

GRI/UNGC Index

Self-Checked Application Level B

Profile Disclosures

Strategy and Analysis

1.1	p. 4	CEO letter
1.2	p. 10–15	Key impacts, risks and opportunities

Organizational Profile

2.1	Cover	Name of the organization
2.2	p. 6	Primary brands, products and services
2.3	W	Operational structure of PepsiCo
2.4	W	Headquarters location
2.5	W	Countries where PepsiCo operates
2.6	W	Nature of ownership and legal form
2.7	p. 6	Markets served
2.8	p. 6	Scale of PepsiCo
2.9	W	Significant changes during the reporting period
2.10	p. 32	Awards received

Report Parameters

3.1	FY2010	Reporting period
3.2	FY2009	Date of most recent previous report
3.3	Annual	Reporting cycle
3.4	performancewithpurpose@pepsico.com	Sustainability contact point
3.5	p. 5	Process for defining report content
3.6	W	Boundary of the report
3.7	W	Specific limitations on the scope or boundary of the report
3.8	W	Basis for reporting on joint ventures, subsidiaries and other entities
3.9	W	Data measurement techniques and the bases of calculations
3.10	W	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement
3.11	W	Significant changes from previous reporting periods in the scope, boundary or measurement
3.12	W	Table identifying the location of the Standard Disclosures
3.13	W	Policy and current practice for report external assurance

Governance, Commitments and Engagement

4.1–4.3 (UNGC 1–10)	W	Governance structure
4.4 (UNGC 1–10)	W	Mechanisms for shareholders and employees to provide feedback to the board
4.5 (UNGC 1–10)	DEF14A, p. 24	Pay-for-performance policy
4.6 (UNGC 1–10)	W	Processes in place for the board to ensure conflicts of interest are avoided

4.7 (UNGC 1–10)	W	Process for determining the qualifications and expertise of the members of the board for guiding PepsiCo's sustainability program
4.8 (UNGC 1–10)	W	Internally developed statements of mission or values, codes of conduct and principles relevant to sustainability
4.9 (UNGC 1–10)	W	Procedures of the board for overseeing PepsiCo's identification and management of sustainability performance
4.10 (UNGC 1–10)	W	Processes for evaluating the board's sustainability performance
4.11 (UNGC 7)	W	Addressing precautionary approach by PepsiCo
4.12 (UNGC 1–10)	W	Externally developed sustainability charters, principles or other initiatives that PepsiCo endorses
4.13 (UNGC 1–10)	W	Memberships in associations
4.14–17	W	Stakeholder identification, selection and engagement

Performance Indicators

Economic

EC1	W	Financial highlights and community investments
EC2 (UNGC 7)	W	Financial implications and other risks and opportunities for the organization's activities due to climate change
EC3	AR, p. 44–45	Coverage of PepsiCo's defined benefit plan obligations
EC6	W	Spending on locally based suppliers at significant operational sites
EC7 (UNGC 6)	W	Procedures for local hiring and proportion of senior management hired from the local community at significant operational sites
EC8	W	Development and impact of infrastructure investments and services provided primarily for public benefit
EC9	W	Significant indirect economic impacts

Environmental

EN1 & 2 (UNGC 8–9)	p. 22	Materials used and recycled input materials
EN3 & 4 (UNGC 8)	W	Direct and indirect energy consumption
EN5 & 7 (UNGC 8–9)	p. 18, W	Energy reduction initiatives
EN11–14 (UNGC 8)	W	Managing biodiversity
EN16–18 (UNGC 7–9)	p. 18 and 26	GHG emissions and reduction initiatives
EN22 (UNGC 8)	p. 23	Waste and disposal method
EN29 (UNGC 8)	p. 18	Transporting products and other operational impacts

Labor Practices and Decent Work

LA3	W	Benefits provided to full-time employees
LA7 (UNGC 1)	W	LTIR and fatalities
LA8 (UNGC 1)	W	Programs to assist workforce members, families and community members regarding serious diseases
LA10–12	W	Employee training hours and career development programs and reviews
LA13 (UNGC 1 & 6)	W	Composition of governance bodies and workforce diversity

Human Rights

HR1 (UNGC 1–6)	W	Significant investment agreements that include human rights clauses or undergo screening
HR3 (UNGC 1–6)	W	Employee training on human rights

