



ANNEX A

PepsiCo Beverages Italia S.r.l.

CODE OF ETHICS

Approved by the Board of Directors on 5.12.2018

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Introduction

PepsiCo has had operations in the Italian market since 1960 under franchising agreements and since 1995 with its affiliate PepsiCo Beverages Italia, S.r.l. (hereinafter, “PepsiCo Italy” or the “Company”), which today employs about 200 people, with headquarters in Milan and one production site in Scorzè.

PepsiCo Italy mainly operates in the sector of non-alcoholic carbonated beverages since the beginning of its activity, in particular with the brand *Pepsi*, to which isotonic drinks (Sport Drinks) were added with *Gatorade* in 2002. In 2006, *Tropicana* fruit juices were added to the range; in 2007, an important joint venture with Unilever was finally signed involving the production, marketing and promotion of *Lipton* iced tea. Since January 2011, it has also been distributing *Looza* juices under exclusive rights in the HoReCa market. February 2014 finally marked the arrival in Italy of *Lay’s*, one of the most popular potato-chip brand in the world, fully incorporated within the Italian branch’s product range starting from July 2017.

Purpose of the document

In order to clearly and transparently define the values and principles which inspire the Company’s actions and its rules of conduct aimed at regulating its activities, PepsiCo Italy has prepared this Code of Ethics. Compliance with it is required of all those who in any capacity co-operate with the Company in the performance of its business activities.

PepsiCo Italy has implemented the requirements of Legislative Decree No. 231/2001 (hereinafter also referred to as the “Decree”) and has therefore approved an Organization, Management and Control Model (hereinafter also referred to as “Model 231” only) and appointed a Supervisory Body with the task of supervising the operation of and compliance with Model 231.

This Code of Ethics, a substantial and integral part of Model 231, constitutes the charter of rights and moral duties from which the Company takes inspiration in its activities and defines the ethical and social responsibility of all those involved in the corporate enterprise.

With these tools, PepsiCo Italy intends to prevent any irresponsible or illegal behaviour by those who work in the name and on behalf of the Company, because it introduces a clear and explicit definition of ethical and social responsibilities towards the various internal and external stakeholders.

The Company's image and reputation are a consequence of its work ethics and are essential resources for its operation; they are therefore inseparable from respect for the commitments and ethical goals set out in this Code, whose main purpose is to outline everyone's responsibilities for the achievement of business objectives according to the principles of integrity and creation of a relationship of trust.

1 SCOPE AND RECIPIENTS

PepsiCo Italy acknowledges the positive ethical value of the stated principles and rules of conduct laid down in the Code of Ethics (hereinafter the Code); it also considers the adoption of what is being set out herein as fundamental and regulatory for the purpose of the transparency and legality of all activities associated with the Company in any way.

The principles, rules of conduct and behaviour set out in this Code are binding on the Corporate Bodies and their members (Directors and Sole Statutory Auditor), employees (persons under a contract of employment and managers), self-employed workers (such as contract workers, interns and staff leasing / temporary workers), third-party consultants, suppliers, customers, agents, contractors and other self-employed workers, or persons acting in the name and/or on behalf of the Company under an agreement or other contractual relationship, hereinafter collectively referred to as "Recipients".

Recipients of the rules of the Code of Ethics are required to observe the provisions contained herein and to adapt their behaviour and actions to the stated principles. To this end, this Code of Ethics will be disseminated as set out in paragraph 11.

2 ETHICAL PRINCIPLES

This Code of Ethics aims to express the key ethical values of PepsiCo, namely:

2.1 Legality

The Company considers legality an indispensable value in the conduct of its business activities. It therefore undertakes to comply with applicable laws, the Code of Ethics, the Global Code of Conduct and generally accepted practices.

2.2 Integrity and Transparency

Any and all activities carried out in the name and on behalf of PepsiCo Italy will be based on respect for the principles of integrity and transparency and will be conducted with loyalty and sense of responsibility, fairness and in good faith. The Company undertakes to ensure fairness, completeness, accuracy, uniformity and timeliness in the management and disclosure of corporate information, thus avoiding misleading behaviour wherefrom an undue advantage may be drawn.

2.3 Social Equity and Value of People

The Company respects the fundamental rights of the people with whom in any capacity it interacts, protecting their physical and moral integrity and ensuring equal opportunities.

The Company rejects all forms of discrimination based on age, gender, sexual orientation, state of health, race, nationality, cultural background, political opinions and religious beliefs.

In particular, the Company provides employees and self-employed workers with a safe and healthy workplace and working conditions that are respectful of individual dignity.

2.4 Diligence and Professional Ethics

The members of Corporate Bodies and employees and self-employed workers undertake to diligently perform their professional duties, act in the interest of the Company pursuing effectiveness and efficiency objectives in the full knowledge that ethics are of primary importance for PepsiCo Italy and that therefore any behaviour which, while in appearance may be aimed at hypothetically benefiting the Company, is in contrast with applicable legislation or with this Code of Ethics will not be tolerated.

