

Particulars**About Your Organisation****Organisation Name**

PepsiCo

Corporate Website Address<http://www.pepsico.com>**Primary Activity or Product**

- Manufacturer

Related Company(ies)

No

Membership

Membership Number	Membership Category	Membership Sector
4-0041-09-000-00	Ordinary	Consumer Goods Manufacturers

Consumer Goods Manufacturers**Operational Profile****1.1 Please state what your main activity(ies) is/are within manufacturing**

- Food Goods
 - Bakery products
- Own-brand

Operations and Certification Progress**2.1 Do you have a system for calculating how much palm oil and palm oil products you purchased?**

Yes

2.2.1 Do you manufacture for:

Own Brand

2.2.2 Total volume of Refined Palm Oil or Refined, bleached, and deodorized (RBD) Oil Palm sold in the year:

447267.00

2.2.3 Total volume of refined Palm Kernel Oil sold in the year:

5476.00

2.2.4 Total volume of other Palm Oil Derivatives and Fractions sold in the year:

--

2.2.5 Total volume of all oil palm products you sold in the year:

452743.00

2.3 Palm oil volume sold in the year in your own brands that is sourced through RSPO-certified physical supply chains:**In Your Own Brand**

No	Description	Refined palm oil/Refined, bleached, and deodorized (RBD) oil palm (Tonnes)	Palm Kernel Oil (Tonnes)	Palm based derivatives or fractions (Tonnes)	Volume of Palm Kernel Expeller used / processed and/or traded in the year (Tonnes)
1	Book & Claim	394,589.00	5,131.00		
2	Mass Balance	52,678.00	345.00		
3	Segregated				
4	Identity Preserved				
5	Total volume of oil palm products that is RSPO-certified	447,267.00	5,476.00		

2.4.1 What type of products do you use CSPO for?

Fried and baked packaged foods

2.5 What is the percentage of certified sustainable palm oil in the total oil palm products your company sells in:

Europe 100%
 India 100%
 China 100%
 South East Asia 100%
 North America 100%
 South America 100.00%

2.6 What is the percentage of certified sustainable palm kernel oil in the total palm kernel oil your company sells in:

Europe --%
 India --%
 China --%
 South East Asia --%
 North America 100%
 South America --%

Time-Bound Plan**3.1 Date expected to/or started to use any RSPO certified palm oil products - own brand**

2011

3.2 Date expected to be using 100% RSPO certified palm oil products from any supply chain option - own brand

2015

3.3 Date expected to be using 100% RSPO certified palm oil from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products

2020

3.4 Do your (own brand) commitments cover your company's companies' global use of palm oil?

y

3.5 Does your company use CERTIFIED SUSTAINABLE PALM OIL products in goods you manufacture on behalf of other companies?

n

3.6 Which countries that your organization operates in do the above commitments cover?

Argentina, Australia, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Canada, Chile, China, Colombia, Cyprus, Dominican Republic, Ecuador, Egypt, Greece, Guatemala, India, Mexico, Netherlands, New Zealand, Pakistan, Panama, Peru, Poland, Portugal, Puerto Rico, Romania, Russian Federation, Saudi Arabia, South Africa, Spain, Taiwan, Province of China, Thailand, Turkey, Ukraine, United Kingdom, United States, Uruguay, Venezuela, Vietnam

3.7 What are your interim milestones towards achieving RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies

In 2010, PepsiCo committed, through the Roundtable for Sustainable Palm Oil (RSPO), to source exclusively 100% RSPO certified sustainable palm oil by 2015. In 2013, PepsiCo further strengthened this commitment to purchase 100% Physical RSPO certified palm oil by 2020, providing additional visibility into our palm oil supply chain. The RSPO has played a leading role in mobilizing commercial activity to encourage sustainable supply and setting baseline standards for sustainable palm oil. While we are committed to the RSPO and its process and standards, we are also committed to going beyond current RSPO standards in order to ensure further protection of forests, peatlands, and human rights. Further, we recognize that our suppliers provide their products to a wide range of different companies which have their own requirements and provisions however we will encourage our suppliers to apply these principles to their entire operations, not just those supplying PepsiCo. This is why we are further committing that PepsiCo's palm oil sources globally will:

