Company Name: PepsiCo  
Industry: Agricultural Products (Supply Chain only)  
Overall Score (*): 43.3 out of 100

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<thead>
<tr>
<th>Theme Score</th>
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<tr>
<td>4.9</td>
<td>10</td>
<td>A. Governance and Policies</td>
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<td>16.9</td>
<td>25</td>
<td>B. Embedding Respect and Human Rights Due Diligence</td>
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<td>4.6</td>
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<td>C. Remedies and Grievance Mechanisms</td>
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<td>5.2</td>
<td>10</td>
<td>F. Transparency</td>
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(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information in public sources that met the requirements as described in full in the CHRB 2018 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

A. Governance and Policies (10% of Total)

### A.1 Policy Commitments (5% of Total)

<table>
<thead>
<tr>
<th>Indicator Code</th>
<th>Indicator name</th>
<th>Score (out of 2)</th>
<th>Explanation</th>
</tr>
</thead>
</table>
| A.1.1          | Commitment to respect human rights            | 2                | The individual elements of the assessment are met or not as follows:  
Score 1  
- Met: General HRs commitment: The company "is committed to respecting human rights in our value chain and in the communities where we operate." [Global Human rights & salient human rights statement, 06/2017: [pepsico.com]]  
Score 2  
- Not met: UNGPs: The company Indicates in the HR Statement that "Our approach is guided by the United Nations Guiding Principles on Business and Human Rights". However, this statement does not count as formal commitment. [Global Human rights & salient human rights statement, 06/2017: [pepsico.com]]  
| A.1.2          | Commitment to respect the human rights of workers | 2                | The individual elements of the assessment are met or not as follows:  
Score 1  
- Met: ILO Core: The company indicates that is committed to respecting all of the Human Rights described in the International Bill of Rights and the International Labour Organization Declaration on Fundamental Rights at work. [Global Human rights & salient human rights statement, 06/2017: [pepsico.com]]  
- Met: All four ILO for AG suppliers: The Global Supplier code of conduct contains a commitment to all ILO core standards. Regarding freedom of association and collective bargaining, the Company commitment is as follows: "Respect employees’ right to freedom of association and collective bargaining, consistent with local laws." |
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<tr>
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<th>Score (out of 2)</th>
<th>Explanation</th>
</tr>
</thead>
</table>
| A.1.3.AG       | Commitment to respect human rights particularly relevant to the industry - land and natural resources (AG) | 2 | The individual elements of the assessment are met or not as follows: Score 1: • Met: Respect land ownership and resources: "PepsiCo is committed to doing business the right way and has a zero tolerance for illegal activities in our supply chain and land displacements of any legitimate land tenure holders which are contrary to the International Finance Corporation (IFC) Performance standards." [PepsiCo Land Policy, 03/2014: pepsico.com] • Met: Respecting the right to water: The company indicates that "In 2009, we publicly committed to respecting water as a basic human right. Our understanding what it means to respect the HRTW in practice continues to evolve, as we aim to improve our water use without compromising the ability of others to enjoy their HRTW". In addition, in the 2015 GRI report that the Company has endorsed the CEO Water mandate. [Global Human rights & salient human rights statement, 06/2017: pepsico.com] Score 2: • Met: IFC Performance Standards: The company states that "When PepsiCo is acquiring land, engage in fair (based on effective grievance mechanisms and processes) and legal negotiations on land transfers and acquisitions and utilize the IFC Performance Standards to implement the Free, Prior, and Informed Consent (FPIC) principles for agricultural development, in developing countries." [PepsiCo Land Policy, 03/2014: pepsico.com] • Met: FPIC for all: See above [PepsiCo Land Policy, 03/2014: pepsico.com] • Met: Respecting the right to water: See the above indicator in relation to water • Met: Expecting suppliers to respect these rights: "PepsiCo suppliers shall provide potable drinking water and adequate restrooms". It also states that potential impacts on environment should be considered along with opportunities for conservation of natural resources, ensuring cleaner air and water. In relation to land rights, as indicated above, "PepsiCo is committed to doing business the right way and has a zero tolerance for illegal activities in our supply chain and land displacements of any legitimate land tenure holders which are contrary to the International Finance Corporation (IFC) Performance standards." [Global Human rights & salient human rights statement, 06/2017: pepsico.com] |}
| A.1.3.b.AG     | Commitment to respect human rights particularly relevant to the industry - | 0.5 | The individual elements of the assessment are met or not as follows: Score 1: • Met: Women’s rights: The Company has commitments on non-discrimination and diversity, and carries out activities to improve equality. In addition the Company endorsed the ‘Women Empowerment principles’. [Diversity and engagement: pepsico.com] • Not met: Children’s rights: PepsiCo prohibits the hiring of individuals under the age of (15) or the local legal minimum working age or the compulsory schooling |
### A.1.4 Commitment to engage with stakeholders

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<tr>
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<th>Explanation</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to stakeholder engagement: On its website section 'Human rights - Stakeholder Engagement', the Company indicates: 'We understand the importance of capturing the voice of rights holders, and we are committed to engaging with potentially and actually affected stakeholders, including our employees, supply chain workers, and the local communities in which we operate.' [Human rights website: pepsi.com] Score 2 • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement: The company states that &quot;We track the effectiveness of our actions and influence to ensure human rights are respected in our value chain through our Global Labour Human Rights Assessment Program [...] and through engagement with suppliers and business partners.&quot; &quot;We regularly consult with external stakeholders and human rights experts on our overall approach to human rights, specific allegations, and our salient issue&quot; but no evidence has been found on engaging with families, local communities or any other groups whose life or environment might be affected in monitoring or developing the human rights approach. [Global Human rights &amp; salient human rights statement, 06/2017: pepsi.com]</td>
</tr>
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</table>