2.5 Confidentiality

The Company undertakes to treat as confidential any information obtained while carrying out its business activities within the organization, ensuring full and timely compliance with any security and data protection measures entered in its information systems and archives.

2.6 Protection of the Environment

The Company is aware of the direct and indirect effects of its activities on economic and social development and on the community's general well-being, as well as of the importance of social acceptance of the communities in which it operates.

PepsiCo Italy, therefore, plans its activities by seeking a balance between economic initiatives and essential environmental needs, not only in compliance with applicable legislation, but also in consideration of the rights of future generations.

PepsiCo Italy undertakes to ensure that its projects, processes, methods and materials take into account the development of scientific research and the best experiences in environmental matters, in order to respect the territorial balance, prevent pollution and protect the environment and the natural landscape.

The Company has adopted an effective environmental management system that complies with all national and international regulations on the subject. The key principles that inspire the Company's actions are:

- do not pollute;
- reduce the environmental impact of corporate activities;
- continually optimize the use of resources.

Corporate activities will be carried out by minimizing any type of emissions, based on available technologies.

In order not to damage the environment, the Company will carry out specific checks aimed at minimizing polluting emissions.

Furthermore, any waste generated by corporate operations will be properly stored and disposed of through the use, where necessary, of specialized and qualified entities.

The Company wishes to preserve public trust in regard of the integrity of its activities by publishing reports and taking part in open discussions with other parties in order to improve knowledge of the environmental issues related to its business activities.

2.7 Attention to Customers

PepsiCo Italy considers customers the focus of its business activities.

In order to satisfy customer requests and create value for them, the Company is committed to ensuring professional ethics, punctuality, availability, courtesy, cooperation and high-quality standards by providing the highest level of service.

3 PRINCIPLES OF CONDUCT IN BUSINESS MANAGEMENT

3.1 General Principles

3.1.1 Compliance with Applicable Legislation

When carrying out its activities, the Company will act in compliance with applicable (national or international) legislation and will require the Recipients of this Code of Ethics to comply with such obligation and to hold behaviour that does not bring harm to the Company's moral and professional reliability.

In particular, the Company and the Recipients will, when carrying out their activities, act in full compliance with national and international laws and regulations applicable to the Company, including laws on taxes and duties, on the protection of intellectual and industrial property rights and copyright, and competition and antitrust laws.

3.1.2 Conflicts of Interest

The Company's Corporate Bodies, Employees and Self-Employed Workers must ensure that every business decision is taken in the Company's interest, in line with the principles of appropriate corporate and business management laid down by the Company itself. They must therefore avoid all situations and activities in which a conflict of interest may arise between personal or family economic activities and the professional duties they perform, such as to interfere with or impair their ability to make decisions impartially and objectively (for example a self-employed worker should avoid pursuing an interest other than that of the Company or "personally" taking advantage of the Company's business opportunities or a corporate officer should be prevented from pursuing a personal interest by taking advantage of his/her position within the Company).

Recipients will therefore avoid any abuse of their position for the purpose of obtaining an undue advantage for themselves or others.

Any situations of conflict, whether potential or otherwise, must be promptly communicated in detail to the Company and the party in conflict must refrain from carrying out or participating in acts that could bring harm to the Company or compromise its reputation.

3.1.3 Vigilance in Business Transactions

In commercial transactions, particular vigilance is required in receiving and spending coins, banknotes, credit instruments and valuables in general, in order to avoid the danger of placing counterfeit or altered securities on the market.

3.1.4 Grants and Sponsorships

All sponsorships must be aimed at promoting the name of PepsiCo Italy and its products. In no case will sponsorships be paid out in order to obtain an illegal advantage.

The Company may accept requests for grants and sponsorships for activities that relate to social, environmental, sports, entertainment or artistic issues, provided that such requests come from organizations and associations with proper bylaws and articles of association and are in support of events or projects that guarantee quality.

However, the Company will, when joining such initiatives, pay special attention to possible situations of personal or corporate conflict of interest.

Sponsorship activities may only be carried out after entering into specific agreements and verifying the good repute of the beneficiary entity and of the event / initiative being promoted and all payments made for sponsorships or free grants must be accurately recorded in their entirety and published in accounting books and registers by the Company's competent departments.

3.1.5 Confidentiality of Information

The Company will ensure the confidentiality of the information in its possession and will refrain from seeking confidential data, except in the case of express and informed consent and compliance with applicable legal regulations.

It also undertakes to protect the data collected, stored and processed as part of its management activities in full compliance with legal provisions regarding privacy.

Surveys concerning ideas, preferences, personal tastes and, in general, the private life of employees and self-employed workers, and of any other Company worker in general, will be prohibited. Any processing of personal data must in any case be preceded by the data subject's express consent, issued following specific disclosure and in adoption of applicable legislation.

Furthermore, in particular, Employees, Self-Employed Workers, Consultants and other Company workers will be prohibited from using any information acquired while performing their professional duties for purposes not strictly related to the performance thereof.

