

2021 ESG Summary

The information within this PDF is as of June 28, 2022.

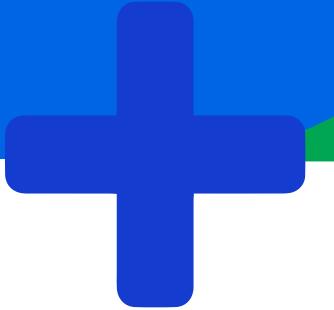
As a general matter, recent organizational changes (e.g., acquisitions and divestitures) are reflected in our reporting as soon as data becomes available, at which point, previously reported impacted metrics that are deemed significant are recast to consistently reflect the impact of the organizational changes.

Unless otherwise noted, information available with respect to our acquisitions of Hangzhou Haomusi Food Co., Ltd. (Be & Cheery), BFY Brands, Inc. (BFY), Pioneer Food Group Ltd. (Pioneer Foods), Rockstar Energy Beverages (Rockstar) and SodaStream International Ltd. (SodaStream) is included herein.

Targets apply to PepsiCo's operations as well as our value chain (e.g., franchise bottlers, joint ventures where PepsiCo has operational control, co-manufacturers, etc.) unless otherwise noted.



Message from leadership



Message from the CEO, Ramon Laguarta

What does it mean to be a truly sustainable company?

For a long time in the business world, "sustainability" was a buzzword. A term often applied with little consistency and less intention to various disparate initiatives. In some ways, sustainability used to be a side project or a distraction: a drain on precious resources and a potential drag on the bottom line.

Those days are over. Our stakeholders – consumers, customers, investors, communities, governments, and NGOs – demand action. They want a more focused, more integrated approach – that places sustainability at the heart of business operations.

At PepsiCo, we recognize that the futures of our company, communities, and planet are all inextricably linked. That reality has been driven home again and again in recent years, first by the COVID-19 pandemic, then the deadly conflict in Ukraine. Through it all, climate change has continued to increase its impact on our fragile ecosystems, leading to extreme weather, crop failures, and changes in the range and abundance of certain plants and animals. All of these issues have

resulted in a collision of food shortages, supply chain bottlenecks, and a refugee crisis unlike anything Europe has seen since World War II.

In this context, we have been thinking hard about what it means to be a truly sustainable company, one that creates growth and value for all of our stakeholders. We know that to be successful five years, 10 years, 20 years from now, we need to create more resilience in our business. And that means we need to change what we do and how we do it.

In September 2021 we launched a strategic, end-to-end transformation of our business. We put sustainability and human capital at the center of how we will create growth and value, by operating within planetary boundaries and inspiring positive change for the planet and people. We call this approach PepsiCo Positive (pep+), reflecting a new reality where consumers, customers, our associates, investors, regulators, and many other stakeholders are becoming more interested in the future of the planet and society. From sourcing ingredients to making and selling our products more sustainably, pep+ connects the future of our business with the future of our planet.



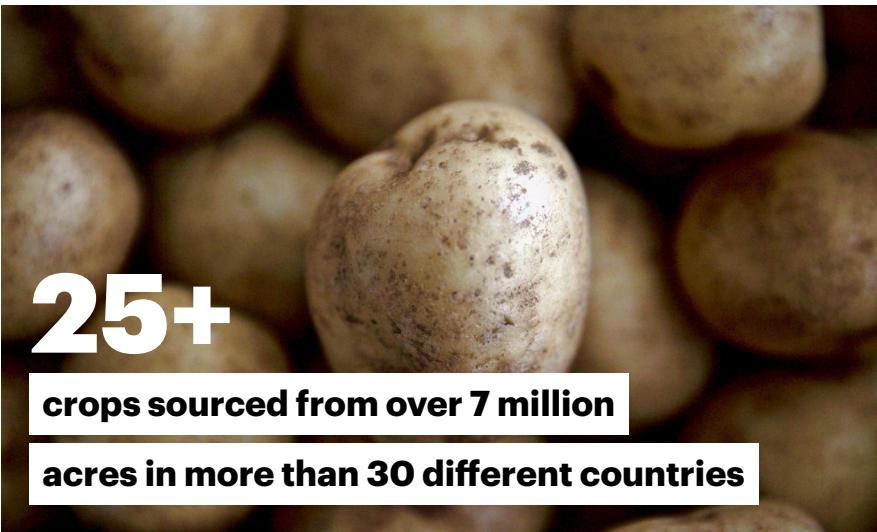
Ramon Laguarta, Chairman of the Board of Directors and Chief Executive Officer of PepsiCo, discusses regenerative farming practices with UK potato farmer, Gavin Janaway, on a recent trip to the UK.



We know that to be successful five years, 10 years, 20 years from now, we need to create more resilience in our business.



The launch of pep+ is a turning point for PepsiCo.



By advancing our pep+ goals, we believe we will be a consistent top market performer and a force for good by doing what's right for people and the planet.

As we evolve our approach to sustainability, how we report our progress and success will also evolve.

This year marks our first-ever Environmental, Social, and Governance (ESG) Summary. The Summary includes how we're leveraging our brands, people, and scale to create positive change, and illustrates progress with the latest real-life examples. The revamped digital format seamlessly directs stakeholders to the most relevant information, sitting atop a wealth of detailed data, updated regularly on our time-stamped [ESG Topics A-Z](#) resource.

It's a significant change for us, but we are starting from a position of strength, as [Corporate Secretary](#) has recognized us for best ESG reporting for the second year. I am confident that our reporting will only improve as we work toward a fully integrated structure, where we publish our Annual ESG Summary alongside our Annual Report.

This inaugural Summary features information on our strategy, goals, and progress with pep+ and its three pillars:



Positive Agriculture

Positive Agriculture is about our aspiration to source crops and ingredients in a way that restores the earth, makes the soil healthier, sequesters carbon, and eliminates deforestation whilst also strengthening farming communities.

[Learn more →](#)



Positive Value Chain

Positive Value Chain is our focus on making products that build a circular and inclusive economy, including goals for reaching net-zero emissions, becoming net water positive, introducing more sustainable packaging, continuing our [Racial Equality Journey](#), among others.

[Learn more →](#)



Positive Choices

Positive Choices is about using our brands to inspire people to make better choices for themselves and the planet.

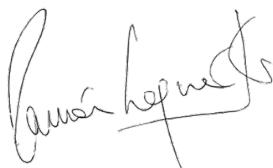
[Learn more →](#)

Message from leadership

To illustrate how pep+ looks in practice, take how we envision the transformation of products like our iconic Lay's potato chip. Lay's is already the world's largest food brand. To maintain that position, we need to continue to work toward our goals and take decisive and sustainable actions. That means the chip you love will start with a sustainably grown potato on a regenerative field. Then the chip will be made and delivered from a Net-Zero and Net Water Positive supply chain, sold in a beautiful bio-compostable bag, and be the best tasting product with the lowest sodium levels in the market. That's the future of the #1 potato chip. That is the future of our company.

With the current uncertainty in the world, there might be a temptation to slow down our investments in pep+. I don't believe we should do that. In fact, we should, and will, do the opposite. As leaders, we should continue investing in sustainable packaging and regenerative agriculture, making our supply chains more sustainable and ensuring our brands innovate in positive spaces.

By becoming better ourselves, we not only meet the needs of our stakeholders but position ourselves for long-term growth. We can help define for the world what it means to be a truly sustainable company, and build a stronger, more resilient future for us all.



Ramon LaGuarda
PepsiCo Chairman of the Board of Directors and
Chief Executive Officer

CSO message



PepsiCo remains committed to taking a leadership role in the creation of a more sustainable food system that preserves the planet and positively impacts people and communities across the world. With the ongoing volatility around the globe, our pep+ agenda continues to be the right path for our planet and our business.

Jim Andrew

Chief Sustainability Officer



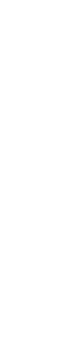
CFO message



The investments we have made in pep+ aim to ensure the sustainability of our business and the hundreds of thousands of jobs we support across our global supply chains – creating growth and value within planetary boundaries while inspiring positive change for people and the planet.

Hugh Johnston

Vice Chairman and Chief Financial Officer



Our ESG approach



About PepsiCo

Our vision is to Be the Global Leader in Beverages and Convenient Foods by Winning with PepsiCo Positive (pep+).

pep+ is our strategic end-to-end transformation that puts sustainability and human capital at the center of how we will create value and growth.



pep+ pillars

We're charting a new course to drive positive action for the planet and people. A better food system means better outcomes for the earth, and all of us.

By becoming better ourselves, we can help build a stronger, more sustainable future for us all. pep+ will guide our business – how we operate within planetary boundaries and inspire positive change for the planet and people.

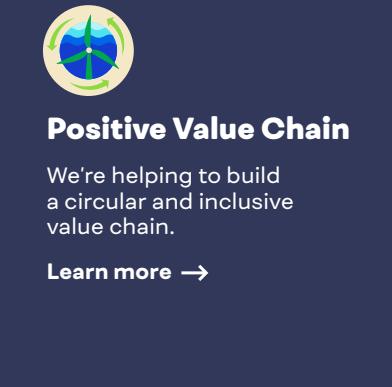
We're evolving how we source our ingredients and make and sell our products, and how we inspire people through our brands.



Positive Agriculture

We're working to source our crops and ingredients in ways that restore the earth and strengthen farming communities.

[Learn more →](#)



Positive Value Chain

We're helping to build a circular and inclusive value chain.

[Learn more →](#)



Positive Choices

We're inspiring people through our brands to make choices that create more smiles for them and the planet.

[Learn more →](#)

Our value chain

Across our value chain, PepsiCo is using our global reach and expertise to drive solutions at scale.

PepsiCo's sustainability strategy targets every stage of our complex value chain to use resources more efficiently, reduce greenhouse gas (GHG) emissions, replenish water, improve our products and recapture packaging materials.

Investments in our circular and inclusive value chain will help accelerate the systemic change needed to address major global challenges.



1 Agricultural Sourcing

PepsiCo sources crops from more than 30 countries and supports more than 100,000 jobs throughout our agricultural supply chain. The standards we apply and promote can help improve the environmental, social and economic health of agricultural communities around the world.

2 R&D and Manufacturing

We spent >\$750 million on R&D in 2021 as part of our continued investment in developing quality and innovative beverages and convenient foods. Our 294 manufacturing facilities bring together innovators and operations teams who work to use water, energy and ingredients efficiently to create our beverages and convenient foods. In 2021, we produced more than 90 million metric tons of beverages and convenient foods.

3 Distribution

PepsiCo products are sold in over 200 countries and territories. In 2021, our company-owned fleet traveled approximately 1.2 billion miles worldwide to bring PepsiCo products to customers. We are working to reduce the impact of those miles by continuing to adopt more efficient vehicles and practices.

4 Consumption

PepsiCo products are enjoyed by consumers more than 1 billion times a day. We're responding to changing consumer preferences by transforming our product portfolio and reformulating many of our beverages and convenient foods to reduce added sugars, sodium and saturated fat.

5 Post-Consumer

PepsiCo's sustainable packaging vision is to help build a world where packaging never becomes waste by driving the shift from a linear economy to a circular economy. We continue to grow our portfolio of Beyond the Bottle offerings, innovate to develop sustainable packaging and work to improve recycling infrastructure.

Our sustainability journey

In 2006, PepsiCo started on a journey to transform the way we do business so that we can deliver strong financial returns in a way that is responsive to the needs of the world around us.



2006

Launch of Performance with Purpose, integrating sustainability into our daily business operations



2009

Naked Juice first U.S. brand to transition to 100% rPET bottles



2010

Our first all-electric delivery trucks hit the road



2012

PepsiCo wins prestigious Stockholm Industry Water Award



2013

Sustainable Farming Program (SFP) launches; as of 2021, more than 90% of grower-sourced crops are sustainably sourced worldwide through SFP



2017

1st demonstration farm opens in India; in 2021, 72 farms are testing and sharing best practices around the world



2018

PepsiCo acquires SodaStream, #1 sparkling water brand in the world by volume, with the potential to avoid 200 billion single-use plastic bottles by 2030



2019

PepsiCo receives Climate Leadership Award



2020

PepsiCo achieves shift to 100% renewable electricity in U.S. direct operations



2020

PepsiCo exceeds safe water access goal 5 years early, delivering access to safe water to more than 55 million people to date since 2006



2021

PepsiCo announces a 2030 goal to spread regenerative agriculture practices across 7 million acres, estimated to eliminate at least 3 million tons of GHGs



2021

PepsiCo sets an ambitious new target to achieve net-zero emissions by 2040, one decade earlier than called for in the Paris Agreement



2021

PepsiCo's Net Water Positive vision sets a new standard in water stewardship



2021

pep+ (PepsiCo Positive) is introduced



2021

PepsiCo is recognized with the inaugural Terra Carta Seal awarded by His Royal Highness The Prince of Wales and Sustainable Markets Initiative for demonstrating commitment to, and driving momentum towards, the creation of genuinely sustainable markets

Governance

We believe strong governance is the foundation for delivering on our pep+ (PepsiCo Positive) agenda. At PepsiCo, our ESG approach is integrated into, not separate from, our business.

In governing using this approach, we maintain a similarly integrated structure that combines Board and senior leadership oversight with the subject-matter and localized expertise that informs our strategy and how we execute it.

The full Board considers ESG issues to be an integral part of its business strategy oversight. To this end, our Sustainability, Diversity and Public Policy Committee assists the Board in providing more focused oversight of key sustainability, diversity, equity and inclusion and public policy matters. This Committee is comprised entirely of independent directors and reflects a mix of public policy, risk, international and science-related skills, qualifications and experience.

Strategy and progress against our pep+ goals are regularly reviewed during meetings of an Executive Committee sub-committee composed of members of our senior leadership management team and also reviewed as part of the expanded Executive Committee agenda. This provides opportunities for our senior leadership to align on major strategic issues relating to ESG.