### A.1.5 Commitment to remedy

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<thead>
<tr>
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<th>Explanation</th>
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<tbody>
<tr>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to remedy: The company indicates that &quot;In line with the UN Guiding Principles on Business and Human Rights, we are committed to providing effective remedy where we have caused or contributed to adverse human rights impacts&quot;. Score 2 • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AG suppliers to remedy impacts</td>
</tr>
</tbody>
</table>

### A.1.6 Commitment to respect the rights of human rights defenders

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<thead>
<tr>
<th>Score (out of 2)</th>
<th>Explanation</th>
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</thead>
<tbody>
<tr>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 • Not met: Expects AG suppliers to reflect company HRD commitments</td>
</tr>
</tbody>
</table>

### A.2 Policy Commitments (5% of Total)

<table>
<thead>
<tr>
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<th>Score (out of 2)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.2.1</td>
<td>Commitment from the top</td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: CEO or Board approves policy: The Company's global code of conduct contains Human Rights commitments. It's signed by the CEO [Global Code of conduct, 2012: pepsi.com] • Met: Board level responsibility for HRs: The Company indicates in the Human rights statement that the Chief Human Rights Officer and General Counsel &quot;provide periodic updates to the PepsiCo Executive Committee and the Board of Directors for their review of significant human rights issues and changes to our management approach.&quot; The Sustainability report also indicates that &quot;at Board Level, our Public Policy and Sustainability Committee assists the Board's oversight of human rights&quot;. [Global Human rights &amp; salient human rights statement, 06/2017: pepsi.com] &amp; Sustainability report, 2016: pepsi.com] Score 2 • Not met: Speeches/letters by Board members or CEO</td>
</tr>
</tbody>
</table>
A.2.2 Board discussions

The individual elements of the assessment are met or not as follows:
Score 1
• Met: Board/Committee review of salient HRs: On its website section ‘Human Rights’, the Company indicates: 'our Board plays an essential role in determining strategic priorities and considers sustainability issues an integral part of its business oversight. In early 2017, our Board redefined the roles of its Committees by creating a Public Policy and Sustainability Committee. The Committee assists the Board in providing more focused oversight of the Company’s policies, programs and related risks that concern key public policy and sustainability matters, including human rights. In 2017, the Committee reviewed our human rights strategy, discussed emerging human rights trends and potential risks, and reviewed progress against our policies, goals, and salient issues.' [Human rights website: pepsico.com & Sustainability report, 2016: pepsico.com]

Score 2
• Not met: Examples or trends re HR discussion
• Not met: Both examples and process

A.2.3 Incentives and performance management

The individual elements of the assessment are met or not as follows:
Score 1
• Not met: Incentives for at least one board member
• Not met: At least one key AG HR risk, beyond employee H&S

Score 2
• Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

The individual elements of the assessment are met or not as follows:
Score 1
• Met: Senior responsibility fo HR (inc ILO): “Day-to-day responsibility for human rights sits with our Chief Human Rights Officer (CHRO), who also serves as Senior Vice President and Chief Counsel for Global Human Resources at PepsiCo. The CHRO leads our Human Rights Office, chairs our Human Rights Operating Council, and reports directly to our Executive Vice President, Government Affairs, General Counsel and Corporate Secretary.” The Human Rights policies include the ILO as noted in A.1.2. [Human rights website: pepsico.com]

Score 2
• Met: Day-to-day responsibility: The Human Rights operating Council is comprised of senior managers from core functions and its responsibilities include reviewing human rights policies, monitoring progress towards goals, reviewing business activities and due-diligence findings, etc. There is also a HR Office, a dedicated team in the Legal Department to drive the HR strategy, 'facilitate performance against our goals and commitments, and manage our salient human rights issues. The team coordinates our Human Rights Operating Council and works closely with the leads of our due diligence programs and key internal stakeholders including Human Resources, Global Procurement, and Public Policy to help the business prevent and address issues throughout our value chain’. [Human rights website: pepsico.com]

• Met: Day-to-day responsibility in supply chain: About its day to day responsibility in supply chain, the Company indicates: ‘We have a dedicated team in our Law Department that is responsible for driving our human rights strategy, facilitating performance against our goals and managing our salient human rights issues. The team coordinates our Human Rights Operating Council and works closely with the heads of our due diligence programs and other internal stakeholders (e.g., Human Resources, Global Sustainability, Global Procurement, and Public Policy) to help prevent and address issues throughout our value chain.’ In addition, the Company describes its Due Diligence Programs: ‘We manage our human rights risks by assessing adverse human rights impacts in our value chain; integrating these findings into our internal systems, controls, and processes; tracking the effectiveness of our actions and influence; and communicating with our external stakeholders.’ [Human rights website: pepsico.com]

B.1.2 Incentives and performance management

The individual elements of the assessment are met or not as follows:
Score 1
• Not met: Senior manager incentives for human rights
• Not met: At least one key AG HR risk, beyond employee H&S

