



PEPSICO

PepsiCo's UK Tax Policy

PepsiCo's UK Tax Policy is to comply in full with UK tax law, meet all filing obligations on a timely basis and pay all taxes due in respect of our activity in the UK.

Our UK Tax Policy supports our Global Code of Conduct, which is our road map of the policies, standards and procedures that govern how we do business around the world. Our Code applies to every employee, and to our Board of Directors; it is at the core of every business decision we make. More information on our Code of Conduct can be found [here](#).

Our vision is to be the Global Leader in Convenient Foods and Beverages by Winning with PepsiCo Positive. This vision is anchored by our strong ethical culture: what we call The PepsiCo Way. One of the key behaviours of The PepsiCo Way is acting with integrity in everything we do. Underlying this commitment to integrity is our obligation to comply with all applicable laws, including tax laws, wherever we do business.

This tax policy was published on 21st December 2023 and applies to the accounting period ended 31st December 2023 and shall remain in force until further updated. PepsiCo Holdings and the other UK subsidiaries of PepsiCo Inc. consider the publication of this UK Tax Policy as complying with their duties under paragraphs 19(2) and 22(2) of Schedule 19 to the Finance Act 2016.

Risk Management Framework

We leverage an integrated risk management framework to identify, assess, prioritize, address, manage, monitor and communicate risks across PepsiCo's operations.

PepsiCo's Board of Directors has oversight responsibility for PepsiCo's integrated risk management framework. The Board has tasked designated Committees of the Board with oversight of certain categories of risk management, and the Committees report to the Board regularly on these matters.

PepsiCo's Chief Financial Officer ('CFO') is ultimately responsible for all tax matters. All tax compliance and reporting responsibility, across all taxes, is managed by the SVP Controller and all corporate tax matters are managed by the SVP of Tax. Both the SVP Controller and the SVP Tax report all tax risk and mitigation plans to the CFO who will ultimately decide on appropriate action to be taken.

Business Risk

We are subject to risks in the normal course of business. The risks that could affect our business and have an impact on our financial results including the taxes we pay are set out in our annual report. They include the deadly conflict in Ukraine which has continued to result in volatile commodity markets and supply chain disruptions, reduction in future demand for our products, damage to our reputation or brand image, product recalls or other issues or concerns with respect to product quality, an inability to compete effectively in the market, taxes or other regulations aimed at our products and limitations on the marketing or sale of our products.

PepsiCo manages these risks through its integrated risk management framework and the impact on our business is sometimes difficult to predict. For example, numerous countries have agreed to a statement in support of the Organization for Economic Co-operation and Development model rules that propose a partial global profit reallocation and a global minimum tax rate of 15%. The UK in particular has both enacted and published draft legislation based on these rules, some of which will apply from 31st December 2023. There can be no assurance that other individual countries will adopt these changes, or that once adopted by any country, that these changes will not have adverse effects on our financial performance. This increasingly complex global tax environment has in the past and could continue to increase tax uncertainty, resulting in higher compliance costs and adverse effects on our financial performance.

Tax Policy and Risk Management

PepsiCo's UK tax policy is to comply in full with UK tax law, meet all filing obligations on a timely basis and to pay all taxes due in respect of our activity in the UK. Our UK Tax Policy is consistent with our Global Code of Conduct which is a declaration of the highest standards of ethics and integrity in everything we do.

Given the complexity and changeable nature of tax law, when appropriate we will engage with external advisers to ensure our understanding of the law is correct. All decisions on tax risk are made in line with our tax policy and Global Code of Conduct.

UK Tax is managed by appropriately qualified professionals within the UK finance function, who report to UK Controller and SAO, and qualified tax professionals in the corporate tax function who report to the SVP Tax.

Our UK tax compliance is managed in-house, with support from third party advisers in preparing our UK corporate tax returns. The UK tax returns are completed and filed in accordance with UK tax legislation and our tax positions are fully supportable.

Tax Planning

Tax planning is business driven. The role of the tax team is to partner with the business to evaluate and ensure that all costs and benefits associated with our business transactions are being considered and that the right decisions are made to ensure full compliance with the laws as well as protecting shareholder value.

We will take tax relief in our tax returns for incentives, elections, exemptions, trading losses and other similar reliefs as prescribed in the law. Where necessary we will engage with external tax advisers to ensure our understanding of the tax law is correct and to assist us in complying with our tax obligations in the UK.

Relationship with Tax Authorities

PepsiCo's relationship with HMRC is defined by the guiding principles in our Global Code of Conduct which is to always act ethically, responsibly, and with integrity, to always do what is right and behave in a transparent and authentic way.

PepsiCo's relationship with HMRC is open and honest. We strive to maintain open dialogue on a real time basis and resolve any issues on a timely and responsible manner.