PepsiCo's Global Sustainability Office, led by the company's Chief Sustainability Officer with Sustainability teams in each sector, drives governance and delivery of the company's sustainability agenda across the value chain. Serving as the central connection point, the Sustainability Office works closely with leaders from across the business to drive continued progress against our pep+ agenda and ensure that ESG is embedded into our long-term strategic planning.

[Learn more about PepsiCo's pep+ Governance on our ESG Topics A-Z →](#)

Our reporting strategy

Our reporting is the primary way that PepsiCo informs key stakeholders about our sustainability ambitions and progress. Our stakeholders include investors, potential and current employees, customers and consumers, suppliers, non-governmental organizations (NGOs), regulators and others.

Understanding that stakeholder needs differ, we publish a suite of reporting elements, targeted at different stakeholder groups. We combine disclosure of strategy, policy, data and case studies, according to our understanding of stakeholder interest. Our reporting suite comprises:

- **This ESG Summary:** An evolution from our prior [Sustainability Report](#), our digital ESG Summary provides a high level overview of our pep+ agenda and progress made during the year. It aims to demonstrate the integration between ESG and our business, and is designed to link seamlessly with [ESG Topics A-Z](#) for more detail and the latest updates. Users can also use the 'Report Builder' functionality to download a version tailored to their interests.
- **ESG Performance Metrics:** Time-series data for our key sustainability goals, intended to support ESG analysis, primarily for financial stakeholders, ESG raters and NGOs.
- **Indices and framework responses and other topic-specific disclosures:** These map our reporting to specific metrics established by key reporting frameworks including the [Global Reporting Initiative \(GRI\)](#), the [Sustainable Accounting Standards Board \(SASB\)](#), the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#) and CDP (formerly the Carbon Disclosure Project) [climate](#), [water](#) and [forest](#) responses. It also includes specialized reporting, such as our annual [Green Bond Reports](#).
- **ESG Topics A-Z:** An evergreen deep-dive on around 50 sustainability-related topics designed to provide accessible, consistent information for those looking for greater depth on PepsiCo's ESG strategy, management, policies, progress and partnerships.

We are constantly evaluating our goals and progress, assessing the technical and regulatory challenges we face in achieving our ambitious objectives, and innovating new ways to keep moving forward. As frameworks and regulations continue to expand in the U.S., Europe and beyond, and as we encounter new challenges and opportunities, our commitment to transparency in reporting our strategy, goals, initiatives and progress on ESG topics will remain steadfast.

Learn more about how we are making a difference.

[Goals and progress →](#)

[Philanthropy →](#)

[ESG Topics A-Z →](#)

[Downloads →](#)



pep+ pillars

Positive Agriculture

PepsiCo's business starts with agriculture. A steady, sustainable supply of crops is central to our business.

Our agricultural footprint covers approximately 7 million acres, and our supply chain supports more than 100,000 agricultural jobs worldwide. We work with tens of thousands of farmers to source more than 25 crops and ingredients from more than 30 countries around the world.

The goal is a sustainable food system that respects natural resources and makes a positive impact on the people and communities we work with and serve. It's better for people, better for the planet and better for our business.

We are taking a landscape approach to advancing regenerative agriculture,

marked by collaboration between stakeholders within a designated region – often spanning multiple crops, sectors and land uses – to advance shared sustainability goals while reconciling and optimizing multiple social, economic and environmental objectives. And because real change requires long-term, consistent effort, we have launched several initiatives tackling some of our key commodities with this approach in the Midwest U.S., Mexico and Southeast Asia, and plan to expand into new priority landscapes as we progress on our Positive Agriculture journey.

Agriculture

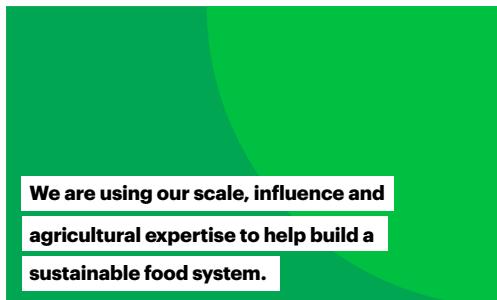
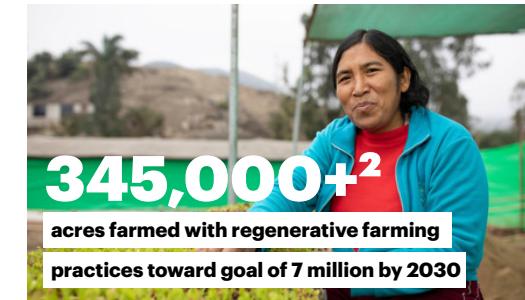
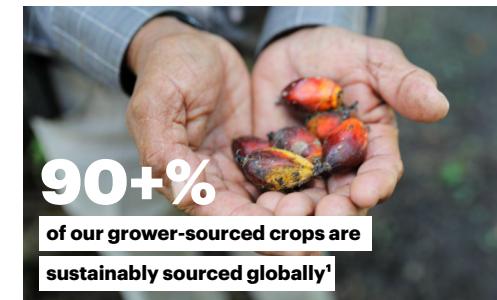
Climate-related impacts like excessive heat, drought or flooding can impact farm yield and productivity. So we've taken steps designed to source our crops in ways that respect natural resources, strengthen farming communities and ensure a secure supply of ingredients for our products.

We're supporting regenerative agricultural practices that aim to make soil healthier, sequester carbon, improve watershed health and biodiversity, and strengthen farmer livelihoods. We're working closely with our farmers and intermediary suppliers to embed these practices throughout our agricultural supply chain.



Our footprint

We're using our scale, influence and expertise to do more than just reduce our own impact. Our strategy prioritizes investment, innovation and collaboration with our farming partners and suppliers to deliver positive impact around the world.



¹ Globally, more than 90% of grower-sourced crops were sustainably sourced through our Sustainable Farming Program (SFP), up from 87% in 2020. For grower-sourced crops, sustainable sourcing refers to meeting the independently verified environmental, social and economic principles of PepsiCo's Sustainable Farming Program.

² Regenerative acres reported for 2021 include U.S. and Canada only. Regenerative acres demonstrate measured improvement in sequestering carbon to reduce GHG emissions AND at least one other of the following: improved soil health, improved watershed health, improved biodiversity or improved livelihoods.

Goals & progress

Source our crops and ingredients in ways that restore the earth and strengthen farming communities.

Regenerative agriculture goal



¹ Regenerative acres reported for 2021 include U.S. and Canada only. Regenerative acres demonstrate measured improvement in sequestering carbon to reduce GHG emissions AND at least one other of the following: improved soil health, improved watershed health, improved biodiversity or improved livelihoods.

² PepsiCo introduced – and began to measure – its new regenerative agriculture metric in 2021. Progress presented here reflects our first year tracking this metric and builds on years of partnership and investment in sustainable agriculture.

³ Definitions of regenerative agriculture vary and we're working across stakeholder groups to align on a standard definition.

⁴ In the U.S., we helped farmers plant cover crops on over 85,000 acres, an example of how using this regenerative agriculture practice can result in up to a 38% net reduction in on-farm greenhouse gas (GHG) emissions, including soil carbon sequestration.

Approach

We define regenerative agriculture³ as a set of farming principles and practices that improve and restore ecosystems while building resilience. Our approach is outcome-oriented, and to some extent, we are practice agnostic. That's because every farming community is different, with different needs. We're tracking how soil health, greenhouse gas (GHG) emissions reduction and carbon sequestration, watershed management, biodiversity and the livelihoods of agricultural workers are improving. There are some practice categories we've identified that help drive those results, and we are working on scaling them.

Regenerative techniques not only protect against soil erosion and water depletion, but they can also help farmers grow more food on the same amount of land. These techniques typically require fewer inputs, so they can also lead to higher margins and greater profitability for our farmers.

In 2021, we launched an internal co-investment fund to incentivize our local teams to design and scale innovative solutions that contribute to our Positive Agriculture agenda. Now in its second year, the Positive Agriculture Outcomes Fund provides a unique mechanism that reduces the risk and cost of projects with long-term sustainable business potential. To date, nearly \$2 million has been granted through the Fund.

In addition, we understand societal concerns around pesticides and are actively seeking continuous improvements in agricultural practices that minimize pesticide and other agrochemical use. We established a cross-functional Global Pesticide Council composed of senior leaders across key functions to evaluate pesticide issues and direct the Company's policies and programs. The Council has developed a five-year strategic plan with clear deliverables, including industry benchmarking, and centralized global scientific and regulatory tracking. We also engage with multi-stakeholder groups, peer companies and NGOs to develop, promote and adopt best practices related to responsible use of pesticides.



What is regenerative agriculture?

Our 72 demonstration farms show the benefits of regenerative farming techniques

What we do



Build soil health and fertility

- Rebuild organic matter
- Train farmers for on-field agronomy
- Use resource-efficient/compost fertilizers
- Plant multiple crops in same field



Reduce and sequester CO₂

- Plant cover crops to sequester CO₂ underground
- Promote reduced and no-till cultivation for minimal soil disturbance
- Systemic crop and livestock rotation



Introduce water efficiency techniques

- Help farmers access more efficient irrigation equipment
- Support best practices for scheduling and maintenance
- Transition from flood irrigation to more efficient methods (i.e., drip irrigation and "fertigation")



Protect and enhance biodiversity

- Commitment to no deforestation
- Pollinator strips on farms
- Soil microbe breeding
- Use of natural pesticides



Improve farmer livelihoods

- Teach most vulnerable farms in supply chain
- Support women farmers economically
- Source directly from growers whenever possible
- Protect workers' rights

How it helps



Improve and restore natural ecosystems



Increase crop yields by growing more food on the same amount of land



Feed more people with fewer inputs



Improve farmer livelihoods through higher sales margins and greater profitability



Net reduction of on-farm GHG emissions

In collaboration with our internal experts, industry peers and cross-sector partners, we have developed a [practice bank](#) of those activities and practices that contribute to our Regenerative Agriculture goals, a database that we introduced in May 2022 to our farmers and suppliers.

Climate resilience is also a key priority to safeguard our operations for many years to come.

It's the reason why we joined forces with several strategic partners worldwide to understand the specific needs to fight climate change in every sector in which we operate.

Alongside organizations such as [CIAT](#) (International Center for Tropical Agriculture), [GIZ](#), [Foundation for Food and Agriculture Research](#), [U.S. Farmers and Ranchers Alliance](#), [World Farmers' Organization](#), [AgroScout](#) and others, we are supporting farmers to implement adaptive practices, reduce GHG emissions in agriculture and strengthen their field knowledge and management to respond quickly in a targeted way so we can all continue driving the pep+ agenda forward.

We actively support farmers in our supply chain with programs to make it easier for them to adopt regenerative practices. In the U.S., we helped farmers plant cover crops on over 85,000 acres, resulting in up to a 38% net reduction in on-farm GHG emissions, including soil carbon sequestration¹ and provided support to more than 600 farmers in North American farmland by the end of 2021.

Our demonstration farms program showcases practices that are leading to the commercialization of innovative ag-tech and the scaling of proven practices that lead to regenerative outcomes. The demonstration farms enable the farmers we work with to share their firsthand experiences, which encourages broader adoption. In 2021, we worked with 20 different partners to demonstrate farming best practices in areas such as nutrients, water-use efficiency and precision farming.

In 2021, our partnerships yielded value for farmers, the environment and the business (percent increases observed in a control plot vs a demonstration plot):

- In 28 demonstration farms in India, we saw average yield improvements of almost 7% and reduced GHG emissions by more than 7%, resulting in farmer income increase of \$55 per acre on average.
- In Thailand, we worked with the Department of Agriculture and other partners to implement integrated pest and nutrient management and install drip irrigation systems on our demonstration farms, resulting in an average yield increase of 25% (on seven farms), a 23% carbon emissions reduction and a more than 40% reduction in water use in irrigation.
- In Mexico, we demonstrated ways to save water through different irrigation techniques and improvements in existing irrigation systems. We reduced water use in irrigation by 36% on average while increasing potato yields by 8%.

By the end of 2021, we had 72 regenerative demonstration farms as part of the program and over 600 farmers transitioned from demonstration into

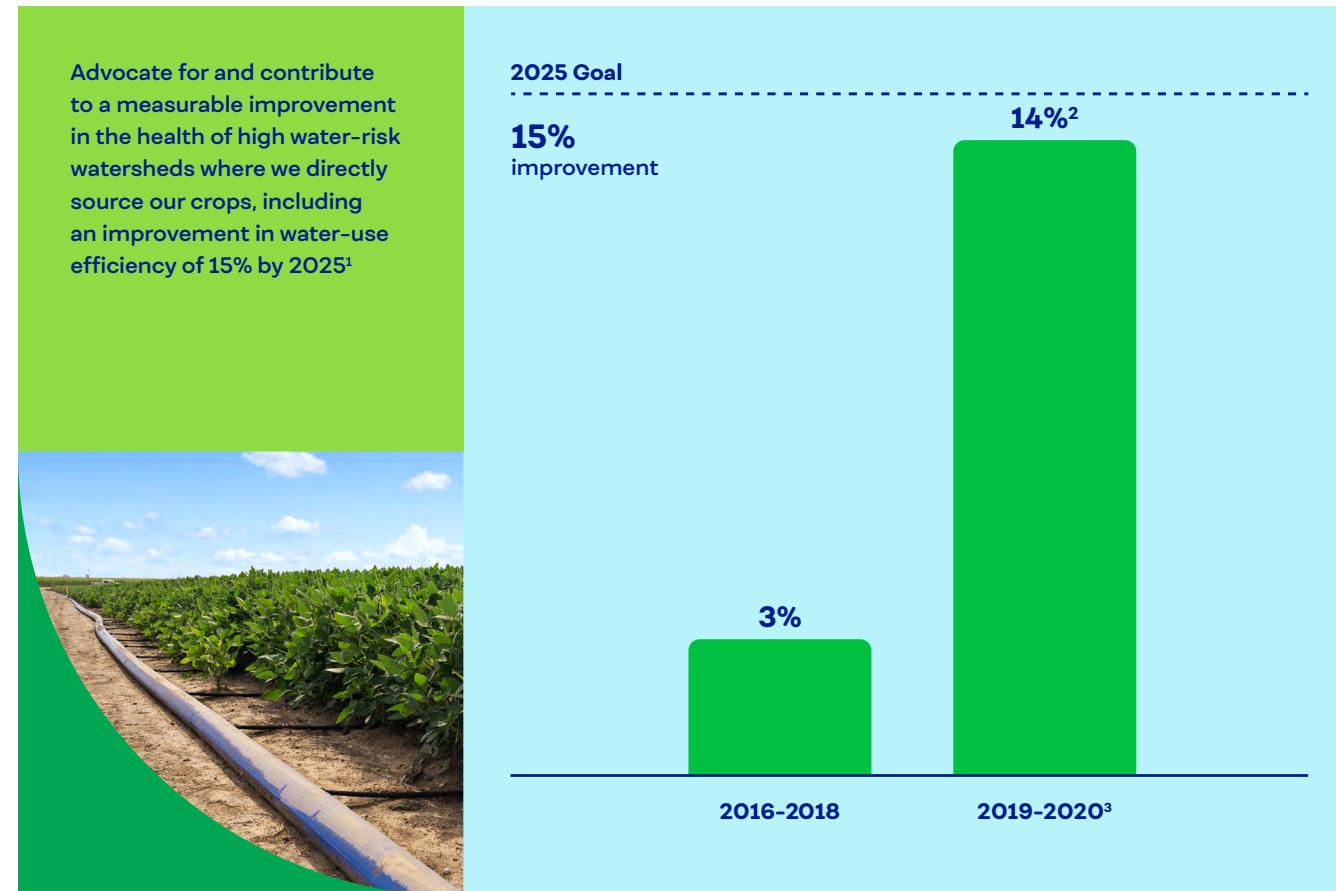
broader "landscape" impact programs to scale up proven innovation.

