

**Company Name** PepsiCo  
**Industry** Agricultural Products (Supply Chain only)  
**Overall Score (\*)** 51.0 out of 100

Theme Score	Out of	For Theme
5.5	10	A. Governance and Policies
16.0	25	B. Embedding Respect and Human Rights Due Diligence
7.5	15	C. Remedies and Grievance Mechanisms
4.0	20	D. Performance: Company Human Rights Practices
12.5	20	E. Performance: Responses to Serious Allegations
5.6	10	F. Transparency

(\*) 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 2019 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.

## Detailed assessment

### A. Governance and Policies (10% of Total)

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>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 &amp; salient human rights statement, 06/2017: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Met: UNGPs: The Company indicates that 'PepsiCo is committed to respecting the human rights of all workers and local communities throughout our operations and value chain. As part of our approach, we are committed to implementing the UN Guiding Principles on Business and Human Rights (UNGPs) throughout our business and publicly reporting on our progress in line with the UN Guiding Principles Reporting Framework'. [Modern Slavery Statement 2018, 2019: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>Met: OECD: The company indicates that "We [...] follow the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises." [Global Human rights &amp; salient human rights statement, 06/2017: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: UNGC principles 3-6: The Company is a signatory to the UN Global Compact. [UNGC website - Participant site, N/A: <a href="https://unglobalcompact.org">unglobalcompact.org</a>]</li> </ul> • Not met: Explicitly list All four ILO for AG suppliers: The Global Supplier code of conduct contains a commitment to ILO core standards. It includes child labour, forced labour and discrimination. Regarding freedom of association and collective bargaining, the Company commitment is as follows: 'Consistent with applicable law, PepsiCo suppliers shall respect employees' rights to join associations and

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>worker organizations'. However, it is not clear whether the Company is requiring to respecting those rights in all contexts, as it indicates 'in conformance with local law'. In these cases, companies are expected to require alternative mechanisms or equivalent workers bodies where the right to freedom of association and collective bargaining is restricted under law. [Supplier Code of Conduct, 06/2018: <a href="http://pepsico.com">pepsico.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Explicit commitment to All four ILO Core: The Company's global human rights policy includes a commitment to each ILO core element. In relation to Freedom of association and collective bargaining, the policy states that 'PepsiCo respects our employees' right to join, form or not to join a labour union without fear of reprisal, intimidation, or harassment. Where employees are represented by a legally recognized union, we are committed to establishing a constructive dialogue with their freely chosen representatives. PepsiCo is committed to bargaining in good faith with such representatives'. The human rights policy applies to Company and joint ventures (no reference found to suppliers). However, CHRB could not find alternatives measures to support freedom of association and collective bargaining rights where they are restricted by law. [Global Human rights &amp; salient human rights statement, 06/2017: <a href="http://pepsico.com">pepsico.com</a> &amp; Human Rights Policy, n/a: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The company states in the PepsiCo Global Human Right Policy that they are dedicated to ensuring a safe workplace by minimizing the risk of accidents, injury and exposure to health risks. They are committed to engaging with the employees to continually improve health and safety in the company workplaces. [Global Human rights &amp; salient human rights statement, 06/2017: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Met: H&amp;S applies to AG suppliers: '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'. [Supplier Code of Conduct, 06/2018: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul>
A.1.3.AG.a	Commitment to respect human rights particularly relevant to the industry - land and natural resources (AG)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Respect land ownership and natural 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: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• 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 &amp; salient human rights statement, 06/2017: <a href="http://pepsico.com">pepsico.com</a> &amp; GRI report, 2015: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Met: Expecting suppliers to respect these rights: PepsiCo expects its suppliers to provide potable drinking Water and adequate restrooms. "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 supplier Code of conduct, 01/2013 &amp; PepsiCo Land Policy, 03/2014: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• 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: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Met: FPIC for all: See above [PepsiCo Land Policy, 03/2014: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Met: Respecting the right to water: See the above indicator in relation to water</li> <li>• Met: Expecting suppliers to respect these rights: Land rights and Land policy cover supply chain. As indicated above, the code for suppliers include commitments regarding water. [Global supplier Code of conduct, 01/2013 &amp; PepsiCo Land Policy, 03/2014: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.3.AG.b	Commitment to respect human rights particularly relevant to the industry – people’s rights (AG)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• 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 age, whichever is higher. And the HR Policy states that It is never permitted to do work that may threaten their health and safety, or hinder their education or vocational orientation and training. However no specific statement of policy found committing to specifically Children's rights. [Human Rights Policy, n/a: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Not met: Expects suppliers to respect these rights: The Company indicates that ‘in 2018, we revised our SCoC to clarify and strengthen our expectations around several key issues, including forced labor and migrant worker protections. As part of this process, we aligned our standards and expectations with the Consumer Goods Forum Priority Industry Principles and the Employer Pays Principle’. Also, ‘as part of this process, we strengthened guidance to our suppliers on key issues such as recruitment fees, freedom of movement, and clear worker contracts’. However, no evidence found of a policy commitment(s) which also expects its suppliers to commit to respecting women's rights. (explicit reference). [Modern Slavery Statment 2018, 2019: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: CEDAW/Women's Empowerment Principles: See above [Diversity and engagement: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Not met: Child Rights Convention/Business Principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design: The Company indicates that ‘while the frequency (e.g., quarterly) and form of engagement (e.g., direct consultations, multi-stakeholder collaborations) may vary, we have regular dialogue with a diverse array of stakeholders throughout the year on our program, salient issues, and overall performance’. However, no statement of commitment found to engage with affected stakeholders and their legitimate representatives in monitoring or development of the human rights approach. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Not met: Regular stakeholder design engagement: The Company states that 'we regularly consult with external stakeholders and human rights experts on our overall approach to human rights, specific allegations, and our salient issues'. It also provides some examples: following feedback from several stakeholders including the Interfaith Center on Corporate Responsibility (ICCR), we are taking an active role in the Consumer Goods Forum’s initiative to fight forced labor through the Priority Industry Principles. The initiative seeks to establish common standards amongst its large retail and consumer goods company members to tackle forced labor through key issues such as ensuring freedom of movement for workers, no document retention, and no fees paid by workers for our own operations and our value chains. In addition, following feedback from Oxfam, we are focusing on improving our engagement with local stakeholders on a regular basis in response to specific issues raised’. However, this indicators looks for evidence of regular engagement with affected stakeholders and representatives in monitoring the approach, or helping in its development. Finally, on its website, it also indicates that 'in 2019, we will conduct a detailed review of our approach for engaging rights holders and integrating their interest and concerns into our grievance management systems and overall approach’. However, this seems a plan to be developed. [Global Human rights &amp; salient human rights statement, 06/2017: <a href="https://www.pepsico.com">pepsico.com</a> &amp; Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>