3.1.6 Communications with the External Environment

In addition to the above provisions on privacy, the communication and disclosure to the external environment (including through mass media) of news, information and data relating to the Company will be based on respect for the right to information and will be exclusively reserved for Company departments in charge of such matters; under no circumstances will it be permitted to disclose false or misleading information or comments.

Any and all communication activities will be in compliance with the laws, rules and practices of professional conduct and will be carried out with clarity, transparency, timeliness and accuracy.

Any form of pressure or attempts at gaining a favourable attitude on the part of the media will be avoided.

To ensure completeness and consistency of information, PepsiCo Italy's relations with the mass media may be exclusively held under the coordination of the departments in charge of such matters and performed through a single designated speaker.

3.1.7 Prevention of Corruption

Recipients will never enter into agreements that involve cases of corruption with customers, suppliers, public administration officials or third parties. It is therefore forbidden to pay out any amounts or exchange valuable goods to obtain, or attempt to obtain, a personal or corporate advantage by improper or illegal means.

A corruption event could occur by performing activities such as corruption (of a public administration official or by private commercial corruption), extortion or bribery.

3.1.8 Prevention of Money Laundering

Recipients must never carry out or be involved in activities such as to imply the laundering (i.e. receiving or trading) of proceeds from criminal activities in any whatsoever form or manner, strictly observing the laws on anti-money laundering.

Employees and self-employed workers must check any information available in advance (including financial information) on business partners, consultants and suppliers, in order to ascertain their moral integrity, ethical behaviour and respectability and the lawfulness of their activities before establishing business relationships with them.

The Company must always comply with the adoption of laws on organized crime and anti-money laundering, whether national or international, in any competent jurisdiction, and must also comply with any laws, regulations and provisions of the competent Authorities supervising tax and fiscal matters.

The Company's Directors, employees and self-employed workers will be required to strictly observe laws, corporate policies and procedures in any business transaction, whether intragroup or otherwise, which may involve them, ensuring the full traceability of cash inflows and outflows and full compliance with anti-money laundering laws.

3.1.9 Protection of Industrial and Intellectual Property Rights

The Company acts in full compliance with any industrial and intellectual property rights legally held by third parties, as well as any laws, regulations and framework agreements, including within the EU and/or at the international level, to protect such rights.

In this regard, all Recipients must respect any lawful industrial and intellectual property rights of third parties and refrain from the unauthorized use of the aforementioned rights in the awareness that the infringement of the same may have negative repercussions for the Company.

In particular, when performing their duties, Recipients must refrain from any whatsoever conduct that may constitute an infringement on industrial property titles, alteration or counterfeiting of brands and/or trademarks of industrial products, or patents, industrial designs or models, whether domestic or foreign, as well as refrain from importing, marketing or otherwise using or otherwise circulating industrial products with counterfeit or altered brands and/or trademarks or misleading products or products made by infringing upon industrial property titles.

Moreover, all Recipients must refrain from using, in any form, illegally and/or improperly, in their own or in the corporate interest or in the interest of third parties, any intellectual works (or parts thereof) protected under copyright legislation and in particular under the Italian Law on copyright (Law No. 633/1941).

3.1.10 Fight against Organized Crime

The Company firmly condemns and fights against all forms of organized crime, including mafia-type crime, with all the tools at its disposal.

Particular care should be used by Recipients if they find themselves operating in areas, whether in Italy or abroad, that have long been affected by organized crime, in order to prevent the risk of criminal infiltration.

Special efforts will be made by the Company to verify the necessary requirements of integrity and reliability of business counterparties (such as suppliers, consultants, contractors and customers).

No commercial relationship will be undertaken or continued with business counterparties whose membership in or closeness to criminal organizations is howsoever suspected, or who have been suspected of facilitating the activity of criminal organizations in any form, including occasionally.

3.2 Relations with Customers

Customer satisfaction and the establishment of constructive customer relations are key objectives for PepsiCo.

The Company wishes to be a reliable and safe partner for its customers and intends to develop its markets by following this principle and providing excellent quality products and levels of services.

The Company undertakes to satisfy its customers impartially, in compliance with the contracts signed and quality standards established, with high professional ethics, availability, courtesy and collaboration, in order to provide them with the highest level of service.

The Company undertakes to guarantee adequate standards of product quality and safety, regularly monitoring its products' perceived quality and full compliance (in terms of origin, source, quality, and quantity) with what is stated in the aforementioned quality and safety standards, as well as in its contractual standards and commercial and advertising communications in general.

In relations with customers, Directors, employees, agents and self-employed workers will be required to:

- develop and maintain favourable and enduring relationships, based on maximum efficiency, cooperation and courtesy;
- comply with any commitments and obligations undertaken;
- provide accurate, complete, truthful and timely information in order to allow customers to make informed decisions;
- request customers to abide by the principles of this Code of Ethics;
- operate within the framework of applicable legislation and request timely compliance therewith;
- specifically, comply with the provisions of paragraph 4 if the customers are Public Servants.