In a landscape approach, farmers in a region align around shared sustainability goals and commit to specific regenerative practices. PepsiCo and our partners support work within the landscape to spread the adoption of regenerative agriculture and deliver outcomes, such as GHG emissions reduction, through funding independent advisories for farmers, facilitating coaching and peer support and financially incentivizing adoption of regenerative practices.

As we advance on our Positive Agriculture journey, and more farms learn the benefits of regenerative agriculture and adopt its practices, we expect to continue to expand into new landscapes and grow the number of regenerative farming acres we annually report toward our goal of 7 million by 2030. In 2021, we launched several landscape initiatives tackling some of our key commodities in the Midwest U.S., Mexico and Southeast Asia.

¹ For PepsiCo's corporate GHG footprint, the company follows the GHG Protocol framework where any sequestration is kept separate from the three scopes of emissions.

Healthy watershed goal



¹ 15% improvement goal measured versus a 2015 baseline. The metric was previously reported in our Water section. To focus efforts on implementing sustainable practices, we currently intend to collect and publish agricultural water-use efficiency data at least every three years. High water-risk locations defined by WRI's Aqueduct tool.

² Results reflect the exclusion of Pioneer Foods, BFY Brands, Inc. (BFY) and Hangzhou Haomusi Food Co., Ltd. (Be & Cheery).

³ Data for 2021 not available, as we measure this at least every three years.

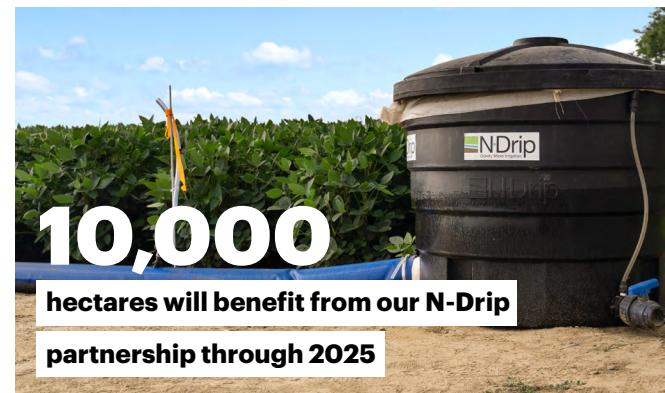
Approach

Through advocacy and our own initiatives (including promoting regenerative techniques), we're working to measurably improve the health of high water-risk watersheds where we directly source our crops and aim for a more sustainable way to use this resource. At the end of 2021, we sourced approximately 40% of our grower-sourced key ingredients – the building blocks of our beverages and convenient foods – from areas of high water-risk. These efforts are designed to help ensure our continued access to the water we need for production as well as preserve water access for the communities in which we operate. We've targeted a goal of improving water-use efficiency by 15% by 2025, compared to a 2015 baseline, throughout our operations. Progress against this goal is measured at least every three years and was last measured in 2020.

Around the world, it is a common practice to use flood or trench irrigation to bring water to crops, causing farmers who use these methods to potentially lose up to 70% of the water used to runoff or evaporation. In the search for a better solution, we partnered with N-Drip, an Israeli company whose irrigation system is powered by gravity and harnesses the water-saving benefits of high-pressure drip irrigation without the need for the energy costs and water filtration associated with high-pressure drip irrigation. PepsiCo aims to scale N-Drip's technology to help improve farmer livelihoods with higher yields, reduced water consumption and reduced GHG emissions. The goal is global adoption of N-Drip water efficiency technology across 10,000 hectares (25,000 acres) by 2025. In 2022, we plan to expand N-Drip in India, South Africa and the United States as well as kick off a pilot in Greece. The N-Drip cost-share project in India was made possible as a result of a grant from the Positive Agriculture Outcomes Fund.

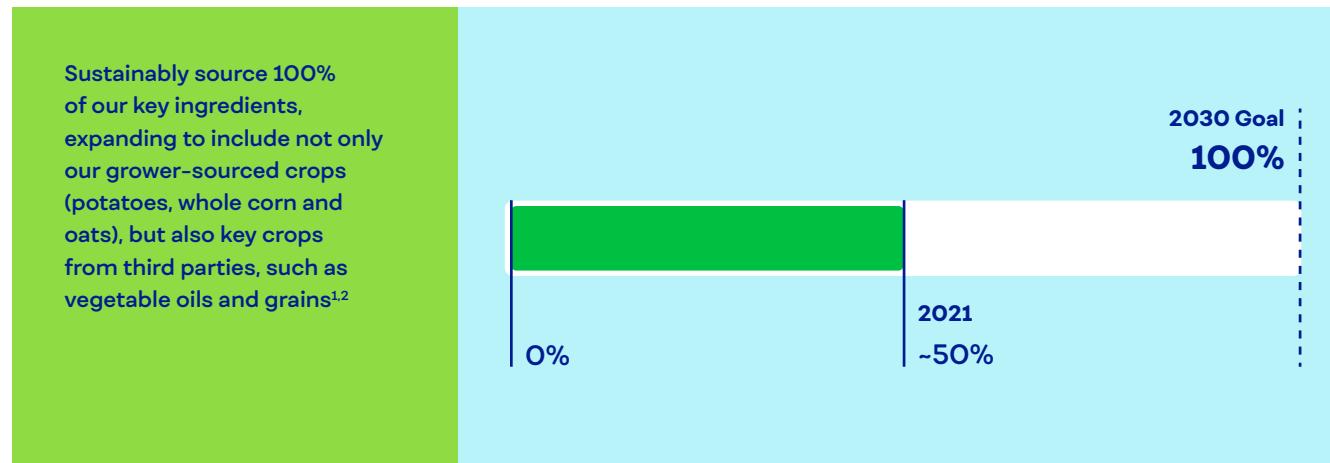


\$1.8 million
granted through our Positive Agriculture
Outcomes Fund



10,000
hectares will benefit from our N-Drip
partnership through 2025

Sustainable sourcing goal



Approach

We're already using sustainably sourced ingredients in many of the PepsiCo products consumers know and love. We've established sustainable sourcing standards as a baseline expectation for our agricultural suppliers, and we're supporting farmers in making the transition to more sustainable approaches. These efforts aim to ensure a secure supply of key ingredients while helping improve the livelihoods of farmers in our supply chain.

Around 50% of the volume of our key ingredients are bought directly from farmers through a grower group ("grower-sourced"), while there are multiple tiers between the farmer and PepsiCo for the other approximately 50% ("supplier-sourced").

Toward our 2030 goal of reaching 100% of sustainably sourced key ingredients, in 2021, we achieved more than 90% on grower-sourced crops as we continue to engage our main suppliers globally.

To achieve our goals, we engage suppliers through two approaches:

- **High-risk approach:** requires high-risk commodities (palm, cane and soy) and commodities grown in high-risk markets to be verified/certified to a sustainability standard recognized by PepsiCo.
- **Low- and medium-risk approach:** consists of working with suppliers to adopt a continuous improvement model, requiring them to demonstrate active work and progress toward outcomes by 2030.

These efforts seek to ensure a secure supply of key ingredients while helping improve the livelihoods of farmers in our supply chain.

¹ For grower-sourced crops, sustainable sourcing refers to meeting the independently verified environmental, social and economic principles of PepsiCo's Sustainable Farming Program. For supplier-sourced crops, sustainable sourcing is achieved through a third-party standard that has been benchmarked as equivalent to the SFP or, in limited regions, a continuous improvement program addressing the main environmental and social risks with growing the relevant crop. Percentage of volume sustainably sourced and verified by third parties, including volume of certified sustainable palm oil meeting Roundtable on Sustainable Palm Oil (RSPO) standard and volume of certified sustainable cane sugar meeting Bonsucro or equivalent standard.

² Cane sugar: Results reflect the exclusion of SodaStream and Pioneer Foods.

We supported farmers in making the transition to more sustainable approaches:

Mexico

In 2021, in Mexico, PepsiCo partnered with a supplier to pilot the Bonsucro Smallholder Standard, which resulted in 25 smallholder producers becoming certified – among the first in the country.



Southeast Mexico

In 2021, in Southeast Mexico, we launched Agrovita, a collaborative effort to strengthen the technical capabilities of 1,000+ smallholders to implement regenerative agriculture, increase women empowerment and reduce smallholder carbon footprint.



Southeast Asia:

In 2021, in collaboration with leading palm oil players, we launched the Rimba Collective – the largest private sector-enabled forest conservation initiative in Southeast Asia for palm oil, to deliver \$1 billion for forest conservation and restoration.



Positive Ag Supplier Playbook

In 2022, we launched a [Positive Ag Supplier Playbook](#) at our Supplier Summit, a public resource for buyers and suppliers to activate the goal across our entire key ingredient footprint.



Improving livelihoods goal

Improve the livelihoods of more than 250,000 people in our agricultural supply chain and communities, including by economically empowering women.

Goal introduced with the launch of pep+ in 2021. Progress reporting for this metric is in process.

Approach

People are the foundation of the world's food system and our business. To ensure the long-term health of both, it's essential for agricultural workers to earn a wage that enables them and their families to grow and thrive. Yet that's not always the reality in many parts of the world.

We support the advancement of farming practices to optimize crop yields, respect human rights and plan to improve the livelihoods of more than 250,000 people in our agricultural supply chain and communities by 2030. This includes economically empowering women. We've focused our efforts on our most vulnerable farming communities, including smallholder farmers and farm workers, women and minority farmers.

Women farmers make up about 40% of the agricultural workforce in developing countries but are often denied key resources that could help them prosper. These resources include, among others, access to land, livestock, education, financial services, agricultural advisory services, technology and rural employment. If women had equivalent resources, it is estimated they could increase their yields by 20–30% and increase the agricultural output of their countries by up to 4%, potentially reducing the number of hungry people in the world by 100 million or more.



\$5 million
commitment to reduce GHGs in agriculture
through AgMission



\$20 million
to support women-led enterprises through
our USAID partnership

Positive Agriculture

On this matter, we are drafting the livelihood measurement outcome indicators to track the number of livelihoods improved in PepsiCo's agricultural supply chains and communities. The indicators are designed to be relevant across different crops, scale of operations and geographies.

PepsiCo and the PepsiCo Foundation promote greater diversity and inclusion in farm management, including support for female farmers and people of color, through partnerships with organizations like the U.S. Agency for International Development (USAID), Inter-American Development Bank (IADB), CARE and the National Black Growers Council.

In 2021, we continued working with USAID on a 5-year, \$20 million partnership to support women-owned and women-led enterprises among PepsiCo suppliers in rural farming communities in Asia, the Middle East and Latin America. The programs will improve resiliency in these communities and show that inclusivity leads to better business results.

We launched the Next Generation Agriculture Fund with the IADB, a partnership in which we aim to test and demonstrate the impact of gender-smart solutions along our agricultural supply chains in Dominican Republic, Ecuador and Guatemala. This three-year, \$2 million partnership between PepsiCo LatAm Corporate Affairs, the Global Sustainability Office's Agriculture team and the IADB includes an innovative talent acquisition and development program, as well as field activities that pilot the use of inclusive and gender-smart solutions that enhance farmers' resilience and contribute to PepsiCo's Positive Agriculture goals.

Our promotion of regenerative agriculture techniques and support for open-source agricultural technology and information also helps improve farmer livelihoods. Regenerative practices can help farmers increase yield, leading to higher margins and greater profitability. Our support programs, such as cost-sharing for cover crops and peer-to-peer learning at our demonstration farms, help farmers ease the transition.

Support for open-source agricultural technology and information can have a similar impact. We worked with Corteva Agriscience to [sequence an entire oat genome](#) and made it publicly available to enable the creation of more resilient, productive and profitable varieties.

In addition, we became a founding partner of AgMission, an unprecedented initiative to reduce GHG emissions in agriculture with a \$5 million commitment to expand our efforts toward creating a more sustainable planet.

Across the board, we see bilateral, multilateral and pre-competitive partnerships as critical to the ongoing success of pep+, the achievement of our 2025 and 2030 goals and the overall resilience and sustainability of our key supply chains. They are instrumental in leveraging and mobilizing a wide range of technical and financial resources that support farmers as they make the transition to more regenerative and inclusive practices, ones that will contribute to improved environmental and social outcomes. We cannot achieve these ambitious sustainable business objectives without these collaborations across supply chains, geographies, industries and sectors.

