



MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2024



PEPSICO





Introduction

This statement outlines the steps we have taken to help prevent, identify, and address modern slavery risks across our business and supply chain. This statement covers PepsiCo, Inc. and its consolidated subsidiaries, including the identified reporting entities.¹ It covers the fiscal year ending December 28, 2024.

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¹ This consolidated statement addresses the 2010 California Transparency in Supply Chains Act, UK Modern Slavery Act 2015, the Australian Modern Slavery Act 2018 (Commonwealth), the Norwegian Transparency Act 2021, and the Canadian Fighting Against Forced Labor and Child Labor in Supply Chains Act 2023. Reporting entities under the 2010 California Transparency in Supply Chains Act include: PepsiCo, Inc. Reporting entities under the UK Modern Slavery Act 2015 include: PepsiCo International Limited, Walkers Snacks Limited, Walkers Snack Foods Limited, and Walkers Snacks (Distribution) Limited. Reporting entities under the Australian Modern Slavery Act 2018 include: PepsiCo Foods Group Pty Ltd, PepsiCo ANZ Holdings Pty Ltd, and The Smith's Snackfood Company Pty Limited. Reporting entities under the Norwegian Transparency Act 2021 include: PepsiCo Nordic Norway A/S and SodaStream International B.V Norway Branch. Reporting entities under the Canadian Fighting Against Forced Labor and Child Labor in Supply Chains Act 2023 include: The Pepsi Bottling Group (Canada), ULC, and PepsiCo Canada ULC.



About PepsiCo

OUR BUSINESS

PepsiCo is one of the world's leading beverage and convenient food companies. Our products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo generated nearly \$92 billion in net revenue in 2024, driven by a complementary beverage and convenient foods portfolio that includes Lay's, Doritos, Cheetos, Gatorade, Pepsi-Cola, Mountain Dew, Quaker, and SodaStream. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including many iconic brands that generate more than \$1 billion each in estimated annual retail sales.

Through our operations, authorized bottlers, contract manufacturers and other third parties, we make, market, distribute and sell a wide variety of beverages and convenient foods. We operated approximately 300 manufacturing plants and employed approximately 319,000 people worldwide as of December 28, 2024, including approximately 134,000 people within the United States.

OUR SUPPLY CHAIN

PepsiCo has a large and diverse supply chain that spans more than 60 countries and includes tens of thousands of direct suppliers. Our products also depend on a variety of safe, high-quality, and affordable ingredients and materials to meet the demands of our business as well as the expectations of our consumers.

For more information on our business and supply chain, please see our latest [Annual Report](#).

Governance and Policy Framework

GOVERNANCE

We believe that strong governance is the foundation for embedding respect for human rights throughout our business. PepsiCo's **Board of Directors** considers sustainability issues to be an integral part of its business strategy oversight. Throughout the year, the Board and the relevant Committees, such as the Sustainability and Public Policy Committee, receive updates from and discuss with management sustainability and human capital management, and public policy matters.

PepsiCo's **Global Human Rights Office** is charged with setting and driving the company's human rights strategy across our business and supply chain. It is led by the company's **Chief Human Rights Officer**, who reports directly to our Executive Vice President, General Counsel and Corporate Secretary. The Human Rights Office works closely with leaders across our various business units to operationalize our approach, conduct ongoing human rights due diligence, and drive our human rights strategy. For example, representatives for each reporting entity are consulted by and work with the Global Human Rights Office to help ensure consistency in our efforts to identify and mitigate potential modern slavery risks across our business and supply chain.

The **Human Rights Operating Council (HROC)** is a cross-functional group of senior business leaders that supports and advises the Global Human Rights Office on its efforts to embed and operationalize the company's human rights strategy. The HROC receives progress and trend updates, reviews our due diligence findings, and provides ongoing feedback to help shape key initiatives and determine our future priorities.

POLICY FRAMEWORK

Our policies play an integral role in our work to embed respect for human rights throughout our business. We have established a series of policies that outline our commitment to human rights and explicitly prohibit the use of forced labor, child labor, and human trafficking in our business and supply chain.

Our [Global Human Rights Policy](#) outlines the core standards and expectations we have established for our employees in the area of human rights. This policy is incorporated into our Global Code of Conduct and applies to all PepsiCo employees, including employees of PepsiCo's consolidated subsidiaries. Our Global Human Rights Policy was most recently revised in late 2024, with publication anticipated in 2025.

Our [Global Code of Conduct \(Code\)](#) is the foundation of our commitment to ethical excellence and provides a roadmap of the policies and standards that govern how we do business around the world. The Code recognizes the importance of promoting human rights throughout our operations and mandates compliance with our Global Human Rights Policy. It applies to all PepsiCo employees, including employees of PepsiCo's consolidated subsidiaries.

