



WORLDWIDE **Code of Conduct**





PBG MISSION STATEMENT

We have absolute clarity around what we do:

We Sell Soda.

We commit ourselves to these operating principles:

Rules of the Road

1. Drive Local Market Success.
2. Act Now. Do It Today. Get Results.
3. Set Targets. Keep Score. Win.
4. Respect Each Other.

Our success will ensure:

**Customers Build
Their Business**

**Employees Build
Their Futures**

**Shareholders Build
Their Wealth**

PBG MISSION STATEMENT



We commit ourselves to these operating principles:

Rules of the Road

- | | |
|---|---|
| <ol style="list-style-type: none">1. Drive Local Market Success.<ul style="list-style-type: none">• We compete locally• "Small" in big/small company• Visible community leadership• Mindset of an entrepreneur• Know/Service every customer2. Act Now. Do It Today. Get Results.<ul style="list-style-type: none">• Sense of urgency• There is no tomorrow• Fix it today• Our success is built upon passion | <ol style="list-style-type: none">3. Set Targets. Keep Score. Win.<ul style="list-style-type: none">• Every front-line job has targets• Reinforce goals, plan performance• Prioritize, focus, simplify• Clear accountability for results• No excuses4. Respect Each Other.<ul style="list-style-type: none">• Treat everyone fairly, and with dignity• Operate with integrity and justice• Every individual is important |
|---|---|



Worldwide Code of Conduct

The Pepsi Bottling Group has always had a strong commitment to customer service, product quality, employee development, and shareholder value—and we deliver, thanks to the effort and dedication you put forth day in and day out. Key to our performance in these areas is an equally strong commitment to doing business ethically and with integrity. PBG’s reputation and continued success depend largely on our support—yours and mine—to this commitment. No success is meaningful if it’s not achieved the right way.

Doing things the right way, ethically, with integrity, and in full compliance with the law, is not just a policy at PBG, it’s ingrained in our culture. PBG’s Worldwide Code of Conduct, which has been adopted by our Board of Directors, is the cornerstone of our culture and explains the principles that define our Company. Read the Code thoughtfully and reflect on its meaning. When you sign it, renew your personal commitment to practice and promote it every day. No excuses.

If you have questions about the Code—or if you have concerns about possible ethical violations in the workplace—I urge you to talk immediately with your supervisor or your Human Resources Manager. At any time, you can also call the PBG Business Ethics Line or write to PBG’s Office of Compliance. Contact information for your country is listed in the Code. All communications will be treated confidentially and without retaliation.

Every PBG employee, director, and officer, regardless of location or position in the Company, has an obligation to read this Code, understand it, and follow it every day, without exception. Everyone who works at or with PBG should feel confident about our high ethical standards, our honesty, and our integrity. That starts and ends with each of us. The Worldwide Code of Conduct is a living document. The example you set each day brings it to life.

A handwritten signature in black ink, appearing to read "Eric Foss". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eric J. Foss
President & Chief Executive Officer



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Business Ethics Line Numbers

	<i>Direct Dial</i>	
U.S. and Canada	800-525-3088	
Spain	900-97-1098	
Greece	00-800-11-008-3676	
	<i>AT&T Access Number*</i>	<i>Ethics Line Number</i>
Mexico	01-800-288-2872	800-721-0920
Turkey	0-811-288-0001	800-721-0920
Russia (from Moscow)	755-5042	800-721-0920
Russia (from other cities)	8 10-800-110-1011	800-721-0920

* If you have trouble using the access number listed above, ask the operator for assistance or visit www.att.com/traveler.





Things to consider as you read and apply our Worldwide Code of Conduct

Know the Purpose

The PBG Worldwide Code of Conduct (the “Code”) outlines our Company’s principles of ethical business conduct. As no single document can cover all possible events or situations we may encounter in our complex world, the Code is meant to be a guide. Ultimately, you must use sound judgment and common sense to do the right thing.

Exercise Your Responsibility

To uphold the principles and values outlined in the Code:

- You must not only comply with the laws and policies that govern our business, but you must also understand and uphold the spirit of those laws and policies.
- If you manage people, it is your responsibility to ensure that all members of your team understand and abide by PBG’s principles and values.
- You must report any actual or potential violations of the Code, Company policy, or the law to your Human Resources Manager, PBG’s Office of Compliance, or via the PBG Business Ethics Line.

Use Your Best Judgment

When faced with an unfamiliar or questionable situation, ask yourself these questions:

- What is the right thing to do?
- Would I feel comfortable explaining my actions/inactions to my family?
- How would this appear to a third party (e.g., customer, competitor, supplier, manager, or auditor)?
- How would this be portrayed in the media?

Ask Someone for Help

If you’re unclear about what to do, call upon one of the following resources:

- Your supervisor
- Your Human Resources Manager
- PBG’s Office of Compliance
- The PBG Business Ethics Line (see contact numbers on the opposite page)



PBG Office of Compliance

The PBG Office of Compliance is responsible for the enforcement of the Code and is subject to the supervision of the Audit and Affiliated Transactions Committee of the PBG Board of Directors.

E-Mail

From PBG Network: SPA-PBG Office of Compliance

From external e-mail:

SPA-PBGOfficeofCompliance@pepsi.com

Mail

The PBG Office of Compliance

1 Pepsi Way

Somers, New York 10589, USA

Q My supervisor told me to adjust my reported hours worked. If I follow my supervisor's instructions, my reported hours won't represent the hours I actually worked. I think this may be against Company policy. Where can I go for advice?