Explore these topics in more depth

PepsiCo's ESG Topics A-Z resource provides detail on strategy, data, policy, progress and more on a wide range of subjects. Click on the agriculture-related links below.

[Agriculture →](#)

[Climate change →](#)

[Deforestation →](#)

[Land rights →](#)

[Sustainable sourcing →](#)

[Water →](#)

[Read our latest sustainability and community impact stories →](#)



pep+ pillars

Positive Value Chain

A value chain is the full range of activities needed to create a product or service.

Ours begins with the crops grown by our farmers and suppliers, which are made into food and drinks and packaged at our manufacturing facilities, then delivered to stores where they are purchased, consumed and later recycled or collected as waste.

PepsiCo is building a circular and inclusive value chain to accelerate the systemic change needed to address major global challenges.

We're taking direct action aimed to reduce impacts relating to climate, minimize water use and introduce more sustainable packaging. We are also working to increase racial equality and provide meaningful jobs and opportunities.



Positive Value Chain: Climate

Our world is already feeling the effects of climate change and faster, bolder action is needed. Reducing greenhouse gas (GHG) emissions will benefit society and it's also crucial to the viability of our business, as we are experiencing the impacts of climate change directly within our own value chain.

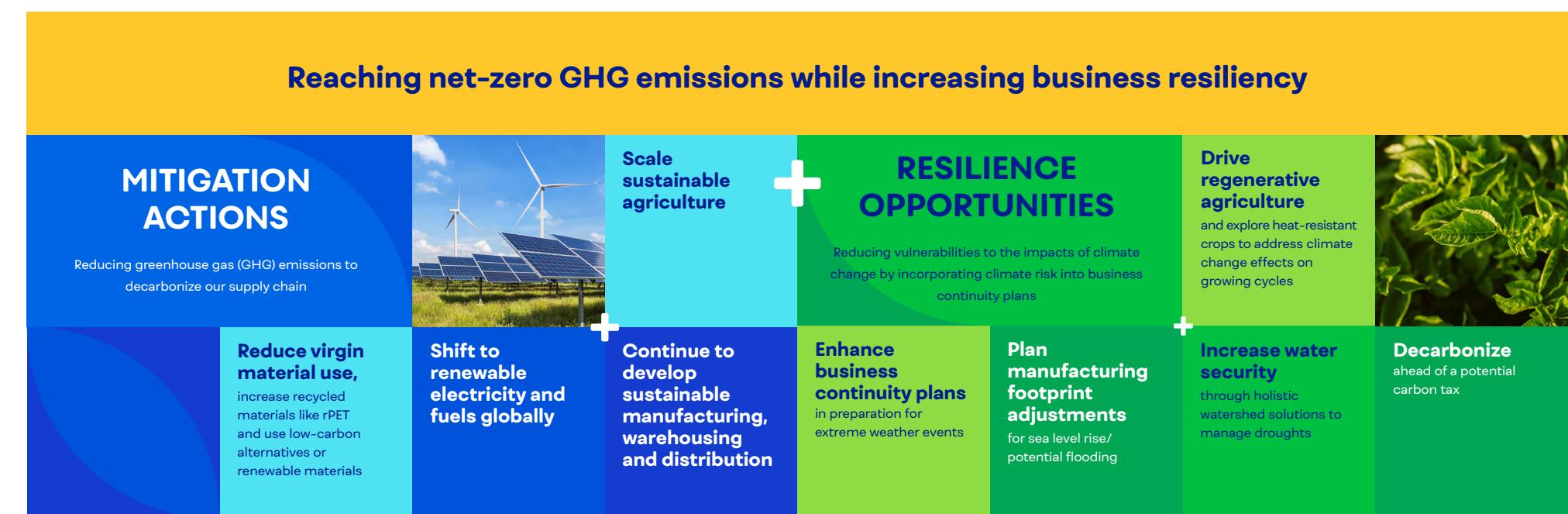
Urgent action is needed to decouple economic growth from carbon emissions. The increasingly severe impacts of climate change are affecting the quantity and quality of agricultural raw materials for our products, creating weather patterns and events that affect the operation of our facilities and supply chain and limiting the availability and quality of water.

To achieve the level of decarbonization that the world needs to avert the worst impacts of climate change will require action at every level. At PepsiCo, we're striving to achieve net-zero emissions by 2040, a decade earlier than called for in the Paris Agreement and we've set an ambitious interim goal for reducing absolute emissions across our value chain by more than 40% by 2030, including a reduction of 75% in Scope 1 and 2 emissions (2015 baseline). These goals will not only have meaningful impact in themselves, but will also drive greater scale for systems like renewable energy and regenerative agriculture, which must become standard in our industry.



Our climate action strategy

Reaching net-zero GHG emissions while increasing business resiliency



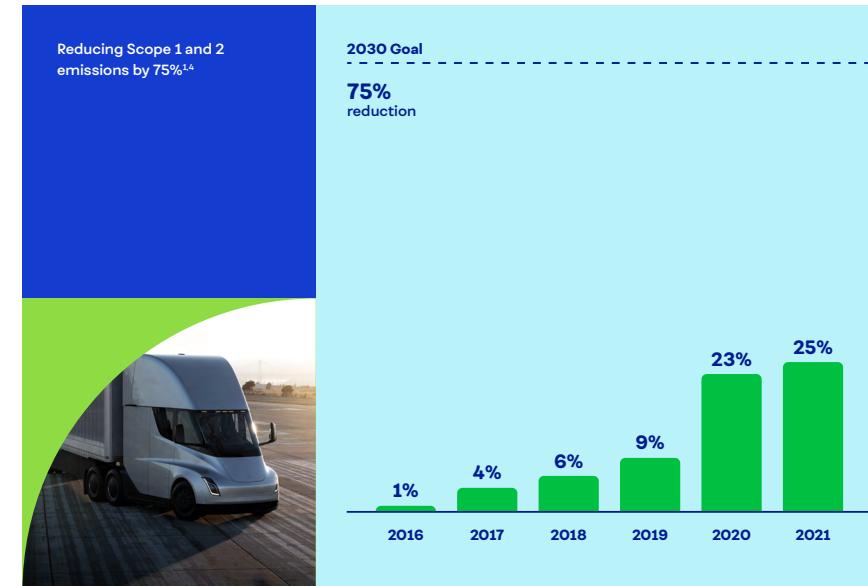
Goals & progress

Achieve net-zero emissions across our value chain by 2040

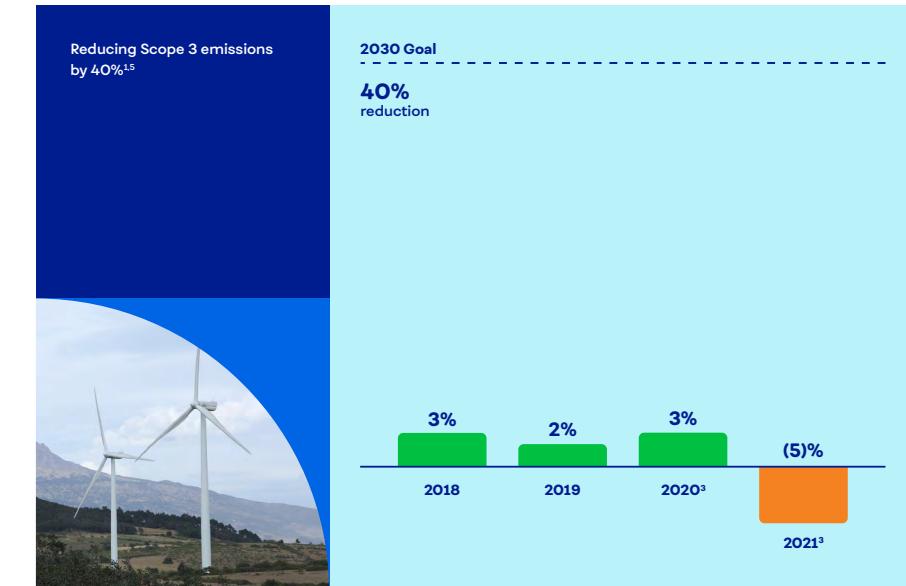
GHG emissions reduction goal



Scope 1 and 2 emissions reduction goal



Scope 3 emissions reduction goal



¹ Measured versus a 2015 baseline.

² Where 2021 actual data was not available, estimated 2021 data was used. Goal timeline extended to 2030. Goal ambition increased from 20% to more than 40% reduction. 2021 Scope 3 progress impacted by increased packaging use, transportation, third-party manufacturing and other purchased goods due to business growth.

³ Results reflect the exclusion of Be & Cheery and certain Scope 3 emissions for other acquisitions where data is not available.

⁴ Goal timeline extended to 2030. Goal ambition increased from 20% to 75% reduction.

⁵ Where 2021 actual data was not available, estimated 2021 data was used. Goal timeline extended to 2030. Goal ambition increased from 20% to 40% reduction. 2021 Scope 3 progress impacted by increased packaging use, transportation, third-party manufacturing and other purchased goods due to business growth.

Approach

Our climate action strategy is focused on mitigation to reduce GHG emissions and decarbonize our supply chain, and resilience to reduce the vulnerability of our supply chain to climate change-related impacts.

Informed by science, we target areas where our investments can have the greatest impact, while creating scalable models and partnerships to accelerate progress across the full value chain.

On our journey to achieve our overarching goal of net-zero emissions by 2040, we're working to reduce absolute GHG emissions by more than 40% across our entire value chain by 2030. Our emissions target aligns to the [Business Ambition for 1.5°C pledge](#) and has been approved by the Science Based Targets initiative.

To reach these ambitious goals, we're transforming how we operate across our entire value chain.

We're planning to transition to 100% renewable electricity through a diversified portfolio of options across all our company-owned and controlled operations globally by 2030 and across our entire franchise operations by 2040.

We are investing in zero- and near-zero emission delivery vehicles for our company-owned fleets and partnering with others to support decarbonization of the broader transport industry. We are improving energy-use efficiency and working to scale renewable fuel solutions at our manufacturing facilities.



PepsiCo is proud to be among the companies that are putting substantial investment behind climate action. We issued a Green Bond in 2019, one of the first food and beverage corporations to do so, and as of the end of 2020, \$858 million of the net proceeds had been allocated to investments that can make a lasting impact on our sustainability goals in packaging, decarbonization and water.

We're working to scale regenerative agriculture practices that reduce emissions and sequester CO₂ across the equivalent of our 7 million acre global agricultural footprint, through efforts like our [demonstration farm program](#).

We're investing in research and development of bio-based materials, increasing recycled content in our packaging (targeting 50% across our plastic packaging by 2030) and working with peers, policymakers and innovators to develop recycling infrastructure, while advocating for smart policies and engaging consumers in our vision that [packaging never becomes waste](#).

These global challenges will require partnership and collaboration among many companies and organizations, as well as international cooperation. We are actively engaged in and seeking out partnerships that help us further our goals.

Explore these topics in more depth

PepsiCo's ESG Topics A-Z resource provides detail on strategy, data, policy, progress and more on a wide range of subjects. Click on the climate-related links below.

[Climate change →](#)

[Renewable energy →](#)

[Fleet efficiency →](#)

¹ Total renewable electricity as a percentage of total electricity associated with manufacturing & warehouse operations, fleet operations, offices and distribution centers.

² This metric is ranked by the EPA Green Power Partnership.

Positive Value Chain: Water

As a beverages and convenient foods company, PepsiCo is acutely aware of the critical role water plays in the food system, and it is our vision that wherever in the world PepsiCo operates, water resources will be in a better state because of our presence.

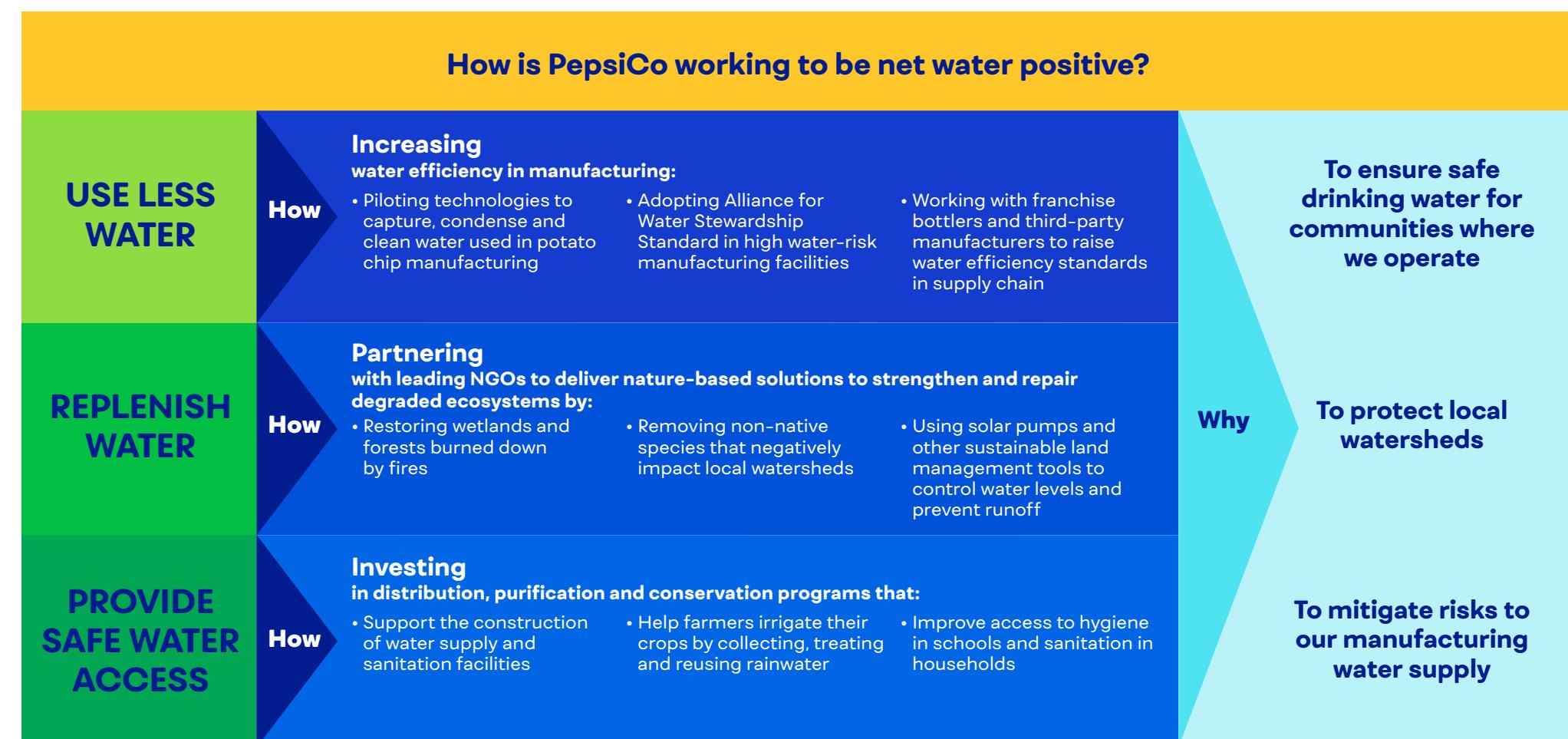


We were one of the first companies to acknowledge access to clean, safe water as a fundamental human right and essential for health, well-being, dignity and economic mobility. In this era of COVID-19, safe water access is more important than ever.