Society

SO3 (UNGC 10)	W	Percentage of employees trained in organization's anti-corruption policies and procedures
SO4 (UNGC 10)	W	Actions taken in response to incidents of corruption
SO5 (UNGC 1–10)	W	Public policy positions and participation
SO6 (UNGC 10)	W	Political contributions

Product Responsibility

PR1 (UNGC 1)	W	Life cycle stages in which health and safety impacts of products and services are assessed for improvement
PR3 (UNGC 8)	p. 22	Products and service information required by procedures, and subject to such information requirements
PR5	W	Customer satisfaction practices and results
PR6	W	Programs for adherence to laws, standards and voluntary codes related to marketing communications

Food Processing

FP4	p. 27	Programs and practices that promote healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need
FP6	p. 6	Products that are lowered in saturated fat, trans fats, sodium and sugars
FP7	p. 6	Products that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives

W – Website AR – Annual Report DEF14A – Proxy Statement

KPI Highlights

PepsiCo uses key performance indicators to evaluate progress towards our Performance with Purpose initiatives.

PERFORMANCE

Sustainability Performance Highlights (in millions)	2010	2009
1 Total net revenue	\$57,838	\$43,232
2 Core total operating profit	\$9,773	\$7,856
3 Common share repurchases	\$4,978	—
4 Dividends paid	\$2,978	\$2,732

HUMAN SUSTAINABILITY

Sustainability Performance Highlights	2010	2009
1 % of net revenues of good-for-you ¹ and better-for-you ² products in total global portfolio	17%	na
2 Compliance with advertising-to-children pledge	98.5%	96%

¹ Good-for-you products are foods and beverages that deliver positive nutrition through the inclusion of whole grains, fruit, vegetables, low-fat dairy, nuts and seeds or significant amounts of important nutrients, while moderating total fat, saturated fat, sodium and/or added sugar. Included in this category are products that have been specifically formulated to provide a functional benefit, such as addressing the performance needs of athletes.

² Better-for-you products are foods and beverages that have levels of total fat, saturated fat, sodium and/or added sugar in line with global dietary intake recommendations. Included in this category are products such as baked snacks with lower-fat content and beverages with fewer or no calories and less added sugar.

ENVIRONMENTAL SUSTAINABILITY

Sustainability Performance Highlights	2010	2009
1 Direct and indirect greenhouse gas emissions (MT) ¹	6,048,000	4,490,000
2 Supply chain greenhouse gas emissions (MT) ²	4,755,000	4,841,000
3 Fuel-use reduction (per unit of production) vs. 2006 baseline ³	12%	11.1%
4 Electricity-use reduction (per unit of production) vs. 2006 baseline ³	7.7%	7.6%
5 Water-use reduction (per unit of production) vs. 2006 baseline ³	18.3%	16.0%
6 Building efficiency (LEED Certification)	27	10
7 Total water used (million cubic meters) ¹	106	63.9
8 Water conservation (billion liters, compared to 2006) ⁴	13.8	12
9 Waste % to landfill	15.4%	15.5%

¹ Increase reflects acquisition of franchise bottling operations in North America and Europe in the first quarter of 2010.

² Partial emissions from PepsiCo's supply chain are reported and primarily include emissions from owned beverage coolers and vending machines outside of our operational control.

³ These energy- and water-use efficiency improvements apply to global manufacturing operations that were in our network in 2006, excluding post-baseline acquisitions.

⁴ Water conservation reflects efficiency improvements for global manufacturing operations that were in our network in 2006, excluding post-baseline acquisitions.

TALENT SUSTAINABILITY

Sustainability Performance Highlights	2010	2009
1 % of people of color on the Board of Directors	33%	33%
2 % of women on the Board of Directors	33%	33%
3 % of female senior executives	15%	17%
4 % of our associates who rated PepsiCo as a favorable place to work	—	73%
5 OSHA-certified sites	37	28
6 Lost-time injury rate (per 200,000 hours worked)	12%	25%

RESPONSIBLE & SUSTAINABLE SOURCING

Sustainability Performance Highlights	2010	2009
1 Suppliers participating in the Carbon Disclosure Project (CDP) Supply Chain program	89	90
2 Supplier diversity (spending on minority- and women-owned vendors, in millions)	\$1,350	\$1,299

COMMUNITY & PHILANTHROPY

Sustainability Performance Highlights	2010	2009
1 PepsiCo Foundation contributions as a percentage of operating income	0.27%	0.36%
2 PepsiCo Foundation contributions (in millions)	\$25.9	\$27.9

UN Millennium Development Goals

Millennium Development Goal 1

Eradicate extreme poverty and hunger

We are beginning to develop products that address malnutrition in emerging economies. In India, we have introduced iron-fortified biscuits at an affordable price point to provide nutritious snacks that can help address problems with anemia and maternal mortality.