- Be sourced exclusively through direct suppliers who are members of the RSPO.
- Comply with our Forestry Stewardship Policy, which includes adherence to the following principles:
 - o Compliance with applicable legal requirements of each country in which we operate and from which we source.
 - o No further development on High Carbon Stock (HCS) Forests (footnote 1) or High Conservation Value (HCV) Areas.(footnote 2)
 - o No new conversion of any Peatlands, and the use of best management practices for existing plantations on Peatlands.(footnote 3)
- Adhere to the principle of Free, Prior, and Informed Consent (FPIC) - as defined and outlined in our Land Use Policy.
- Adhere to the Universal Declaration of Human Rights, be in basic compliance with applicable laws, prohibit forced, compulsory or child labor, follow ethical recruitment practices, respect freedom of association, recognize the rights of all workers including temporary, migrant, and contract workers; and cooperate with reasonable assessment processes requested by PepsiCo.
- In conjunction with our support of RSPO's standards, PepsiCo is committed to work with governments, NGOs, suppliers and other companies to ensure RSPO's no burning policy is realized through better monitoring and new technology. This commitment applies to palm and palm kernel oil that we use globally, including our global palm oil supply chain network, from direct suppliers to raw material sources. In addition, PepsiCo understands that palm oil derivatives may be used in limited amounts in certain ingredients procured for use in our products. While these derivatives represent a very small portion of our total palm oil supply, where we know they are used, we will apply the principles of this commitment. In addition, we will ask our suppliers to identify the use of derivatives in our ingredients as we continue to address the vast majority of our palm oil use through palm oil and palm kernel oil. In addition, PepsiCo will:
 - Achieve 100% traceability to the mill level for all our palm oil and palm kernel oil, and assess suppliers operations and landholdings on PepsiCo's Forestry Stewardship and Land Use Policies and the principles of this commitment by 2016.
 - Achieve traceability to the Farm/Plantation level of our palm oil and palm kernel oil by 2020.
 - Request our palm oil suppliers to report on greenhouse gas emissions through the CDP Supply Chain, or similar, program.
 - Work with our suppliers to ensure that these policies are implemented in such a way that supports the inclusion of smallholders
 - Engage with appropriate industry and other groups to improve our understanding of deforestation, forest conservation, Indigenous and customary land tenure rights, human rights, and labor rights issues in the palm oil industry, adapt our policy, and achieve our goals.
 - Use an appropriate means of communicating PepsiCo's palm oil commitments and associated policies to our suppliers, such as the PepsiCo Supplier Code of Conduct (SCoC).
 - Leverage the PepsiCo Sustainable Farming Initiative to support implementation of sustainable agriculture practices that enable farmers to increase production on currently farmed land and minimize impacts on the surrounding area.
 - Support a confidential and safe process for investigating grievances raised by affected parties by making the PepsiCo SpeakUp! hotline available, along with any supplier provided grievance mechanisms, for the reporting of suspected breaches of this policy to PepsiCo. Additional information concerning PepsiCo's SpeakUp! hotline, and how to report a suspected violation of this and other PepsiCo policies, can be found on our website: <http://www.pepsico.com/Company/SpeakUp>. In instances where outstanding land rights disputes exist in our supply chain we encourage our suppliers to utilize the principles of FPIC to reach a resolution. To carry out these commitments, PepsiCo will:
 - Actively assess risk our global palm oil suppliers and source countries and engage with those suppliers operating in high-risk regions to carry out on-the-ground assessments of production and expansion practices.
 - In instances of non-compliance, proactively work with suppliers, and when corrective action plans are not implemented, terminate the relationship with the supplier.

Foot Notes: 1PepsiCo recognizes HCS as defined by the HCS Toolkit: http://highcarbonstock.org/wp-content/uploads/2015/04/HCS-Approach-Toolkit_Full-version.pdf 2 High Conservation Areas as defined by the Common Guidance on Identification of HCVs available at: <https://www.hcvnetwork.org/news-and-events/blog.2013-10-09.1940557572> 3Best Management Practices for plantations already planted on peat can be found in the RSPO Manual on Best Management Practices for Existing Oil Palm Cultivation on Peat: <http://www.sustainablepalmoil.org/files/2012/11/RSPO-Manual-on-BMPs-for-Existing-Oil-Palm-Cultivation-on-Peat-SMALL-120812.pdf>

3.8 Date of first supply chain certification (planned or achieved)

2020

Comment:

PepsiCo will achieve 100% traceability to the mill level for all our palm oil and palm kernel oil, and compliance with the Forestry Stewardship and Land Use Policies for palm oil and palm kernel oil by 2016. We will be transitioning into 100% physically certified CSPO by 2020.

Trademark Related

4.1 Do you use or plan to use the RSPO trademark on your own brand products?

No

Please explain why

We do not currently have plans to use the RSPO trademark on any of our branded products based on present consumer demand.

