



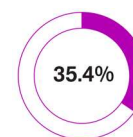
# PepsiCo

**Score: 36.5% | Rank: 4<sup>th</sup>**

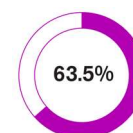
PepsiCo has an overall score of 36.5% and ranks 4<sup>th</sup> amongst the 25 evaluated companies. PepsiCo performed ahead of most other companies across Policy commitments (5<sup>th</sup>/25), Management systems (2<sup>nd</sup>), and Disclosure (4<sup>th</sup>/25), but still has significant room for improvement.

The third page has an overview of the scores achieved by PepsiCo per indicator within each section. Please note that all scores and summaries are based on published information only.

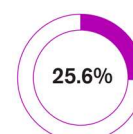
**Policy Commitments**



**Management Systems**



**Disclosure**



## Elements in Place

- Policy commitments:** In its Health and Wellness Approach and Engagement document, PepsiCo commits to “engage in conversations with governments... [on] improving nutrition, addressing under-nutrition, supporting responsible marketing, promoting healthy lifestyles and developing nutrition programs”, while also indicating that it advocates in support of FOP labelling measures.<sup>1</sup> The company states that it does not make political donations outside of the US, but commits to disclose any exceptions to this policy for all markets they are made in.
- Management systems:** PepsiCo’s Board of Directors, with assistance from the Sustainability, Diversity and Public Policy Committee, has oversight over lobbying activities and control mechanisms, including periodic reviews of political contributions and lobbying expenditures. PepsiCo also appoints the Global Compliance & Ethics function to implement its Global Anti-bribery Compliance Policy. Lastly, PepsiCo seeks to manage its relationships with trade organizations, including reviews of memberships by the Board and sending specific instructions not to use the company’s dues for political purposes without the company’s permission.
- Disclosure:** PepsiCo discloses its lobbying positions on several health topics, indicating that it does not support fiscal measures to address obesity (e.g. SSB taxes) nor the regulation of marketing (favoring self-regulation instead), but supporting FOP labelling. It also publishes a list of its trade association memberships in the US (for associations with dues over \$25,000), specifying the dues used for lobbying purposes for those with dues over \$100,000, and publishes an indicative list of its main associations globally. Lastly, the company discloses the total amount spent on lobbying in the US annually and lists the names of the lobbyists and lobbying firms it uses.

<sup>1</sup> [https://www.pepsico.com/docs/default-source/policies/health-and-wellness-approach-and-engagement.pdf?sfvrsn=ebe0ce27\\_6](https://www.pepsico.com/docs/default-source/policies/health-and-wellness-approach-and-engagement.pdf?sfvrsn=ebe0ce27_6)



### Recommendations for improvement

- **Policy commitments:** While the company references WHO Global NCD Action Plan 2013-2020 and SDG 2 and 3 in its 'Engagement' document, PepsiCo could link these to its lobbying approach more explicitly by committing to ensure it only lobbies for policy measures that help governments better align with these. In addition, PepsiCo should commit to respect the opportunity for other interest groups to lobby by taking steps towards spending proportionate resources on lobbying, and commit to involve external stakeholders active in public health in the development of its positions on specific issues, and in reviewing its lobbying activities.
- **Management systems:** PepsiCo should develop (or publish any existing) tracking systems and enforcement mechanisms that assure adherence to its policy on political donations. PepsiCo should also develop measures to address potential conflicts of interest emanating from the revolving door, including evaluation mechanisms, applying cooling off periods, and other restrictions through job specifications and employment contracts. In relation to its control over lobbyists, PepsiCo should extend its existing training for internal lobbyists to third parties involved in lobbying to ensure that they understand and adhere to company's policies and establish processes to investigate and sanction any breaches.
- **Disclosure:** While the company states that it reviews the lobbying positions of its trade associations and tries to engage with them whenever there misalignment, PepsiCo should be transparent about this and publish a commentary wherever such instances arise. In doing so, it could also be more explicit and specific about its lobbying positions, and publish the main purposes of its main trade association memberships and the principal lobbying activities undertaken by them. PepsiCo could also publish a more comprehensive list of its trade associations outside of the US, indicating the membership dues for each (and, ideally, the dues attributable to lobbying). More generally, PepsiCo is urged to extend disclosures on its lobbying activities and expenditures beyond markets where it is required to do so by transparency registers.



#	Score per indicator for PepsiCo	Company score	Average score*
<b>Policy commitments: 28.3 total / 80 maximum</b>			
1	Commitment to not lobby against (or commitment to only lobby in support of) public health policies/measures	5.0	1.2
2	Commitment to respect public health policy frameworks in its lobbying activities	0.0	0.6
3	Respect for relevant lobbying standards and codes	3.3	1.8
4	Political donations	5.0	3.6
5	Codes of conduct to prevent bribery & corruption	10.0	7.9
6	Controls over trade associations and industry policy groups	5.0	2.0
7	Crowding out	0.0	0.6
8	Working with others in pursuit of the public interest	0.0	1.1
<b>Management systems: 50.8 total / 80 maximum</b>			
9	Accountability and responsibility for policy implementation	10.0	4.9
10	Conflicts of interest and revolving door	0.0	1.0
11	Anti-bribery and corruption	7.5	6.8
12	Political donations	5.0	2.4
13	Controls over membership of associations/organizations	10.0	2.4
14	Controls over lobbyists to ensure that they understand and adhere to the company's policies	3.3	2.3
15	Auditing	0.0	0.1
16	Whistleblowing mechanisms	10.0	6.1
<b>Disclosure: 48.7 total / 190 maximum</b>			
17	Taxation of products with high added sugar.	4.0	0.6
18	Measures to regulate the marketing of unhealthy foods to children.	2.0	0.9
19	Front-of-pack (FOP) labelling requirements.	6.8	1.8
20	Influencing national dietary guidelines.	0.0	0.7
21	Other policies to improve public health and diets.	2.8	2.0
22	Disclosure of key lobbying information	2.6	2.0
23	Memberships of trade associations	2.8	3.2
24	Activities undertaken by trade associations	0.0	0.2
25	Alignment between lobbying principles and trade associations	0.0	0.1
26	Expenditures on trade associations	1.3	1.2
27	Expenditures on lobbyists (in-house and third party)	2.5	1.8
28	Political donations and contributions	5.0	2.3
29	Conflicts of interest	0.0	0.0
30	Auditing	0.0	0.2
31	Whistleblowing mechanisms	10.0	2.7
32	Other disclosures	0.0	0.4
33	External stakeholder engagement	0.0	0.0
34	Disclosure of lobbying policy	5.0	4.5
35	Main disclosure regarding lobbying activities/expenditures	4.0	3.0
<b>Total: 127.8 / 350</b>			