

Deforestation

PepsiCo is committed to realizing zero net deforestation in our company-owned and -operated activities and global supply chains from direct supplier to source by 2020. PepsiCo's most significant influence on the protection of forests is through our sourcing of paper- and wood-based products and raw agricultural materials, particularly palm oil. Other relevant raw materials that we source include soy, cocoa and dairy.

All direct suppliers are required to adhere to the following principles as part of our [Forestry Stewardship Policy](#) and our [Global Policy on Sustainable Palm Oil](#):

- Compliance with applicable legal requirements of each country in which we operate and from which we source.
- No conversion of High Carbon Stock (HCS) forests as defined by [The HCS Approach](#).
- No conversion of High Conservation Value (HCV) Areas as defined by the [HCV Resource Network](#).
- No new conversion of any Peatlands and the use of Best Management Practices for existing operations on Peatlands as described in the [RSPO Manual on Best Management Practices for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat](#).
- Compliance with our Land Use Policy.

We work with our supply chains, peer companies, civil society and others directly and through multi-sectoral partnerships to help us deliver our commitments and address systemic issues that cause deforestation. For example, we are a signatory to the Consumer Goods Forum Deforestation Resolution, which commits a wide range of food and beverage manufacturers and retailers to achieve zero net deforestation by 2020.

We provide further details of our progress toward transparency in relevant supply chains and toward zero net deforestation in our CDP Forests response, for which we received an A- score in 2018. Further information on some of our key supply chains can be found below.

Traceability in supply chains linked to deforestation

Palm Oil

Details of our palm oil sourcing can be found on our [Palm Oil](#) page. This includes annually updated information on total volumes, countries of origin, and our [direct supplier](#) and [mill](#) lists.

In 2018 our global purchase of palm oil was approximately 480,000 metric tons (MT). Of this total, palm kernel oil comprised approximately 4,000 metric tons. PepsiCo uses refined palm oil, and 52% of our total palm oil volume in 2018 was RSPO certified.

The top three countries from which PepsiCo sources palm oil are Indonesia, Malaysia and Mexico. The full list of origin countries in 2018 were: Brazil, Cambodia, Colombia, Costa Rica, Côte D'Ivoire, Dominican Republic, Ecuador, Guatemala, Honduras, Indonesia, Malaysia, Mexico, Panama, Papua New Guinea, Peru, Philippines, Solomon Islands and Thailand.

Paper/Fiber

Wood fiber products are used in a wide range of PepsiCo's primary, secondary, and tertiary packing. PepsiCo's main fiber need is corrugated cardboard for secondary packaging.

Our volume is approximately 1,073,000 metric tons annually. 83% of our total volume was certified to one of the following standards in 2018: CERFLOR, CSA, FSC, PEFC, SFI. Since 2017, PepsiCo has increased its amount of certified fiber sourced from 5% to 80% in Russia, 19% to 44% in China, 0% to 100% in Thailand, and 10% to 100% in Brazil.

Our countries of origin in 2018 were: Australia, Argentina, Belgium, Bosnia and Herzegovina, Brazil, Canada, Chile, China, Columbia, Costa Rica, Czech Republic, Dominican Republic, Ecuador, France, Germany, Greece, Guatemala, Hungary, India, KSA, Luxembourg, Mexico, Netherlands, New Zealand, Pakistan, Peru, Poland, Portugal, Romania, Russia, Serbia, South Africa, South Korea, Spain, Thailand, Turkey, UK, Ukraine, USA and Vietnam.

Our primary direct suppliers, as of June 2019, can be found [here](#).

Other raw materials

- PepsiCo procures approximately 12,000 metric tons of soybean oil annually. All soybean oil is procured from Brazil through two direct suppliers, Bunge and Cargill, primarily for use in our Latin American food business.
- PepsiCo procures approximately 34,000 metric tons of cocoa annually. Cocoa is primarily procured for use in our North America and Latin America food businesses. The top 4 suppliers, which represent over 80% of our global cocoa procurement, are Barry Callebaut, Blommer, Cargill and Olam, with top sourcing locations being Ivory Coast and Ghana.
- With respect to dairy, PepsiCo procures milk primarily in support of our Russian dairy business, and the milk is sourced in country from a broad network consisting of hundreds of dairy farmers. Outside of Russia, PepsiCo procures dairy-derived ingredients primarily from the U.S. for seasonings in our foods business.