A You're right. You should speak to your Human Resources Manager about your concern. Knowingly submitting an inaccurate timecard is considered falsification of Company documents and is against Company policy. You may also contact the PBG Business Ethics Line or the PBG Office of Compliance.

Q If I have a question about one of the PBG workplace policies or about the job selection process, who should I call?

A Your first, and usually best, source to address most workplace questions or concerns is your supervisor. You can also contact your Human Resources Manager for guidance.



Enforcing Business Ethics and Legal Compliance

We make a commitment to our customers, employees, consumers, and shareholders to conduct business ethically and responsibly and in full compliance with applicable laws.

This Code explains our commitment and sets out our operating standards that apply to all employees, directors, and officers of The Pepsi Bottling Group, Inc. and its subsidiaries and controlled affiliates, including our Canadian, Russian, Spanish, Greek, Turkish, and Mexican companies (collectively, “PBG” or the “Company”).

As a PBG employee, director, or officer, you are required to conduct yourself ethically at all times and to comply fully with the law and the Code,

no matter what your job assignment or location. You must never direct anyone to take any action that violates the Code or ignore or protect someone who has broken the law.

The Code will be vigorously enforced. Appropriate disciplinary action (which may include termination and loss of compensation) will be taken against any employee, director, or officer who violates the Code. Further, the Company may seek prosecution of any such person who violates an applicable law.

PBG can uphold its high standards of ethical business conduct only with the commitment and cooperation of every PBG employee, director, and officer.



Q One of my coworkers told me that she thinks her manager included personal meals on his Travel & Entertainment report as business expenses. Should I report this to someone?

A Yes. You are obligated to report any potential violations of the Code of Conduct, Company policy or the law. You should report this information to your Human Resources Manager. If you are uncomfortable doing so, you should call the PBG Business Ethics Line to report this potential violation. You can make your report anonymously.

Q Who answers the phone on the PBG Business Ethics Line?

A The PBG Business Ethics Line is administered by an outside service provider. The information obtained during the call is communicated to the PBG Office of Compliance, which provides oversight to ensure that all reported concerns are investigated. Callers should provide detailed and specific information during the call so PBG can properly and thoroughly investigate the matter.

Reporting a Violation

You should report an actual or potential violation of this Code to your Human Resources Manager, the PBG Business Ethics Line, the PBG Office of Compliance, or the designated person for your international location (see below).

Violations or concerns related to accounting, internal control, or auditing matters may be reported by calling the PBG Business Ethics Line or by writing to the PBG Office of Compliance. If you are located outside the U.S. and Canada, you may also contact your designated person: in the Russian Federation, the Organization Capabilities Manager; in Greece, the Chief Financial Officer; and in Spain, Turkey and Mexico, the Controller. You should try to provide enough information for PBG to investigate properly. While the report will be considered confidential, there may be instances when more information is required to complete an investigation. In those cases, you will be contacted, but again, the contact will be handled with discretion and confidentiality. Reports made to the PBG Business Ethics Line or the PBG Office of Compliance may be made anonymously.



Each employee, director, and officer is required to cooperate fully with internal investigations of actual or potential violations of the Code.

PBG will not tolerate retaliation against any employee who contacts the PBG Office of Compliance, the PBG Business Ethics Line, or his or her designated person with a concern or violation report in good faith. Open communication without fear of retribution is vital to the successful implementation of the Code.

Waivers and Amendments

Any waiver or amendment of the provisions of the Code for the Company's executive officers, controller, or directors may only be granted by the PBG Board of Directors and will be promptly disclosed to shareholders in compliance with applicable disclosure requirements.

Q Who investigates the concerns reported to the PBG Business Ethics Line?

A The PBG Office of Compliance reviews the call summary and assigns the call to the appropriate PBG department for investigation and resolution. For example, employee relations matters are generally investigated by the Human Resources Department. Accounting, Internal Control or Auditing matters are generally investigated by Internal Audit.

Q What if I want to stay anonymous?

A While it is helpful for PBG to be able to contact the caller for additional information, employees can report concerns anonymously. When making an anonymous report to the PBG Business Ethics Line, you should provide specific and detailed information about your concern. As an anonymous caller, you will be asked to call back on a future date in case PBG needs more information to complete its investigation.

Q If I report a concern, will it be held against me?

A PBG will not tolerate retaliation against any employee who calls the PBG Business Ethics Line or contacts the PBG Office of Compliance or designated person in good faith with a concern or violation report.



Conducting Business with Integrity

Conflicts of Interest

All PBG employees, directors, and officers have an obligation to act in the best interest of the Company at all times. *There should never be a conflict or an appearance of a conflict between your personal interests— or those of your family— and the Company’s interests.*

A “conflict of interest” occurs when your private interest interferes in any way, or even appears to interfere, with the interest of the Company. A conflict of interest can arise when you or a member of your family has an interest or investment that makes it difficult for you to do your job objectively, fairly, and effectively.

Following are a few scenarios that may lead to a conflict of interest or the appearance of a conflict:

- Owning an interest (other than an interest through a publicly traded mutual fund) in, rendering services, or working for any company or person that is a customer, supplier, or competitor of PBG.
- Performing work or service for another company that interferes with your responsibilities to PBG.
- Requesting a gift, loan, or favor (such as discounts or other benefits) from an existing or potential customer or supplier.
- Providing or accepting a gift, which is of more than nominal value and does not serve a business purpose, to or from an existing or potential customer or supplier.
- Using PBG’s confidential information for your own benefit or the benefit of others.
- Competing with PBG for the purchase or sale of property, services, or other interests.