Score 2
• Not met: Performance criteria made public
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<th>Explanation</th>
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<tbody>
<tr>
<td>B.1.3</td>
<td>Integration with enterprise risk management</td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: HR part of enterprise risk system: Within the risk section of the annual report the Company states indicates that failure to maintain high ethical, social and environmental practices for all of our operations and activities, including with respect to human rights, child labour laws and workplace conditions and safety, or failure of suppliers and third parties to do so can damage the Company's reputation or brand image could adversely affect business, financial condition or results of operations. Risk mentioned in this section of the report are integrated in the risk management framework of the Company. [Annual report, 2017: pepsico.com] Score 2 • Not met: Audit Ctte or independent risk assessment</td>
</tr>
<tr>
<td>B.1.4.a</td>
<td>Communication /dissemination of policy commitment(s) within Company's own operations</td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Communicates its policy to all workers in own operations: The company indicates that all of the policies related to HR are publicly available on the PepsiCo website and they are communicated internally through on-boarding materials and annual training programs, and the Code of Conduct can be found in the webpage in 28 different languages. [Human rights website: pepsico.com] Score 2 • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience</td>
</tr>
<tr>
<td>B.1.4.b</td>
<td>Communication /dissemination of policy commitment(s) to business relationships</td>
<td>1.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Steps to communicate policy commitments to BRs: The company uses the Sustainable Sourcing Program &quot;to communicate our Supplier Code of Conduct to suppliers, evaluate compliance, and facilitate continuous improvements within our supply chain&quot; [Modern slavery statement: pepsico.com &amp; Human rights website: pepsico.com] • Met: Including to AG suppliers: The Code for suppliers states that: 'Suppliers are also expected to communicate and apply the Supplier Code and relevant policies throughout their supply chain' [Global Supplier Code, Jun 2018: pepsico.com] Score 2 • Met: How HR commitments made binding/contractual: The Company states that &quot;all suppliers are expected to follow our Supplier Code of Conduct, and relevant policies and commitments as a condition of doing business with us&quot;. The sustainability report also indicates that &quot;it is our practice to include compliance with the Code as a condition of our supplier contracts&quot;. [Sustainable sourcing webpage: pepsico.com &amp; Sustainability report, 2016: pepsico.com] • Not met: Including on AG suppliers: CHRB did not found evidence on whether suppliers are required to cascade contractual or other binding arrangements to their supply chain.</td>
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<td>B.1.5</td>
<td>Training on Human Rights</td>
<td>2</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Trains all workers on HR policy commitments: The Company indicates in the GRI report 2015 that 'each year, we conduct an annual worldwide Code of Conduct training and awareness program to ensure our employees understand their obligation to comply with the Code' In our 2016, more than 69,000 salaried employees completed a web-based Code of Conduct training and certification course. [...] It was available in 24 languages and mandatory for all salaried employees who met our eligibility criteria.&quot; [Human rights website: pepsico.com] • Met: Trains relevant managers including procurement: The company indicates that &quot;in 2017, we piloted targeted human rights training with associates in the most relevant functions (i.e., Human Resources, Global Procurement, Legal, and Compliance), with 95% of associates completing the training.&quot; [Human rights website: pepsico.com] Score 2 • Met: Both requirements under score 1 met</td>
</tr>
<tr>
<td>B.1.6</td>
<td>Monitoring and corrective actions</td>
<td>2</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Monitoring implementation of HR policy commitments: The company indicates that ‘Our Sustainable Sourcing Program (SSP) assesses risk and monitors supplier compliance with our Supplier Code of Conduct through third-party auditing of our most business-critical direct suppliers and contract manufacturing and co-packing locations’. There were 794 on-site audits in 2016. In addition, in the context of the ‘Global Labour Human Rights Assessment Program (GLHR)’, third party</td>
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<td>Indicator Code</td>
<td>Indicator name</td>
<td>Score (out of 2)</td>
<td>Explanation</td>
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<td>auditors conduct audits in the 'nearly 300 company-owned manufacturing sites'. There were 77 audits in 2016. [Human rights website: pepsico.com]</td>
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<td>• Met: Monitoring AG suppliers: See above</td>
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<td>• Met: Describes corrective action process: The company describes the corrective action process: ‘When non-compliances are identified through our due diligence programs, they are addressed through the implementation of corrective action plans. Each corrective action plan has a set timeframe, depending on the type of non-compliance and its severity. Once in place, corrective action plans are tracked through our respective programs, which may require an additional on-site audit to verify remediation of the non-compliances. We also take additional steps to identify and better understand the root cause(s) of the non-compliances we find.’ [Human rights website: pepsico.com]</td>
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<td>• Met: Example of corrective action: On its ‘Human Rights’ website section, the Company gives some examples of corrective actions put in place, such as: ‘we identified that employees at one of our suppliers in China were working 21 consecutive days. We asked the supplier to develop and implement a corrective action plan to address the underlying working hours and rest day non-compliances. During the follow-up audit, the monitoring company verified that working hours were now in compliance with local standards and that all workers had at least one day off every seven days’. [Human rights website: pepsico.com]</td>
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<td>• Met: Discloses % of supply chain monitored: According to its website ‘to date, roughly 83% of our total business critical direct suppliers have been assessed through the SSP. [Human rights website: pepsico.com]</td>
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<tr>
<td>B.1.7</td>
<td>Engaging business relationships</td>
<td>1.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: HR affects selection of suppliers: The Company indicates in relation to the Sustainable Sourcing program (SSP) that “suppliers are responsible for demonstrating their compliance with our expectations through activities within the SSP, including an Initial Risk assessment, completion of SCoC (Supplier code of conduct) training, a site-level Self-Assessment Questionnaire which is graded, and participation in on-site-audits, as required”. [Sustainable sourcing webpage: pepsico.com] • Not met: HR affects on-going supplier relationships Score 2 • Not met: Both requirement under score 1 • Met: Working with suppliers to improve performance: The Company has in place the “sustainable farming initiative” which “is a program we use to engage with growers on farms of all sizes and types around the world in order to encourage continual improvement in sustainable farming practices, expand respect for workers’ human rights, enhance growers’ capabilities, and address risks”. As an example, the Company intends to deliver 100% sustainable sourcing of cane sugar and indicates that builds capability in markets where there is a low level of knowledge of sustainable farming. Reports the case of Thailand, where it supported an independent assessment on sugar cane producers including performance review of human rights and land rights to identify potential system issues. Through this and summits held with suppliers and mills, “we have increased awareness of sustainable cane sugar in the country and have helped to build a growing market for sustainable production”. [Sustainable sourcing webpage: pepsico.com]</td>
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</tbody>
</table>
| B.1.8 | Approach to engagement with potentially affected stakeholders | 0 | The individual elements of the assessment are met or not as follows: Score 1 • Not met: Stakeholder process or systems: The Company states the following on its website: “We understand the importance of capturing the voice of rights holders, and we are committed to engaging with potentially and actually affected stakeholders, including our employees, supply chain workers, and the local communities in which we operate.” However there is no information about its process used to identify its stakeholders, or details about frequency or triggers for engagement. [Human rights website: pepsico.com] • Not met: Frequency and triggers for engagement • Not met: Workers in SC engaged • Not met: Communities in the SC engaged Score 2 • Not met: Analysis of stakeholder views and company's actions on them
## B.2 Human Rights Due Diligence (15% of Total)

