

Global Policy on Animal Welfare

April 2020

Introduction and scope

PepsiCo shares concerns regarding the ethical and humane treatment of animals. As a major food and beverage company, we strive for sustainable practices in all of our business areas, including animal well-being. Among our broad, global portfolio of products, PepsiCo has a dairy business and other products that use animal ingredients, for example, cheese seasonings, eggs in baked items such as cookies and biscuits, and chicken broth in some of our food product seasonings. Apart from our dairy business, animal products are a relatively small aspect of our supply chain.

Working closely with our suppliers and other stakeholders is vitally important to improving animal welfare in our global supply chains. Many of the animal ingredients we purchase do not come directly from farmers, which makes suppliers key partners to driving improvements. All suppliers to PepsiCo are held to the standards set in our [Supplier Code of Conduct](#) and are urged to support the principles laid out in this policy as well as our [Sustainable Agriculture Policy](#).

Five Freedoms of Animal Welfare

Good animal health and proper animal handling and care are essential elements of responsible food production. With all of our farmers, we emphasize responsible animal care and focus on continuous improvement. We understand the importance of the internationally-recognized Five Freedoms for animal well-being and we urge our farmers to strive for these fundamental principles, which include:

1. Freedom from hunger and thirst,
2. Freedom from discomfort,
3. Freedom from pain, injury, or disease,
4. Freedom to express normal behavior, and
5. Freedom from fear and distress.

PepsiCo aims to ensure these five freedoms to support good physical and mental wellbeing for all animals within our direct supply chain. This in turn allows for the production of high-quality, safe ingredients for our products.

Specific Focus Areas within our Supply Chain

Dairy Cattle

PepsiCo works with our direct dairy farmers in support of animal care standards that ensure a healthy herd. We expect our suppliers to adhere to the following principles:

- Herd Management and Care: Promote animal care in the dairy supply chain through the use of best management practices, as they are increasingly available.
- Herd Health: Promote good herd health practices. This includes optimal timing of veterinary procedures, adequate use of analgesia or anesthesia, appropriate use of antibiotics, and routine animal assessments to gauge wellbeing.
- Special Needs Management: Suppliers should ensure that animals requiring extra attention receive the appropriate treatment through the employment of targeted special needs practices.

We understand that local context effects how far and how fast farmers can go when integrating sustainability into their operations, and we support our dairy farmers to adopt science-based procedures that are cow-focused with high animal care standards. We encourage the use of new science-based approaches and encourage our farmers to have a farm and animal welfare plan to drive continuous improvement.

Cage Free Eggs

We are committed to working with our partners toward sourcing 100% cage-free eggs in the U.S. by the end of 2020 and global markets by the end of 2025.

Broiler Chickens

We support and encourage our suppliers' efforts to transition to use nationally or internationally recognized standards for broiler chicken welfare, including criteria related to lighting, litter, stocking density and humane processing techniques, among other factors.

Animal Testing

PepsiCo does not conduct animal tests with respect to our food and beverage products or ingredients, except when required by law to demonstrate safety or efficacy. In these specific instances, our ingredient suppliers, PepsiCo, as well as trade associations use qualified third-party laboratories to conduct such tests following internationally accepted guideline protocols. PepsiCo may provide financial support for these studies on a case-by-case basis.

We encourage the use of validated alternative testing methods whenever feasible and have financially supported research to develop the appropriate use of these alternative methods.

Our Commitment to Action, Transparency and Engagement

To achieve our long-term vision of good animal health and well-being, PepsiCo aims to:

- Engage in on-going dialogue with suppliers and other stakeholders to improve animal welfare standards and meet our commitments,
- Promote greater transparency in our supply chain, and
- Report regularly on our progress.

Signed:

A handwritten signature in black ink, appearing to read "David Yawman".

David Yawman

Executive Vice President of Governmental Affairs, General Counsel
and Corporate Secretary

Date: January 2020

Authorized by: Global Public Policy