



Message from PepsiCo's Chairman & Chief Executive Officer

PepsiCo is proud to support the United Nations Global Compact and its 10 Guiding Principles in the areas of human rights, labor standards, the environment and anti-corruption.

For the past 10 years, PepsiCo has been guided by a philosophy called Performance with Purpose, which helps ensure that we deliver superior financial performance in a way that is responsive to the needs of the world around us. Not only is this approach the right one for our society and our environment, we believe it is a business imperative for any successful global corporation in the 21st century.

That's why in October 2016 we redoubled our commitment to Performance with Purpose and renewed our goals for another decade. Performance with Purpose 2025 includes transforming our portfolio of foods and beverages and offering healthier options, while making our food system more sustainable and our communities more prosperous. We have closely mapped our plans to the United Nations 2030 Sustainable Development Goals, and we are working to make valuable contributions to this shared agenda.

Our annual Communication on Progress demonstrates our ongoing commitment to the Global Compact. Thank you for the opportunity to participate once again.

Indra K. Nooyi

UNGC Principles

As a signatory of the United Nations Global Compact (UNGC), PepsiCo is committed to supporting the Compact's principles in our everyday business operations. We consider our Sustainability Report and accompanying GRI Report to be our primary sources for the Communication on Progress (COP) to the UN Global Compact, both of which are available on our [website](#). The following provides further relevant information on each of the 10 UNGC Guiding Principles.

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

PepsiCo is committed to compliance with applicable laws and regulations and doing the right thing consistently, without compromise. Our Human Rights Workplace Policy, available in over 40 languages, seeks to ensure a work environment that is free from all forms of discrimination, and where people feel comfortable and respected. Human rights policy violations can be reported to Human Resources, the PepsiCo Law Department or by using a confidential program called [Speak Up](#) where associates can anonymously raise questions or concerns 24/7 by phone or Internet. We are a charter endorser of the Sullivan Principles, whose goals are to support economic, social and political justice by companies where they do business, to support human rights and to encourage equal opportunity at all levels of employment. In 2006, PepsiCo certified to requesting entities that its policies reflect the fair employment standards embodied in the MacBride Principles of fair employment. To learn more about key areas please see our website:

- [People Agenda](#)
- [Values, Philosophy and Guiding Principles](#)
- [Global Code of Conduct](#)
- [Human Rights Code of Conduct](#)
- [Human Rights Workplace Policy](#)
- [Corporate Governance](#)
- [Supplier Code of Conduct](#)

Labor standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labor;
5. the effective abolition of child labor; and
6. the elimination of discrimination in respect of employment and occupation.

Our first priority as a company is the safety, health and well-being of our associates around the world. We provide competitive pay and a full range of benefits to help associates live healthier, balance work and family, and build a secure financial future. We are also continually working across our businesses to prevent occupational injuries and illnesses, striving for an incident-free workplace. We deal fairly and honestly with our associates regarding wages, benefits and other conditions of employment, and recognize our associates right to freedom of association. We do not use compulsory or child labor. We do not tolerate discrimination, and we work to ensure equal opportunity for all associates. We are committed to compliance with all applicable laws, regulations and other employment standards, wherever we operate or work. We encourage our partners, suppliers, contractors and vendors to support these policies, and we place substantial value on working with others who share our commitment to human rights. To learn more about key areas please see our website:

- [PepsiCo Policies](#)
- [Diversity and Engagement](#)
- [Health and Safety](#)
- [Development and Learning](#)
- [Global Code of Conduct](#)
- [Speak Up Hotline](#)

Environment

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| <p>7. Businesses should support a precautionary approach to environmental challenges;
 8. undertake initiatives to promote greater environmental responsibility; and
 9. encourage the development and diffusion of environmentally friendly technologies.</p> |
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PepsiCo is fully committed to protecting the earth's natural resources through innovation and the efficient use of land, energy, water and packaging in all our operations. We rely on the earth's natural resources every day and as we grow our businesses in developed countries and expand in developing and emerging countries, we strive to use only methods and tools that are scientifically proven, socially responsible and economically sound. Our environmental sustainability efforts are primarily focused on water, climate change, agriculture and packaging - areas that are critical to our business and where we believe we can make the biggest impact. To learn more about key areas please see our website:

- [Planet Agenda](#)
- [Water](#)
- [Climate Change](#)
- [Sustainable Agriculture](#)
- [Packaging, Waste & Recycling](#)
- [Responsible Sourcing](#)

Anti-corruption

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| <p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p> |
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PepsiCo has strict corporate standards that govern our operations and ensure accountability for our actions. We believe that operating ethically and with integrity means compliance with the laws and regulations that impact our business worldwide. It also means adhering closely to our policies including a Global Anti-Bribery Compliance Policy, Global Code of Conduct, Worldwide Gifts Policy and Travel and Entertainment Policy. To learn more about key areas please see our website:

- [Corporate Governance](#)
- [Global Code of Conduct \(including Foreign Corrupt Practices Act \(FCPA\) Anti-Bribery, Commercial Bribery and Business Gifts\)](#)
- [Speak Up Hotline](#)