Recipients will be prohibited from being involved, for any reason, in the marketing of products and services having characteristics (by origin, source, quality and quantity) other than those stated or agreed, or bearing names, brands or trademarks that may mislead end consumers as to the quality, origin and source of the products / services being supplied.

3.3 Relations with Suppliers

The choice of suppliers and purchase of goods and services are made by the appropriate Company departments based on the objective assessment of the suppliers' skills, competitiveness, quality, fairness, respectability, reputation and price.

Purchasing processes will be grounded on seeking maximum value for the Company and on granting equal opportunities to all suppliers; they will also be based on the pre-contractual and contractual behaviour held in consideration of the indispensable mutual loyalty, transparency and cooperation.

In any case, in the event that, when carrying out its activities on behalf of the Company, a supplier has adopted behaviour that is not in line with the general principles of this Code, PepsiCo Italy will be entitled to take appropriate measures, including the preclusion of any other opportunities for cooperation.

The Company requires its suppliers of goods and services to fully respect business ethics, fairness and legality, with particular reference to the laws protecting industrial and intellectual property rights, laws protecting consumers, free competition and the market, and laws against money laundering and organized crime, as set forth in the Code of Ethics.

The Company's suppliers must guarantee their employees working conditions based on respect for fundamental human rights, international conventions and applicable laws.

In particular:

- the use of child labour will be absolutely prohibited and considered unacceptable. The age of production workers will not be under the minimum legal age allowed in each country;
- the exploitation of child and non-child labour, use of forced labour, physical or mental abuse or corporal punishments are considered absolutely unacceptable and will lead to the immediate termination of any and all relations between the supplier and PepsiCo Italy;

- the remuneration and benefits of production workers must be compliant with local regulations and laws and must be aligned with international conventions on the subject;
- suppliers must ensure that every form of production is carried out using working processes that protect the workers' health in a manner that is appropriate and suitable to the productive processes actually used.

Suppliers will also be required to comply with the Global Supplier Code of Ethics and forward this Code of Ethics to their subcontractors.

In the context of supplier relations, the Company's Directors, Employees and Self-Employed Workers will be required to:

- establish efficient, transparent and collaborative relationships, maintaining an open and frank dialogue in line with the best business practices;
- obtain the suppliers' collaboration in continually ensuring the highest value in terms of quality, costs and delivery time;
- demand the adoption of any contractually agreed conditions;
- request suppliers to abide by the principles of this Code of Ethics and include a special provision to such effect in contracts with them;
- operate within the framework of applicable legislation and request exact compliance therewith.

In particular, the conclusion of a contract with a supplier must always be based on extremely clear relationships, avoiding forms of dependency, where possible. This includes, but is not limited to the following:

- as a rule, long-term binding projects under short-term contracts that require continuous renewals with price reviews, or consulting contracts without an adequate transfer of know-how, etc., should be avoided;
- it will not be considered fair to induce a supplier to enter into an unfavourable contract by suggesting the possible conclusion of a subsequent, more advantageous contract.

To ensure maximum transparency and efficiency in the purchasing process, the Company will retain all documentation supporting the choices made in purchase and supply contracts, including any official documentation relating to tenders for the periods established by applicable regulations.

3.4 Relations with Third-Party Consultants, Agents and Other Self-Employed Workers

Given the general principles on relations with suppliers, it should be specified that within the framework of relations with third-party consultants and other self-employed workers, the Company's directors, employees and other self-employed workers will be required to:

- carefully consider whether to use the services of third-party consultants or other self-employed workers, and select counterparties with the appropriate professional qualifications and reputation;
- establish efficient, transparent and collaborative relationships, maintaining an open and frank dialogue in line with the best business practices;
- obtain the cooperation of third-party consultants and self-employed workers in continually guaranteeing the best value in terms of service quality and cost;
- demand the adoption of any contractually agreed conditions;
- require third-party consultants and self-employed workers to abide by the principles of this Code of Ethics and include a special provision to such effect in contracts with them;
- operate within the framework of applicable legislation and request exact compliance therewith.

The same principles must be followed in relations with agents.

The Company will not engage in business transactions with (natural or legal) persons who are known or suspected to be involved in illegal activities with reference to the cases of criminal prosecution laid down in the “*Consolidated Law on immigration regulations and rules on the conditions of foreigners*” and, in general, in immigration legislation.

4 RELATIONS WITH THE PUBLIC ADMINISTRATION AND CONTROLLING AND SUPERVISORY AUTHORITIES

4.1 Accountability in Undertaking Commitments

The undertaking of commitments and management of relations, of whatever nature, with the Public Administration, to be understood in the broadest sense, such as to include also the Public Administrations of Foreign States, as well as all those entities that can be qualified as such under applicable legislation and current jurisprudential theory and interpretations, thus including public officials, entities in charge of public services and private enterprises in charge of public services, as well as private enterprises subject to public rules and regulations, will be exclusively reserved for the Company departments in charge and for authorized personnel, in strict compliance with the rules in force and applicable regulations.