The PepsiCo Foundation is already more than halfway to our goal of delivering safe water access to 100 million people by 2030.

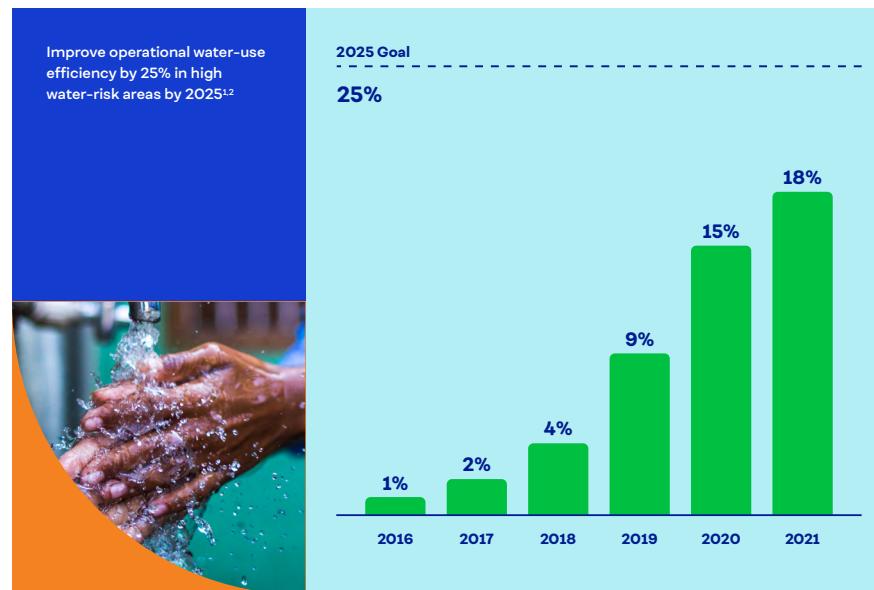


Our path to net water positive

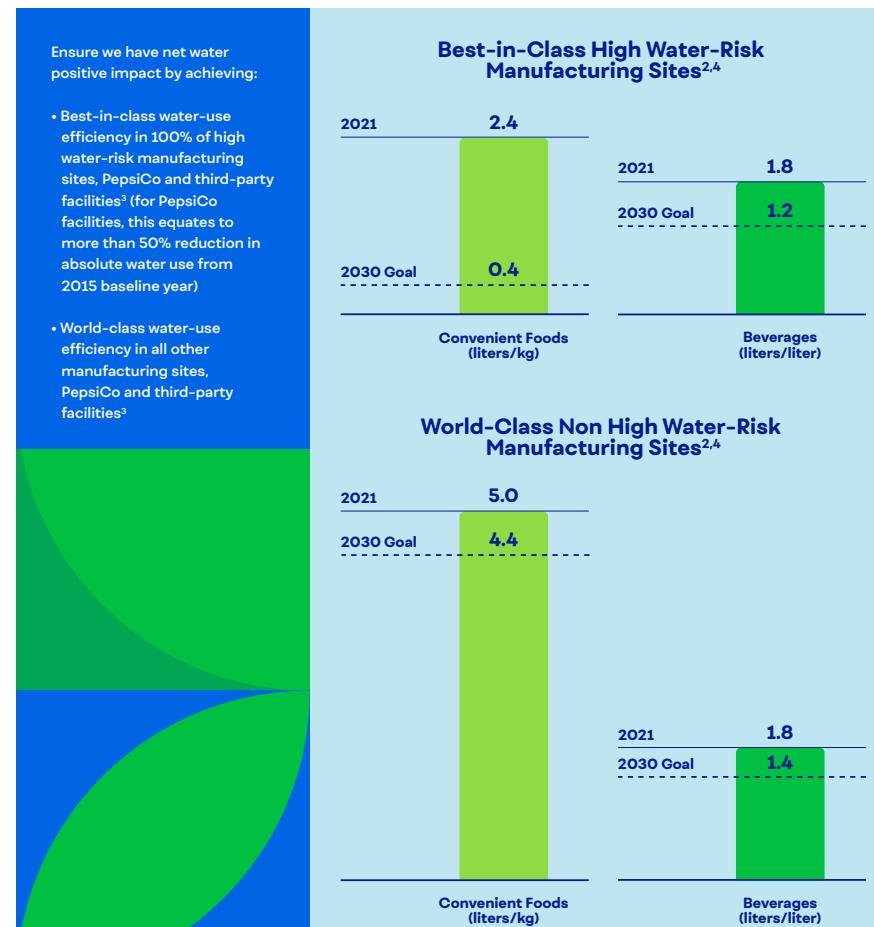


Goals & progress

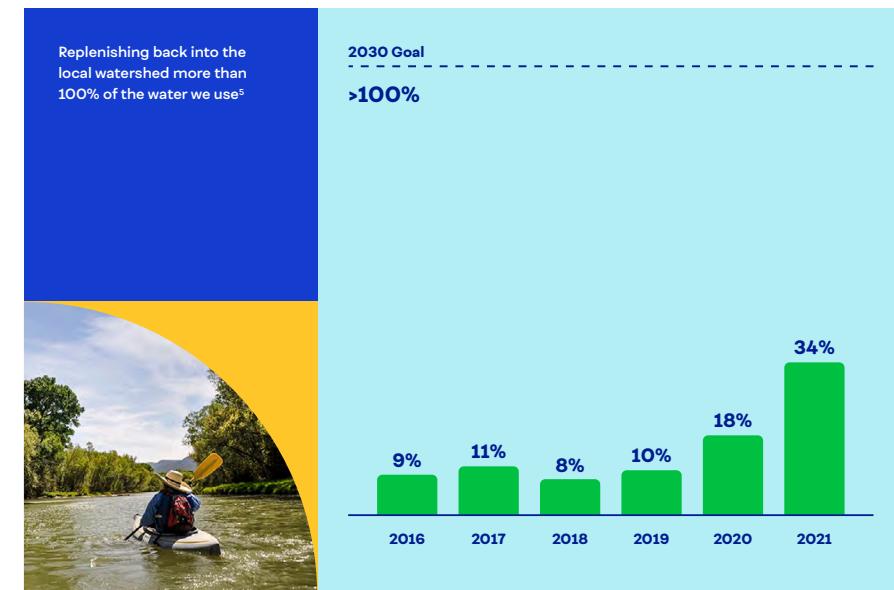
Operational water-use efficiency goal



Net zero water goal



Local watershed replenishment goal



¹ 25% improvement goal measured versus a 2015 baseline. High water-risk locations defined by WRI's Aqueduct tool. Between 2006–2015, water-use efficiency improved by 26% in global legacy operations.

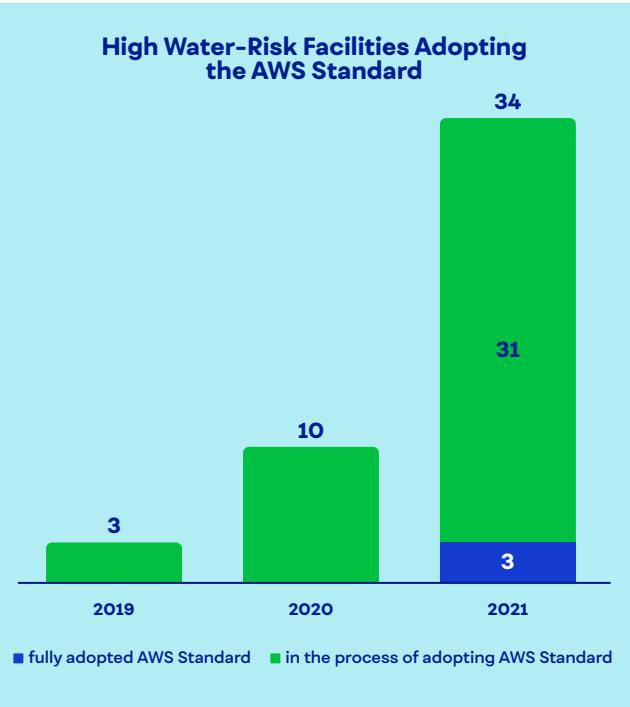
² Results reflect the exclusion of Be & Cheery.

³ All best-in-class and world-class results for 2021 do not reflect inclusion of third-party facilities.

⁴ Best-in-class water-use efficiency for beverages sites is defined as 1.2 liters/liter of beverage production. Best-in-class water-use efficiency for convenient foods sites is defined as 0.4 liters/kg of convenient foods production. World-class water-use efficiency for beverages sites is defined as 1.4 liters/liter of beverage production. World-class water-use efficiency for convenient foods sites is defined as 4.4 liters/kg of convenient foods production.

⁵ Results reflect the exclusion of SodaStream and Be & Cheery, and do not reflect inclusion of third-party facilities. Goal ambition expanded to include third-party facilities (100%) and more than 100% for company-owned operations by 2030.

Water Stewardship Standard goal



Approach

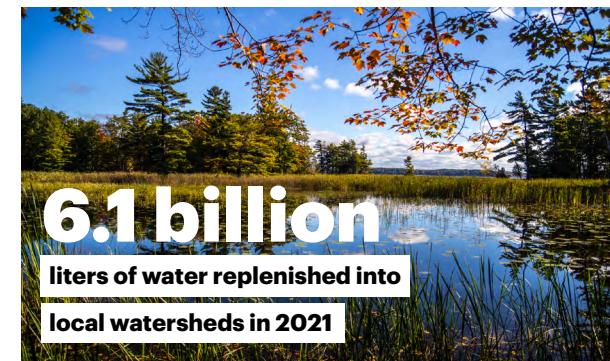
As one of the first companies of our size to acknowledge water as a human right, we have a vision to become "net water positive." We have adopted an approach to watershed management that includes improving water-use efficiency across our value chain: on farms and in manufacturing facilities; replenishing water in the local watersheds that are most at risk and where we operate; and increasing safe water access for communities that face scarcity.

Our target to become net water positive in 100% of high water-risk company-owned and third-party manufacturing facilities by 2030 means achieving best-in-class water-use efficiency at company-owned facilities in high water-risk areas (a more than 50% reduction in absolute water use against a 2015 baseline), and world-class efficiency at all other manufacturing facilities.

To meet our efficiency goal, we're expanding our focus from about 100 manufacturing sites to more than 1,000 sites around the world, including 350 sites in high water-risk areas. Achieving our goal will place us among the most water-efficient food or beverage manufacturers in the world. We are also in the process of adopting the Alliance for Water Stewardship Standard at 100% of our company-owned high water-risk manufacturing sites by 2025.

We are piloting innovative manufacturing technologies, including a groundbreaking method to recover more than 50% of the water used in potato chip manufacturing by condensing and treating evaporated steam, effectively capturing and reusing the water contained in the potato that would have otherwise been "lost" as steam. Our pilot testing showed the approach could save approximately 60 million liters of water a year.

To achieve our goal of replenishing more than 100% of the water that we use back into the local watershed by 2030, we've established strong partnerships with leading NGOs such as The Nature Conservancy and the World Wildlife Fund (WWF) to deliver nature-based solutions that strengthen and repair degraded ecosystems. Last year alone we replenished more than 6.1 billion liters of water through these projects. We also serve on the corporate advisory group for water for the Science Based Targets Network (SBTN), piloting the draft methodology for setting science-based targets for water.



Explore these topics in more depth

PepsiCo's ESG Topics A-Z resource provides detail on strategy, data, policy, progress and more on a wide range of subjects. Click on the water-related links below.

[Water →](#)

[Agriculture →](#)

[Human rights →](#)

Positive Value Chain: Packaging

PepsiCo envisions a world where packaging never becomes waste.

While packaging is an essential component of our business – making PepsiCo products convenient, more affordable and easy to distribute – we share the concern over the impact of packaging waste. Our broad-based strategy includes reducing the plastic we use, driving recycling and use of recycled materials, and reinventing our packaging to use new renewable materials or drive growth in low- or no-packaging formats.

A circular economy for packaging can help ensure that the valuable materials that are used in packaging are recycled and reused, rather than becoming waste. Using renewable or recycled materials also reduces the GHG impact of our packaging, supporting our emissions reduction goals.