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A.1.5	Commitment to remedy	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to remedy: The Company states that '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'. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Collaborating with other remedy initiatives: The Company indicates that 'where appropriate, we will also collaborate in external initiatives and with other companies to prevent, mitigate, and remedy adverse human rights impacts'. Also, the Company gives an example of collaboration with the US National Contact point in relation to a an instance submitted by the IUF (union) in relation to actions of the Company's subsidiary in India. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a> &amp; U.S. National Contact, 15/04/2016: <a href="https://www.2009-2017.state.gov">2009-2017.state.gov</a>]</li> <li>• Not met: Work with AG suppliers to remedy impacts: The Company points out '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'. However, no evidence found working its business relationships to remedy adverse impacts through the business relationship's own mechanisms or through collaborating with those business relationships on the development of third party non-judicial remedies. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>
A.1.6	Commitment to respect the rights of human rights defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs)</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Expects AG suppliers to reflect company HRD commitments</li> </ul>

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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, 2019: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Met: Board level responsibility for HRs: The Company indicates in the Human rights statement that the Chief Human Rights Officer and General Counsel "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." The Sustainability report also indicates that "at Board Level, our Public Policy and Sustainability Committee assists the Board's oversight of human rights". [Global Human rights &amp; salient human rights statement, 06/2017: <a href="https://www.pepsico.com">pepsico.com</a> &amp; Sustainability report, 2016: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Speeches/letters by Board members or CEO</li> </ul>
A.2.2	Board discussions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a> &amp; Sustainability report, 2016: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Met: Examples or trends re HR discussion: The Company indicates that 'in 2018, the Committee reviewed the progress of our human rights program, including a deep-dive session where they discussed our human rights strategy as well as emerging human rights trends and risks. As part of this dedicated session, the Committee received a detailed update from our Chief Human Rights Officer on our ongoing work to address our salient human rights issues and other key risks,</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			including excessive working hours in our direct operations and forced labor risks in our supply chain'. [Modern Slavery Statment 2018, 2019: <a href="https://www.pepsico.com">pepsico.com</a> ] Score 2 • Met: Both examples and process: See above.
A.2.3	Incentives and performance management	0	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)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: Commits to ILO core conventions: See A.1.2 • Met: Senior responsibility for HR: "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, N/A: <a href="https://www.pepsico.com">pepsico.com</a> ] 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a> ] • Met: Day-to-day responsibility for AG 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a> ]
B.1.2	Incentives and performance management	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: Senior manager incentives for human rights: The Company indicates that 'PepsiCo's Chief Human Rights Officer and Human Rights Director, who are tasked with delivering our human rights program and managing our salient issues across our value chain, have clear annual performance targets that link their pay with the performance of our program and execution of our human rights commitments. This includes their responsibility for a wide range of issues, including working hours, forced labor, and vulnerable worker populations'. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a> ] • Met: At least one key AG HR risk, beyond employee H&S: See above. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a> ] Score 2 • Not met: Performance criteria made public

