

Salient Issues



Freedom of association

Freedom of association refers to the right of all workers to join or form a legally recognized trade union or any other organization. While freedom of association is a fundamental right enshrined in the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, there are still a variety of challenges in ensuring that it is consistently respected around the world – from interference with the rights of workers to legal restrictions on the right of association.

We respect the right of freedom of association, and this principle is embodied in our Global Code of Conduct, Global Human Rights Policy, and Global Supplier Code of Conduct. This means that, consistent with local laws, associates have the right to assemble, communicate, and join associations of their choice. PepsiCo fully complies with all laws regulating collective bargaining. In 2021, approximately 53% of employees worldwide, eligible to be covered under collective bargaining agreements, were represented. PepsiCo maintains positive working relationships with union representatives.

Human right to water

Water is fundamental to the global food system and to our business. It nourishes the crops used to make our products, serves as the main ingredient in many of our beverages, and is an integral component of our manufacturing operations. But in

some regions, water is scarce. Climate change is also worsening pressures on water resources around the world, with recent estimates indicating that two-thirds of the world's population will live in water-stressed regions by 2025.

Land rights

Secure land rights are a vital component of economic prosperity, sustainable food production, and the responsible use of natural resources. This can be particularly true in developing countries and areas inhabited by indigenous communities, yet recent estimates indicate that only 30% of the world's population has a legally registered title to their land. Land rights issues have the potential to directly impact local communities and the daily lives of rights holders, such as through physical displacement or the loss of economic opportunity.

Vulnerable workers

The terms "vulnerable workers" and "vulnerable worker groups" are generally used to refer to a specific set of workers that are at a higher risk of experiencing potential adverse human rights impacts. The underlying reason for their vulnerability can be the result of a variety of factors such as their location, industry, or employment conditions. Recognizing the scale of our value chain and the inherent complexities involved in global agricultural supply chains, we identified vulnerable workers as one of our salient human rights issues during our last review. Through internal assessments and consultations with external experts and stakeholders, we determined that migrant workers, women, young workers, and temporary/contract workers were the groups with a higher risk of potentially experiencing adverse human rights impacts across our value chain.

Working hours and wages

Given the complexities of the manufacturing and agriculture sectors, workers in these industries are at a higher risk of facing potential adverse human rights impacts related to working hours and wages, such as excessive working hours, lack of adequate rest periods, and compulsory overtime. We are committed to providing fair and equitable wages, benefits, and other employment conditions in accordance with local law, and we expect the same of our suppliers and business partners throughout our value chain.

Workplace safety