

Workplace Health & Safety

Protecting the safety, health and well-being of our associates around the world is one of PepsiCo's top priorities. Employees are the backbone of our business and without them, we can't operate. Not only do we want our employees to come to work and leave as safely as they arrived, PepsiCo also aims to create a positive-impact-culture. Having a large number of employees means that our footprint touches hundreds of communities around the world.

We are working in many ways to promote the values of health and safety at PepsiCo and the continual improvement of our culture and performance. Early in 2018, we aligned our Global Environment, Health and Safety (EHS) function behind a single strategy, which highlights the following vision:

***Zero harm to our people and the environment today—
Pursue a positive impact culture for our future***

Our EHS strategy provides the framework for our vision of 'Beyond Zero' whereby we focus on trying to achieve an injury-free work environment, as well as working to create a culture of positive impact on the health and wellbeing of our employees and the environment. Our EHS strategy is built on 3 pillars:



OUR EHS STRATEGY PROVIDES THE FRAMEWORK FOR OUR VISION OF "BEYOND ZERO," WHICH INCLUDES:



TO ACHIEVE THIS, OUR STRATEGY IS BASED ON THE FOLLOWING THREE PILLARS:



Governance

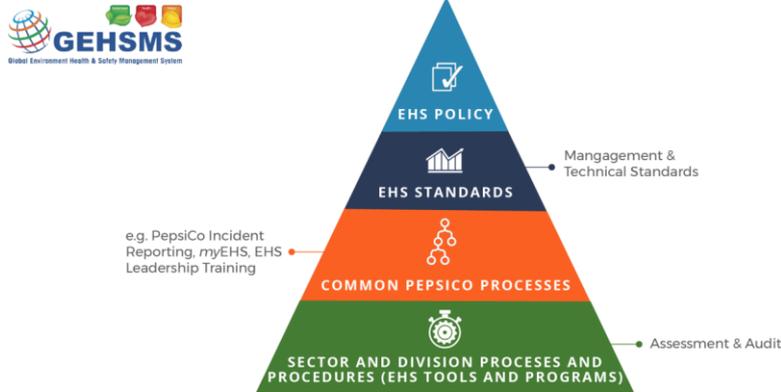
There are inherent risks in all business operations. At PepsiCo, we believe that systems of risk management can be put in place to help prevent environmental incidents and occupational injuries/illnesses. Our EHS Policy formally establishes our focus on environmental protection and occupational health and safety at every level. This underpins our core values and helps us deliver on our Performance with Purpose goals. Indra Nooyi, our Chairman and CEO, has encouraged PepsiCo health and safety leaders from around the world to:

- Go beyond their businesses to think and act like a global function, recognizing that environmental incidents or unsafe practices reverberate throughout the entire company;
- Go beyond compliance with local regulations, because simply complying with the law will not make us best-in-class; and

- Go beyond their teams by making everyone accountable for PepsiCo being a safe and responsible company.

A key component of the overall risk management strategy is the implementation of a robust Global EHS Management System (GEHSMS), a thorough compilation of management and technical standards for key risk areas across our business.

OUR COHESIVE PROGRAM PUTS OUR VALUES INTO ACTION HOLISTICALLY AND IS COMPRISED OF A NUMBER OF LAYERS.

