, government entities or *relating to* Government Officials, may be given in limited circumstances. For purposes of this policy, a donation or sponsorship recipient is considered “relating to” a Government Official if the recipient entity is owned, managed, or directly controlled by a government entity or a Government Official (e.g., where a Government Official sits on the board).

Since Corporate Social Responsibility (CSR) activities frequently involve interactions with local municipalities, any CSR initiative having a government touchpoint is also covered by this policy. This policy does not, however, address charitable donations, sponsorships or CSR activities made by PepsiCo to non-government (commercial) entities or private individuals.

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All such donations must be made only for purely charitable purposes, with no expectation of receiving any improper business advantage in return. All such sponsorships must be made to foster legitimate business interests.

### Pre-Approval Requirement

If a donation or sponsorship concerns a government entity or relates to a Government Official and is *not already subject to legal review*, **prior written approval of the local Compliance & Ethics officer or local Law Department** must be obtained. All pre-approval requests must be submitted in writing by completing the online form in the manner described in Section 3.0 above.

Please consult the local Compliance & Ethics officer or local Law Department for **additional mandatory requirements** for charitable donations, sponsorships and CSR activities having government touchpoints.

## 5.0 ACCURATE BOOKS AND RECORDS

The U.S. Foreign Corrupt Practices Act requires PepsiCo to keep accurate books and records and to establish appropriate internal controls for all business transactions to, among other reasons, prevent the concealment of improper payments. PepsiCo requires that its books and records must fairly and accurately reflect the facts of a transaction and give enough information to provide a complete understanding of the transaction. Transactions should never be made without proper manager approval and should be recorded in a transparent manner which allows for the accurate preparation of financial statements.

It is the responsibility of all PepsiCo Personnel to ensure that they comply with the books and record-keeping requirements applicable to their roles and responsibilities.

## 6.0 REPORTING SUSPECTED VIOLATIONS

All PepsiCo Personnel are required to report suspected violations of this policy or any anticorruption law. Reports of suspected violations should be made to the local Compliance & Ethics officer or local Law Department. Alternatively, suspected violations may be reported through the PepsiCo Speak Up line. Reports made to the Speak Up line can be anonymous in countries where permitted by law. Our Global Non-Retaliation Policy prohibits retaliation against any individual who reports in good faith what he or she believes to be a violation of our Global Code of Conduct, our policies or the law.

## 7.0 DISCIPLINE FOR POLICY VIOLATIONS

Any PepsiCo Personnel who violate this policy will be subject to discipline, as determined by the Company, including termination of employment.