



My name is Ginger Cassady. I'm the Forest Program Director at Rainforest Action Network, an International Environmental and Human Rights Organization.

Last year I attended PepsiCo's AGM with Ratri Kusumohartono, a courageous and passionate woman who travelled from her home in Indonesia to share with you her experiences witnessing the devastating environmental and human rights impacts of conventional palm oil production.

I would like to be standing here today having succeeded in our shared goal to end the deforestation, the climate impacts from the destruction and burning of carbon rich peatlands and the violations of human and workers' rights that plague the palm oil industry. Sadly, that is not the case.

Tropical forests in Indonesia and Malaysia continue to disappear rapidly; traditional and customary lands continue to be stolen from Indigenous Peoples and forest communities without their consent; and child labor and modern-day slavery continue to surface – all for the production of Conflict Palm Oil. Meanwhile, the footprint of this controversial commodity is expanding into South and Central America, Africa, and Papua New Guinea.

For two years, Rainforest Action Network has been discussing with PepsiCo the reputational risk it currently faces by sourcing Conflict Palm Oil for snack foods. We believe that PepsiCo is in a unique position to make a difference. We have appealed to you partly because we know that you, Madam Chairwoman, and PepsiCo pride yourselves on taking leadership on environmental and social issues.

We are looking to PepsiCo to take the lead by adopting and rapidly implementing procurement policies that create a demand for palm oil produced responsibly and in accordance with the highest human rights, environmental, social and transparency principles.

We recognize that in May 2014, PepsiCo adopted a Forestry Stewardship Policy and Palm Oil Specific Commitment. The adoption of these commitments was an important first step as it demonstrated PepsiCo's commitment to set a higher standard than required by the Roundtable on Sustainable Palm Oil. However, these commitments lack key elements including strong and comprehensive social requirements, a commitment to independent third-party verification of its suppliers' compliance, and a time-bound implementation plan that sets forward-looking milestones against which PepsiCo can report its progress.

Since PepsiCo's last AGM, we have met with Senior representatives from PepsiCo to discuss the challenges to overcome in reforming the palm oil industry and to agree on a set of actions that PepsiCo needs to take to address its Conflict Palm Oil problem. It is our view that PepsiCo is now taking this issue seriously, as it has met with us in good faith and has prioritized the adoption of stronger palm oil policies. Yet more needs to be done.

It is vital, given the scale of the climate crisis, that PepsiCo works rapidly toward understanding its supply chain, confirming the location of the plantations from which it sources its palm oil and independently verifying that these suppliers are not responsible for the clearance of forest, peatlands or violation of human rights in any of their operations.

We will continue to offer our advice on the ways PepsiCo can strengthen its policies and practices. Reforming the palm oil sector is not an easy task. Real change will only be achieved if PepsiCo invests the time and resources to implement innovative solutions that address the depth, scope and urgency of the problems currently caused by palm oil production in its supply chain.

My question for you Ms. Nooyi is will PepsiCo commit to necessary revisions to its policies, and invest the resources needed, to eliminate Conflict Palm Oil from the global palm oil supply chain?