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.3	Integration with enterprise risk management	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: HR risks is integrated as 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: <a href="http://annualreports.com">annualreports.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Audit Ctte or independent risk assessment</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Commits to ILO core conventions: See indicator A.1.2</li> <li>Met: Communicates its policy to all workers in own operations: The Company indicates that all policies related to HR are publicly available on the PepsiCo website and they are communicated internally through on-boarding materials and annual training programs. The Code of Conduct can be found in the webpage in 28 different languages. [Human rights website, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Commits to all 4 ILO core conventions: See indicator A.1.2</li> <li>Not met: Communication of policy commitments to stakeholder: The Company indicates that 'all PepsiCo employees and joint venture employees over which we have management control are required to comply with our Global Code of Conduct (Code) and Human Rights Workplace Policy. (...) Our Human Rights Operating Council revised our Global Human Rights Workplace Policy in 2017 to clarify our approach and provide further guidance on our expectations. We engaged with a variety of stakeholder groups (e.g., employees, NGOs, and customers) during the development process, and the revised policy was finalized and approved by our Chairman &amp; CEO'. However, it is not clear how it communicates its policy commitments to stakeholders, including local communities and potentially affected stakeholders. [Human rights website, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>Not met: How policy commitments are made accessible to audience</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Commits to all 4 ILO core conventions for suppliers: See indicator A.1.2</li> <li>Met: Requiring AG suppliers to communicate policy down the chain: The Company uses the Sustainable Sourcing Program 'to communicate our Supplier Code of Conduct to our direct third-party suppliers and to conduct our annual SCoC Training. This training helps to ensure suppliers understand and comply with the principles of our SCoC'. It also indicates in the Sustainability report 2016 (no evidence found in 2017 report) that 'it is our practice to include compliance with the Code as a condition of our supplier contracts'. It also states on its website (and supplier code) that: 'Suppliers are also expected to communicate and apply the Supplier Code and relevant policies throughout their supply chain'. [Sustainability report, 2016: <a href="http://pepsico.com">pepsico.com</a> &amp; Human rights website, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: How HR commitments made binding/contractual: The Company states that 'all suppliers are expected to follow our Supplier Code of Conduct, and relevant policies and commitments as a condition of doing business with us'. The sustainability report also indicates that 'it is our practice to include compliance with the Code as a condition of our supplier contracts'. [Sustainable sourcing webpage: <a href="http://pepsico.com">pepsico.com</a> &amp; Sustainability report, 2016: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>Not met: Including on AG suppliers: The Company indicates that 'similarly, as a condition of doing business with PepsiCo, all of our suppliers are required to comply with our Global Supplier Code of Conduct (SCoC). It is also an expectation that our direct suppliers cascade the principles of our SCoC throughout their respective supply chains'. However, it is not clear if contractual or other binding arrangements are also cascaded down the supply chain. [Human rights website, N/A: <a href="http://pepsico.com">pepsico.com</a> &amp; Modern Slavery Statment 2018, 2019: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul>
B.1.5	Training on Human Rights	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Scores at least 1 on A.1.2: See A.1.2</li> <li>Met: Trains all workers on HR policy commitments: The Company indicates that 'we require associates at all levels in the organization to complete annual Code training so they understand their obligation to comply with our Code [...] In 2017</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>over 72,000 employees worldwide completed an online code of conduct training course available in 24 languages. Also in 2017, over 184,000 frontline employees in our plants and warehouses received Code and Values training through in-person training workshops. In addition to our annual training, the code is reinforced throughout the year with local and global communications including internal newsletter articles, digital signage, portal updates, tone at the top messaging and ethics and values Campaigns'. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Trains relevant AG managers including procurement: The company indicates that over 4,200 employees across its core functions, including procurement, completed targeted human rights training on modern slavery and human trafficking. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2: see A.1.2</li> <li>• Met: Both requirements under score 1 met</li> </ul>
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Scores at least 1 on A.1.2</li> <li>• 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 auditors conduct audits in the 'nearly 300 company-owned manufacturing sites'. There were 77 audits in 2016. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Score of 2 on A.1.2</li> <li>• 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Met: Discloses % of AG 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>
B.1.7	Engaging business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: HR affects AG 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: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: HR affects on-going AG supplier relationships: The Company indicates that '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. Business relationships can be impacted when a serious non-compliance is found and there is a failure to meaningfully engage in its remediation. For instance, this may include the reduction and/or termination of purchasing from suppliers'. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirement under score 1 met: See above.</li> <li>• Met: Working with AG 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: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Stakeholder process or systems: The Company indicates that ‘our global and local Public Policy and Government Affairs teams, in conjunction with other internal groups, support our business in identifying and engaging with external stakeholders including civil society, industry, government officials and elected representatives on specific issue areas, including our salient human rights issues. It points out that ‘following feedback from several stakeholders including the Interfaith Center on Corporate Responsibility (ICCR), we are taking an active role in the Consumer Goods Forum’s initiative to fight forced labor through the Priority Industry Principles. (...) In addition, following feedback from Oxfam, we are focusing on improving our engagement with local stakeholders on a regular basis in response to specific issues raised’. However, it is not clear how it identified affected (or potentially affected) stakeholders and engaged with them on human rights issues (in last two years). [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Not met: Frequency and triggers for engagement: While the frequency (e.g., quarterly) and form of engagement (e.g., direct consultations, multi-stakeholder collaborations) may vary, we have regular dialogue with diverse array of stakeholders throughout the year on our program, salient issues, and overall performance. However, no details found in relation to affected or potentially affected stakeholders frequency and triggers. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Not met: Workers in AG SC engaged</li> <li>• Not met: Communities in the AG SC engaged</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Analysis of stakeholder views and company’s actions on them: Although the Company provides various examples of engagement, no evidence found of a summary analysis of the input/views given by the stakeholders on human rights issues and how the Company took those views into account. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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 &amp; salient human rights statement, 06/2017: <a href="https://www.pepsico.com">pepsico.com</a> &amp; Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• 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, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: See above [Human rights website, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Met: In consultation with stakeholders: See above [Human rights website, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Met: In consultation with HR experts: See above [Human rights website, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Not met: Triggered by new circumstances</li> <li>• Not met: Explains use of HRIAs or ESIA (inc HR)</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• 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, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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 &amp; Salient Issues Statement, and we are currently establishing detailed roadmaps for each of them'. [Human rights website, N/A: <a href="http://pepsico.com">pepsico.com</a> &amp; Global Human rights &amp; salient human rights statement, 06/2017: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Met: Including in AG supply chain: See above</li> <li>• Met: Example of Actions decided: The Company report several examples of actions taken in order to face its salient human rights risks, for example: 'We are working with our sector business units to better understand the root causes of excessive working hours. [...] We are addressing risks and impacts to vulnerable workers, including temporary workers and women, in our palm oil supply chain and the industry more broadly. This means working with peers, suppliers, civil society, and others to identify and address systemic issues as well as to address non-compliances in our own supply chain.' In addition, in July 2017, the Company</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>updated its Land Rights Country Assessment, according to the salient issues identified. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a> &amp; Land rights assessments: <a href="https://www.pepsico.com">pepsico.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met: See above</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Not met: Lessons learnt from checking effectiveness: The Company indicates that ‘since the SSP (Sustainable Sourcing Program) launched in 2015, we have seen strong improvement from sites as they learn from audit findings and demonstrate closure through a corrective action plan and subsequent follow-up audit’. The top noncompliance findings in 2018 were focused in: health, safety &amp; hygiene; working Hours; wages; environment; regular Employment. There is a chart with a clear diminution severe non-compliance cases, from 182 in the first visit to 33 in the most recent visit. However, no example found of the lessons learned while tracking the effectiveness of its actions on at least one of its salient human rights issues as a result of the due diligence process. [Sustainable Sourcing web, 03/09/2019: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• 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, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• 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: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Met: Including AG suppliers: All evidence referred to in indicators B.2.1 to B.2.4 includes suppliers. [Global Human rights &amp; salient human rights statement, 06/2017: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Responding to affected stakeholders concerns: The Company indicates that ‘for example, in September 2016 the International Union of Food workers (IUF) alleged that the distribution of permanent employees and contract workers in our Lahore, Pakistan snacks plant was not compliant with local standards. An investigation by global and local PepsiCo leaders substantiated this claim. We met with the affected parties and continued open dialogue with IUF throughout the process, which resulted in us implementing corrective actions plans to address the root cause of the issue. We insourced more than 460 contract workers into permanent positions in our Lahore snacks plant to ensure compliance with local standards’. [Human rights website, N/A: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