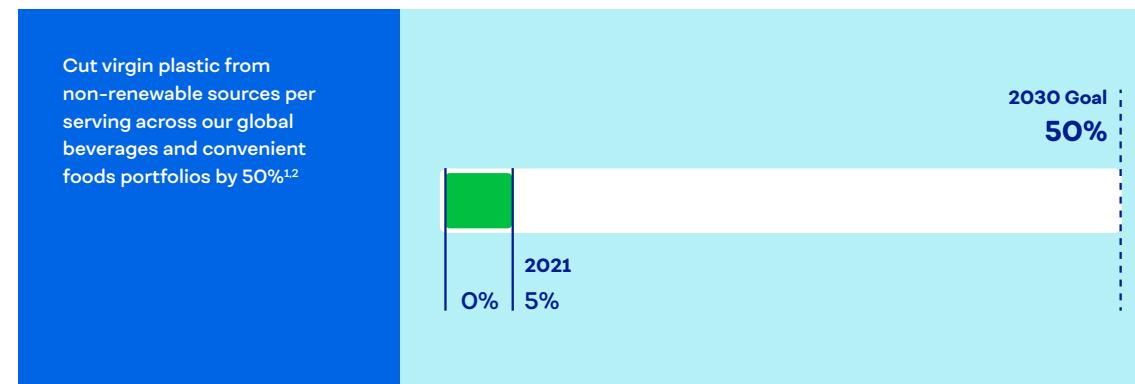
Our sustainable packaging vision

How we're working toward our vision of a world where packaging never becomes waste:

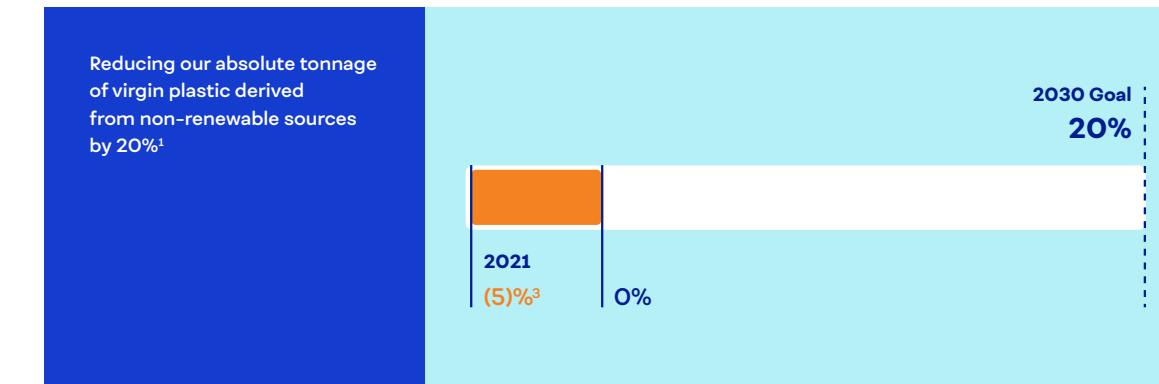


Goals & progress

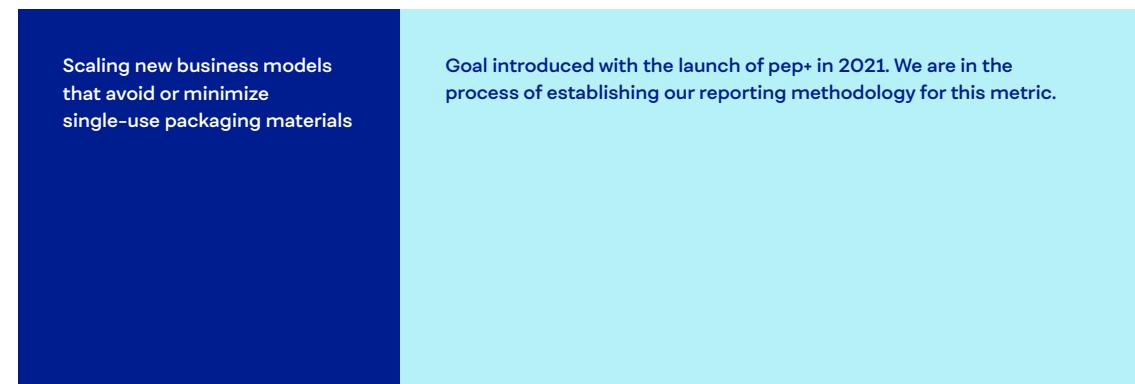
Virgin plastic reduction goal



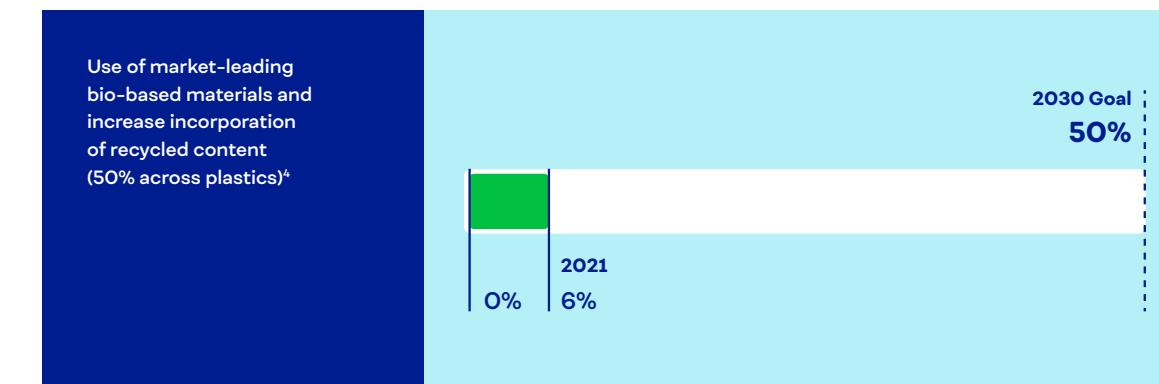
Non-renewable virgin plastic reduction goal



Minimize single-use packaging materials goal



Bio-based and recycled plastic reduction goal



¹ Measured versus a 2020 baseline.

² Goal expanded in 2021 to 50% for beverages and convenient foods.

³ 2021 performance impacted by increased plastic use due to business growth.

⁴ Goal timeline extended to 2030 and goal expanded to 50% recycled content.

Approach

At PepsiCo, we recognize the role we can play in creating a circular economy for packaging. We're aspiring to use our reach and influence to help change the way society makes, uses and disposes of packaging. Yet systemic change is not something we – or any single organization – can accomplish alone. We're in dialogue with policy makers and working with industry coalitions, producer responsibility organizations, trade associations and community-based organizations throughout the packaging value chain to improve infrastructure, advocate for sustainable policies and accelerate innovation.

We've announced ambitious new goals around our aim to reduce our use of virgin plastic, use more recycled content in our plastic packaging and scale business models like SodaStream that avoid or minimize single-use plastic. These new targets complement our 2025 goal of making 100% of our packaging recyclable, compostable, biodegradable or reusable.

Achieving these ambitious goals requires investment and innovation. We face challenges from the limitations of existing technology and regulations. But our commitment to continue to strive toward these goals is unwavering. That's why we're scaling new business models that avoid or minimize single-use packaging materials. These include models that reuse, refill, prepare at home or utilize concentrates like powders or drops. We're also seeking to use market-leading bio-based materials and more recycled content (50%

across our plastic packaging) to reduce absolute tonnage of virgin plastic from non-renewable sources across our entire portfolio. To further reduce use of single-use plastic packaging, we plan to set a time-bound goal by the end of 2022 for a percent of volume of beverages to be delivered via strategies that avoid or minimize single-use packaging, such as reusable and refillable bottles or containers.

In 10 European markets, key Pepsi-branded¹ products are expected to switch to 100% rPET² bottles by 2022. Moving to rPET bottles is estimated to reduce GHG emissions by roughly 30% per bottle. In the U.S., we sell LIFEWTR in 100% rPET bottles and Pepsi Zero Sugar will begin to be sold in 100% rPET bottles by the end of 2022 (we plan to convert all Pepsi-branded products in the U.S. to 100% rPET bottles by 2030).

In 2021 and 2022, we launched 100% rPET beverage products in Australia, New Zealand, Vietnam and Argentina. We are transitioning several brands to 100% rPET across 22 global markets.

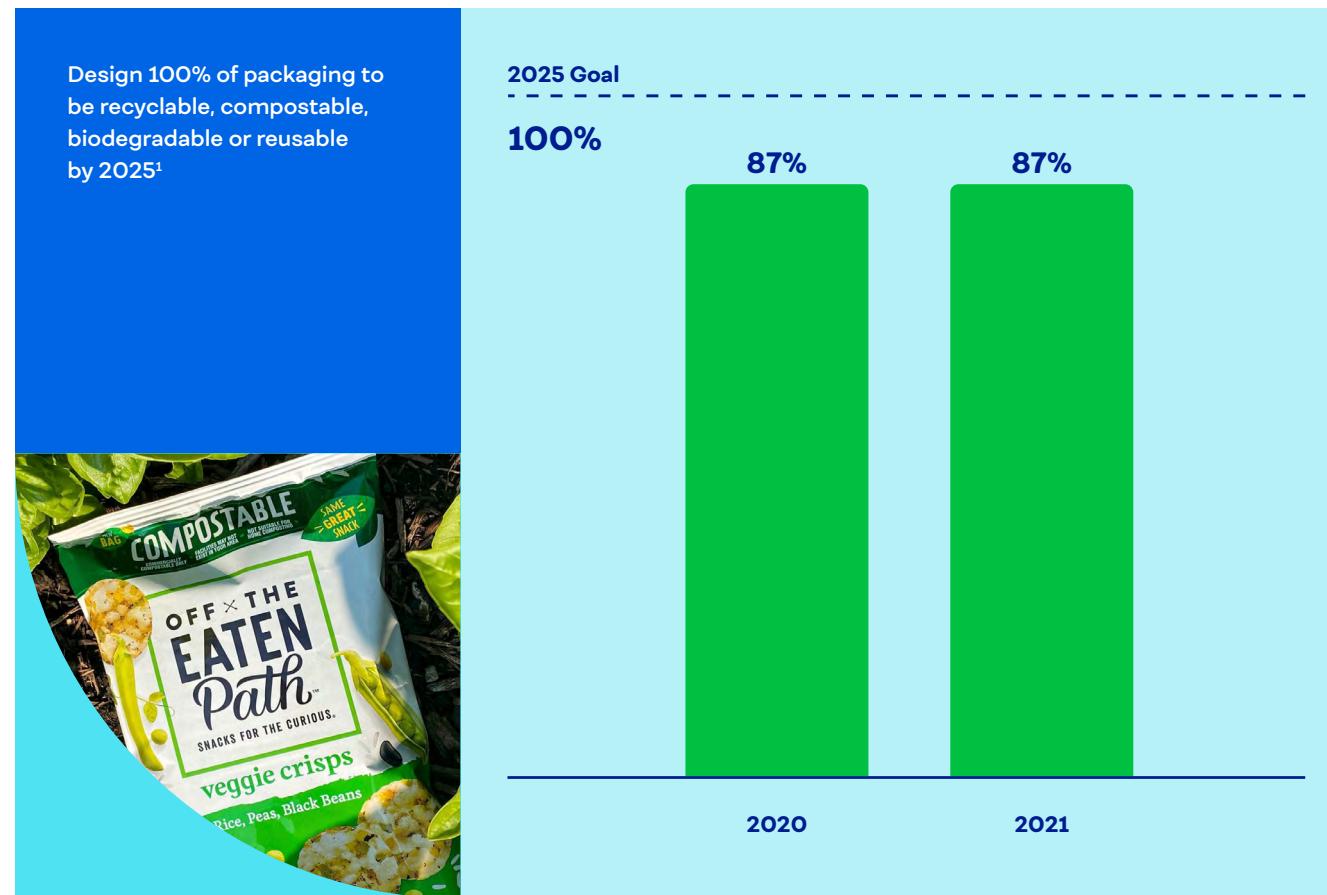
In early 2022, PepsiCo Europe set a new ambition to use 100% recycled or renewable plastic in all crisp and chip packets by 2030, which is expected to reduce GHG emissions from film packaging for food by up to 40%.



¹ Includes Pepsi, Pepsi MAX, Pepsi MAX Lime, Pepsi MAX without caffeine, Pepsi Light, Pepsi Light without caffeine.

² Abbreviation for "recycled PET (polyethylene terephthalate)" plastic.

Sustainable packaging goal



Approach

We are exploring renewable, non-fossil-fuel-based sources for packaging materials, such as plant-based materials that are safe, efficient and have a lighter carbon footprint than fossil-fuel based plastics. We prioritize materials that avoid the use of food resources or virgin plastics, like bio-based materials, and have partnered with other organizations to develop these materials and scale new technologies.

We are a member of the NaturALL Bottle Alliance and its effort to significantly reduce the carbon footprint of beverage containers, and work with the Pulpex consortium to develop the world's first fully recyclable paper bottle that we are working to commercialize and scale.

To reduce plastics across primary, secondary and tertiary packaging, we have light-weighted our bottles, reduced thickness of our films and cut down on shipping and other packaging materials.

By investing in breakthrough food packaging technology, we are now able to introduce a commercially compostable bag made of plant-based materials. Our Frito-Lay plant-based brand Off The Eaten Path offers this commercially compostable packaging in the U.S. at Whole Foods stores. To support our goal of creating a circular food packaging system, we license this technology to other companies at no cost.

We're also continuing to scale new business models that avoid or minimize single-use packaging materials.

We expect the growth of our global SodaStream and SodaStream Professional business will help consumers avoid an estimated 200 billion plastic bottles through 2030. As part of this effort, SodaStream is bringing PepsiCo flavor options such as Pepsi Zero Sugar, Lipton and bubly and SodaStream Professional to additional markets by the end of 2022.

¹ Goal expanded in 2021 to include reusable packaging, updated metric not measured in prior years.

Recycling rate goal

Invest to increase recycling rates in key markets by 2025¹

Our actions include:

- Educating and encouraging consumers to recycle
- Partnering to increase and improve recycling infrastructure and building solutions for current and future material streams

Approach

Systemic change requires partnership across the packaging supply chain. PepsiCo is working with peers, policy makers and innovators to drive progress toward a circular economy. We're helping to develop infrastructure, advocating for smart policies and engaging consumers so that packaging never becomes waste. We support well-designed Extended Producer Responsibility (EPR) policies and are investing resources and expertise into recycling infrastructure improvements.