- Benefiting from a business venture or opportunity that is related to PBG's business and that you learn of or develop in the course of your employment at, or association with, PBG.
- Receiving a loan or guaranty of an obligation as a result of your position with the Company.

If you or a member of your family becomes involved in a business dealing that might create a conflict, you are required to disclose those dealings immediately to your Human Resources Manager or the designated person for your location who, together with the PBG Office of Compliance, will determine whether an actual or potential conflict of interest exists. If it does, you will be advised how to appropriately avoid or resolve the conflict.

Q I have a personal friend who is an electrical contractor. I know my friend does quality work at a fair price. Can I hire my friend to perform electrical work at my facility?

A Friends of employees are not prohibited from performing work for the Company, so long as your personal relationship does not enter into the hiring decision. You should remove yourself from the decision making process (i.e., your supervisor should make the ultimate hiring decision) to avoid any appearance of a conflict of interest. Your friend should be required to submit a bid, as outlined in the Company's Competitive Bidding Policy, along with other qualified contractors. Should your friend be awarded the contract, you should also avoid playing any role in the approval of invoices or payment to your friend's company.

Q I work in the fleet department and I operate a metal fabricating business on the side. The MEM department is looking for racks for their CO2 containers and I know that I can produce them in my shop. Can I produce the racks and sell them to PBG through my side business?

A No. Generally, employees cannot be contracted to provide outside services for the Company. The hiring of employees as contractors can lead to issues in several areas (e.g., payroll tax violations, insurance liability, conflict of interest, etc.).



Q One of my suppliers has invited me to a “client appreciation event” to be held at a golf resort. Can I attend this event?

A You should speak to your supervisor and consider the following:

- Receiving gifts or entertainment from business partners of greater than nominal value is against Company policy.
- A valid business purpose must be specifically defined for all business meetings and travel.
- How would your attendance at the event appear to competing suppliers?

Attending an event such as this, particularly when you have the ability to influence purchasing decisions, may constitute a conflict of interest. When in doubt, it’s always best to politely decline.

Q I’ve been told that PBG’s luxury box is available at the local stadium. I’d like to invite one of my best customers to a game. What do I need to consider?

A You should speak to your supervisor before extending the invitation. You are responsible for ensuring that the recipient of any gift or entertainment is authorized to receive it, has received approval from his or her manager, and will not violate his or her company’s internal policies by accepting the gift or entertainment.

Business Gifts, Payments, and Fair Dealing

PBG’s policy is to make business decisions based on merit. Each employee, director, and officer of the Company should endeavor to deal fairly with customers, suppliers, competitors, the public, and one another at all times. *You should never offer, give, or receive—directly or indirectly—anything of value to or from a business partner to influence or reward a decision or outcome.* Inexpensive promotional items, such as T-shirts and hats, are generally of nominal value and do not violate this policy. However, any gifts of value, such as meals, trips, entertainment, gift cards, or merchandise exceeding a nominal value, are subject to this policy. Because of the appearance of impropriety, you should never give cash to a customer, supplier, or other business partner, regardless of amount.

Generally, you may only give or receive a gift or incentive to or from a business partner if it serves a business purpose and has been approved by your supervisor. It is your responsibility to raise these issues with your supervisor who will determine if the



gift or incentive is appropriate. Therefore, prior to accepting or providing a gift or incentive, you should discuss the situation with your supervisor.

Further, when providing a gift or incentive, it is your responsibility to (1) secure authorization from both PBG and your business partner's manager to give the business gift; (2) ensure that the gift does not violate your business partner's internal company policies; and (3) verify that the gift does not violate any applicable law.

Also, you should never give any gifts or entertainment, other than promotional items (if permitted under the applicable law), to government officials under any circumstances without prior consent from the Law Department.

International Business Conduct

All PBG employees, directors, and officers must comply with applicable U.S. and non-U.S. laws regarding customs and trade. This means that you must be accurate and truthful in representing international business transactions to customs officials and government agencies.

PBG obeys the laws and regulations of the countries where it operates. We respect the lawful customs of host countries and practice responsible corporate citizenship through local volunteer outreach and financial and product donations.

PBG is committed to complying with the Foreign Corrupt Practices Act (the "FCPA"), which, as summarized below, prohibits the bribing of any foreign official and requires PBG to keep books and records that accurately and fairly reflect all transactions and dispositions of Company assets. The FCPA applies to all employees, directors, officers, and representatives of PBG (such as, for instance, its affiliates and agents). All PBG employees and representatives who deal with foreign suppliers, customers, and business partners of PBG are subject to the FCPA.



The FCPA prohibits giving payments, gifts, or anything of value to foreign officials intended to influence the official's business decision, to induce such official to use his or her influence with a foreign government, or to otherwise give the Company an unfair business advantage. Foreign officials include government employees, employees of state-owned enterprises, political parties and their officials, and candidates for a political office. The FCPA also prohibits offering or giving anything of value to any entity or person (such as an agent) if any part of the payment will be used for any of the prohibited actions. In addition, the FCPA contains accounting provisions that require companies to keep books, records, and accounts that, in reasonable detail, accurately and fairly reflect transactions and dispositions of Company assets. The FCPA does not apply to facilitating payments to expedite or ensure routine government action.