## C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>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 Code of Conduct, 2019: <a href="https://pepsico.com">pepsico.com</a> &amp; Speak Up website: <a href="https://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>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: <a href="https://pepsico.com">pepsico.com</a>]</li> <li>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 language spoken in the country the company is settled. [Speak Up website: <a href="https://pepsico.com">pepsico.com</a>]</li> <li>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: <a href="https://pepsico.com">pepsico.com</a>]</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Grievance mechanism for community: The Company states "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." [Speak Up website: <a href="https://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Describes accessibility and local languages: The Company states in its GRI report that 'reports can be made via dedicated toll-free phone lines in 61 countries and 38 languages or by using the Speak Up WebLine available in 25 languages'. [GRI report, 2015: <a href="https://pepsico.com">pepsico.com</a>]</li> <li>Met: Expects AG supplier to have community grievance systems: In its Global Supplier Code, the Company indicates: 'PepsiCo expects that suppliers have an effective Grievance Management system in place for grievances raised by workers within their operations or by third parties, which elevate potential violations to management in line with the UN Guiding Principles.' [Global Supplier Code, Jun 2018: <a href="https://pepsico.com">pepsico.com</a>]</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: Engages users to create or assess system</li> <li>Not met: Description of how they do this</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Engages with users on system performance</li> <li>Not met: Provides user engagement example on performance</li> <li>Not met: AG suppliers consult users in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Response timescales: On the F.A.Q section of the Speak up website, the Company indicates: 'The time to review and investigate each call varies depending upon the nature of the allegation. Some situations take longer to investigate than others. Our goal is to close out average routine cases within 60 days.' [Speak Up - EthicsPoint F.A.Q: <a href="https://secure.ethicspoint.com">secure.ethicspoint.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: How complainants will be informed: 'Each matter reported to the Speak Up hotline is assigned a unique case number that allows you to follow-up and furnish additional information. If you remain anonymous, the case number will allow us to maintain communication with you. If we need more information, we will instruct</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>the Speak Up vendor to ask those questions when you call back using the unique case number.' [Speak Up - EthicsPoint F.A.Q: <a href="https://secure.ethicspoint.com">secure.ethicspoint.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Escalation to senior/independent level: The Company indicates that 'in line with our Code of Conduct Escalation Policy, complaints may also be escalated to senior leadership as necessary. With respect to Code violations, our Global C&amp;E Department provides oversight for consistency of the investigative process, discipline, and appropriate corrective actions'. [Human rights website, N/A: <a href="https://pepsico.com">pepsico.com</a>]</li> </ul>
C.5	Commitment to non-retaliation over complaints or concerns made	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Public statement prohibiting retaliation: "PepsiCo is committed to protecting the rights of those individuals who report issues in good faith either through one of the reporting means described in our Code or to government authorities. Our company will not retaliate or permit retaliation against a person who in good faith: Reports what he or she believes is a violation of our Values, our Code, our policies, or the law; Raises a compliance question or seeks advice about a particular business practice, decision or action; Cooperates in an investigation of a potential violation. [Global Code of Conduct, 2019: <a href="https://pepsico.com">pepsico.com</a>]</li> <li>• 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, N/A: <a href="https://pepsico.com">pepsico.com</a> &amp; Speak Up website: <a href="https://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Has not retaliated in practice</li> <li>• Not met: Expects AG suppliers to prohibit retaliation</li> </ul>
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Won't impede state based mechanisms: The Company indicates that '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. Where appropriate, we will also collaborate in external initiatives and with other companies to prevent, mitigate, and remedy adverse human rights impacts'. However, no evidence found of publicly commitment to not impeding access to state-based judicial or non-judicial mechanisms or other available mechanisms for persons who make allegations of adverse human rights impacts. [Human rights website, N/A: <a href="https://pepsico.com">pepsico.com</a>]</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non judicial mechanisms</li> <li>• Met: Example of issue resolved (if applicable): The Company discloses a document which contains an example of an issue. The summary of the outcome of the Specific Instance follows: 'this Final Statement concludes consideration by the United States National Contact Point (USNCP) for the OECD Guidelines for Multinational Enterprises (the Guidelines) of the Specific Instance submitted by the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) regarding the actions of PepsiCo Inc. (PepsiCo), through its subsidiary in India. This Final Statement succeeds a previous Final Statement regarding this Specific Instance issued by the USNCP on May 19, 2014. That Final Statement was issued when PepsiCo declined the offer of mediation the USNCP had made. Though mediation could not be established through the USNCP mechanism at that time, IUF and PepsiCo continued discussions of the allegations in the Specific Instance. In November 2015, PepsiCo reached out to the USNCP to ask if mediation would still be available. The USNCP agreed to mediate the case and both parties returned to the table. The parties entered into three days of mediation under the USNCP and facilitated by the Federal Mediation and Conciliation Service (FMCS) in February, 2016. Although they were not able to reach a mediated agreement, the parties and the USNCP found the dialogue and mediation process to be productive and useful. The USNCP believes that the process did lead to greater understanding of the Guidelines and will result in a quicker recognition of and easier solution of such issues when they arise in the future'. [U.S. National Contact, 15/04/2016: <a href="https://2009-2017.state.gov">2009-2017.state.gov</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.7	Remediating adverse impacts and incorporating lessons learned	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Describes how remedy has been provided: The Company indicates that ‘for example, in September 2016 the International Union of Food workers (IUF) alleged that the distribution of permanent employees and contract workers in our Lahore, Pakistan snacks plant was not compliant with local standards. An investigation by global and local PepsiCo leaders substantiated this claim. We met with the affected parties and continued open dialogue with IUF throughout the process, which resulted in us implementing corrective actions plans to address the root cause of the issue. We insourced more than 460 contract workers into permanent positions in our Lahore snacks plant to ensure compliance with local standards’. [Human rights website, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Not met: Says how it would remedy key sector risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage in supplier code or contracts</li> <li>• Not met: Improving living wage practices of suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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, N/A: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• Not met: Positive incentives to respect human rights (purchasing practices)</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