GHG Emissions**5.1 Are you currently assessing the GHG emissions from your operations?**

Yes

5.2 Do you publicly report the GHG emissions of your operations?

Yes

URL: http://www.pepsico.com/docs/album/sustainability-reporting/pep_rpt14_gri_v10.pdf?sfvrsn=2

Actions for Next Reporting Period**6.1 Outline actions that will be taken in the coming year to promote sustainable palm oil.**

In the coming year, PepsiCo will be progressing against our public Palm Oil Action Plan (<http://www.pepsico.com/docs/album/default-document-library/pepsico-palm-oil-action-plan.pdf>) Specific activities include: • Ensure all suppliers are RSPO members • Engage with appropriate industry and other groups to improve our understanding of concerns within the palm oil industry and to achieve our goals • Map supply chains to the mill of origin to ensure traceability by 2016. • Implement a third-party audit program for Forestry Stewardship and Land Rights policies for our palm oil supply chain. • Actively assess risk of our global palm oil suppliers and source countries and engage with those suppliers operating in high-risk regions to carry out on-the-ground assessments of practices. • Request our palm oil suppliers to report on greenhouse gas emissions through the CDP Supply Chain, or similar program. • Suppliers, as necessary, will be encouraged to adopt high standards for palm oil sustainability throughout their systems. • Ask suppliers to identify the use of derivatives in our ingredients. • Work with suppliers to ensure that PepsiCo's palm oil policies are implemented in a way that supports the inclusion of smallholders. • Leverage the PepsiCo Sustainable Farming Initiative to support implementation of sustainable agriculture practices that enable farmers to increase production on currently farmed land and minimize impacts on the surrounding area. • Ensure PepsiCo's palm oil supply chain understands PepsiCo's expectations under our Supplier Code of Conduct (SCoC). • Ensure that PepsiCo's palm oil sources will be in compliance with PepsiCo's Forestry Stewardship Policy, which includes adherence to principles regarding High Carbon Stock (HCS) Forests, High Conservation Value (HCV) areas, and no new development of peat lands. • Ensure that PepsiCo's palm oil sources will be in compliance with PepsiCo's Land Use Policy, which includes adherence to the principle of Free Prior and Informed Consent (FPIC). • Report on our progress against our policies, commitments, and the Palm Oil Action Plan.

Reasons for Non-Disclosure of Information**7.1 If you have not disclosed any of the above information, please indicate the reasons why**

--

- Others:

--

Application of Principles & Criteria for all members sectors

8.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:

- Water, land, energy and carbon footprints
Uploaded file: [M-Policies-to-PNC-waterland.pdf](#)
 - Land Use Rights
Uploaded file: [M-Policies-to-PNC-landuseright.pdf](#)
 - Ethical conduct and human rights
Uploaded file: [M-Policies-to-PNC-ethicalconducthr.pdf](#)
 - Labour rights
Uploaded file: [M-Policies-to-PNC-laborrights.pdf](#)
 - Stakeholder engagement
Uploaded file: [M-Policies-to-PNC-stakeholderengagement.pdf](#)
 - None of the above
-