Our [Global Supplier Code of Conduct \(SCoC\)](#) outlines the expectations we have of our suppliers in the areas of business integrity and anti-corruption, human rights and labor practices, health and safety, and environmental management. We expect our direct suppliers, vendors, contractors, consultants, agents, and other providers of goods or services who do business with or on behalf of PepsiCo ("suppliers") to comply with the standards outlined in the SCoC and apply these principles throughout their supply chain through contractual obligations, where possible. Our SCoC was also revised in late 2024, with publication anticipated in 2025.



Training and Awareness Raising

We believe ongoing training and awareness raising are also critical to embedding respect for human rights and strengthening capacity throughout our business and supply chain. To support our work in this area, we have established regular communication channels and formal training programs for our employees and strategic, tier-1 suppliers. These programs help us raise awareness of potential issues, communicate our policies and standards, and provide guidance on how to help prevent, identify, and respond to potential human rights issues, such as forced labor.

ENGAGING OUR EMPLOYEES

Every year, we require employees at all levels of the company to complete a training on our Global Code of Conduct. The Code training is designed to help ensure that our employees understand their obligation to comply with our Code and the behaviors expected under it, including compliance with our Global Human Rights Policy. More information on our 2024 trainings can be found on our [Ethics and Integrity webpage](#). The Code is regularly communicated to associates through internal communications, as appropriate. In addition to the annual Code training, in 2024, PepsiCo's Human Rights Office conducted training sessions with nearly 800 PepsiCo employees on topics such as human rights due diligence and forced labor prevention.

ENGAGING OUR STRATEGIC, TIER-1 SUPPLIERS²

Our Global Human Rights Due Diligence Program engages our strategic, tier-1 suppliers of our key ingredients and materials and helps build capabilities on the expectations outlined in our SCoC, including the prohibitions on forced and child labor. In late 2024, we revised our SCoC and the accompanying Supplier Code of Conduct Training to help clarify our expectations and provide additional guidance. We also anticipate launching the revised SCoC and SCoC Training to our strategic, tier-1 suppliers in 2025. In 2024, we also continued to support and catalyze broader industry training and capability initiatives, which included:

- Co-sponsoring an AIM-Progress grievance mechanism capacity building program in Brazil to support local suppliers in improving existing industry-level grievance management systems, and
- Continuing to co-sponsor the AIM-Progress Tackling Forced Labor and Child Labor Initiative, which has trained nearly 800 representatives from sanitation providers, labor providers, and co-manufacturers and co-packers across the food and beverage industry in the United States.

² A tier-1 supplier is a company that supplies products, goods, or services directly to PepsiCo, Inc.



Human Rights Due Diligence

RISK IDENTIFICATION

As one of the world's leading beverage and convenient food companies, we recognize there are a variety of ways that our business activities might directly or indirectly impact human rights. While we strive to address all potential risks across our business and supply chain, in line with the UN Guiding Principles, we apply a saliency lens to help prioritize our efforts. Forced labor was identified as one of our salient human rights issues during our most recent review in 2022. We take a multidimensional approach to identifying potential forced labor risks across our business and supply chain that considers a variety of sources such as external risk indices, supplier assessment and audit findings, input from internal and external experts, and analysis of industry trends.

OUR DUE DILIGENCE PROCESS

We have an established due diligence process that helps us assess potential human rights risks in our business and supply chain, integrate insights into our internal systems, track the effectiveness of our actions, and communicate on our progress. Underlying this process is our Global Human Rights Due Diligence Program which helps us assess, identify, and remediate impacts across our business and supply chain. Learnings and insights from this program are integrated into our internal processes to help ensure that we have the appropriate policies and systems in place.

Owned Operations

Our Global Human Rights Due Diligence Program utilizes a risk-based approach to assess, mitigate, and address potential impacts across our nearly 300 company-owned manufacturing sites worldwide. Audits are semi-announced and conducted by independent, third-party auditors and leverage Sedex Members Ethical Trade Audit (SMETA) 2-Pillar protocol requirements to help ensure ongoing compliance with local law, PepsiCo's policies, and international human rights standards.

Supply Chain

For our strategic, tier-1 suppliers of key ingredients and materials, as well as contract manufacturing and co-packing locations worldwide, our Global Human Rights Due Diligence Program utilizes scored self-assessments and semi-announced third-party audits to identify and assess potential impacts of human rights, labor practices, and environmental issues. Audits are also conducted by independent, third-party auditors and leverage Sedex Members Ethical Trade Audit (SMETA) 4-Pillar protocol requirements to help ensure ongoing compliance with local law, PepsiCo's Global Supplier Code of Conduct, and international human rights standards.