You should never make a payment or offer or give anything of value, directly or indirectly, to a foreign official or to a consultant or agent in connection with

an international business transaction, without first obtaining approval from the Law Department. All payments must be for valid business services and in compliance with the Code, the FCPA, and the applicable local law. The amount of any payment must be reasonably related to the services performed, and the payment and the services must be properly recorded and documented. Under no circumstances should you ever make payments or provide anything of value to foreign officials to encourage or reward them for doing business with PBG. All PBG employees must also be accurate and truthful in representing international business transactions to customs officials and government agencies.

A copy of the complete PBG International Anti-Bribery Compliance Policy can be obtained from the Law Department or the Company's intranet.

Accuracy of Promotional Statements

Sales and promotional activities should reflect PBG's integrity and high ethical standards. You should be truthful and accurate in business communications with customers, business partners, and consumers.



Accuracy and Retention of Business Records and Communications

PBG is legally required to maintain records and accounts that accurately and fairly reflect our business. PBG is also required to maintain a system of internal accounting controls.

It is your responsibility to keep appropriate and accurate records of all aspects of PBG's business, including, for example, purchases of raw materials and concentrate, quality control, inventory loss, and product sales. You should never inaccurately record or alter information, or direct or allow others to do so, under any circumstances. You should never establish or permit to be established any undisclosed or unrecorded corporate funds for any purpose, nor place any Company funds in any personal or non-Company accounts.

Q A local building inspector, in my country, told me that he can expedite the inspection of our construction project if I pay him \$100. I'd like to keep the project on time and on budget. Can I give him the money?

A Consult with the PBG Law Department before making any payments or providing anything of value to a government official. Should the Law Department approve the payment, detailed and accurate records of the payment and its purpose must be maintained.



Q I have ordered and received materials and supplies in the current period. The invoices for the materials and supplies add up to more than I have budgeted for the current period. Can I process some of the invoices this period and some next period to avoid going over my budget?

A No. Goods or services received by the Company must be reflected in the books and records in the same period that they are received, regardless of budgetary considerations. All of the invoices should be processed in the current period. Likewise, any goods ordered in the current period and received in a future period should be processed for payment in the period the goods are received.

Q I'm close to hitting my sales forecast and it's the final week of the period. I just need to sell 500 more cases to make my number. I've called one of my customers who committed to take the 500 cases from me next week. Can I put the cases aside for delivery next week and record the sale this period?

A No. Revenue can only be recognized when possession, or title, and risk of loss shifts from the Company to the customer. This is generally accomplished via delivery of the product to the customer.

Business records should be retained according to the Company's record retention policies and applicable laws. You must never dispose of records related to current or potential litigation or an investigation (or direct or allow others to do so) until termination of the litigation or investigation and without first contacting the Law Department. Unauthorized destruction of any such documents could result in negative consequences for PBG and the individual involved, including potential civil and/or criminal penalties. For example, under U.S. law, it is illegal to destroy documents knowing that such documents may be relevant to an official proceeding. Destruction of documents under these circumstances is a serious offense punishable by a fine and up to twenty (20) years in prison.

As with all investigations, you are required to cooperate fully with PBG's internal and external auditors.

Should you have any questions regarding PBG's Record Retention Policy, contact the Law Department.

Quality of Public Disclosures

The Company provides shareholders with full and accurate information, in all material respects, about the Company's financial condition and results of operations. *Our reports and documents filed with*



or submitted to the United States Securities and Exchange Commission (“SEC”) and our other public communications shall include full, fair, accurate, timely, and understandable disclosure. The Company has established disclosure controls and procedures to ensure that information necessary to prepare periodic reports to the SEC and other public disclosures is accumulated and made available to senior management on a timely basis. These disclosure controls and procedures are monitored and evaluated by a Disclosure Committee including the General Counsel, the Controller, the Vice President of Investor Relations, and the Vice President of Internal Audit. All employees and officers are required to cooperate fully with the Disclosure Committee and submit any applicable information when requested.

The PBG Work Environment

At PBG, we are committed to producing results with respect. The Company complies with employment laws and international human rights standards and works diligently to provide a positive, safe, and inclusive work environment.

Q I accidentally overpaid a supplier. Can I tell the supplier to hold the extra payment as a credit on PBG’s account to be applied against a future invoice?

A PBG’s books and records must accurately reflect our financial position. In cases where the supplier is used very frequently, a credit memo should be received from the supplier and entered into the AP system for application against the next invoice. In cases where it’s unlikely to have the credit applied within the next period, payment should be requested from the supplier. In no case should an amount due from a supplier go unrecorded (i.e., not reflected in PBG’s books and records).

Q Our plant just did a line conversion that resulted in the required disposal of a good deal of scrap metal. Can I sell the scrap for cash and use the money to fund an employee appreciation event?

A In order to ensure the accuracy of PBG’s books and records, transactions must be recorded and classified appropriately. The income from the scrap sale and the expense related to the employee appreciation event are two separate events. The payment received for the sale of the scrap should be deposited and reported as income in the period received. The employee appreciation event should be paid for and expensed in the appropriate manner as a separate transaction.



Q A coworker of mine told me that she is uncomfortable with certain comments she received from some of the men in her department. She is afraid to say anything about her concerns because she doesn't want it to be held against her. What should I do?

A You should immediately report your coworker's concerns to your Human Resources Manager or by calling the PBG Business Ethics Line. Reporting discrimination and harassment is necessary in order to maintain a respectful work environment.

Every PBG employee, agent, and director must adhere to our workplace policies outlined below. Violations of any of these policies must be reported immediately to your Human Resources Manager or by contacting the PBG Business Ethics Line. As with any report of a Code violation or concern, you will not be retaliated against for reporting an actual or potential workplace policy violation.