8.2 What steps will/has your organization taken to support these policies?

PepsiCo has a suite of policies and programs as well as a Global Supplier Code of Conduct that collectively state our global expectations in the areas of business integrity, labor practices, human rights, and environmental management, among other critical issues. These standards apply to all stages of our upstream value chain and are meant to be complemented, as appropriate, by additional guidelines, specifications, and practical tools at the local or regional level, while respecting and complying with national laws and regulations. The policies reference global standards and provide PepsiCo suppliers with our requirements. Several of our policies/commitments and their related steps are briefly summarized below. These policies are interconnected, complementary and created to holistically address the potential issues and challenges in agriculture production and supply chain. All of our policies, unless otherwise noted, apply to our entire supply chain. The policies outline our standards for establishing processes and performing assessments as well as systems to help ensure compliance. However, we recognize that sustainable and responsible sourcing is a journey. Non-conformance with our policies may occur, and PepsiCo has a responsibility to work to address them. We are committed to working with our suppliers through proactive steps, such as training, as well as to assist in implementing corrective action plans when needed. PepsiCo can have a long-term positive impact by helping suppliers in this way. In a rare case where a supplier will not implement a corrective action plan, PepsiCo reserves the right to terminate the relationship. We believe these policies can have a broader reach beyond PepsiCo. As we have seen with other industry-leading programs, such as the PepsiCo Sustainable Farming Initiative, suppliers realize benefits like increased yields and profits, decreased costs and improved environmental impact that can be replicated with other companies with whom they work. Underpinning all of our policies, PepsiCo recognizes the importance of maintaining and promoting fundamental human rights in all of our operations and throughout our supply chain. Our strategies and policies work together to support the principles contained in the United Nation's Universal Declaration of Human Rights and the International Labor Organization Fundamental Principles and Labor Standards. We operate under programs and policies that: (1) Provide fair and equitable wages, benefits and other conditions of employment in accordance with local laws; (2) Recognize employees' right to freedom of association; (3) Provide humane and safe working conditions; (4) Prohibit forced or child labor; and (5) Promote a workplace free of discrimination and harassment. We expect our suppliers and business partners to uphold these principles. Our Supplier Code of Conduct and Supplier Assurance Program are tools we use to minimize the risk of human rights abuses throughout our supply chain. We will continue to expand or enhance these policies and commitments over time as science evolves, supply chains mature and tools, practices and processes improve. -- Palm Oil Commitment: We committed to exclusively purchase 100 percent certified sustainable palm oil for our products by 2015. To further bolster our commitment, we are working with our suppliers to achieve 100% traceability to the mill level by 2016. In this way we will have a fuller understanding of our palm oil supply chain. At the same time, we recognize that in some regions of the world, additional measures may be necessary. This is why we've made additional commitments, such as no further development of High Carbon Stock (HCS) Forests or High Conservation Value (HCV) Forests (including primary forests). In addition, we are committed to implementing a third-party audit program, based on available and accepted standards, of the social, environmental and human rights aspects of our palm oil supply chain in Mexico by the end of 2016. The assessments will include impacts related to land rights and will be conducted with the participation of affected communities. PepsiCo will provide a public summary of critical findings, including the methodology used for each assessment, and ensure appropriate discussions with relevant stakeholders. Lastly, by 2020 PepsiCo has also committed to map supply chains from mills to farm/plantation level and source 100% physically certified sustainable palm oil. To further enhance our commitment to transparency, PepsiCo provides information on palm oil used in our products. The top three countries from which PepsiCo sources palm oil are Indonesia, Malaysia and Mexico. In 2015, PepsiCo purchased approximately 452,743MT, which represents approximately 0.7% of the total global supply. -- PepsiCo Land Policy: Agriculture is an integral part of PepsiCo's supply chain. PepsiCo has zero tolerance for illegal activities in our supply chain and for land displacements of any legitimate land tenure holders, which are contrary to the International Finance Corporation (IFC) Performance Standards. As part of our land policy, we are committed to: (1) Zero tolerance for land displacements of any peoples, in accordance with IFC Performance Standards, (2) Fair and legal negotiations for land acquisitions, and (3) Use of appropriate grievance mechanisms, such as the PepsiCo Speak Up! Hotline, for future dispute resolutions. -- PepsiCo Forestry Stewardship Policy: PepsiCo is committed to realizing zero deforestation in our company-owned and -operated activities and supply chain. PepsiCo has a responsibility to ensure that we and our suppliers operate in accordance with applicable legal requirements and practice responsible forestry stewardship. PepsiCo will source from suppliers that strive to: (1) Use sustainable forest management practices in forest they own, lease or manage to provide fiber, timber and other forest-based products; (2) Implement sustainable agriculture practices that enable farmers to increase production on currently farmed land and minimize impacts on the surrounding area; and (3) Preserve biodiversity and cultural values and optimize the social, environmental and economic benefits of managed forests. To further enhance existing programs, our Forestry Stewardship Policy establishes a zero deforestation goal. This is consistent with our ongoing work with our partners and external organizations to affect positive change in the local communities where we live, work, and serve. PepsiCo has long been committed to transparency on the issue of forestry and has participated in the CDP's Forest Program since its inception. -- Sustainable Agriculture Policy: The Sustainable Agriculture Policy sets PepsiCo's standards of performance and expectations for raw materials that are sourced from agricultural production. It is designed to have global reach, be relevant for industry and agricultural crops, and be adaptable for every size farm in developing and mature markets. The Policy outlines PepsiCo's aspirations, principles, and goal setting approach in regards to sustainable agriculture as well as the broad environmental, economic, and social objectives within our agricultural supply chain.

Commitments to CSPO uptake

**As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions:
Do you have plans to?**

Yes

Please specify

PepsiCo is committed to purchase 100% Physical RSPO certified palm oil by 2020

9.1 Do you have plans to immediately cover the gap using Book & Claim?

Yes

How and when do you plan to immediately cover the gap using Book & Claim?

In 2015 nearly 12% of our total volume was physical CSPO and 100% of the balance of our purchased volume was covered through book and claim Green Palm Credits.

Concession Map

10.1 Does your company or any subsidiary of your company own or manage oil palm plantations?

No

Please explain why

Ownership of palm plantations is not in our current business model.