D.1.3	Mapping and disclosing the supply chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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) and has made statements about that in the palm oil report and the website. The Company has provided some comments in relation to direct sourcing farmers, although this evidence was not found in publicly available sources. No evidence found, therefore, in publicly available sources whether the Company identifies both direct and indirect suppliers generally (e.g farm, plantation), although there is evidence that it maps and identifies part of its supply chain. [Agriculture sustainability website: <a href="http://pepsico.com">pepsico.com</a> &amp; Palm Oil Progress Report 2017, 2017: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• 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 part of the its supply chain (what the Company considers to be its most significant part). [Palm Oil Supply and Traceability: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Child Labour rules in codes or contracts: In its Supplier Code of Conduct the Company states 'Suppliers shall adhere to the minimum employment age limit defined by national law or regulation and comply with relevant International Labor Organization (ILO) standards. In addition, PepsiCo prohibits the hiring of individuals under the age of (15), the local legal minimum working age, or the compulsory schooling age, whichever is higher. In no instance shall a supplier permit children to perform work that exposes them to undue physical risks that can harm their physical, mental, or emotional development or improperly interfere with their education or vocational needs'. However, no evidence found for verifying the age of job applicants and workers and remediation programmes in the Company's contractual arrangements with its suppliers or supplier code of conduct. The Company also provides online training for its suppliers. Child labor is one of the topics. However, 'training' is not a formal commitment. [Global Supplier Code, Jun 2018: <a href="https://www.pepsico.com">pepsico.com</a> &amp; Supplier CoC Training, 03/09/2019: <a href="https://cdn.pepsico.com">cdn.pepsico.com</a>]</li> <li>• Not met: How working with suppliers on child labour</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Analysis of trends in progress made</li> </ul>
D.1.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• Met: How working with suppliers on debt &amp; fees: The Company indicates that 'in 2018, we revised our Supplier Code of Conduct to clarify our expectations around several key issues, including forced labor and migrant workers protections. As part of this process, we also revised our SCoC Training to strengthen our guidance to suppliers on key issues such as recruitment fees, freedom of movement, and clear worker contracts. In 2018, 100% of our business-critical direct suppliers completed our SCoC Training. [Modern Slavery Statment 2018, 2019: <a href="https://www.pepsico.com">pepsico.com</a> &amp; Supplier CoC Training, 03/09/2019: <a href="https://cdn.pepsico.com">cdn.pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met: See above.</li> <li>• Not met: Analysis of trends in progress made</li> </ul>
D.1.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: How working with suppliers on free movement: The Company indicates that 'we have and are continuing to strengthen our policies and trainings to provide our employees and suppliers with additional guidance on how to prevent, identify, and respond to forced labor impacts commonly faced by these groups, such as recruitment fees and document retention. It also states that 'in 2018, we revised our Supplier Code of Conduct to clarify our expectations around several key issues, including forced labor and migrant workers protections. As part of this process, we also revised our SCoC Training to strengthen our guidance to suppliers on key issues such as recruitment fees, freedom of movement, and clear worker contracts. In 2018, 100% of our business-critical direct suppliers completed our SCoC Training. Finally, it reports that 'in 2017 we co-sponsored an AIM-PROGRESS supplier capability building event in Kuala Lumpur, Malaysia for over 150 participants that focused on strengthening grievance mechanisms and reducing forced labor-related risks'. [Modern Slavery Statment 2018, 2019: <a href="https://www.pepsico.com">pepsico.com</a> &amp; PepsiCo Statement on human trafficking and modern slavery, 2018: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met: See above.</li> <li>• Not met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.6.b	Freedom of association and collective bargaining (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: FoA &amp; CB rules in codes or contracts: In its Supplier Code of Conduct the Company indicates that 'consistent with applicable law, PepsiCo suppliers shall respect employees' rights to join associations and worker organizations'. Also 'all suppliers, vendors, contractors, consultants, agents and other providers of goods and services who do business with or on behalf of PepsiCo ("suppliers") are expected to follow the Supplier Code and all other relevant policies as a condition of doing business with PepsiCo and its affiliates'. That includes its Human Rights Workplace Policy (Global Human Rights Policy) which states that 'PepsiCo respects our employees' right to join, form or not to join a labor union without fear of reprisal, intimidation, or harassment'. However, no evidence found of a clear commitment in relation to respecting the right to collective bargaining (including the provision of equivalent worker bodies in places where these rights are restricted under local laws). [Supplier Code of Conduct, 06/2018: <a href="https://www.pepsico.com">pepsico.com</a> &amp; Human Rights Policy, n/a: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on FoA and CB</li> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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]</li> <li>• Not met: Injury Rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosure</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S</li> <li>• Not met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.8.b	Land rights: Land acquisition (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Rules on land &amp; 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: <a href="https://www.pepsico.com">pepsico.com</a> &amp; Land rights policy: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: How working with suppliers on land issues: In a specific document regarding commitments on land rights on palm oil, cane sugar and coconut water, the Company discloses assessments carried out during last years in its supply chains. It includes details of assessments carried out and outcomes, and also work carried out to improve practices. For instance, in Thailand, it supports an independent assessment of sugarcane producers including performance on human rights and land rights. Response and next steps include 'investment in a three year program in partnership with others to build capacity for small holder farmers to understand and address social and environmental challenges'. The Company also reports work carried out in coconut water supply chain in Philippines. 'Some issues related to environmental compliance were found, particularly the burning of household and farm waste. Working with our supplier, Fairtrade USA and the local government, training was held with the farmers, which participated in the assessment'. [Commitments related to Land Rights on Palm Oil, Cane Sugar and Coconut Water, January 2018: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.9.b	Water and sanitation (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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: <a href="https://www.pepsico.com">pepsico.com</a>]</li> <li>• 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".</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.10.b	Women's rights (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Not met: How working with suppliers on women's rights: The Company indicates that 'the PepsiCo Foundation, the philanthropic arm of one of the world's leading food and beverage companies today announced a partnership with the global poverty-fighting organization CARE with an \$18.2 million grant to tackle gender inequality in the agriculture sector. The grant will provide 5 million female farmers and their families around the world with education, resources and economic support to help them increase their crop yields, incomes and access to nutrition locally. This partnership is part of a broader effort by PepsiCo to support a more sustainable food system by empowering women in its own agricultural supply chain, including through its Sustainable Farming Program currently active in 38 countries, and by investing in multisector agricultural programs that have the potential to achieve systems change at scale'. However, this indicator looks for evidence of the specific work carried out with suppliers to improve their practices in relation to women's rights. Current evidence seems in the issues in which the donation will be used and a mention to the sustainable farming programme. However, no particular work carried out to improve performance found. [PepsiCo Foundation, 05/09/2019: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provides analysis of trends demonstrating progress</li> </ul>