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</table>
| B.2.1          | Identifying: Processes and triggers for identifying human rights risks and impacts | 1.5 | The individual elements of the assessment are met or not as follows:  
  Score 1  
  • Met: Identifying risks in own operations: The Human Rights Operating Council identifies salient human rights. The Company indicates that "our initial focus has been on our own operations, first-tier suppliers and agricultural partners. These were identified through internal assessments and feedback from external human rights experts as the points in our value chain where we have the greatest leverage". [Global Human rights & salient human rights statement, 06/2017: pepsiaco.com & Human rights website: pepsiaco.com]  
  • Met: Identifying risks in AG suppliers: In addition, the Company indicates on its Human Rights website section: 'To help us prioritize our efforts, our HROC conducted a detailed assessment in 2017 to identify our salient human rights issues - those human rights at risk of the most severe negative impact through our company activities and business relationships. In partnership with Shift, an organization that advises companies, governments, civil society, investors and others on human rights and the UNGPs, we started by defining our focus as the most salient issues for rights holders in our vale chain. We then mapped the potential impacts that our business activities might have on rights holders in our value chain, and this process involved detail analysis of our business operations and supply chain, past assessment and audit findings, and input from internal and external experts, including industry groups, NGOs, human rights bodies, and socially responsible investors. After identifying a list of potential impacts, we determined our salient issues. [Human rights website: pepsiaco.com]  
  Score 2  
  • Met: Ongoing global risk identification: See above [Human rights website: pepsiaco.com]  
  • Met: In consultation with stakeholders: See above [Human rights website: pepsiaco.com]  
  • Met: In consultation with HR experts: See above [Human rights website: pepsiaco.com]  
  • Not met: Triggered by new circumstances  
  • Not met: Explains use of HRIs or ESIA (inc HR) |
| B.2.2          | Assessing: Assessment of risks and impacts identified (salient risks and key industry risks) | 2 | The individual elements of the assessment are met or not as follows:  
  Score 1  
  • Met: Salient risk assessment (and context): The Human rights statement indicates that the Company has different programs to assess adverse human rights impacts: The Global labour human rights program assesses potential human rights in the owned manufacturing sites, the Sustainable sourcing program, which in addition to conduct third-party auditing assesses risks and monitors suppliers, and the Sustainable Farming Initiative, which help assess direct growers, and identify potential non-compliances. Also, on its website section 'Human Rights': 'After identifying a list of potential impacts, we determined our salient issues by applying the "severity of impact" and "likelihood of occurrence" criteria outlined in the UNGP Reporting Framework. [Human rights website: pepsiaco.com]  
  • Met: Public disclosure of salient risks: In addition, the document explains that "our HROC [Human Rights operating council] annually reviews our business activities, risk assessment findings, and feedback from internal and external stakeholders to determine the most salient issues to rights holders in our value chain. In our last review, the HROC identified the following Human rights issues: Freedom of Association, Human Right to Water, Land Rights, Vulnerable Workers, Working hours and wages, Workplace safety". [Human rights website: pepsiaco.com]  
  Score 2  
  • Met: Both requirements under score 1 met |
| B.2.3          | Integrating and Acting: Integrating assessment findings internally and taking appropriate action | 2 | The individual elements of the assessment are met or not as follows:  
  Score 1  
  • Met: Action Plans to mitigate risks: The Company indicates that integrates the things it learns 'into internal practices, training programs, and management systems to prevent adverse impacts in our direct operations'. This includes addressing problems through policies related to human rights and key issues. On its Human Rights website section, it says: 'While we take steps to address all potential risks in our value chain, saliency informs our strategy and helps us prioritize where we should focus our work. We regularly review our salient issues to determine whether other human rights have become greater priorities over time. We set out the initial framing for our salient issues issue in our Global Human Rights & Salient Issues Statement, and we are currently establishing detailed roadmaps for each of |
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</table>
| B.2.4 | Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts | 1 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: System to check if Actions are effective: Following the corrective action plans implemented in cases of non-compliances from its suppliers, the Company indicates that data collected through follow up review will be used to measure improvement over time in our third party supply chain and is also informing the development of our salient issues and the actions we intend to take to address them. In the Human rights statement it indicates that "we track the effectiveness of our actions and influence to ensure human rights are respected in our value chain through our Global Labour Human rights assessment program, Sustainable sourcing program, Sustainable farming initiative, and through engagement with suppliers and business partners"(the same tools used in for the assessment are used to track effectiveness). [GRI report, 2015: pepsico.com]  
• Not met: Lessons learnt from checking effectiveness  
Score 2  
• Met: Both requirements under score 1 met: See above |
| B.2.5 | Communicating: Accounting for how human rights impacts are addressed | 0.5 | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Comms plan re identifying risks: On its website section ‘Human Rights-assessing potential Impacts and taking actions’ the Company communicates its process to identify its salient human rights issues including on-going assessment and in consultation with experts and stakeholders. [Human rights website: pepsico.com]  
• Met: Comms plan re assessing risks: On its website section ‘Human Rights-assessing potential Impacts and taking actions’ the Company explains how it assess impacts following their identification to determine salient issues. These issues are named described. [Human rights website: pepsico.com]  
• Met: Comms plan re action plans for risks: The Company explains how it is currently working in developing roadmaps for the different issues and discloses an example. [Human rights website: pepsico.com]  
• Not met: Comms plan re reviewing action plans: However the Company indicates that data collected through follow up review will be used to measure improvement over time in our third party supply chain and informing the development of its salient issues and the actions it intends to take to address them. [GRI report, 2015: pepsico.com]  
• Not met: Including AG suppliers  
Score 2  
• Not met: Responding to affected stakeholders concerns  
• Not met: Ensuring affected stakeholders can access communications |
### C. Remedies and Grievance Mechanisms (15% of Total)

