

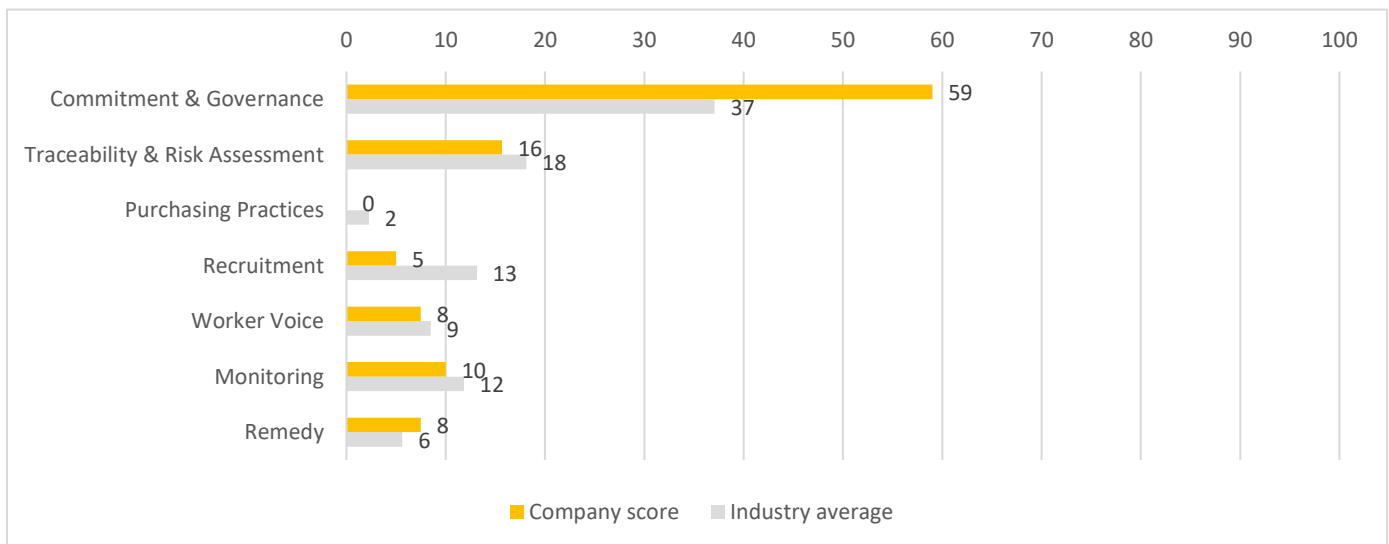
# PepsiCo, Inc. (PepsiCo)

**TICKER**  
PEP

**MARKET CAPITALIZATION**  
US\$220.92 billion

**HEADQUARTERS**  
United States

**DISCLOSURES**
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [Yes](#)
Australia Modern Slavery Act: [Yes](#)
**OVERALL RANKING**
**21 out of 60**
[2020 Rank:](#) 11 out of 43

**OVERALL SCORE**
**17 out of 100**
**THEME-LEVEL SCORES**

**KEY DATA POINTS**
**FIRST-TIER SUPPLIER LIST**
 No

**RISK ASSESSMENT**

Yes (Limited)

**ENGAGED WITH KNOWTHECHAIN<sup>1</sup>**

Yes

**NO-FEE POLICY**

Yes

**REMEDY FOR SUPPLY CHAIN WORKERS**
 No

**HIGH-RISK COMMODITIES<sup>2</sup>**
 Sugarcane, palm oil, peanuts and others

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## SUMMARY

PepsiCo, Inc. (PepsiCo), one of the largest global beverage companies,<sup>3</sup> ranks 11 out of 60 companies. Compared to 2020, the company does not seem to have taken steps to strengthen its performance and disclosure on forced labour issues within its supply chain. As such, its rank has dropped by 10 places. The company scores above average on the themes of Commitment & Governance and Remedy. Notably, the company discloses a supplier code addressing four out of five ILO core labour standards, some information on internal responsibility and board oversight, as well as relevant training for employees and suppliers. The company scores below average on the themes of Traceability & Risk Assessment, Purchasing Practices, Recruitment, and Monitoring.

KnowTheChain identified two additional allegations of forced labor in the company's supply chains. The company did not disclose engagement with affected stakeholders, nor remedy outcomes for workers.

The company is encouraged to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Purchasing Practices, and Remedy.

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## LEADING PRACTICES

None.

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## OPPORTUNITIES FOR IMPROVEMENT

**Traceability & Risk Assessment:** The company is encouraged to demonstrate a strong understanding of its supply chains by disclosing the names and addresses of its first-tier suppliers (either across high-risk commodities or across all first-tier suppliers), the raw material sourcing countries from which it sources commodities at high risk of forced labour, and data on its supply chain workforce, such as the percentage of women, migrant workers, and the percentage of workers being paid a living wage.

**Purchasing Practices:** To address forced labour risks in its supply chains, the company is encouraged to adopt purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment. The company may further consider ring-fencing labour costs such that they are not impacted during pricing negotiations. The company should consider integrating responsible buying practices in its contracts with suppliers, to ensure that the responsibility for respecting human rights is shared.

**Remedy:** The company may consider strengthening its disclosure details on its remedy process, such as responsible parties, approval procedures, timeframes, and, crucially, engagement with affected stakeholders. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers, including with respect to specific allegations in its supply chains.

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<sup>1</sup> Research conducted through January 2023 or through April 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

<sup>2</sup> For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 [food & beverage benchmark findings report](#).

<sup>3</sup> Statista, "Leading beverage companies worldwide in 2021, based on sales," <https://www.statista.com/statistics/307963/leading-beverage-companies-worldwide-based-on-net-sales/>. Accessed 19 June 2023.