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>• <b>Headline:</b> Lawsuit accuses Mitr Phol of not compensating Cambodian farmers who still suffer from past violent dispossessions</li> <li>• <b>Area:</b> Land Rights</li> <li>• <b>Story:</b> April 2018, Farmers from Cambodia filed a lawsuit on behalf of 3000 people, accusing Asia's largest sugar producer Mitr Phol, of grabbing their land and destroying their livelihoods. Mitr Phol supplies sugar to a number major food brands, including PepsiCo. The complaint accuses Mitr Phol of forcibly displacing the families in rural northwestern Cambodia between 2008 and 2009 to clear the way for an industrial sugarcane plantation – an agriculture project that ultimately failed, with Mitr Phol deciding to withdraw from its 3 plantations. In all, Mitr Phol's subsidiaries, including Angkor Sugar Company, allegedly appropriated some 9,430 hectares of land and community-managed forests from 26 villages, leaving residents deeply impoverished to this day. The plaintiffs are two Cambodian citizens residing in Samrong District, in northwestern Cambodia. The plaintiffs represent a class of approximately 600 families who resided and cultivated arable land in the Samrong District villages of Bos, O'Bat Moan, Taman, Trapiang Veng and Ktum when Mitr Phol commenced activities to establish an industrial sugarcane plantation. Its alleged that throughout 2008-2009, the plaintiffs and group members were forced to give up their land for the Angkor Sugar Company concession. Affected households lost extensive rice fields, plantation/orchard land, and grazing land as well as the associated crops that sustained their livelihoods. Most affected households lost five hectares of rice fields on average. Annual market-related losses from rice crops averaged about \$1,000 per family. Compensation provided for these losses was generally a plot of inferior land that was much smaller than what they lost and often already owned by others. The gravest human rights violations allegedly occurred in O'Bat Moan village, which was entirely destroyed to make way for the defendant's plantation. In April 2008, 154 homes in the village were allegedly demolished by company staff under the guidance of local authorities. Further evictions allegedly occurred in October 2009, when around 100 homes were burned to the ground by approximately 150 police, military police and hired demolition workers.</li> <li>• <b>Sources:</b> [Inclusive Development International - 05/09/2018: <a href="http://inclusivedevelopment.net">inclusivedevelopment.net</a> #][Inclusive Development International - March 2019: <a href="http://inclusivedevelopment.net">inclusivedevelopment.net</a>][Bangkok Post - 11/05/2015: <a href="http://bangkokpost.com">bangkokpost.com</a>][Reuters - 02/04/2018: <a href="http://reuters.com">reuters.com</a>]</li> </ul>
E(1).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• <b>Met:</b> Public response available: The company has provided a statement on the CHRB disclosure platform, where it denies sourcing any sugar cane from Mitr Phol in Cambodia. "While we are named in the Inclusive Development International (IDI) complaint against Mitr Phol, PepsiCo does not and has not sourced cane sugar from Mitr Phol in Cambodia. PepsiCo does not currently source from Mitr Phol and, when we did, we sourced cane sugar that was produced in Thailand for domestic consumption. We have engaged directly with IDI and informed them of this situation. Nonetheless, we are concerned by the allegations. We have and will continue to monitor developments in the complaint through Bonsucro's Complaints Resolution Process". [PepsiCo latest statement on IUF, 20/06/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• <b>Not met:</b> Response goes into detail: The company's response doesn't provide sufficient detail to receive a score for this indicator. [PepsiCo latest statement on IUF, 20/06/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> </ul>
E(1).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• <b>Met:</b> Company policies address the general issues raised: The company says "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: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>• <b>Met:</b> Policies apply to the type of business relationships involved: The company in its 'Global Supplier Code of Conduct' outlines as one of its requirements that</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>suppliers and affiliates must "Ensure that all land acquisitions (including leasing and utilization) meet International Finance Corporation (IFC) Performance Standards, including Free, Prior and Informed Consent". [Global Supplier Code, Jun 2018: <a href="http://pepsico.com">pepsico.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Policies address the specific rights in question: The company in its 'Commitments related to Land Rights on Palm Oil, Cane Sugar and Coconut Water' says "In 2014 we committed to implementing a third-party audit program on our sugar supply chain in Brazil and Thailand...This program would be conducted with the participation of affected communities and be based on available and accepted standards to audit the social, environmental and human rights aspects of these supply chains, including impacts related to land rights." [Commitments related to Land Rights on Palm Oil, Cane Sugar and Coconut Water, January 2018: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul>
E(1).3	The Company has taken appropriate action	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Denies allegations, but has engaged affected stakeholders: In its statement to the CHRB disclosure platform, PepsiCo says that "PepsiCo does not currently source from Mitr Phol and, when we did, we sourced cane sugar that was produced in Thailand for domestic consumption. We have engaged directly with IDI and informed them of this situation. Nonetheless, we are concerned by the allegations."</li> <li>Met: Denies allegations, but reviewed systems to prevent such impacts: In PepsiCo's 'Commitments related to Land Rights on Palm Oil, Cane Sugar and Coconut Water' the company says "In Thailand, we are supporting an independent assessment of Thailand's sugarcane producers, which includes a review of performance on human rights and land rights to identify potential systemic issues in the supply chain in Thailand. This assessment was commissioned by Bonsucro, the global multistakeholder, non-profit industry change platform for sugarcane". [Commitments related to Land Rights on Palm Oil, Cane Sugar and Coconut Water, January 2018: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: Denies allegations, but implements review recommendations: While the company says it is supporting an independent assessment of Thailand's Sugar Cane producers, there is no publicly available evidence that the company has implemented any of the recommendations made from the review. [Commitments related to Land Rights on Palm Oil, Cane Sugar and Coconut Water, January 2018: <a href="http://pepsico.com">pepsico.com</a>]</li> <li>Not met: Denies allegations, and ensures systems prevent such impacts: There is no publicly available evidence that the company has ensured its systems will prevent future issues of land grabbing arising due to its relationships with suppliers.</li> </ul>