<table>
<thead>
<tr>
<th>Indicator Code</th>
<th>Indicator name</th>
<th>Score (out of 2)</th>
<th>Explanation</th>
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</thead>
<tbody>
<tr>
<td>C.1</td>
<td>Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</td>
<td>1.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Channel accessible to all workers: As indicated in the Global Human Rights policy: “PepsiCo encourages all employees to report violations of the Human Rights Policy through one of several channels available to them without fear of reprisal. Employees can contact: Their direct manager or next-level manager; Their Human Resources manager; The PepsiCo Law Department; Global Compliance and Ethics; Speak Up Hotline (available by phone or web). At PepsiCo, our Speak Up hotline provides associates, as well as consumers, business partners and others with a means to report potential violations of the PepsiCo Global Code of Conduct, our policies or applicable law.” [Global Human Rights Policy: pepsi.com] Score 2 • Not met: Number grievances filed, addressed or resolved: Speak Up reports and contacts received in 2017 totalled 6,545. The company shows some graphs indicating the categories of Speak Up reports received in, the sources of the reports and whether these were made anonymously or self-identified. None of the categories mentioned explicitly include the Human Rights Complaints. Of the cases closed during 2017, approximately 36% were closed as “Substantiated or Partially Substantiated”. However, it is not clear whether the figures are in relation to human rights complaints. [Speak Up website: pepsi.com] • Met: Channel is available in all appropriate languages: There is a different Speak Up phone number for every country in which the company operates so it is accessible in any spoken language in the country the company is settled. [Speak Up website: pepsi.com] • Met: Opens own system to AG supplier workers: “Speak Up hotline provides associates, as well as consumers, business partners and others with a means to report potential violations of the PepsiCo Global Code of Conduct, our policies or applicable law” [Speak Up website: pepsi.com]</td>
</tr>
<tr>
<td>Indicator Code</td>
<td>Indicator name</td>
<td>Score (out of 2)</td>
<td>Explanation</td>
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<tr>
<td>C.5</td>
<td>Commitment to non-retaliation over complaints or concerns made</td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Public statement prohibiting retaliation: PepsiCo is committed to protecting the rights of those individuals who report issues. The company prohibits retaliation against any individual who, in good faith, reports a suspected violation of the law or the Code of Conduct. &quot;Any instance of retaliation against an employee for reporting a concern in good faith is itself a serious violation of our Code of Conduct, and should be reported. Any employee found to have engaged in such retaliation will be subject to appropriate discipline.&quot; [Global Code of conduct, 2012: pepsico.com] • Met: Practical measures to prevent retaliation: The company protects the confidentiality and where permitted the anonymity of all the users of the Speak Up mechanism, whether the report is made through telephone lines or the WebLine. [Human rights website: pepsico.com &amp; Speak Up website: pepsico.com]</td>
</tr>
<tr>
<td>C.6</td>
<td>Company involvement with State-based judicial and non-judicial grievance mechanisms</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not met: Won’t impede state based mechanisms • Not met: Complainants not asked to waive rights Score 2 • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)</td>
</tr>
<tr>
<td>C.7</td>
<td>Remediying adverse impacts and incorporating lessons learned</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not met: Describes how remedy has been provided: On its website section ‘Human Rights’, the Company states: ‘We recognize that our policies and programs may not prevent all adverse impacts in our value chain, and we aim to provide effective remedy where we have caused or contributed to those impacts and to using our leverage to encourage our suppliers or partners to provide remedy where we find impacts directly linked to our business operations, goods, or services. We have established a variety of mechanisms that allow our employees, stakeholders, and other potentially affected individuals to raise grievances and seek remedy.’ However there is no description of the remediation process. [Human rights website: pepsico.com] • Not met: Says how it would remedy key sector risks Score 2 • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism</td>
</tr>
</tbody>
</table>