In Ethiopia, the PepsiCo Foundation is supporting the World Food Programme and a local NGO to develop and pilot a chickpea-based supplementary food for children in 2011/2012. The successful launch of this new effort could radically alter the pricing of the entire range of related products, making them cheaper and thus allowing government aid and donor funding to reach millions more children on the same budget.

Millennium Development Goal 2

Achieve universal primary school education

Our educational funding has helped hundreds of organizations over the past decades significantly increase opportunity and advancement in communities. In 2010, PepsiCo Foundation's total investment in projects related to education amounted to \$4.6 million. PepsiCo Greater China Beverages works with the Red Cross Society of China to help improve schools for migrant workers by providing material aid, such as scholarships, book donations, sports facilities, computers and other resources for students and teachers for use in the classroom.

Millennium Development Goal 3

Promote gender equality and empower women

As a global and local company, PepsiCo is committed to hiring, developing and retaining employees from diverse backgrounds. We aim to continuously provide an inclusive culture and environment for our associates. In line with our efforts, we have signed the UN Women's Empowerment Principles and established Diversity and Inclusion Councils in all four continents of PepsiCo's international business. In the U.S. in 2010, 33 percent of our board members were women, along with 31 percent of PepsiCo executives. On the supply side, we spent nearly \$1.4 billion dollars on products and services provided by minority- and women-owned suppliers in the U.S. in 2010.

Millennium Development Goal 4

Reduce child mortality

PepsiCo Foundation has committed a three-year, \$5 million grant to Save the Children to support work to decrease child mortality and malnutrition in rural India and Bangladesh. This initiative is supporting 250,000 children under the age of five and 1,000 children experiencing severe acute malnutrition.

Millennium Development Goal 5

Improve maternal health

The combined global resources of Save the Children and PepsiCo Foundation are helping make a profound difference in the lives of 250,000 mothers in rural areas of India and Bangladesh. During the first half of 2010, 3,545 pregnant women were screened for maternal nutrition. In China, PepsiCo is helping mothers gain access to fresh drinking water through the development of water cellars and supply facilities.

Millennium Development Goal 6

Combat HIV/AIDS, malaria and other diseases

We have a global HIV/AIDS policy and are committed to addressing HIV/AIDS through an integrated approach that includes awareness, education and prevention, testing and treatment, and community and partner outreach. We have HIV/AIDS workplace programs in South Africa, China, Thailand, India, Russia and the U.S. In 2010, PepsiCo participated in the UN Non-Communicable Disease Summit. In India, our HIV Prevention Education initiative reached more than one million people in the communities where we operate. The initiative is run by a large network of company volunteers in association with the country's International Labour Organization.

Millennium Development Goal 7

Ensure environmental sustainability

As we grow our businesses in developed countries and expand in developing and emerging countries, we remain committed to minimizing the impact our business has on the environment. PepsiCo has established ongoing working relationships with the Environmental Protection Agency's ENERGY STAR and Climate Leaders programs, the Forest Stewardship Council, Refrigerants Naturally! (Greenpeace), and the Rainforest Alliance (RA). We also educate and work with our suppliers to improve social responsibility performance across the supply chain.

Millennium Development Goal 8

Develop a global partnership for development

Our leaders actively participate in global health and development initiatives where we partner with the Global Alliance for Improved Nutrition (GAIN) and engage in dialogue with the World Health Organization (WHO), among others. Another example is our partnership with the Inter-American Development Bank (IDB) on an agriculture initiative that seeks to significantly expand commercial sunflower production. The project is to create a sustainable market for sunflowers while providing loans and a source of income for some 850 Mexican farmers and their families. To view the complete list of our partnerships, please go to www.pepsico.com/purpose/overview.