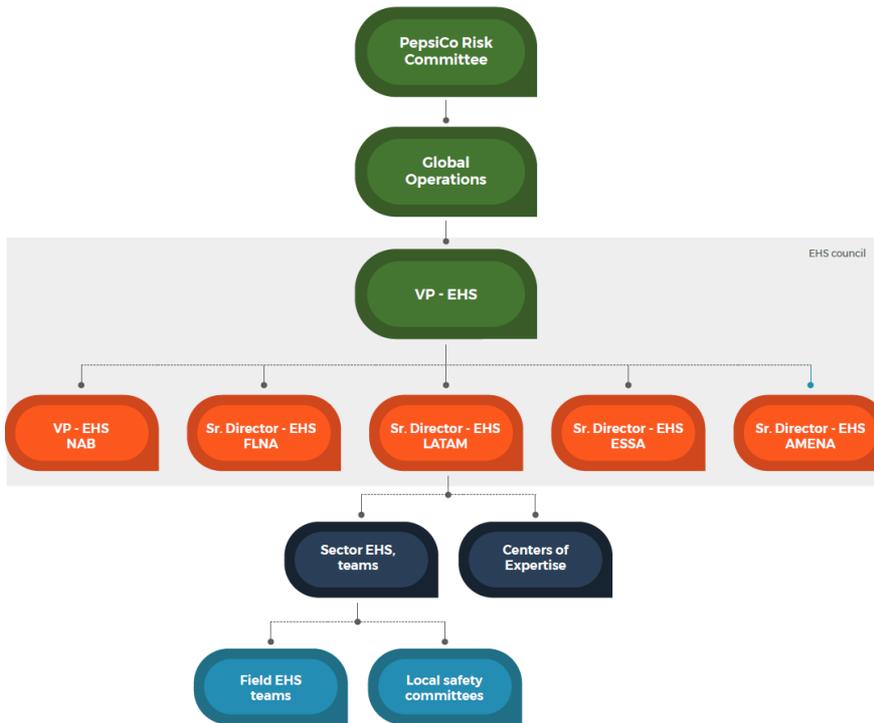


Each year, PepsiCo operations complete a self-assessment against GEHSMS and generate corrective/preventive actions for any non-conformances that have been identified. GEHSMS also forms the foundation for PepsiCo’s ISO 14001 and OHSAS 18001 multi-site, companywide certifications. Annually, certain sites are selected to undergo third-party audits in support of the multi-site certification and must conform to the criteria established by GEHSMS, ISO 14001 and OHSAS 18001. To facilitate the audit process, as well as provide visibility into the overall risk management process, PepsiCo relies on a global EHS information system, myEHS.

OUR GLOBAL ENVIRONMENTAL, HEALTH AND SAFETY INFORMATION SYSTEM ALLOWS US TO:



Data from myEHS is easily accessible by EHS professionals and senior PepsiCo leaders, which is designed to keep health and safety front of mind during routine operations and targeted visits. PepsiCo’s EHS structure is designed to accelerate local performance against the globally-aligned strategy, as shown below.



Through our strategic planning approach, PepsiCo identified current risks that are high in both severity and frequency, as well as future risks. To address these, PepsiCo uses a variety of experts to provide deep technical support and expertise. For machine safety, fleet and wastewater risks, PepsiCo also leverages Centers of Expertise (COE) – teams of cross-sector and cross-functional experts who are charged with delivering control solutions for our highest risk areas. Each COE is sponsored by a senior leader from the EHS Council and is responsible for developing technical, organizational and capability building risk control strategies that can be replicated across all PepsiCo operations.

For ergonomics and fire risks, PepsiCo leverages industry experts to help identify and suggest mitigation techniques. These experts work closely with each of our locations to develop controls that can be implemented to meet the unique risks presented by the operating model in each geography.

By taking this multi-faceted approach, PepsiCo aims to strengthen risk management while reducing redundancy and inefficiency in the process.

Performance

PepsiCo places a targeted focus on fleet and sales health and safety risks. In particular, we focus efforts around fleet safety, machinery, fire risk, and ergonomics. We continue to seek proactive approaches based on behavioral science and technology to support positive changes and drive performance improvement.

FLEET

More than **50,000** **TELEMATICS DEVICES** have been installed to track routes, location, speed, acceleration, hard cornering and harsh breaking

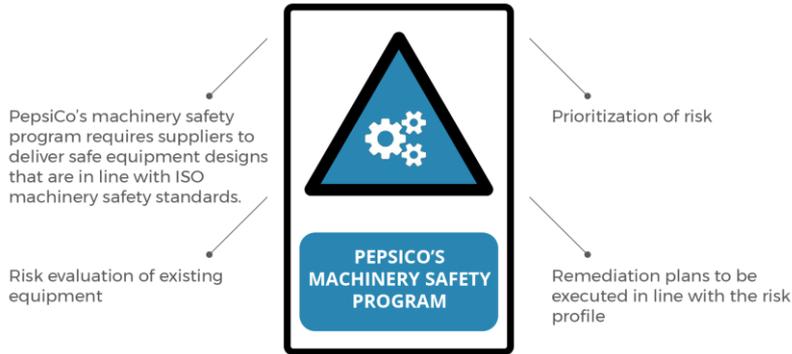
More than **67,000** **REVERSE CAMERAS** have been installed on all PepsiCo-owned commercial vehicles

DEFENSIVE DRIVER TRAINING – including commercially available training or our in-house “TEST (Ten Easy Safety Tips) Drive” training – is mandatory across all of PepsiCo

WEARABLES AND OTHER NON-TRADITIONAL TECHNOLOGY where legally allowed, are being piloted to identify and address risks

MACHINERY

1,000+ ORIGINAL EQUIPMENT MANUFACTURERS AND EMPLOYEES ACROSS ALL SECTORS HAVE BEEN TRAINED ON OUR SAFETY STANDARDS



ERGONOMICS

WE FOCUS ON THE HIGH FREQUENCY/LOW SEVERITY RISK OF ERGONOMICS AS IT PERTAINS PRIMARILY TO OUR SELLING OPERATIONS. THIS INCLUDES:



As a member of [the Together for Safer Roads \(TSR\) Coalition](#) since its launch, PepsiCo collaborates with industry leading multi-national corporations to align private sector goals with the United Nations' Decade of Action for Road Safety. The aim of this coalition is to improve road safety; enhance vehicles and systems; reduce deaths and injuries from road traffic; and promote safer road users, advocacy and thought leadership. A key component of PepsiCo's World Day for Safety and Health at Work communication campaign has been to promote and bring awareness to the importance of safe driving practices.