**D. Performance: Company Human Rights Practices (20% of Total)**

<table>
<thead>
<tr>
<th>Indicator Code</th>
<th>Indicator name</th>
<th>Score (out of 2)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.1.1.b</td>
<td>Living wage (in the supply chain)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not met: Living wage in supplier code or contracts • Not met: Improving living wage practices of suppliers Score 2 • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in progress made</td>
</tr>
<tr>
<td>D.1.2</td>
<td>Aligning purchasing decisions with human rights</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not met: Avoids business model pressure on HRs (purchasing practices): The Company trains buyers in responsible purchasing and gives them tools but no evidence has been found specifically on practices to avoid price or short notice requirements or other considerations undermining human rights. [Human rights website: pepsico.com] • Not met: Positive incentives to respect human rights (purchasing practices) Score 2 • Not met: Both requirements under score 1 met</td>
</tr>
<tr>
<td>Indicator Code</td>
<td>Indicator name</td>
<td>Score (out of 2)</td>
<td>Explanation</td>
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<tr>
<td>D.1.3</td>
<td>Mapping and disclosing the supply chain</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not met: Identifies suppliers back to manufacturing sites (factories or fields): The Company has mapped some sectors of its operations (palm oil, agricultural raw material), however it is not clear if the Company is also mapping indirect suppliers. [Agriculture sustainability website: pepsi.com &amp; Sourcing of palm oil from Indonesia, 2018: pepsi.com] Score 2 • Not met: Discloses significant parts of SP and why: The Company has disclosed a map showing the exact location of their palm oil suppliers mills. However, it is not clear if this is the most significant (large) part of the its supply chain. [Palm Oil Supply and Traceability: pepsi.com]</td>
</tr>
<tr>
<td>D.1.4.b</td>
<td>Child labour: Age verification and corrective actions (in the supply chain)</td>
<td>0</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not met: Child Labour rules in codes or contracts: Its Supplier Code of Conduct prohibits the use of child labour, however there is no specific guidance related to age verification and remediation programmes. [Global Supplier Code, Jun 2018: pepsi.com] • Not met: How working with suppliers on child labour Score 2 • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made</td>
</tr>
<tr>
<td>D.1.5.b</td>
<td>Forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)</td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Debt and fees rules in codes or contracts: In its Supplier Code of Conduct, the Company indicates: 'PepsiCo suppliers shall maintain and promote fundamental human rights including freedom of movement of workers. Employment decisions must be based on free choice and there can be no coerced or prison labor, and no use of physical punishment or threats of violence or other forms of physical, sexual, psychological or verbal abuse as a method of discipline or control. Employment contracts must clearly state the terms of employment and must not restrict worker movement through the retention of identity papers, holding of deposits, or other actions aimed to prevent worker termination of their employment. In addition, workers must not be required to pay recruitment or other similar fees to obtain or retain their employment and suppliers shall ensure that any third-party recruitment agencies comply with these principles.' [Global Supplier Code, Jun 2018: pepsi.com] • Not met: How working with suppliers on debt &amp; fees Score 2 • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made</td>
</tr>
<tr>
<td>D.1.5.d</td>
<td>Forced labour: Restrictions on workers (in the supply chain)</td>
<td>1</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Free movement rules in codes or contracts: In its Supplier Code of Conduct, the Company indicates: 'PepsiCo suppliers shall maintain and promote fundamental human rights including freedom of movement of workers. Employment decisions must be based on free choice and there can be no coerced or prison labor, and no use of physical punishment or threats of violence or other forms of physical, sexual, psychological or verbal abuse as a method of discipline or control. Employment contracts must clearly state the terms of employment and must not restrict worker movement through the retention of identity papers, holding of deposits, or other actions aimed to prevent worker termination of their employment. In addition, workers must not be required to pay recruitment or other similar fees to obtain or retain their employment and suppliers shall ensure that any third-party recruitment agencies comply with these principles.' [Global Supplier Code, Jun 2018: pepsi.com] • Not met: How working with suppliers on free movement Score 2 • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made</td>
</tr>
<tr>
<td>Indicator Code</td>
<td>Indicator name</td>
<td>Score (out of 2)</td>
<td>Explanation</td>
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| D.1.6.b        | Freedom of association and collective bargaining (in the supply chain) | 0              | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not met: FoA & CB rules in codes or contracts: The Company’s policy for suppliers includes a commitment to respect freedom of association and the right to collective bargaining. Nevertheless no evidence has been found that the policies include guidelines including the prohibition of intimidation, harassment, retaliation and violence against union members and union representatives. [Global supplier Code of conduct, 01/2013]  
• Not met: How working with suppliers on FoA and CB  
Score 2  
• Not met: Both requirements under score 1 met  
• Not met: Provides analysis of trends in progress made |
| D.1.7.b        | Health and safety: Fatalities, lost days, injury rates (in the supply chain) | 0.5            | The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Sets out clear Health and Safety requirements: "PepsiCo suppliers shall proactively manage health and safety risks to provide an incident-free environment where occupational injuries and illnesses are prevented. Suppliers must implement management systems and controls that identify hazards and assess and control risk related to their specific industry." [Global supplier Code of conduct, 01/2013]  
• Not met: Injury Rate disclosures  
• Not met: Lost days or near miss disclosures  
• Not met: Fatalities disclosure  
Score 2  
• Not met: How working with suppliers on H&S  
• Not met: Provide analysis of trends in progress made |
| D.1.8.b        | Land rights: Land acquisition (in the supply chain) | 0              | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not met: Rules on land & owners in codes or contracts: PepsiCo's land policy states that 'when PepsiCo is acquiring land, engage in fair (based on effective grievance mechanisms and processes) and legal negotiations on land transfers and acquisitions and utilize the IFC Performance Standards to implement the Free, Prior, and Informed Consent (FPIC) principles for agricultural development, in developing countries' However no evidence found in relation to the process to identify legitimate tenure rights. [PepsiCo Land Policy, 03/2014: pepsi.com & Land rights policy: pepsi.com]  
• Not met: How working with suppliers on land issues  
Score 2  
• Not met: Both requirements under score 1 met  
• Not met: Provides analysis of trends in the progress made |
| D.1.9.b        | Water and sanitation (in the supply chain) | 1              | The individual elements of the assessment are met or not as follows:  
Score 1  
• Not met: Rules on water stewardship in codes or contracts: In its Suppliers Code, the Company indicates: 'suppliers shall provide access to safe drinking water, sanitation and hygiene, including adequate restrooms and handwashing facilities; [...]'; however, no evidence found of a commitment in the context of access to safe water to surrounding users (communities or other). [Global Supplier Code, Jun 2018: pepsi.com]  
• Met: How working with suppliers on water stewardship issues: The Company states that "access to safe water is a multi-faceted issue, and we are focused on achieving it at the watershed, community and household levels. With our partners we work to implement sustainable solutions". This includes “better management supply or volume of water, through water resource management, water basin restoration and/or pollution reduction”. The Company also states that it has set a goal to improve water-use efficiency in direct agricultural supply chain by 15% by 2025. "This goal focuses on improving our water-use efficiency where the need is greatest, in high-water risk locations, as defined by the World Resources Institute’s Aqueduct tool". To achieve this, "we are supplying farmers with more efficient irrigation equipment, enabling them to move from flood to more efficient irrigation methods, such as drip irrigation".  
Score 2  
• Not met: Both requirements under score 1 met  
• Not met: Provide analysis of trends in progress made |
## Women's rights (in the supply chain)