E(2).0	Serious allegation No 2		<ul style="list-style-type: none"> <li>Headline: Usina Trapiche in Brazil (based on Oxfam report from 2013)</li> <li>Area: Land rights in the supply chain</li> <li>Story: Fishing communities in the Sirinhaem river delta in Pernambuco, Brazil allege they have suffered forced eviction at the hands of the Usina Trapiche company, a supplier of sugar to the PepsiCo (as well as others including the Coca Cola Company). The allegations are longstanding but in October 2016, the Pastoral Lands Commission (PLC) published a report in which it called on companies purchasing sugar from the mill to engage with the company 'to stop posing obstacles to the creation of the extractive reserves'.</li> </ul> <p>The allegations date back to 1998 with ongoing conflict since. According to the PLC report, the fishing community had lived in the area since 1914 and in 1998 Usina Trapiche petitioned the government for rights over the estuary and islands. It states that 'according to the islanders and their supporters, without any provocation, (Usina) Trapiche began destroying their homes and small farms'. It is reported that 53 families were expelled from the mangrove and that villagers 'received threats of further destruction and violence if they did not leave the islands'. The conflict is alleged to have been ongoing since as the report explains that 'as recently as 2012, employees of the plant have been accused of burning the huts of fishermen, which were rebuilt and then burned again'. According to the Guardian, as of June 2014, 'the displaced families remain in a court fight with Trapiche and government authorities to return to the islands, but have no land title, clear rights and few legal resources'.</p> <ul style="list-style-type: none"> <li>Sources: [Business and Human Rights: <a href="http://business-humanrights.org">business-humanrights.org</a>][EJ Atlas, 2016: <a href="https://ejatlas.org/conflict/usina-trapiche-sirinhaem-pernambuco-brazil">https://ejatlas.org/conflict/usina-trapiche-sirinhaem-pernambuco-brazil</a>][Oxfam: <a href="http://oxfam.de">oxfam.de</a>][Company document, 17/10/2016 -: <a href="http://coca-colacompany.com">coca-colacompany.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(2).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Public response available: The Company has responded publicly to the allegation(s). However, it has not provided many details.</li> </ul> <p>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'.</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail</li> </ul>
E(2).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised</li> <li>• Met: Policies apply to the type of business relationships involved</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• 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'.</li> </ul>
E(2).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders</li> <li>• Not met: Encourages linked business to engage affected stakeholders</li> <li>• Not met: Provides remedies to affected stakeholders</li> <li>• 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).</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Met: Has improved systems and engaged affected stakeholders</li> </ul>
E(3).0	Serious allegation No 3		<ul style="list-style-type: none"> <li>• Headline: PepsiCo's joint venture partner Indofood accused of child labour and worker exploitation in Indonesia</li> <li>• Area: Forced and child labour</li> <li>• Story: Three NGOs - the Rainforest Action Network (RAN), International Labor Rights Forum (ILRF), and Indonesian labour rights advocacy organization OPPUK - have alleged labour and human rights violations by Indofood, which is a major partner of PepsiCo. The NGOs lodged a formal complaint with the Roundtable on Sustainable Palm Oil (RSPO) on 11 October, 2016, calling for the suspension of two of Indofood's palm oil plantation subsidiaries from the RSPO (PT. PP London Sumatra Indonesia Tbk. (Lonsum) and PT. Salim Ivomas Pratama Tbk. (Salim Ivomas)).</li> </ul> <p>The case, which is ongoing in front of the RSPO Complaints Panel, led to the suspension of the certification body SAI Global Indonesia from the RSPO (December 2016) and follows the publication of a report by the three NGOs entitled 'The Human Cost of Conflict Palm Oil: Indofood, PepsiCo's Hidden Link to Worker Exploitation in Indonesia'. The report, released in June 2016, documented cases of child labour and worker exploitation at Indofood operations in North Sumatra, Indonesia. According to the report, Indofood categorized long-time workers as temporary and placed them at heightened risk through precarious employment practices; paid its workers unethically low wages, while in some cases they were not paid at all; employed children to work on Indofood plantations and</p>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>paid them very low wages or none at all; did not provide adequate health and safety protection for workers, and exposed casual maintenance workers to highly hazardous pesticides; and undermined the freedom of association of workers by intimidating those who attempted to engage with an independent union.</p> <p>The NGOs have long-criticised PepsiCo and Indofood's policies on the matter. In September 2015, PepsiCo adopted a sustainability policy that aims to halt the destruction of rainforests and peatlands, and end the ongoing violation of human and workers' rights in its global palm oil supply chain. This policy outlines strict standards for PepsiCo's direct suppliers, but it allegedly does not set the same requirements for PepsiCo's joint venture partner Indofood, who is reportedly the sole maker of PepsiCo products in Indonesia. According to the organisation, this means that the palm oil used in PepsiCo's products in Indonesia is not mandated to meet the requirements of no deforestation, no expansion on carbon-rich peatlands, and no violation of human or workers' rights as outlined in PepsiCo's latest policy. In 2017, IndoAgri, a subsidiary of Indofood, released a new Sustainable Palm Oil Policy, but this was criticised by the three NGOs for failing to adequately address abuses of workers at IndoAgri's operations. The NGOs stated that PepsiCo had not taken any measures to address these issues.</p> <ul style="list-style-type: none"> <li>• Sources: [RSPO case tracker - "PT PP LONDON SUMATRA INDONESIA TBK" - accessed 05/04/2017][The Human Cost of Conflict Palm Oil: Indofood, PepsiCo's Hidden Link to Worker Exploitation in Indonesia' - Rainforest Action Network][Company website - January 2018 -: <a href="http://pepsico.com">pepsico.com</a>]</li> </ul>
E(3).1	The Company has responded publicly to the allegation	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Public response available</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• 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) leverage to promote resolution of the complaint in a way that prioritizes outcomes for the workers and communities that might be affected'.</li> </ul>
E(3).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised</li> <li>• Met: Policies apply to the type of business relationships involved</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
E(3).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Not met: Encourages linked business to engage affected stakeholders</li> <li>• Not met: Provides remedies to affected stakeholders</li> <li>• 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</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>convergence process. IndoAgri updated and strengthened its policy in February 2017'.</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Met: Has improved systems and engaged affected stakeholders</li> </ul>
E(4).0	Serious allegation No 4		<ul style="list-style-type: none"> <li>• <b>Headline:</b> PepsiCo accused by IUF of violation of fundamental labour rights and anti-union activity in Pakistan, Guatemala and India</li> <li>• <b>Area:</b> FoA &amp; CB</li> <li>• <b>Story:</b> PepsiCo has been accused of violations of fundamental human rights, including freedom of association and collective bargaining, at its own as well as supplier operations. According to an IUF press release, in July 2016 PepsiCo management at the Frito-Lay plant in Lahore, Pakistan harassed and transferred union officers following the formation of an officially registered 650-member trade union. The IUF release alleges that PepsiCo created a bogus union. Union officers have reportedly been targeted for disciplinary procedures on false charges and the union president has been transferred out of the plant to prevent contact with members. Union members were reportedly pressured by management to leave the union.</li> <li>• <b>Sources:</b> [Business &amp; Human Rights Resource Centre - 08/12/2016: <a href="https://business-humanrights.org">business-humanrights.org</a>][IUF Website - 01/02/2017: <a href="https://iuf.org">iuf.org</a>]</li> </ul>
