



Purpose and Scope

At PepsiCo, we believe acting ethically and responsibly is not only the right thing to do, but also the right thing to do for our business. PepsiCo has developed a Global Supplier Code of Conduct (“**Supplier Code**”) to clarify our global expectations in the areas of business integrity, labor practices, associate health and safety, and environmental management. PepsiCo’s Supplier Code is intended to complement PepsiCo’s Global Code of Conduct and the company’s other policies and standards referenced therein.

Suppliers, vendors, contractors, consultants, agents and other providers of goods and services who do business with PepsiCo entities worldwide are expected to follow this Code.

Business Conduct Principles

PepsiCo expects its suppliers to conduct business responsibly, with integrity, honesty, and transparency, and to adhere to the following principles:

1. **Maintain awareness and comply with all applicable laws and regulations of the countries of their operation.**
2. **Compete fairly for PepsiCo’s business, without paying bribes, kickbacks or giving anything of value to secure an improper advantage.**
PepsiCo is committed to conducting business legally and ethically within the framework of a free enterprise system. Corrupt arrangements with customers, suppliers, government officials, or other third parties are strictly prohibited. “Corruption” generally refers to obtaining, or attempting to obtain, a personal benefit or business advantage through improper or illegal means.
3. **Encourage a diverse workforce and provide a workplace free from discrimination, harassment or any other form of abuse.**
PepsiCo suppliers shall create a work environment in which employees and business partners feel valued and respected for their contributions. Harassment, including unwelcome verbal, visual, physical, or other conduct of any kind that creates an intimidating, offensive or hostile work environment will not be tolerated. Employment decisions must be based on qualifications, skills, performance, and experience.
4. **Treat employees fairly, including with respect to wages, working hours and benefits.**
PepsiCo suppliers shall comply with all applicable legal and regulatory requirements and will generally apply sound employee relations practices. Working hours, wages, benefits will be consistent with laws and industry standards, including those pertaining to minimum wages, overtime, other elements of compensation, and legally mandated benefits.
5. **Prohibit all forms of forced or compulsory labor.**
PepsiCo suppliers shall maintain and promote fundamental human rights. Employment decisions will be based on free choice and there may be no coerced or prison labor, and no use of physical punishment or threats of violence or other forms of physical, sexual, psychological or verbal abuse as a method of discipline or control.
6. **Prohibit use of child labor.**
Suppliers shall adhere to the minimum employment age limit defined by national law or regulation, and comply with relevant International Labor Organization (ILO) standards. In no instance shall a supplier permit children to perform work that exposes them to undue physical risks that can harm physical, mental, or emotional development or improperly interfere with their schooling needs.
7. **Respect employees’ right to freedom of association and collective bargaining, consistent with local laws.**
Consistent with applicable law, PepsiCo suppliers shall respect employees’ rights to join or refrain from joining associations and worker organizations.



8. Provide safe and healthy working conditions.

PepsiCo suppliers shall proactively manage health and safety risks to provide an incident-free environment where occupational injuries and illnesses are prevented. Suppliers must implement management systems and controls that identify hazards and assess and control risk related to their specific industry. Also, suppliers shall provide potable drinking water and adequate restrooms; fire exits and essential fire safety equipment; emergency aid kits and access to emergency response including environmental, fire and medical.

9. Carry out operations with care for the environment and comply with all applicable environmental laws and regulations.

The potential environmental impacts of daily business decision-making processes should be considered along with opportunities for conservation of natural resources, recycling, source reduction and pollution control to ensure cleaner air and water and to reduce landfill wastes.

10. Maintain accurate financial books and business records in accordance with all applicable legal and regulatory requirements and accepted accounting practices.

11. Deliver products and services meeting applicable quality and food safety standards.

PepsiCo is committed to producing high quality and safe products across all of our brands. Suppliers involved in any aspect of developing, handling, packaging or storing our products are expected to:

- Know and comply with the product quality standards, policies, specifications, and procedures that apply to the products produced at your location
- Follow and adhere to good manufacturing practices and testing protocols
- Comply with all applicable federal, state, and local food safety laws and regulations
- Report issues immediately to PepsiCo that could negatively affect the quality or public perception of a PepsiCo product

12. Support compliance with the Supplier Code by establishing appropriate management processes and cooperating with reasonable assessment processes requested by PepsiCo.

To conduct business with PepsiCo, suppliers must enter into contracts and execute purchase orders that mandate compliance with the Supplier Code. With prior notice, PepsiCo may conduct reasonable audits to verify Supplier's compliance with the Supplier Code.

13. Observe PepsiCo's policies regarding gifts and entertainment and conflicts of interest when dealing with PepsiCo employees.

PepsiCo suppliers are prohibited from providing or offering gifts to PepsiCo employees that could inappropriately influence PepsiCo's business decisions or gain an unfair advantage.

14. Report suspected violations of the Code.

Supplier's employees or contractors may report suspected violations of this Code to the PepsiCo "Speak Up" hotline at 1-866-729-4888 in the United States or to dedicated phone lines in other countries throughout the world. A list of international hotline telephone numbers is attached to this Supplier Code and may be updated from time to time as reflected at <http://www.pepsico.com/Company/Speak-Up.html>.

The "Speak Up" hotline is available worldwide on a 24/7 basis. Communications may also be made electronically at "Speak Up" web-line address <http://www.pepsico.com/Company/Speak-Up.html>. All such reports are treated as confidential, whether provided through our Speak Up telephone or web-line, and you may remain anonymous where permitted by law.