The individual elements of the assessment are met or not as follows:

**Score 1**
- Not met: Women's rights in codes or contracts: The company indicates that "PepsiCo has robust, long-standing processes for managing pay programs that ensure pay equity across employee groups. Building on that history, we recently increased the rigor of our pay equity review processes, as part of our Performance with Purpose (PwP) 2025 agenda, with a goal to achieve pay equity by implementing a more comprehensive global pay equity review process." However no evidence found in relation to requirements regarding women's rights in its contractual arrangements with its suppliers.
- Not met: How working with suppliers on women's rights
- Not met: Both requirements under score 1 met

**Score 2**
- Not met: Provide analysis of trends in progress made

## E. Performance: Responses to Serious Allegations (20% of Total)

### E(1).0 Serious allegation No 1

- **Area**: Access to water
- **Headline**: Madras High Court stops water to Coke, Pepsi plants citing shortage (river Tamirabarani in the south Indian state of Tamil Nadu)
- **Sources**: Daily News India, 01/12/2016 - [dnaindia.com](http://dnaindia.com)  "Hindustan Times, 02/03/17 - [hindustantimes.com](http://hindustantimes.com)  Live Mint 03/03/17 - [livemint.com](http://livemint.com)  Live Mint, 16/03/17 - [livemint.com](http://livemint.com)
- **Allegation**: PepsiCo (along with Coca-Cola) has been the subject of several public interest lawsuits in the Indian State of Tamil Nadu over its use of water from the river Tamirabarani. The company is accused of endangering the livelihood of communities in the drought-hit state. In 2016 the Madras High Court ordered that water from the river must not be diverted to Pepsi-producing plants in Gangaikondan. In March 2017 the court lifted the ban allowing PepsiCo to draw water from the river and questioning why other companies that used the river had not been included in the litigation.

### E(1).1 The Company has responded publicly to the allegation

- **Score**: 0

The individual elements of the assessment are met or not as follows:

**Score 1**
- Not met: Public response available: As far as CHRB was able to ascertain, the Company has not responded publicly to the allegation though it legal team did respond to the judgement of court saying that "This is a critical judgment, both for PepsiCo and Coca-Cola as water from this river caters to half of both the companies' production capacity for south India,”

**Score 2**
- Not met: Response goes into detail

### E(1).2 The Company has appropriate policies in place

- **Score**: 2

The individual elements of the assessment are met or not as follows:

**Score 1**
- Met: Company policies address the general issues raised
- Met: Policies apply to the type of business relationships involved

**Score 2**
- Met: Policies address the specific rights in question: In its PepsiCo Human Rights and Salient Issues Statement dated 29/06/2017, the Company stated: ‘In 2009, we publicly committed to respecting water as a basic human right. Our understanding of what it means to respect the Human Right to Water (HRTW) in practice continues to evolve, as we aim to improve our water use without compromising the ability of others to enjoy their HRTW. Building on goals established in 2016, we will strive to respect all people’s right to safe, sufficient, acceptable, physically accessible, and affordable water in the communities where we operate’.

### E(1).3 The Company has taken appropriate action

- **Score**: 0

The individual elements of the assessment are met or not as follows:

**Score 1**
- Not met: Engages with affected stakeholders
- Not met: Encourages linked business to engage affected stakeholders
- Not met: Provides remedies to affected stakeholders
- Not met: Has improved systems and engaged affected stakeholders: CHRB has not identified any documents in the public domain which provide information required under this indicator.

**Score 2**
- Not met: Remedies are satisfactory to the victims
- Not met: Has improved systems and engaged affected stakeholders

### E(2).0 Serious allegation No 2

- **Area**: Land rights in the supply chain
- **Headline**: Usina Trapiche in Brazil (based on Oxfam report from 2013)
### Indicator Code | Indicator name | Score (out of 2) | Explanation
--- | --- | --- | ---
E(2).1 | The Company has responded publicly to the allegation | 1 | The individual elements of the assessment are met or not as follows: Score 1  
- Met: Public response available: The Company has responded publicly to the allegation(s). However, it has not provided many details.  
  - For example, in its ‘Summary Report of the Social, Environmental and Human Rights aspects of PepsiCo’s Sugarcane Supply Chain in Brazil’, based on Third Party Audits’, PepsiCo has also added a paragraph at the end on Oxfam’s report and the Usina Trapiche land conflict case. It stated that ‘PepsiCo takes any concerns raised about its suppliers very seriously. PepsiCo maintains a 24 hour hotline – Speak Up! - to allow anonymous input on activities by the company and its suppliers that may not be aligned with PepsiCo’s stated standards’.  
  - Score 2  
  - Not met: Response goes into detail

E(2).2 | The Company has appropriate policies in place | 2 | The individual elements of the assessment are met or not as follows:  
- Score 1  
  - Met: Company policies address the general issues raised  
  - Met: Policies apply to the type of business relationships involved  
  - Score 2  
  - Met: Policies address the specific rights in question: The Company has a global policies related to land rights for its suppliers and its own operations. It includes FPIC while acquiring land for its own operation and its supplier.  
  - In its 2018 Global Supplier Code of Conduct, the Company has indicated that it expects its suppliers to adhere to the following principles: ‘Ensure that all land acquisitions (including leasing and utilization) meet International Finance Corporation (IFC) Performance Standards, including Free, Prior and Informed Consent’.  