Since 2018, PepsiCo and the PepsiCo Foundation have announced more than \$100 million to global recycling partnership initiatives to help elevate recycling rates and waste collection. In late 2021 and early 2022, we announced we will invest [\\$15 million in the Closed Loop Partners' \(CLP\) Leadership Fund](#), a private equity fund focused on strengthening recycling infrastructure and building circular supply chains, and [\\$35 million to help create the Closed Loop Local Recycling Fund](#), to advance new small-scale, modular recycling systems in communities across the U.S. We are also a founding partner of CLP's Composting Consortium, a founding member of the Closed Loop Infrastructure Fund, and have invested in the CLP Beverage Fund through American Beverage's Every Bottle Back Initiative.

Explore these topics in more depth

PepsiCo's ESG Topics A-Z resource provides detail on strategy, data, policy, progress and more on a wide range of subjects. Click on the packaging-related link below.

Packaging →

¹ Further information on partnerships, including with Closed Loop Partners, the Alliance to End Plastic Waste and Circulate Capital, are detailed on the Packaging page on ESG Topics A-Z.

Positive Value Chain: People

Helping to create a more diverse, equitable and inclusive workplace and world is the right thing to do. It's also a business imperative.



As a leading global company, we have a unique opportunity to use our scale and influence to help address societal challenges. We will continue to help address inequalities for historically marginalized people and underserved businesses and communities.

Our positive impact on people

Selected examples of how we're using our scale and scope to have a positive impact on people

WORKFORCE

More than 300,000 associates around the globe



Increased Black and Hispanic manager representation in the U.S. to 8.3% and 9.5%, respectively

Reevaluated degree requirements, implemented skills-based hiring and created more pathways to salaried positions



Provided more than 80 volunteer opportunities through One Smile at a Time

Delivered >245 million nutritious meals to >41 million people through our Food for Good program¹



GLOBAL COMMUNITIES

PepsiCo and the PepsiCo Foundation provided funding to:

Bring safe water access and sanitation to >68 million people since 2006

Invested more than \$71 million globally in COVID relief and worked with over 250 partners to bring food and other vital resources to the most affected communities as of 2021



¹ 245 million meals delivered since 2009 and 41 million people reached since 2016.

Goals & progress

Provide meaningful jobs and growth opportunities for our people and empower them to make a positive impact at work, at home and in their local communities

Job growth goal

Increase the employability of our people through increased access to degrees, skill development and new roles, providing meaningful growth opportunities to everyone at every stage

Our 2021 actions include:

- Launching a tuition assistance program giving U.S. associates access to 100+ debt-free degrees, certificates and trades programs
- Increasing breadth and depth of self-paced learning content in our learner experience platform
- Initiating platform rollout for frontline learning that is easier to access and navigate

Volunteer growth goal

Empower our associates with the resources and time needed to cultivate prosperity in our communities



Our actions include implementing the One Smile at a Time program to:

- Empower our associates who volunteer with the resources they need
- Unleash the passion of our employees, especially our frontline associates
- Provide opportunities to volunteer and micro-volunteer
- Enable employees to connect with their colleagues and communities
- Provide a simple way to sign up, track and show impact through a digital platform
- Provide clear communications to all employees and find ways to engage

Approach

PepsiCo has a history of investing in programs and initiatives to help our associates grow and develop. Today we are building on that history with new programs aimed at making PepsiCo an even better place to work and empowering our associates to make a greater impact on their communities.

At the same time, we are ensuring that our associates have the skills that our business needs to succeed in the future.

We have launched digital learning and development platforms on a global basis as part of our plan to digitize the employee experience and make it easier for associates to connect and collaborate regardless of location. This digitization is made possible by providing employees with new technology solutions such as occupancy sensors, a workspace reservation app, smartboards and integrated meeting technology.

We are developing new training, upskilling and advancement programs aimed at providing meaningful growth opportunities to associates at every career stage. For example, myeducation is a new debt-free program that will help more than 100,000 frontline and professional U.S.-based associates develop their capabilities and take their career in a new direction. myeducation offers access to more than 100 flexible education and upskilling programs from highly reputable schools and universities. PepsiCo will cover 100% of tuition costs, books and fees for a wide variety of education programs within the debt-free catalog.

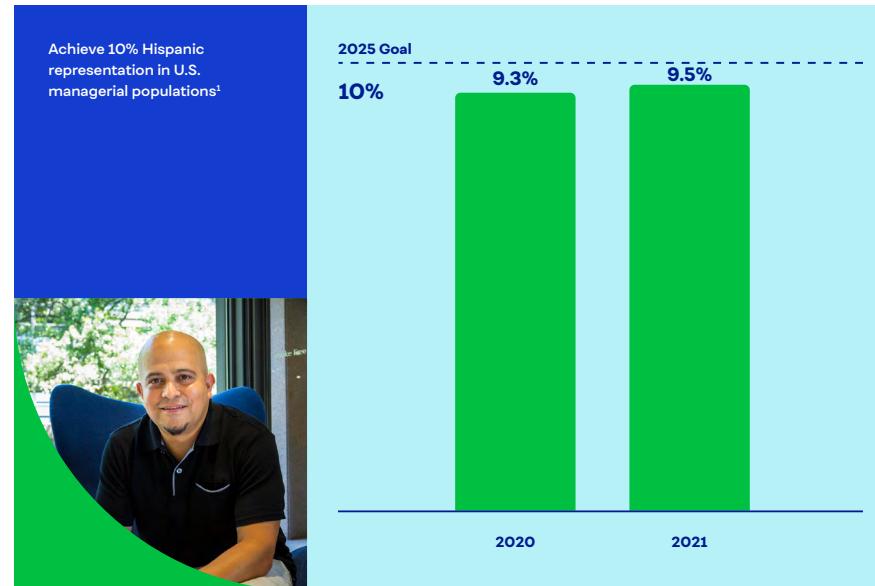
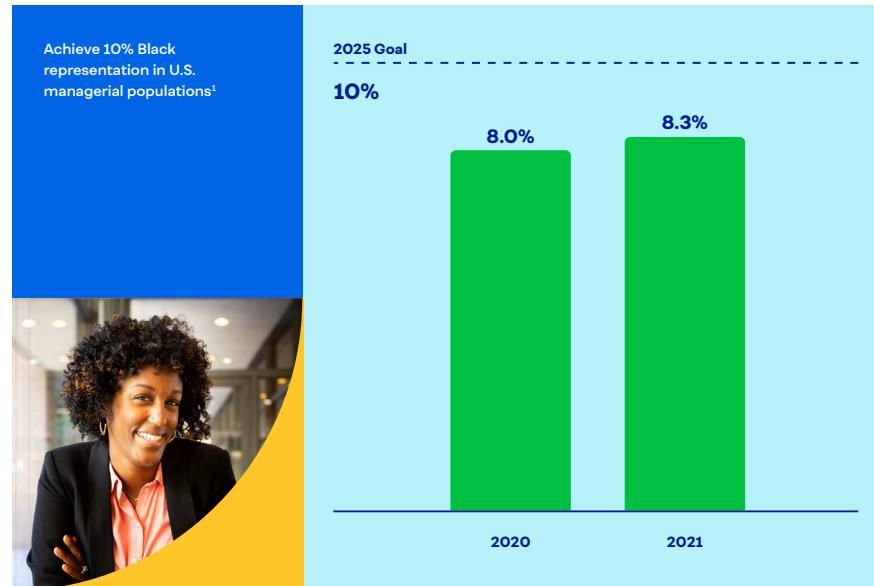
Frontline associates are the core of our workforce, and we want to make sure they can build meaningful careers. We're creating greater transparency around frontline job opportunities, reevaluating degree requirements for roles and eliminating these where possible, implementing skills-based hiring and developing pathways to salaried positions.

Yet a meaningful job is more than day-to-day responsibilities. Our One Smile at a Time program is a local volunteer initiative to encourage, support and empower associates with the resources and time needed to cultivate prosperity in their community. One Smile at a Time is accessible in more than 21 languages and provides a framework, resources and infrastructure for associates to access and register for volunteering opportunities through the PepsiCo Foundation, our Employee Resource Groups, Green Teams and our individual brands.

Goals, progress & approach

Build a better workplace and world by advancing human rights and diversity, equity and inclusion (DE&I) for our people, in our business partnerships and our communities

Racial Equality Journey managerial representation goals



Reduced inequalities goal



We've expanded our supplier base and are on track to increase our spending with Black and Hispanic suppliers by more than \$500 million by 2025. We launched the \$50 million Juntos Crecemos platform to strengthen Hispanic-owned businesses (specifically restaurants, bodegas and meat markets), address foundational business challenges and support business growth over five years.

In 2020, we launched our Racial Equality Journey (REJ), a more than \$570 million set of commitments with a focus on three pillars: People, Business and Communities. Within our own walls, we focused on increasing the representation of Black and Hispanic associates at PepsiCo, to mirror the workforce availability of the communities where we work, through active recruitment, education, internships and apprenticeships. Outside our walls, we're using our scale and influence across suppliers and strategic partners to increase Black and Hispanic representation and elevate diverse voices. In our communities, we're working to drive long-term change by addressing systemic barriers to economic opportunity and advancing economic empowerment for Black and Hispanic Americans.

The PepsiCo Foundation created the IMPACTO Hispanic Business Accelerator to provide \$10 million in funding to help 500 Hispanic small food and beverage business owners in 13 cities across the U.S., and launched a \$10 million investment with the National Urban League (NUL) to launch the Black Restaurant Accelerator Program. Over the course of the five-year program, the PepsiCo Foundation and NUL will provide 500 Black restaurant owners in 12 cities with capital, technical assistance and mentorship services.

PepsiCo and the PepsiCo Foundation created a new \$40 million scholarship and professional mentoring program to support Black and Hispanic aspiring and graduating community college students. The program aims to support 4,000 students over five years.

¹ Goal added to pep+ vision in 2021.

Positive Value Chain: People

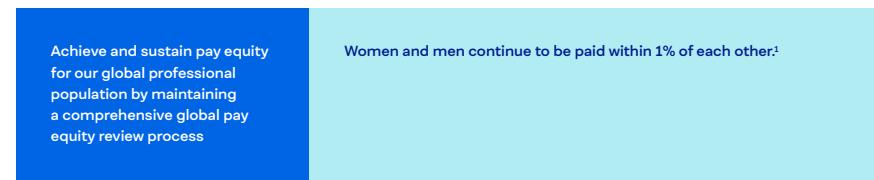
Women in management goal



We believe that ensuring that women have equal access to employment and promotion is necessary for a prosperous and sustainable society.

As part of our commitment to making actionable improvements for women, we are focused on retaining and growing diverse talent through mentoring, coaching and development programs throughout career stages. These efforts include our *Women with Purpose* program, a partnership with FUNDES Latin America that provides education, employment and entrepreneurship opportunities to more than 12,000 women from 2016–2022. We are investing approximately \$1.8 million in this program.

Pay equity goal



¹ After controlling for legitimate drivers of pay and based on base compensation; analysis excludes frontline, U.S. and U.K. included in 2016 analysis. 21 countries included in 2017 analysis. 33 countries included in 2018 analysis. 69 countries included in 2019 analysis. 71 countries included in 2020 analysis, representing more than 99% of salaried population. 72 countries included in 2021 analysis, representing more than 99% of salaried population.

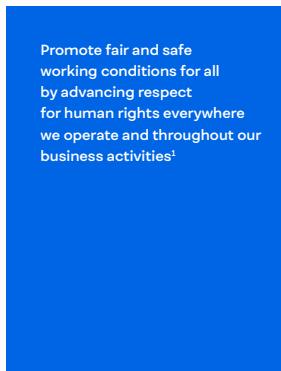
We have a longstanding review process designed to promote pay equity across employee groups. We're building on that history as we strive to achieve our goal of pay equity by implementing a more comprehensive global pay equity review process. In 2021, we implemented this process in 72 countries that collectively make up more than 99% of our salaried employee population. Our results show that among this population, women and men are paid within 1% of each other (based on base compensation), after controlling for legitimate drivers of pay such as job level, geographic location and performance ratings.

Supplier Code of Conduct goal



We are committed to driving fair and safe working conditions throughout our value chain, and we have established a goal that will extend the principles of our Supplier Code of Conduct to all our franchisee and joint ventures by 2025. As part of this process, we have updated the contractual requirements for new partners to help clarify our expectations going forward and have initiated a formal program to engage our franchisees and joint ventures on our human rights agenda.

Human rights goal



Our actions include:

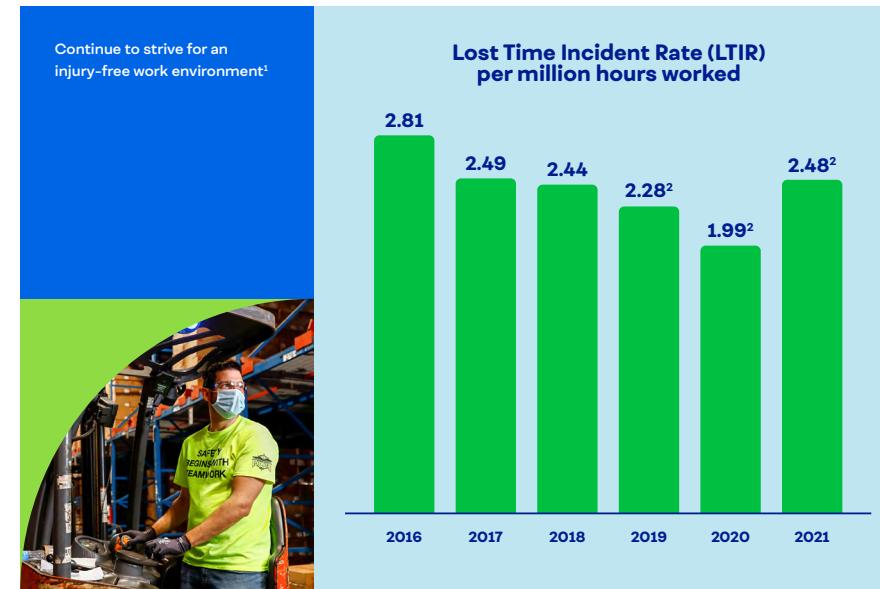
- Revising our Global Human Rights Policy to strengthen our expectations and reflect emerging best practices in several areas, including our salient human rights issues
- Piloting a new remote worker voice initiative with over 500 workers to gain insight into potential risks in our direct operations, and planning to further scale this initiative within other operations in 2022
- Continuing to expand our Sustainable Sourcing Program to additional segments of our external value chain (e.g., contract labor providers) and evaluating additional areas for expansion in 2022 (e.g., transportation and logistics)

¹ In late 2021, we initiated a strategic review of our salient human rights issues to ensure we are focusing on the rights at risk of the most severe impacts throughout our value chain. We anticipate concluding this review and providing a more detailed update in late 2022.