The same provisions will apply in relations with controlling and supervisory authorities.

4.2 Rules of Ethical Conduct

To prevent the Company’s integrity and reputation from being compromised, contacts with the Public Administration and controlling and supervisory authorities must be monitored and documented.

In relations with the Public Administration and controlling and supervisory authorities, the parties involved will be required to hold behaviour with the utmost transparency, clarity and fairness in order to establish a relationship based on the highest professional ethics and on full cooperation.

With regard to representatives of the Public Administration and controlling and supervisory authorities, the following applies:

- no active or passive corruption practices, or collusive behaviour, of any kind and in any form will be permitted in the context of relations with such representatives:
 - for the purpose of applying for and managing authorizations, permits and/or concessions for carrying on a business activity,
 - on the occasion of assessment and inspection activities,
 - during reporting activities of any kind,
 - when concluding any commercial transaction;
- it is not allowed to offer money or benefits of any kind or perform acts of commercial courtesy for the benefit of members of Italian and foreign Public Administrations (including in countries where the giving of gifts / benefits is a common practice), or their relatives, except in case of benefits of a negligible value and given in compliance with Company policies and procedures (i.e. Global Code of Conduct) and in any case after consultation with the Ethics and Compliance representative and provided that such acts may not be interpreted as a way to influence them in the performance of their duties (either for the purpose of taking a given decision or failing to take it), to receive illegitimate favours and/or gain an undue advantage.

Relations with the Judicial Authorities and the Judicial Police bodies, at all levels, must be based on maximum transparency, correctness and collaboration; in this regard, Recipients - especially if they are involved in judicial proceedings - must refrain from adopting reticent, omissive behaviour or behaviour that may, including indirectly and/or unintentionally, be of hindrance to the Judicial bodies’ work. Similarly, Recipients

must refrain from any whatsoever pressure or threat, including through the use of physical violence, as well as from any whatsoever offer of money or other benefits, in order to induce someone not to make statements or to make false statements before the Judicial Authorities.

The Company requires Recipients to be fully available and provide maximum collaboration to anyone who may visit the corporate offices to carry out inspections and checks on behalf of I.N.P.S. (Italian social security agency), A.S.L. (health care unit), the Ministry of Labour and Social Policies, the Ministry of the Economy and Finance and any other Public Administration.

It is prohibited to destroy or alter records, minutes, accounting books and any type of document, lie or make false statements to the competent Authorities.

No one should attempt to persuade others to provide false or misleading information to the competent Authorities.

5 RELATIONS WITH OTHER STAKEHOLDERS

5.1 Shareholders, Sole Statutory Auditor, Independent Auditor

The Company undertakes to provide its members with accurate, truthful and timely information and to improve the conditions for their participation in corporate decisions, in full compliance with applicable legislation and the Company's bylaws.

In relations with the Sole Auditor and the independent auditing firm, the parties involved will be required to provide the utmost transparency, clarity and fairness in order to establish a relationship of the highest professional ethics and maximum collaboration; relations will be established and information provided after supervision and coordination by the relevant company departments.

5.2 Industry Associations, Trade Unions and Political Parties

PepsiCo Italy does not contribute in any way to the financing of political parties, movements, committees and political and trade union organizations or their representatives or candidates.

It refrains from engaging in behaviour aimed at exerting pressure on politicians, either directly or indirectly.

PepsiCo Italy may cooperate financially with a non-political association for specific projects, based on the following criteria:

- the purpose of the project is related to the Company's activities;
- the allocation of resources is clear and documentable;
- an express authorization has been given by the departments responsible for managing such relations within the Company.

5.3 Competitors

The Company recognizes the key importance of a competitive market and, in compliance with national and EU antitrust regulations, as well as the guidelines and directives of *Autorità Garante della Concorrenza e del Mercato* (Italian antitrust authority) it will not engage in behaviour, or enter into agreements, with other companies that can negatively influence the rules of competition between the various operators in the target market.

In particular, the Company and the Recipients will avoid practices (creation of cartels, partitioning of markets, production or sales restrictions, conditional agreements, etc.) such as to represent a violation of competition laws, and will avoid any other conduct that may lead to a distortion of competition in the purchase of goods and services, for example, through bribes given to private contractual counterparties.

All Recipients must also refrain from putting undue pressure, making threats, performing acts of violence, putting in place artifices, using fraudulent means or otherwise holding conduct that could, howsoever, prevent or disrupt the conduct of third-party commercial and entrepreneurial activities or the free exercise of market competition.

In the context of fair competition, the Company undertakes not to knowingly infringe upon the industrial and/or intellectual property rights of third parties.