Challenges

1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

As an international certification scheme, the RSPO is uniquely positioned to support, promote, and enforce the widespread uptake of responsible and sustainable production practices across the palm oil industry. While we are committed to the RSPO and its process and standards, we are also committed to going beyond current RSPO standards in order to ensure further protection of forests, peatlands, and human rights. This is why we are further committing that PepsiCo's palm oil sources globally will:

- Be sourced exclusively through direct suppliers who are members of the RSPO.
- Comply with our Forestry Stewardship Policy, which includes adherence to the following principles:
 - o Compliance with applicable legal requirements of each country in which we operate and from which we source.
 - o No further development on High Carbon Stock (HCS) Forests¹ or High Conservation Value (HCV) Areas.²
 - o No new conversion of any Peatlands, and the use of best management practices for existing plantations on Peatlands.³
- Adhere to the principle of Free, Prior, and Informed Consent (FPIC) - as defined and outlined in our Land Use Policy.
- Support the Universal Declaration of Human Rights, be in basic compliance with applicable laws, prohibit forced, compulsory or child labor, follow ethical recruitment practices, respect freedom of association, recognize the rights of all workers including temporary, migrant, and contract workers; and cooperate with reasonable assessment processes requested by PepsiCo. This commitment applies to palm and palm kernel oil that we use globally, including our global palm oil supply chain network, from direct suppliers to raw material sources.⁴

In addition, PepsiCo understands that palm oil derivatives may be used in limited amounts in certain ingredients procured for use in our products. While these derivatives represent a very small portion of our total palm oil supply, where we know they are used, we will apply the principles of this commitment. In addition, we will ask our suppliers to identify the use of derivatives in our ingredients as we continue to address the vast majority of our palm oil use through palm oil and palm kernel oil. In addition, PepsiCo will:

- Achieve 100% traceability to the mill level for all our palm oil and palm kernel oil and compliance with the Forestry Stewardship and Land Use Policies for palm oil and palm kernel oil by 2016.
- Work with our suppliers to ensure that these policies are implemented in such a way that supports the inclusion of smallholders.
- Engage with appropriate industry and other groups to improve our understanding of deforestation issues, adapt our policy, and achieve our goals.
- Use an appropriate means of communicating PepsiCo's palm oil commitments and associated policies to our suppliers, such as the PepsiCo Supplier Code of Conduct (SCoC).
- Leverage the PepsiCo Sustainable Farming Initiative to support implementation of sustainable agriculture practices that enable farmers to increase production on currently farmed land and minimize impacts on the surrounding area.
- Support a confidential and safe process for investigating grievances raised by affected parties by making the PepsiCo SpeakUp! hotline available, along with any supplier-provided grievance mechanisms, for the reporting of suspected breaches of this policy to PepsiCo. Additional information concerning PepsiCo's SpeakUp! hotline, and how to report a suspected violation of this and other PepsiCo policies, can be found on our website: <http://www.pepsico.com/Company/SpeakUp>.

To carry out these commitments, PepsiCo will:

- Actively risk assess our global palm oil suppliers and source countries and engage with those suppliers operating in high-risk regions to carry out on-the-ground assessments of management activities;
- In instances of non-compliance, proactively work with suppliers, and in rare circumstances when corrective action plans are not implemented, terminate the relationship with the supplier;
- Developed a publically available action plan, including indicators to track our progress and report on our performance against this commitment.
- Developed strategic partnerships with ProForest and Control Union to assist us in implementation of our public Palm Oil Action Plan. We look forward to continuing to partner with the RSPO and other trade associations, government agencies, non-governmental organizations, and other critical external stakeholders to help influence positive changes and improvements in the palm oil supply chain and industry.

2 How would you qualify RSPO standards as compared to other parallel standards?

--

Cost Effective:

Yes

Robust:

Yes

Simpler to Comply to:

Yes

3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

In 2010, PepsiCo committed, through the Roundtable for Sustainable Palm Oil (RSPO), to source exclusively 100% RSPO certified sustainable palm oil by 2015. In 2013, PepsiCo further strengthened this commitment to purchase 100% Physical RSPO certified palm oil by 2020, providing additional visibility into our palm oil supply chain. PepsiCo also supports RSPO Next. Our Palm Oil Commitments and Action Plan published in 2015 are aligned with the direction of RSPO Next, including further protection to forests, peatlands and human rights.

4 Other information on palm oil (sustainability reports, policies, other public information)

PepsiCo's palm oil commitments, action plan and related policies can be found at:
<http://www.pepsico.com/Purpose/Performance-with-Purpose/Policies>