E(2).3 | The Company has taken appropriate action | 0.5 | The individual elements of the assessment are met or not as follows:  
- Score 1  
  - Not met: Engages with affected stakeholders  
  - Not met: Encourages linked business to engage affected stakeholders  
  - Not met: Provides remedies to affected stakeholders  
  - Met: Has reviewed management systems to prevent recurrence: The company has voluntarily taken specific corrective actions. In March 2014, the company published its Land Policy, establishing a “zero tolerance” policy for land grabs in its supply chain. The company has also instituted social and environmental assessments across its supply chain that will begin with its top sugar sourcing country, Brazil by the end of 2014. This will be followed by Mexico, Thailand and the Philippines. In addition, the company publicly disclosed, for the first time, its top suppliers and sourcing countries for palm oil, soy and cane sugar, three commodities at the heart of the global land rush. However, the company has not indicated whether it carried out due diligence before acquiring the land (including identifying legitimate tenure rights holders).
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<th>Indicator Code</th>
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<th>Score (out of 2)</th>
<th>Explanation</th>
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</table>
| E(3).0        | Serious allegation No 3 |                | Score 2  
• Not met: Remedies are satisfactory to the victims  
• Met: Has improved systems and engaged affected stakeholders |

**E(3).1 The Company has responded publicly to the allegation**  
The individual elements of the assessment are met or not as follows:  
Score 1  
• Met: Public response available  
Score 2  
• Met: Response goes into detail: The Company has provided a detailed response through a press release in which it stated ‘IndoAgri is not a direct supplier to PepsiCo, but they supply palm oil to international traders which then sell to PepsiCo. The company is also a subsidiary of Indofood, a food manufacturer, and PepsiCo has a joint venture with Indofood to make some of our products in Indonesia’. It also detailed having filed the complaints through its grievance mechanisms and the actions it took to date. It added it has ‘sought to use (its)
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<th>Indicator Code</th>
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<th>Score (out of 2)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>E(3).2</td>
<td>The Company has appropriate policies in place</td>
<td>2</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Met: Company policies address the general issues raised • Met: Policies apply to the type of business relationships involved Score 2 • Met: Policies address the specific rights in question: The Company's code of conduct clearly states that 'PepsiCo recognizes the importance of maintaining and promoting fundamental human rights in our operations and supply chain, and we are committed to respecting the rights of workers throughout our value chain'. This includes prohibiting child labour.</td>
</tr>
<tr>
<td>E(3).3</td>
<td>The Company has taken appropriate action</td>
<td>0.5</td>
<td>The individual elements of the assessment are met or not as follows: Score 1 • Not met: Engages with affected stakeholders: The Company has engaged with the complainants (RSPO and RAN). IndoAgri has published a page on its 2017 sustainability report on this issue, detailing the contacts between IndoAgri and both RAN and RSPO. To date, there is no indication that IndoAgri has entered into a dialogue with affected stakeholders. • Not met: Encourages linked business to engage affected stakeholders • Not met: Provides remedies to affected stakeholders • Met: Has reviewed management systems to prevent recurrence: The Company has re-iterated that the supplier is an indirect one and outlined the actions it took with regards to this complaint: engaging with RSPO, support the complaint process, engaging with the complainants’, engaging with the IndoAgri, engaging with direct supplier which as sourcing from IndoAgri, ‘ending the sourcing of IndoAgri palm oil to our Joint Venture with Indofood’ in January 2017. In the January 2018 document, the Company has indicated that it advised IndoAgri and IndoFoods on their palm oil policy and program: ‘We have benchmarked their palm oil sustainability policy and program and provided recommendations for improvements, including reference to the UN Guiding Principles on Business and Human Rights, ILO conventions, and commitment to adopting the outcome of the High Carbon Stock convergence process. IndoAgri updated and strengthened its policy in February 2017’. Score 2 • Not met: Remedies are satisfactory to the victims • Met: Has improved systems and engaged affected stakeholders</td>
</tr>
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</table>

**F. Transparency (10% of Total)**

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<th>Indicator Code</th>
<th>Indicator name</th>
<th>Score</th>
<th>Explanation</th>
</tr>
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<tbody>
<tr>
<td>F.1</td>
<td>Company willingness to publish information</td>
<td>2.67 out of 4</td>
<td>Out of a total of 42 indicators assessed under sections A-D of the benchmark, PepsiCo made data public that met one or more elements of the methodology in 28 cases, leading to a disclosure score of 2.67 out of 4 points.</td>
</tr>
<tr>
<td>F.2</td>
<td>Recognised Reporting Initiatives</td>
<td>2 out of 2</td>
<td>The individual elements of the assessment are met or not as follows: Score 2 • Met: Company reports on GRI: The company reported against the GRI Guidelines in 2015 [GRI report, 2015: pepsico.com]</td>
</tr>
<tr>
<td>F.3</td>
<td>Key, High Quality Disclosures</td>
<td>0.5 out of 4</td>
<td>PepsiCo met 1 of the 8 thresholds listed below and therefore gets 0.5 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples • Not met: Score 2 for A.2.2 : Board discussions • Met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management</td>
</tr>
</tbody>
</table>
A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2018 Key Findings report for more details of the research process.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.