6 Giving and Receiving Gifts and Other Benefits

No offers or donations, either directly or indirectly, of money, gifts or benefits of any kind will be allowed to managers, officers or employees of customers, suppliers and third-party consultants, in order to influence them in the performance of their duties and/or draw an undue advantage, or that may be interpreted as exceeding normal commercial practices or courtesy, or are otherwise aimed at acquiring preferential treatment in the conduct of any activity that may be attributed to the Company, or that are aimed at influencing the beneficiaries and persuading them to hold behaviour contrary to their duties of service, to their obligations of loyalty or that may otherwise distort competition (e.g. promises of financial advantages, favours, referrals, promises of job offers, unclear travel prizes).

In general, the Company, in compliance with the Anti-Corruption rules established in the Global Code of Conduct, condemns any behaviour put in place by Recipients, including those who carry out activities for the benefit or on behalf of the Company, aimed at promising, offering, paying or accepting, either directly or indirectly, money or other benefits for the purpose of obtaining or maintaining a business deal or ensuring an unfair advantage in relation to business activities.

Acts of commercial courtesy will be permitted provided they are of a negligible value or are such as not to compromise the integrity or reputation of either party, or may not be interpreted by an impartial observer as aimed at acquiring an undue and/or inappropriate advantage.

Directors and employees will be forbidden from accepting gifts or other benefits for themselves or for others, including during holiday periods, with the exception of gifts of a negligible value and/or attributable to correct and normal relations of courtesy, such as not to compromise the integrity or reputation of either party or that may be interpreted by an impartial observer as aimed at acquiring an undue and/or inappropriate advantage.

Any Employees who, regardless of their intentions, receive gifts or other benefits of a non-negligible value, or that are in any case in contrast to the foregoing, must give prompt written notice to the Company, which may decide that such gift should be returned; if this is not possible, the gift must be made available to the Company.

Recipients will not bestow gifts, donations or sponsorships the amount and/or beneficiary of which do not match what is formally defined and authorized in the system of powers and proxies in place at the Company and based on the instructions contained in the Company's procedures.

With regard to relations with the Public Administration and controlling and supervisory authorities, on the other hand, please refer to the explanations and instructions provided in paragraph 4.2.

7 ADMINISTRATION AND ACCOUNTING

The Company complies with the law and, in particular, any applicable regulations relating to the preparation of financial statements and any type of mandatory administrative and accounting documentation.

Accounting records must be kept in an accurate, complete and timely manner, in compliance with the Company's accounting procedures, in order to give a true and fair view of its financial position / equity and management activities.

All of the Company's shares and transactions must therefore be correctly recorded, authorized, verifiable, lawful, consistent and fair.

Accounting will be based on generally accepted accounting principles and will systematically record any events deriving from the Company's management.

To this end, all Company functions are required to ensure maximum cooperation so that management facts are correctly and promptly represented in the Company's accounts, ensuring completeness and transparency of the information provided, as well as correctness and accuracy in data processing.

Adequate supporting documentation must be retained for each accounting entry that reflects a corporate transaction. This documentation must make it possible to identify the reason for the transaction that has generated the record and the authorization related thereto. The supporting documentation must be readily available and archived according to appropriate criteria that allow both internal and external bodies in charge of control tasks to easily view it.

In particular, auditors, either internal or external, must have free access to the data, documents and information necessary for the performance of their activities. It is expressly forbidden to prevent or hinder the performance of any control or audit activities legally attributed to shareholders, to other corporate bodies or to the independent auditing firm appointed.

8 DILIGENCE IN THE USE OF CORPORATE RESOURCES

Directors, employees and self-employed workers are required to operate with the diligence that is compulsory and necessary for the protection of corporate resources, avoiding improper uses that may cause damage to the Company or a reduction in its efficiency, or may otherwise be contrary to the Company's interest.

For the purposes of this principle, corporate resources mean:

- Company premises, capital goods (e.g. cars, equipment, machinery) and consumables owned by the Company;
- property owned by third parties and held by the Company under concession, loan, lease or free loan;
- IT applications and devices for which strict compliance with corporate security policies is required in order to avoid compromising their operation, processing capacity and data integrity.

The use of corporate resources (such as premises and equipment) will not be permitted for personal purposes and interests of any kind.

Any use of corporate resources that is inconsistent with applicable laws, as well as with the Global Code of Conduct and the relevant internal regulation, is forbidden, including if such use may in theory result in an interest or benefit for the Company.

9 PRESERVATION OF INFORMATION TECHNOLOGY TOOLS

Directors, employees and self-employed workers must strictly abide by the Company's procedures and policies in the area of IT security, as well as with internal regulations, and must use corporate resources - such as personal computers, telephones and other communication tools - in compliance with the above procedures and policies, avoiding any behaviour that may compromise the operation and protection of the corporate IT system.

No alterations to the operation of any corporate IT or telecommunications systems or to the data and information contained therein, or any actions on programs and archives, for whatever purpose, will be permitted in any way.