Equal Employment Opportunity

PBG provides equal employment opportunities for all employees and applicants in accordance with applicable employment laws. PBG's Equal Employment Opportunity Policy and Policy Prohibiting Sexual Harassment absolutely prohibit discrimination or harassment in violation of those laws. These policies apply to all Company activities including recruitment, hiring, firing, compensation, job assignment, training, and promotion.

Harassment includes unwelcome sexual advances as well as verbal or physical conduct that creates a hostile work environment based on a personal characteristic (e.g., race or gender). Complaints related to discrimination or harassment are taken seriously and



will be promptly investigated. Employees found to have discriminated against or harassed others will be disciplined and may be terminated from PBG.

PBG complies with the applicable laws regarding disabled persons and veterans in all of our employment practices. If you need a special accommodation, please contact your Human Resources Manager.

Diversity

At PBG we ask our employees to be true to themselves and comfortable and encouraged to express their opinions and ideas. *Diversity is essential to our long-term business goals and critical to becoming the kind of organization we want to be.* Our diversity framework is centered around our employees, customers, consumers, community, and shareholders.

Diversity includes all differences that make PBG employees unique individuals, such as race, religion, national origin, gender, gender identity or expression, experience, work style, culture, age, language, disability, sexual orientation, and any other unique attribute that exists within our workplace.

Every employee must do his or her part in creating a truly inclusive environment where employees feel valued and encouraged to contribute to the business in a meaningful way. Everyone must be treated with respect.

At PBG, our people are our competitive advantage and diversity plays a role in everything we do. Understanding the markets that we serve begins with our ability to attract and retain top talent with different skill sets and backgrounds. Doing so will ensure that we are the employer, bottler, beverage, and investment of choice.

Human Rights

As a multi-national employer, PBG is committed to maintaining fundamental human rights at all of our locations. We are guided by the United Nations International Labor Organization's core priorities for human rights in the workplace:

- Freedom of association;
- The elimination of all forms of forced or compulsory labor;
- The elimination of discrimination; and
- The effective abolition of child labor.



PBG is committed to full compliance with national and local employment laws and respects international labor standards. We offer great job opportunities, maintain high standards of workplace health and safety, encourage employees to get involved in workplace activities, and provide numerous employee development opportunities.

We expect our vendors and suppliers to ensure their own compliance with international human rights standards.

Workplace Safety

PBG is committed to providing its employees with a safe and comfortable work environment. We have introduced programs to prevent injury and property damage, invested in technologies to ensure our employees and assets are secure, and continue to meet regulatory and ethical standards in the communities where we do business. *It is the responsibility of everyone at PBG to comply with all applicable safety, health, and transportation laws and to cooperate fully with any governmental investigation or audit.*

PBG's commitment to employee safety is also reflected in the Company's "zero tolerance" Workplace Violence Policy. The Company's Workplace Violence Policy expressly prohibits (1) acts of violence, (2) threatening communications or behavior, and (3) the use or possession of weapons by any person on PBG property, in the trade, on Company business, or on Company time.

You should report immediately to your supervisor or Human Resources Manager any threat or potential for violence. You should also report any other working condition that is unsafe or threatens the quality of a PBG product. Any of these threats or concerns may also be reported to the PBG Business Ethics Line.

For more information about specific safety policies, contact your Safety Manager or, in locations other than the U.S. and Canada, the designated person for your location.



Drug-free Workplace

Drug and alcohol use pose unacceptable risks to employee safety and Company operations. PBG's *Drug-Free Workplace Policy forbids the use, storage, or possession of illegal drugs on Company property or by PBG employees at any time.* Further, this policy prohibits employees and agents from being at work while under the influence of alcohol or illegal drugs. In order to ensure a safe environment, where applicable, PBG has a testing program that includes pre-placement, random, post-accident, and "for cause" drug and alcohol testing.

If you believe you may have a problem with drug or alcohol abuse, you should call PrivateLine, the Employee Assistance Program at one of the following numbers:

- *United States: 800-646-5608*
- *Canada, English: 800-387-4765*
- *Canada, French: 800-361-5676*

All calls are completely confidential.

You can obtain copies of the workplace policies for your location from your Human Resources Manager.

Q I think I've become dependent on prescription pain medication. I think I may need help, but I'm afraid to talk to anyone because I don't want to lose my job. Where can I go for help?

A If you believe you may have a problem with drug or alcohol abuse, you should call PrivateLine, the Employee Assistance Program. All calls are completely confidential.

Q After having an argument with a coworker, he began threatening me. I feel unsafe leaving the facility at the end of my shift. What should I do?

A You should immediately report your concern to your supervisor or Human Resources Manager. Workplace violence, which includes threatening communication or behavior, will not be tolerated here at PBG.



Q A competitor’s employee stopped me and asked if PBG was going to go after business at some of the local colleges in my area. I know that I’m not supposed to discuss business with competitors. How should I respond?

A You are correct. You should never discuss bids, prices, costs, promotional payments, or terms of sale with a competitor. You should tell the other party that you cannot discuss any plans with him or her. You should also report the conversation to your supervisor and the PBG Law Department.

Trade Practices

PBG competes vigorously, fairly, and with strong independent business judgment in running our business. We also comply with laws governing trade practices and competition. The countries in which PBG operates generally have laws and regulations, usually referred to as “antitrust” laws in the U.S. and “competition” laws in other countries, intended to promote free-market competition and protect consumers and competitors against anti-competitive behavior. These laws and regulations also ensure the existence of a level playing field, allowing businesses to compete fairly on the basis of price, value, quality, and service. *All PBG employees and officers are expected to observe—at all times and without exception—both the letter and the spirit of the anti-trust or competition laws and this policy.* Violations of the laws can result in severe penalties against PBG and individuals involved in such violations, including fines and criminal sanctions.