ADDRESSING NON-COMPLIANCES

In 2024, we assessed 66 of our company-owned manufacturing operations across 21 countries and territories and conducted or recognized 481 on-site or virtual audits of our strategic, tier-1 suppliers



Photo by Sarah Mercadante, PepsiCo Global Sustainable Agriculture

Human Rights Due Diligence (continued)

across 45 countries and territories. Non-compliances identified through our assessments or audits are addressed through the implementation of corrective action plans, which have a set timeframe depending on the type and severity of the non-compliance.

In 2024, we identified two potential forced labor-related non-compliances in the 547 audits conducted or recognized by our Global Human Rights Due Diligence Program across our business operations and tier-1 supply chain. The first instance involved two third-party labor providers in Saudi Arabia, where our third-party auditors identified that select worker identification documentation was being held by the labor providers in question. This was escalated to PepsiCo's Global Human Rights Office, and we began working with the supplier to better understand the situation and to assess whether workers had free access to their documentation. Upon further review and validation from the on-site auditors, it was confirmed that the documents were being held for safekeeping at the wishes of select workers. The process for returning the documents was tested and validated, and the site conducted a further review of its policy and process for handling these types of worker requests in the future. The second instance involved a third-party supplier in Türkiye, where our third-party auditors determined that several temporary foreign workers were required to pay monthly medical fees to their employer. We engaged the supplier, who quickly suspended the practice. This resulted in a formal change to the supplier's management practices to ensure that it does not charge medical or other related recruitment fees moving forward.

MEASURING OUR PERFORMANCE

In line with the UN Guiding Principles Reporting Framework, we strive to report on our progress. We use insights from our due diligence programs, grievance mechanisms, and stakeholder feedback to monitor and track our human rights performance and continuously inform our approach. Each year we continue to see improvement in supplier site performance as suppliers learn from initial audit findings, strengthen their management systems, and demonstrate closure through corrective action plans and subsequent follow-up audits.

STAKEHOLDER ENGAGEMENT

Our engagement approach focuses on an open and continuous dialogue with a wide range of stakeholders, including workers, NGOs, trade unions, investors and customers, to gain both global and local perspectives on the performance of our program. We also recognize the importance of capturing the voice of rights holders through this process and aim to engage with potentially and actually affected rights holders (e.g. through direct engagement, legitimate representatives, etc.) in the development and management of our human rights approach.



Grievance Management

We recognize that our policies and programs may not prevent all adverse impacts across our business and supply chain. Our aim is to provide or cooperate in effective remedy where we have caused or contributed to those impacts and to use our leverage to encourage our suppliers to help enable remedy where we learn there are impacts directly linked to our business operations or products. To help facilitate this process, we have established several avenues that allow our employees, and other stakeholders to raise grievances and seek remedy. Data and insights from these mechanisms are regularly reviewed by our Human Rights Office to identify trends and integrate learnings into our approach and programs.

DIRECT OPERATIONS

All PepsiCo employees have an obligation to report suspected violations of our [Global Code of Conduct](#), policies, or applicable law. Our employees have multiple channels for reporting issues and seeking advice, including their manager, Human Resources, the Law Department, the Global Compliance and Ethics Department and our [Speak Up hotline](#). Speak Up is a toll-free ethics hotline operated by an independent third-party that provides PepsiCo employees, consumers, suppliers and business partners and community members with a 24/7,

anonymous and confidential means of reporting suspected violations. Speak Up is accessible anywhere in the world, with dedicated toll-free phone lines in more than 70 countries in multiple languages and by web in 28 languages. Our latest Speak Up usage report can be viewed [here](#).

SUPPLY CHAIN

We expect our suppliers to operate with the same high standards of integrity to which we hold ourselves. This expectation includes having an effective grievance management system in place for their operations and prohibiting potential retaliation against individuals who raise concerns. To complement their systems, their employees and contractors may also report suspected violations of our policies and standards through the PepsiCo Speak Up Hotline, which is made available through our Global Supplier Code of Conduct and Supplier Training. We have also established a grievance process for our agricultural supply chain to complement our existing Speak Up program and help us manage environmental and social concerns raised about our agricultural supply chain. The process allows third parties to raise concerns with respect to our agricultural supply chain.



Looking Forward

We are committed to implementing the United Nations Guiding Principles on Business and Human Rights throughout our business and continuing to report on our efforts to advance our work to help prevent, identify, and address potential modern slavery risks in our business and supply chain.

This statement has been reviewed and approved by PepsiCo's Board of Directors on behalf of PepsiCo, Inc. and each of the reporting entities.

Signed on behalf of PepsiCo's Board of Directors,



A handwritten signature in black ink, which appears to read "Ramon Laguarta".

Ramon Laguarta
Chairman & Chief Executive Officer PepsiCo, Inc.
May 6, 2025