Furthermore, each Recipient must:

- avoid loading borrowed or unauthorized software on corporate systems, as well as extracting unauthorized copies of licensed programs for personal, corporate or third-party use, or market such programs;
- refrain from illegally reproducing, distributing, presenting in public, extracting, duplicating, marketing any software, and/or the contents of a database, in violation of the laws on copyright and in particular Law No. 633/1941.

10 HUMAN RESOURCE MANAGEMENT POLICY

10.1 Staff Selection and Recruitment

The assessment of the skills of any personnel to be hired will be based on the correspondence of the candidates' profiles with the expected profiles and with the business demands, providing equal opportunities to all interested parties.

The information requested will be strictly linked to verifying the aspects required by the professional and psycho-aptitude profile, respecting the candidate's private sphere and opinions.

The department in charge of selection will, within the limits of the information available, adopt appropriate measures to avoid favouritism, nepotism, or forms of patronage in the selection and recruitment phases. The personnel in charge of selection will be required to declare the presence, among the candidates, of any relatives, blood relations or persons with whom, for whatever reason, they have, or may have had, work or personal relationships.

10.2 Employment Relationship

Respect for the personal freedom and dignity of all PepsiCo Italy female and male workers and self-employed workers is one of the Company's founding values.

Staff will be hired under the appropriate employment contract; no form of irregular work will be tolerated.

The use of child labour is absolutely prohibited and considered unacceptable. The workers' age will not be under the minimum legal age allowed in each country in which the Company operates.

The exploitation of child and non-child labour, use of forced labour, physical or mental abuse or corporal punishments are considered absolutely unacceptable.

PepsiCo Italy refuses any form of manipulation and exploitation of the state of need of any workers and refrains from any relations with intermediaries who are suspected to have recruited labour by taking advantage of such a state of need.

Each worker:

- is called to conduct oneself and act in the workplace according to ethical criteria based on the importance of integrating people into the society;
- is committed to transparency and loyalty in relations in the workplace in which they operate and with the trade union organization of which they are a member;
- undertakes to cooperate and support the work of others in defence of the rights of all work colleagues, rejecting any and all forms of illegality;
- undertakes to work to ensure compliance with regulations in place.

The hiring of foreign personnel without a residence permit or with an expired residence permit whose renewal has not been requested, or with a revoked or cancelled residence permit, will be specifically forbidden.

When the employment relationship is established, each worker will receive accurate information relating to:

- characteristics of the functions and tasks to be performed;
- regulatory and salary information, as governed by the relevant national collective bargaining agreement;
- rules and procedures to be adopted in order to avoid any possible health risks associated with their work activity.

This information will be presented to the worker in such a way that acceptance of the assignment will be based on effective understanding.

10.3 Staff Management

PepsiCo Italy avoids any form of discrimination against its own employees and self-employed workers, offering equal opportunities in employment and in their career, in compliance with rules against discrimination set out in the Global Code of Conduct.

Phenomena such as racism, xenophobia, the denial of crimes against humanity, in whatever form they may come about, including dissemination by social media, are repudiated and condemned in the strongest terms.

As part of the Company's human resource management and development processes, as well as in the selection phase, the decisions taken will be based on the match between expected profiles and the profiles of Employees and Self-Employed Workers (for example in case of promotion or transfer) and/or on merit considerations (for example, assignment of incentives based on targets achieved).

Access to positions and tasks is also established in consideration of skills and abilities; moreover, compatibly with general work efficiency, work flexibility in the organization will be fostered thereby facilitating the management of maternity and paternity leaves and child care in general.

Staff assessments will be carried out in an extended and documented manner involving supervisors, the human resource department and, as far as possible, anyone who has entertained relations with the candidate.

The Company is committed to strict compliance with applicable laws and regulations concerning working time, rest periods, weekly rest, mandatory leave, and holidays.

It also undertakes to remunerate workers in proportion to the quality and quantity of work performed, and in any case in line with applicable provisions laid down in collective bargaining agreements.

The Company condemns the use of degrading or potentially dangerous working conditions, surveillance methods or housing situations, which are considered to be utterly unacceptable, also refusing any form of

manipulation and exploitation of the state of need of any workers and refraining from any relations with intermediaries who are suspected to have recruited labour by taking advantage of such a state of need.

10.4 Protection of Occupational Health and Safety

The Company undertakes to disseminate and consolidate a culture of safety, developing risk awareness and knowledge of and compliance with applicable accident-prevention and protection legislation, promoting and demanding responsible behaviour on the part of all employees and self-employed workers - as well as on the part of contractors, in their areas of competence - and working to preserve and improve the workers' working conditions, health and safety, especially with preventative actions.

The Company's activities must be carried out in full compliance with applicable legislation on occupational health and safety and accident-prevention and protection, in particular with reference to the provisions of Legislative Decree No. 81/2008 and specific applicable preventative regulations; operational management must refer to advanced criteria of environmental protection and energy efficiency, pursuing the improvement of occupational health and safety conditions, including - but not only - for the purpose of the reasonable prevention of the crimes of manslaughter and serious or very serious culpable bodily injuries committed in violation of the laws protecting occupational health and safety.