PepsiCo assumes a leadership position on the Council of Nurse Leaders in Business and Health, which is an occupational health nursing leadership forum that establishes and fosters creative thinking, active benchmarking and mutual support. The Council strives to promote total employee health and wellbeing through dynamic occupational health delivery models that support business excellence, including methodologies, measurement and technologies. PepsiCo also supports the American Association of Occupational Health Nurses (AAOHN), which is an organization that develops standards of professional conduct for the occupational and environmental nurse as described in the AAOHN Code of Ethics, defines the scope of practice and sets standards for occupation and environmental health nurses and responds to issues critical to the practice of occupational and environmental nursing.

Metrics and Indicators

By implementing our strategy and targeting our highest risk areas, we aim to achieve world-class health and safety performance. We set intentionally aggressive goals for improving our health and safety performance within this organization to help mitigate these risks.

PERFORMANCE DATA

OUR SCOPE OF REPORTING, BASED ON TOTAL HOURS WORKED, CONSISTS OF:



It is important to note that the health and safety risk profile of our sales force differs from that of our operations force. The nature of work in the sales organization has inherently greater ergonomic risks presented by stocking shelves and lifting products, as well as additional challenges from implementing alternative working situations should an employee not be able to return to full capacity, after an incident.

LOST TIME INCIDENTS

IN 2017, PEPSICO HAD 15% FEWER LOST TIME INCIDENTS (LTI) ACROSS THE BUSINESS, COMPARED TO 2016.

TOTAL GLOBAL LTI

Sector	AMENA	ESSA	North America	LATAM	Other
2015 LTI	106	218	1464	573	5
2016 LTI	77	191	1349	374	3
2017 LTI	66	156	1251	224	7

This reduction in injuries also cascaded to a lower total lost-time incident rate (LTIR).

IN 2017, PEPSICO HAD A 13% LOWER LTIR THAN IN 2016.



THIS IS A DIRECT RESULT OF CONTINUED FOCUS IN OUR HIGHEST RISK AREAS, INCLUDING FLEET, MACHINERY AND ERGONOMIC SAFETY.

TOTAL GLOBAL LTIR

Year	2012	2013	2014	2015	2016	2017
Global LTIR (per 1 million hours)	5.80	4.80	3.68	3.31	2.81	2.44
LTIR (employees)	6.66	5.55	4.29	3.86	3.19	2.77
LTIR (contractors)	1.51	1.03	1.00	0.75	0.77	0.64

SECTOR LTIR

Sector	AMENA	ESSA	North America	LATAM	Other
2015 LTIR	0.86	2.01	5.99	2.50	0.50
2016 LTIR	0.66	1.96	5.41	1.63	0.19
2017 LTIR	0.59	1.59	5.04	0.98	0.56

In order to focus on a broader swath of injuries and address less severe incidents before they become significant, PepsiCo adopted the Recordable Injury Rate¹ as its primary metric, starting in 2018. This focus on a broader incident set has inherently led to better and more thorough reporting as employees become aware of the new metric. Even with this heightened awareness, employee IR was reduced by 3 percent. Contractor IR increased by 78 percent (total of 300 additional incidents) due primarily to increased contractor operations at two of our locations in Mexico.

In 2017, the total occupational disease rate (ODR) across PepsiCo was 3 percent lower than in 2016. Employee ODR decreased by 2 percent while contractor ODR decreased by 49 percent compared to 2016.

Next Steps

Over the next five years, we will focus our EHS program on people, processes and risks. A strong EHS culture and an employee-base that is equipped with necessary capabilities and leadership skills is important to our success. Additionally, a streamlined management system with strong governance and analytic capability should help us to drive EHS excellence. While we continue to focus on fleet, fire, machinery and ergonomic risks, we are also looking to adapt to potential future risks. These anticipated future risks include automation, environmental regulations and workforce demographics.

¹ IR (term used for GRI reporting) and RIR (term used by PepsiCo), denote the same value. That is, recordable injury rate, or the total number of recordable injuries divided by hours worked times an adjustment factor. PepsiCo uses an adjustment factor of 1,000,000 for IR and 200,000 for RIR.