Competitors

PBG sets its own prices, discounts, terms of sale, and promotional payments independently in light of costs, the need to increase shareholder value and



competitive market conditions. Any agreement or understanding whether written or oral, formal or informal, express or implied—between competitors to raise, lower, or stabilize prices is against Company policy.

You should not discuss prices, costs, promotional payments, or terms of sale with a competitor. If a competitor tries to engage you in discussions about pricing, you should politely terminate the conversation. When you are bidding on business, never discuss the bid with a competitor or have any agreement or understanding about the bid process. You should not exchange price lists directly with competitors. Be sure that any competitive price lists that you obtain are published or publicly available through the trade.

Be particularly careful when attending a management meeting or a trade association event where competitors may be. Casual conversation can be easily misunderstood or misinterpreted. *If you are ever in a questionable situation with a competitor (e.g., a competitor attempts to engage you in conversation regarding the pricing for a particular customer or bid process), terminate the conversation immediately and call the Law Department.*

Customers

PBG will independently determine whether or not to sell to a particular customer, and any conditions of sale, based on its business needs and marketplace conditions. PBG may discuss and suggest retail prices to its customers, but customers always retain the ability to set their own retail prices. *In determining wholesale prices, discounts, and promotional payments for different customers, PBG will treat all customers fairly and in accordance with applicable laws.*

Suppliers

PBG is free to choose its suppliers and to refuse to do business with any particular supplier. PBG's decisions, however, must be made independently without an agreement or understanding with a competitor or another supplier.

For more information about the antitrust and competition laws with respect to customers, competitors, or suppliers, contact the Law Department.



Product Quality and Environmental Protection

Product Quality

PBG is committed to manufacturing, selling, and distributing products that are safe and meet the highest quality standards. PBG will not tolerate any deviation from and/or non-compliance with Company policies and procedures relating to the handling, manufacturing, sale, and storage of PBG products.

You should immediately notify your supervisor or Human Resources Manager if you think that a product or process has been compromised. Reports may also be made to the PBG Business Ethics Line. If there is a potential product safety issue, you are expected to take prompt measures in accordance with Company policies and cooperate fully with government regulations and, if necessary, assist with a product recall or other appropriate action.

Environmental Protection

PBG is committed to being an environmentally responsible corporate citizen. It is our policy to comply with all applicable environmental laws and regulations. We are committed to water conservation, energy management, recycling, and the reduction of solid waste to reduce our environmental footprint. We believe that we can meet the business goals of today while preserving natural resources for future generations.

All employees and officers are expected to minimize the impact of our business on the environment with methods that are socially responsible, scientifically based, and economically sound. You should immediately notify your supervisor or Human Resources Manager if you observe or learn of anything that suggests potential non-compliance with applicable laws or is otherwise inconsistent with our environmental commitment. Issues or concerns may also be reported through the PBG Business Ethics Line.



Use and Protection of PBG's Assets

Use of Company Assets and Services

All PBG employees are required to use PBG's property, facilities, and time only for Company business. *You should never perform substantial personal work or use Company assets for personal reasons or direct or permit an employee to do so.* You should not solicit or conduct outside business during paid working time. You should also not perform services for customers on nonworking time that would normally be done by PBG personnel. Examples of conduct violating this policy include:

- Service Technician repairs done at an employee's home
- Personal errands by administrative personnel
- Fleet Mechanic repairs of personal vehicles during working time

Q I'm staining the deck on my house this weekend. Can I borrow the power washer from the plant's maintenance department?

A No. PBG's assets are only to be used for Company business. You should not borrow the power washer.

Q My supervisor asked that I charge a business meal to my company credit card, even though she was in attendance at the meal, so that her manager would not have to approve the charge. What should I do?

A Company policy states that meal charges should be paid by the highest level employee in attendance. You should ask your supervisor to pay for the meal. If your supervisor insists that you pay for the meal, do so, but report your concern to your Human Resources Manager or by calling the PBG Business Ethics Line.



Proper use of Company assets includes corporate American Express and other credit cards. *You may use a Company-issued credit card only for authorized PBG business.* You should never use a Company-issued credit card for personal expenses, and you are expected to comply with this policy while at your location or on business trips. In addition, you are expected to be familiar with and to comply with PBG's Travel & Entertainment Policy, which is available on the Company's intranet or by asking your supervisor.

Confidentiality of Business Information

As a PBG employee, director, or officer, you may have access to confidential or proprietary information about PBG's business. Confidential information may not be disclosed under any circumstances, except if its disclosure is expressly required by law or approved in advance by the Law Department (e.g., disclosure permitted under a confidentiality agreement approved by the Law Department). *Confidential information includes trade secrets and other information about*

PBG's business that is not known to the public, such as pricing information, marketing strategies, financial data, supplier or vendor bids, and unannounced acquisitions. This kind of information is a valuable Company resource. You have a responsibility to treat it confidentially and to safeguard it against potential misuse by others, even if you leave the Company. This means ensuring that no one has access to confidential Company information for any reason unless he or she is a PBG employee, director, or officer and has a valid, business related need for the information.

All documents, including electronic data, relating to PBG's business that you create or receive, are PBG's exclusive property. You should take appropriate steps to safeguard these materials. All such data must be returned to the Company upon request or upon termination of your employment or association with PBG.