The fundamental principles and criteria guiding the Company's decisions regarding occupational health and safety are the following:

- avoid risks;
- assess any risks that cannot be avoided;
- fight risks at source;
- adapt work to man, in particular with regard to the design of workstations and choice of work equipment and work and production methods, in particular to mitigate any monotonous and repetitive work and reduce its effects on health;
- take into account the degree of technical development;
- replace what is dangerous with what is not or is less so;
- plan prevention, aiming at a coherent whole that integrates working techniques and organization, working conditions, social relations and the influence of work environment factors;
- give priority to collective protection measures over personal protection measures;
- give appropriate instructions to workers.

The Company also undertakes to guarantee safe working conditions by protecting the psycho-physical integrity of workers and respecting their moral personality, preventing any illegal conditioning or undue discomfort.

11 DISSEMINATION AND UPDATING OF THE CODE OF ETHICS

PepsiCo Italy undertakes to promote and ensure the appropriate knowledge of the Code of Ethics by disseminating it among the Recipients by means of suitable, effective and adequate information and disclosure activities.

It should be specified in particular that this Code of Ethics can be found on the Company's website: <http://www.pepsico.co.it/>

The Company also undertakes to update its contents if any changes in the relevant context, in applicable legislation, in the corporate environment or organization make it necessary and appropriate.

12 SUPERVISION OF THE ADOPTION OF THE CODE OF ETHICS

PepsiCo Italy has chosen the Supervisory Body appointed pursuant to Legislative Decree No. 231/2001 and in accordance with the provisions of its Organization, Management and Control Model adopted by the Company, as the body responsible for monitoring this Code of Ethics.

Such body will have the task of:

- monitoring initiatives relating to knowledge and understanding of the Code;
- monitoring the effective adoption of the Code, verifying consistency between the behaviour actually held by individuals and the principles, rules and general standards of behaviour set forth in the document;
- suggesting any changes, updates and additions for the review of the Code, to be submitted to the Board of Directors;
- receiving and examining reports of any breaches of the Code;
- formulating proposals regarding the possible imposition of penalties in the event of a verified breach of the Code of Ethics.

For any clarification concerning the interpretation or adoption of the guidelines contained herein, Company personnel may contact the Supervisory Body.

Any breaches or suspected breaches of the Code of Ethics may be promptly reported to the Supervisory Body in any shape or form, including by using the appropriate email account. Therefore:

- any whistle-blowers will be suitably protected against possible retaliation;
- no penalties will be imposed, either directly or indirectly, in case of reports made in good faith;
- the Company will not tolerate any kind of pressure or threat aimed at interfering with anyone's whistleblowing rights.

Any personal data relating to reports or requests for instructions on how to proceed in regard of issues not supported by evidence, or which prove to be irrelevant, will only be retained for the period strictly necessary to the SB and the Company to prove that the report has been taken into consideration and examined and exclusively for the minimum period established by law.

Any breaches or suspected breaches of the Code of Ethics may be promptly reported to the SB:

- using the electronic platform "Speak Up", reachable by telephone at 800925012 or via the web at www.tnwgrc.com/PepsiCoSpeakUp or
- to the email account ODV.231@pepsico.com, or in paper form, to the mailing address: PepsiCo Beverages Italia S.r.l. - Milan, Via Tiziano 32.

These reports must be sufficiently precise and detailed and referable to a defined event or area. The Supervisory Body will ensure the whistle-blower's confidentiality in order to avoid any kind of retaliation, discrimination or penalization.

The Supervisory Body will evaluate the reports received with discretion and responsibility, investigating the case by hearing the whistle-blower and/or the person responsible for the alleged breach, justifying the reason for its independent decision not to proceed in writing and in any case giving notice to the Board of Directors in accordance with the Company's Organization, Management and Control Model.

13 CONSEQUENCES OF BREACHES OF THE CODE OF ETHICS

The behavioural rules set out in the Code constitute a basic reference which Recipients must abide by in their relations with stakeholders, among which prominent consideration should be given to the Public Administration.

Compliance with the rules of the Code of Ethics must be considered an essential part of the employees' contractual obligations pursuant to and in accordance with applicable legislation. Any breaches of the rules of the Code of Ethics may constitute non-fulfilment of the primary obligations set out in the employment relationship or a disciplinary offense entailing legal consequences, including with regard to the continuation of the employment relationship, and may also lead to compensation for any damages resulting therefrom.

The Company undertakes to consistently, impartially and unvaryingly provide for and impose penalties proportional to the respective breaches of the Code of Ethics and in compliance with applicable provisions regulating employment relationships and the provisions set forth in its Organization, Management and Control Model pursuant to Legislative Decree No. 231/01.

For all other Recipients with whom the Company has contractual relationships, any breaches of the rules of the Code of Ethics may constitute a breach of such contractual obligations, which may entail legal consequences, including termination of the contract and/or assignment and may lead to compensation for any damages resulting therefrom.