E(4).1	The Company has responded publicly to the allegation	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• <b>Met:</b> Public response available: The company provides an updated and detailed response to the allegations made by IUF, outlining the complaints made by IUF in Pakistan, Guatemala and India, and putting forward PepsiCo's position on the matter, including action that was taken to investigate the allegations and to resolve the matter. [PepsiCo latest statement on IUF, 20/06/2019: <a href="https://business-humanrights.org">business-humanrights.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• <b>Met:</b> Response goes into detail: The company provides an updated and detailed response to the allegations made by IUF, outlining the complaints made by IUF in Pakistan, Guatemala and India, and putting forward PepsiCo's position on the matter, including action that was taken to investigate the allegations and to resolve the matter. [PepsiCo latest statement on IUF, 20/06/2019: <a href="https://business-humanrights.org">business-humanrights.org</a>]</li> </ul>
E(4).2	The Company has appropriate policies in place	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• <b>Met:</b> Company policies address the general issues raised: PepsiCo's 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. Consistent with applicable law, PepsiCo suppliers shall respect employees' rights to join or refrain from joining association and worker organizations." Additionally, the company's own global human rights policy includes a commitment to each ILO core element. In relation to freedom of association and collective bargaining, the policy states that "PepsiCo respects our employees' right to join, form or not to join a labour union without fear of reprisal, intimidation, or harassment. Where employees are represented by a legally recognized union, we are committed to establishing a constructive dialogue with their freely chosen representatives. PepsiCo is committed to bargaining in good faith with such representatives." [Global Human rights &amp; salient human rights statement, 06/2017: <a href="https://pepsico.com">pepsico.com</a>]</li> <li>• <b>Met:</b> Policies apply to the type of business relationships involved: PepsiCo's policies on freedom of association and collective bargaining apply to employees and suppliers. [Global Human rights &amp; salient human rights statement, 06/2017: <a href="https://pepsico.com">pepsico.com</a> &amp; Global Human Rights Policy: <a href="https://pepsico.com">pepsico.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• <b>Not met:</b> Policies address the specific rights in question: There is no evidence to suggest that the company has guidelines or policies which include the prohibition of intimidation, harassment, retaliation and violence against union members and union representatives.</li> </ul>
E(4).3	The Company has taken appropriate action	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• <b>Met:</b> Engages with affected stakeholders: In its response, PepsiCo outlines the engagement and dialogue that was undertaken with IUF in each country. In the case of India the company says "In March 2017, PepsiCo's Vice President of Global Labor Relations and Vice President of Employment Law travelled to India and met with the 28 workers, interviewing each of them</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>individually". In Guatemala the company says "Upon the expiration of the collective bargaining agreement with the long-established union, the IUF-affiliated union secured legal majority status. PepsiCo management and the IUF-affiliated union subsequently reached agreement on the terms of a new collective bargaining agreement." In Pakistan the company says "PepsiCo leaders met with the affected parties and continued open dialogue with IUF throughout the process and insourced more than 460 contract workers into permanent positions in the plant to ensure compliance with local standards. Local PepsiCo leaders continue to have very positive dialogue with the local IUF leader in Pakistan". [PepsiCo latest statement on IUF, 20/06/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</p> <ul style="list-style-type: none"> <li>• Met: Encourages linked business to engage affected stakeholders: In the case of India, which involved a dispute between the union(IUF) and a local warehouse contractor (RKFL), the company says following its investigations "PepsiCo continued to engage with IUF and RKFL to seek a resolution to the complaint. In the fall of 2017, PepsiCo facilitated a mutually-agreeable resolution of the dispute between RKFL and IUF". [PepsiCo latest statement on IUF, 20/06/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</li> <li>• Met: Provides remedies to affected stakeholders: In situations of India and Guatemala the company says a mutually agreeable resolution or collective bargaining agreement was reached with the union. In the case of Pakistan the company says, "IUF alleged that the distribution of permanent employees and contract workers in our Lahore, Pakistan snacks plant was not compliant with local standards. An investigation by global and local PepsiCo leaders substantiated this claim. PepsiCo leaders met with the affected parties and continued open dialogue with IUF throughout the process and insourced more than 460 contract workers into permanent positions in the plant to ensure compliance with local standards. Local PepsiCo leaders continue to have very positive dialogue with the local IUF leader in Pakistan." [PepsiCo latest statement on IUF, 20/06/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</li> <li>• Not met: Has reviewed management systems to prevent recurrence: While the company has provided a detailed response as to how it dealt with the three complaints from IUF, there is not evidence that PepsiCo has reviewed management systems to prevent future recurrence. [PepsiCo latest statement on IUF, 20/06/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Remedies are satisfactory to the victims: In each of the situations in India, Guatemala and Pakistan, PepsiCo says that it reached a resolution which was accepted by the IUF and its affiliated unions, in addition the company says it in sourced more than 460 contract workers into permanent positions to ensure compliance with local standards, this is sufficient evidence that remedy can be considered satisfactory. [PepsiCo latest statement on IUF, 20/06/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</li> <li>• Not met: Has improved systems and engaged affected stakeholders: While PepsiCo has provided evidence of engaging with the stakeholders involved in each of the allegations in question, the statement provided doesn't provide sufficient evidence that the company has improved its systems in wake of the allegations to prevent recurrence in the future. [PepsiCo latest statement on IUF, 20/06/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</li> </ul>

## F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	3.05 out of 4	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 32 cases, leading to a disclosure score of 3.05 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	<p>The individual elements of the assessment are met or not as follows: Score 2</p> <ul style="list-style-type: none"> <li>• Met: Company reports on GRI: The Company published a GRI Index document for FY 2017 [2017 GRI Index, 2018: <a href="https://www.pepsico.com">pepsico.com</a>]</li> </ul>
F.3	Key, High Quality Disclosures	0.5 out of 4	<p>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</p>

Indicator Code	Indicator name	Score	Explanation
			<ul style="list-style-type: none"> <li>• Met: Score 2 for A.2.2 : Board discussions</li> <li>• Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>• Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>• Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly</li> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus</li> <li>• Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> </ul>

## Disclaimer

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 2019 Key Findings report and technical annex for more details of the research process.

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

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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.