Do not use the Company's confidential information for your own benefit. Improper use of PBG's confidential information, whether you are a current or former employee, may result in legal action. It could also result in forfeiture of stock options and repayment of stock option gains in some circumstances.

Do not disclose or misuse confidential information of another company, such as that of a customer or supplier or competitor of PBG. Consistent with our commitment to ethical business practices, we respect the confidential information and property rights of others and require our employees, directors, and officers to observe such rights.

If representatives of the press or any analysts, investment managers, or other stock market professionals request an interview with you or any information about PBG, its suppliers, customers, or competitors, you should neither answer their questions nor give them any information. Instead, direct press inquiries to the Public Relations Department and inquiries from analysts, investment managers, or stock market professionals to the Investor Relations Department.

Inventions

Employee inventions may qualify as Company property. Sometimes an employee may invent or improve upon a product or process while working for PBG. To the extent that the invention or improvement is directly or indirectly related to PBG's business, it is considered to be the Company's property, regardless of whether the invention or improvement was made or conceived of during working hours. Examples of "inventions" include computer programs, manufacturing processes, new products, and equipment improvements related to, or developed in connection with, PBG's business.

You must promptly and fully disclose to your Human Resources Manager any such invention or improvement. You will be required to assign to PBG all the rights to any patents, copyrights, and/or trademarks related to the invention.



Q I've learned that PBG is getting close to awarding the bid for a large purchase of equipment to a new supplier. I know that our business will be a significant event for the supplier and I expect that its stock will go up once the news is announced. Can I purchase some of the supplier's stock?

A No. The information that you have regarding the pending award of the bid to this supplier would be considered "material non-public information" and you should not purchase the supplier's stock prior to the news being announced publicly and not until the stock market has had a chance to absorb the news (generally 48 hours). Also, if your position gives you any decision-making authority with respect to this supplier, ownership of its stock may create a conflict of interest and you should discuss any potential purchase of the stock with your Human Resources Manager.

Electronic Mail and Internet Use

The PepsiCo/PBG electronic mail system and Internet, which are administered under a shared services arrangement with PepsiCo, are Company property and intended primarily for use as communication and research tools in connection with authorized Company business. Although these systems are to be used primarily for authorized business purposes, PBG allows occasional personal use of e-mail and the Internet, provided that such use does not interfere with the user's work responsibilities, job performance, consume significant resources, or involve unlawful or unprofessional activities.

Employees should not have an expectation of privacy when using the electronic mail or Internet systems. All work product, messages, and information transmitted on these systems are the sole property of the Company and are regularly monitored and/or accessed by PepsiCo/PBG. By using the electronic mail system and Internet, you consent to



such monitoring and access and agree to comply with this policy and also with the PepsiCo/PBG e-mail and Internet policies. The PepsiCo/PBG e-mail and Internet policies are available on the PBG intranet and can also be obtained from your Human Resources Manager or the Law Department.

Use of the e-mail or Internet systems for communications that violate PepsiCo/PBG e-mail or Internet policies, or other PBG policies, is strictly prohibited. Examples of prohibited communications include transmitting messages or accessing web sites that are offensive, derogatory, or pornographic. Inappropriate messages or use of the Internet will result in disciplinary actions, up to and including termination.

Insider Trading

PBG is committed to the principle of fair and open markets for publicly traded securities in accordance with the requirements of the United States securities laws. Insider trading—trading in a company’s stock

based on knowledge of material facts not known to the public at large—is illegal. Tipping others to such material, non-public information is also illegal in many circumstances. There are significant civil and criminal penalties for both actions, including large penalties and jail terms.

You should never trade in PBG’s stock based on your knowledge of material information not known to the public at large. Information is considered material if there is a substantial likelihood that a reasonable investor would consider it important to his or her decision to buy, sell, or hold securities. This policy applies to direct purchases and sales of PBG stock and, where applicable, the exercise of PBG stock options and 401(k) plan and income deferred plan transactions (other than those resulting from your payroll deduction election).



You should also never give material non-public information about PBG to anyone outside PBG, including members of your immediate family. PBG strictly forbids all employees, directors, and officers from using material non-public information about PBG for personal advantage or enabling others to do so. PBG also prohibits all employees, directors, and officers from engaging in short selling (which means selling securities that you do not yet own) or trading in puts, calls, or market traded options with respect to PBG securities.

In addition, you should never trade in the stock of other companies based on material non-public information that you obtain about that company through your employment at, or association with, PBG.

Examples of material information include a significant upward or downward revision of earnings forecasts, a significant development regarding a customer (such as acquisition or loss of a substantial contract), development of a significant new product, a major management change, a significant acquisition or divestiture, or events involving the Company's securities, such as stock splits or dividends. Information is considered non-public until it appears in press releases or in filings with the SEC and the market has had time to absorb it (generally 48 hours).

For more information on insider trading and tipping, please contact the Law Department.



Community Relations and Political Participation

PBG encourages all employees to get involved in their communities. You are encouraged to volunteer for worthwhile causes and support local and national organizations that are dedicated to improving the quality of life in the communities where we live and work. Your personal leadership not only improves your community, but also helps to build consumer trust and goodwill.

PBG also believes that good corporate citizenship requires participation in government affairs. This participation includes voting, representing PBG's interests at appropriate events involving elected officials and educating government officials about PBG's position on issues that directly impact us. Participation by employees is strictly voluntary.

