



November 8, 2017

Indra Nooyi  
 Chair and CEO  
 PepsiCo, Inc.  
 700 Anderson Hill Rd.  
 Purchase, NY 10577

To Ms. Nooyi:

As representatives of a wide range of organizations, working for a stable climate, to protect the world's forests, for safe and responsible working conditions, and in the defense of human rights, we call on PepsiCo to ensure that all of PepsiCo's products sold globally are produced without deforestation, the destruction of peatlands or the violation of human rights, including the rights of Indigenous peoples, local communities and workers.

As we write, globally critical forests are falling for palm oil plantation expansion. The communities within and downstream from these developments are losing their sources of clean water and livelihoods, and many thousands of plantation workers—all too often unpaid women, children, and vulnerable migrant workers—face serious labor abuses, including poverty wages, exposure to toxic chemicals, and denial of their right to organize trade unions.

PepsiCo has the opportunity to be recognized as a leading company in global efforts to transform the palm oil supply chain by adopting and implementing a comprehensive time-bound implementation plan that prioritizes the reform of its joint venture partner in

Indonesia—Indofood. Indofood is the largest palm oil company in Indonesia without an adequate No Deforestation, No Peatland and No Exploitation policy, and its operations have been linked to environmental and labor abuses on multiple occasions. As the sole maker of PepsiCo-branded products within Indonesia, Indofood Fritolay Makmur (IFL), its parent company Indofood and associated plantation arm Indofood Agri Resources, as well as the wider Salim Group, present a significant reputational risk to PepsiCo. Reforming Indofood must be a matter of priority for PepsiCo as it will continue to be associated with egregious social and environmental practices until either Indofood and the Salim Group reform its policies and practices, or PepsiCo exits the relationship.

Despite committing to uphold the UN Guiding Principles on Business and Human Rights throughout its business operations, to date PepsiCo has declined to fully utilize its leverage with Indofood, including establishing clear, time-bound reform benchmarks its business partner must meet to avoid termination of the relationship. It is with the utmost urgency that we call on PepsiCo to address the egregious impacts of its palm oil supply chain and business partnerships in Indonesia and other sourcing regions including Malaysia and Latin America in order to improve land and forest governance, respect of human and worker rights, and enforce responsible palm oil development globally. To continue inaction is to continue to be both misaligned with PepsiCo's own mission, values and stated intent, as well as to be complicit in ongoing environmental destruction, workers' rights violations and human rights abuses.

Sincerely,

1. ActionAid USA
2. Amazon Watch
3. Arbeitsgemeinschaft Regenwald und Artenschutz
4. Beyond Borders
5. Blue Sphere Foundation
6. Child Labor Coalition
7. Corporate Accountability
8. Environmental Investigation Agency USA
9. Farmworker Association of Florida
10. Finnwatch
11. Food Chain Workers Alliance
12. Forest Heroes
13. Forest Peoples Programme
14. Forest Watch Indonesia
15. Forum Ökologie & Papier
16. Friends of the Earth US
17. Global Exchange
18. Grassroots
19. Greenpeace USA
20. International Labor Rights Forum
21. Jaringan Advokasi Sosial dan Lingkungan Papua
22. Lembaga Studi dan Advokasi Masyarakat
23. Media Voices for Children
24. Mighty
25. National Consumer League
26. National Wildlife Federation
27. Oceanic Preservation Society
28. Orangutan Information Center
29. Organisasi Penguatan dan Pengembangan Usaha-Usaha Kerakyatan
30. Palm Oil Consumer Action
31. Palm Oil Investigations
32. Pesticide Action Network Asia Pacific
33. Powershift Network
34. Pro Wildlife

35. Pusaka
36. Racing Extinction
37. Rainforest Action Network
38. Rainforest Foundation Norway
39. Sawit Watch
40. Sierra Club

41. Sumatran Orangutan Society
42. SumOfUs
43. Tenaganita
44. Transformasi untuk Keadilan Indonesia
45. Watch Indonesia!
46. Yayasan Lembaga Bantuan Hukum  
Indonesia