



## PepsiCo Palm Oil Commitments

As outlined in PepsiCo's Forestry Stewardship Policy, PepsiCo is committed to doing business the right way and to realizing zero deforestation in our company-owned and -operated activities and supply chain. We recognize that PepsiCo has a responsibility to ensure that we and our suppliers operate in accordance with applicable legal requirements and practice responsible forestry stewardship.

Although the vast majority of palm oil is produced sustainably, there are some instances where tropical rain forests are being cleared for palm plantations. In 2010, PepsiCo committed, through the Roundtable for Sustainable Palm Oil (RSPO), to source exclusively 100% RSPO certified sustainable palm oil by 2015. In 2013, PepsiCo further strengthened this commitment to purchase 100% Physical RSPO certified palm oil by 2020, providing additional visibility into our palm oil supply chain.

PepsiCo is opposed to illegal or irresponsible deforestation practices. While we are committed to the RSPO and its process and standards, we recognize that in some regions of the world, additional measures may be necessary. This is why we are further committing that by 2016, the palm oil that PepsiCo sources through our suppliers will be:

- Sourced exclusively through suppliers who are members of the RSPO.
- Confirmed to have originated from responsible and sustainable sources.
- In compliance with our Forestry Stewardship Policy, which includes adherence to the following principles:
  - Compliance with applicable legal requirements of each country in which we operate and from which we source.
  - No further development on High Carbon Stock (HCS) Forests, High Conservation Value (HCV) Forests.
  - No new conversion of Peatlands.
  - Adherence to the Free, Prior, and Informed Consent (FPIC) Principles as defined and outlined in the PepsiCo Land Use Policy.

In addition, PepsiCo will:

- Engage with appropriate industry and other groups to improve our understanding of deforestation issues, adapt our policy, and achieve our goals.
- Provide appropriate grievance mechanisms for suppliers to report suspected breaches.
- Leverage our Supplier Code of Conduct (SCoC) as a means of communicating PepsiCo's Forestry Stewardship Policy and associated commitments to our suppliers.
- Periodically report on our performance against this policy and its associated commitments.

PepsiCo is committed to realizing zero deforestation in our company-owned and -operated activities and supply chain by 2020. We look forward to continuing to partner with the RSPO and other trade associations, government agencies, non-governmental organizations, and other critical external stakeholders to help influence positive changes and improvements in the palm oil supply chain and industry.