In the U.S., the federal election laws generally prohibit companies from making contributions of money, products, services, or facilities in connection with any federal election. *Accordingly, you should not make any federal campaign contribution or expenditure on behalf of PBG. Since several state laws have similar restrictions, you should obtain prior approval from the Law Department of any corporate contribution for a state or local election.*

You may make personal political campaign contributions if you wish to do so. However, PBG will not reimburse you for those contributions.



PLEASE DETACH ALONG PERFORATION

Acknowledgment by an Employee or an Officer

I acknowledge that I have read and understand PBG's Worldwide Code of Conduct.

Except as described below, neither I nor anyone acting on my behalf has violated the Code of Conduct.

(If any matter is described, please indicate whether it has been previously disclosed and the manner of such disclosure.)

If any matter arises which makes this certification incomplete or untrue, I agree to report it promptly to my immediate supervisor and file a new certification describing the matter.

Date _____
Name and Title _____
Signed _____
BU or Department _____

Exceptions to Code of Conduct

Please sign and return this form to your Human Resources Representative.



Acknowledgment by a Director

I acknowledge that I have read and understand PBG's Worldwide Code of Conduct.

Except as described below, neither I nor anyone acting on my behalf has violated the Code of Conduct.

(If any matter is described, please indicate whether it has been previously disclosed and the manner of such disclosure.)

If any matter arises which makes this certification incomplete or untrue, I agree to report it promptly to the General Counsel of PBG and file a new certification describing the matter.

Date

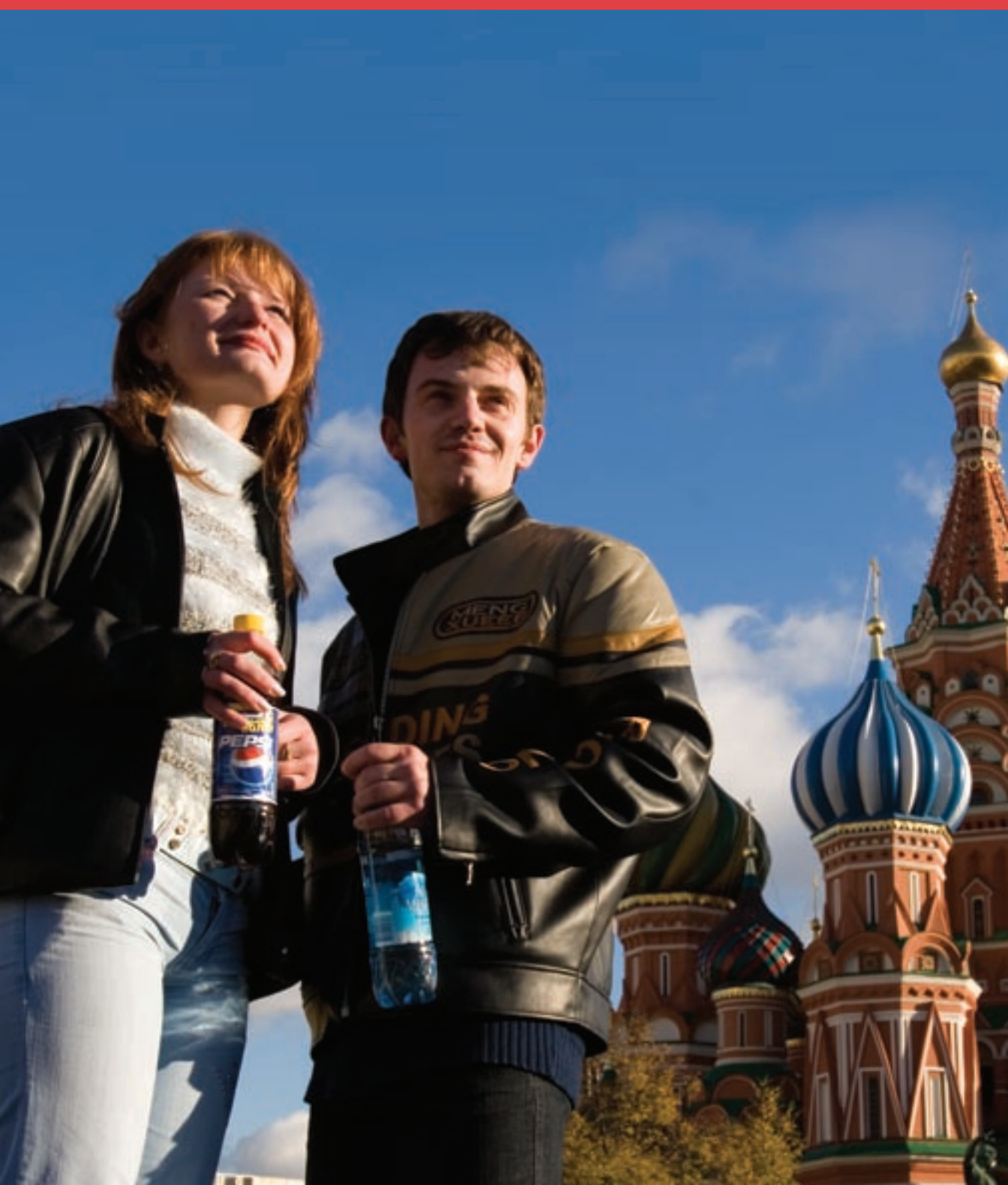
Name and Title

Signed

Exceptions to Code of Conduct

Please sign and return this form to the General Counsel of PBG.

PLEASE DETACH ALONG PERFORATION





The Pepsi Bottling Group
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Somers, NY 10589
www.pbg.com