We recognize that success can only be achieved when all our stakeholders – including farmers and growers, factory workers and community partners – are treated with dignity and respect. PepsiCo is committed to respecting the rights of all workers and communities throughout our value chain. To help ensure we are in the best position to prevent, identify and address potential impacts, we established a global human rights approach that is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs).

As part of this approach, we focus our efforts on our most salient human rights issues – those at risk of the most severe negative impacts through our company activities and business relationships. We identified vulnerable worker groups – including migrant workers, women, young workers and temporary/contract workers – as a salient issue for our value chain and are taking action to address the human rights impacts faced by these groups. For instance, we recently joined the Leadership Group for Responsible Recruitment, a collaboration between leading companies and expert organizations to drive positive change in the way migrant workers are recruited. Through our engagement, we are collaborating with other global brands to embed the Employer Pays Principle and advocate for improved protections for migrant workers throughout the value chain.

Injury-free work environment goal



¹ Progress showcases Lost Time Incident Rate (LTIR) per million hours worked. While this metric is new to our pep+ agenda, metric has been previously reported on our Environment, Health and Safety page on ESG Topics A-Z.

² 2021 and 2020 results reflect the exclusion of SodaStream and Pioneer Foods. 2019 results reflect the exclusion of SodaStream.

We are committed to respecting human rights and driving fair and safe working conditions throughout our value chain, including maintaining high safety standards and targeting an injury-free work environment.

Safe water access goal



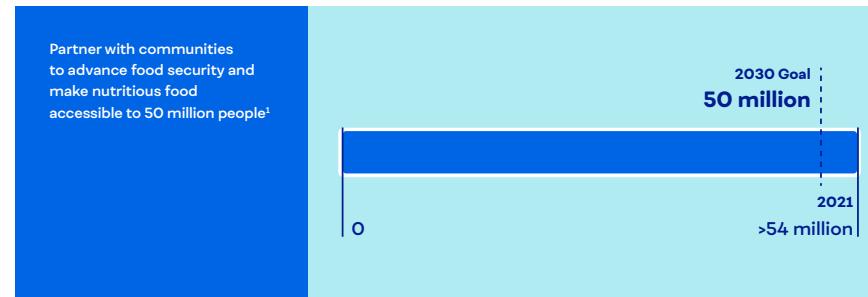
2030 Goal
100 million

2016 11 M
2017 16 M
2018 22 M
2019 44 M
2020 >55 M
2021 >68 M

¹ Metric counts the cumulative number of people provided with access to safe water since 2006. Goal increased to 100 million by 2030, having achieved more than 50 million in 2020. This metric was previously reported in our Water section.

Access to clean, safe water is a fundamental human right and essential for health, well-being, dignity and economic mobility. In this era of COVID-19, safe water access is more important than ever. We've established strong partnerships with leading NGOs to drive watershed replenishment efforts, and last year alone we replenished more than 6.1 billion liters of water into local watersheds. PepsiCo and the PepsiCo Foundation are already more than halfway to our goal of delivering safe water access to 100 million people by 2030.

Food security goal



¹ Initial target setting for this metric did not include Pioneer Foods, which delivered accessibility for over 20 million people in 2021. Goal introduced with launch of pep+ in 2021. Progress results include programs funded by the PepsiCo Foundation that are intended to provide nutritious meals, utilizing external standards established by the Global Alliance for Improved Nutrition (GAIN) and the Food and Agriculture Organization of the United States (FAO).

Throughout the world, communities with better nutrition are more likely to flourish. Children are better educated, economies grow and people live healthier, better lives. PepsiCo and the PepsiCo Foundation are working to make nutritious food more accessible for underserved communities around the globe with a goal of providing nutritious food to 50 million people by 2030 (against a 2021 baseline), and providing safe water access to 100 million people (against a 2006 baseline).

For over a decade we've been partnering with leading organizations to increase access to nutritious food for children and their families around the world through Food for Good, our global commitment to advance food security in communities where we live and work. These collaborative efforts and investments range from short-term food access to long-term solutions to hunger.

We partnered with the U.S. Department of Agriculture, the Baylor University Collaborative on Hunger and Poverty (BCHP) and Food for Good to ship millions of meals directly to the doorsteps of displaced children in rural communities. Meal boxes delivered by postal workers provided two weeks' worth of shelf-stable, individually packaged nutritious food that met USDA's summer food requirements.

Explore these topics in more depth

PepsiCo's ESG Topics A-Z resource provides detail on strategy, data, policy, progress and more on a wide range of subjects. Click on the people-related links below.

[Diversity, equity and inclusion →](#)

[Environment, health and safety →](#)

[Gender parity →](#)

[Human rights →](#)

[Pay equity →](#)

[Supplier diversity →](#)

[Sustainable sourcing →](#)

[Read our latest sustainability and community impact stories →](#)



pep+ pillars

Positive Choices

We're inspiring people through our brands to make choices that create more smiles for them and the planet.

At PepsiCo, we're making it easier for consumers to choose great-tasting beverages and convenient foods that are better for themselves and better for the planet.

We can have a positive influence on the diets of people around the world by providing delicious products that deliver important nutrients across food groups, and are trusted to meet high safety and quality standards.

We currently offer food products with whole grains, nuts, seeds, fruits and vegetables as well as complementary beverage options like water and unsweetened tea, which support hydration without adding calories. Nutritious offerings are vital to our business, and we're continuously renovating and expanding our portfolio to provide consumers with great-tasting products that provide positive ingredients.

While we're improving the nutritional profile of many of our products by reducing added sugars, sodium and saturated fat, we are also investing in innovation to deliver important food groups and nutrients to encourage a balanced diet, accelerating a journey we began decades ago.

We're rethinking packaging serving sizes, developing innovative packaging solutions to reduce our carbon footprint and avoid waste, working to provide simple, clear information on our packaging and exploring ways to empower consumers with transparent environmental labeling on our key products by 2030.

Our most iconic brands are leading the way to drive positive change, leveraging their scale and global popularity to inspire people to make positive choices for our communities and our planet.

Positive Choices: Expanded portfolio offerings

We've enhanced our portfolio through a combination of reformulation, new product innovations and the acquisition of new brands.



We're improving the nutritional profile of our convenient food products with more whole grains, nuts, seeds, fruits and vegetables to deliver fiber, plant-based proteins, vitamins and minerals.

We've made significant progress on reducing added sugars in our beverages and reducing sodium and saturated fats in our convenient foods portfolio so that people can continue to enjoy our most-loved brands as part of a healthy and balanced diet.

Clear and prominent labeling makes it easy to understand the calorie and nutritional content of foods and beverages, empowering consumers to make more informed and positive choices.



Our portfolio advancements

PepsiCo Positive Choices prioritize nutrition and the planet



Beyond Meat Jerky
A marinated and slow roasted plant-based snack

**10g
of protein
(13% DV)**

Diverse ingredients including peas and mung beans without GMOs, soy gluten or cholesterol

100% plant-based
Committed to requiring less land, water and natural resources to produce than animal agriculture



Gatorade Zero with protein
A variation on our popular sports drink that helps muscles rebuild

Zero sugar

Electrolytes to help replenish what you lose in sweat

10g whey protein to help kickstart recovery

Recyclable bottle



soulboost
Sparkling water beverage with a splash of juice and functional ingredients

**Low calories
(10-20 per can)**

Lift flavor variety with 200mg of panax ginseng to help support mental stamina

Ease flavor variety with 200mg of L-theanine to help support relaxation

Recyclable can



sodastream®
SodaStream bubbly drops™
Allows you to create your own bubbly sparkling water at home

Zero calories

Zero sweeteners

Helps minimize single-use plastic pollution

Positive Choices: Expanded portfolio offerings

Goals & progress

Expand our portfolio to provide more consumer choice with products that are better for planet or people

Continue to provide consumers choice for every occasion by expanding our product offerings by 2025:

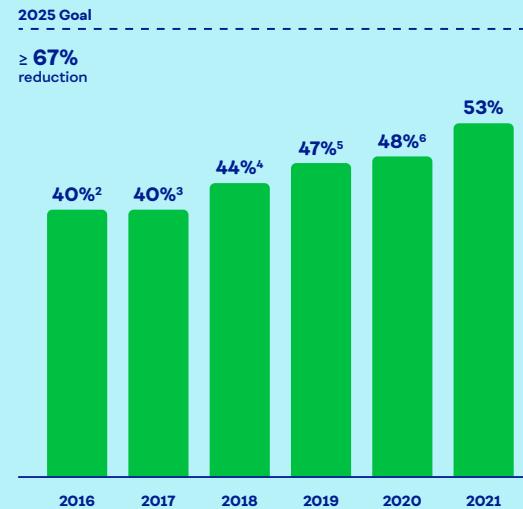
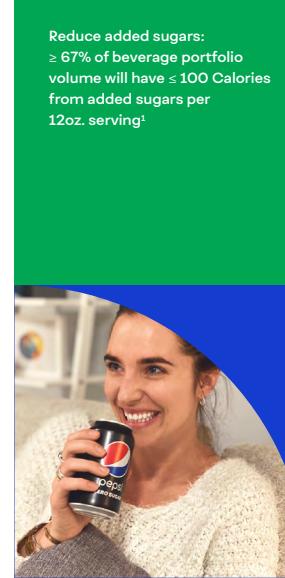
Diverse ingredients goal

Use more diverse ingredients that are better for the planet or deliver nutritional benefits: including legumes, whole grains, plant-based proteins, fruits & vegetables, nuts & seeds

We are purposely incorporating more diverse ingredients in both new and existing products that are better for the planet and deliver nutritional benefits. We are prioritizing chickpeas, plant-based proteins and whole grains, and expanding our position in the nuts and seeds category. In 2021, PepsiCo and Beyond Meat's Planet Partnership debuted Beyond Meat Jerky, the joint venture's first product.

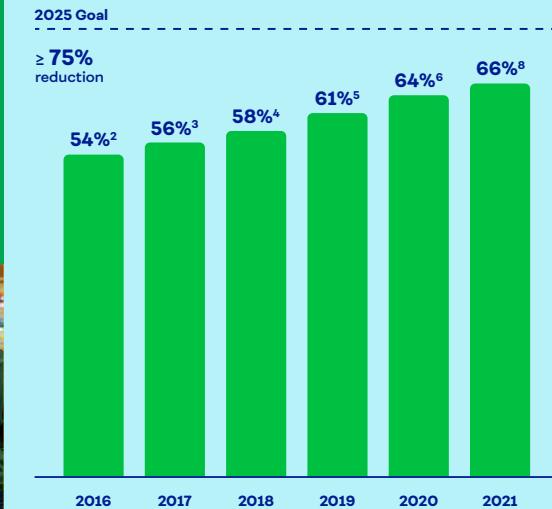
Sugar reduction goal

Reduce added sugars: ≥ 67% of beverage portfolio volume will have ≤ 100 Calories from added sugars per 12oz. serving¹



Sodium reduction goal

Reduce sodium: ≥ 75% of convenient foods portfolio volume will not exceed 1.3 milligrams of sodium per Calorie⁷



¹ Our global progress is based on our Top 26 beverage markets, which represent 79% of our global beverages volume as of 2021

² As of 2016, Top 10 markets represented 63% of beverages volume and 79% of convenient foods volume

³ As of 2017, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 90% of our global convenient foods volume

⁴ As of 2018, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 89% of our global convenient foods volume

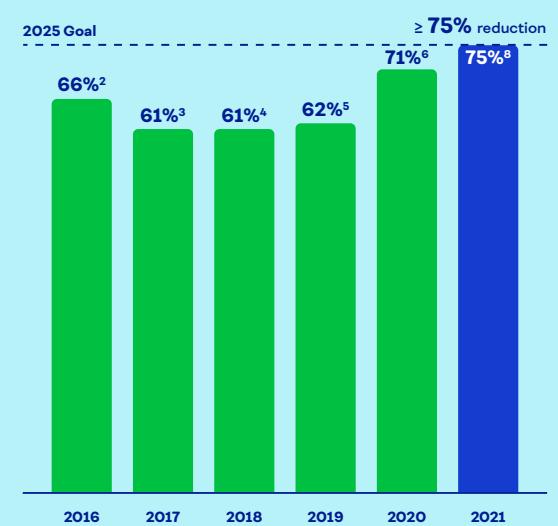
⁵ As of 2019, Top 26 Beverage markets represented 79% of our global beverages volume and Top 23 Convenient Foods markets represented 90% of our global convenient foods volume

⁶ As of 2020, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 88% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio.

⁷ Our global progress is based on our Top 23 convenient foods markets, which represent 86% of our global convenient foods volume as of 2021.

Positive Choices: Expanded portfolio offerings

Saturated fats reduction goal



Approach

As we strive to offer consumers more Positive Choices for every occasion, we're expanding our product line to include ingredients that offer greater nutritional benefits or are better for the planet, like chickpeas and other legumes, whole grains, plant-based proteins, fruits and vegetables, nuts and seeds.

We also strive to take a consistent approach to nutritional labeling throughout the world, in addition to complying with all relevant labeling laws and regulations in all markets in which our products are sold. On the front of our packaging (FOP), we are providing simplified nutrition information per portion to make it easier for consumers to quickly grasp nutrition information and make informed purchasing decisions.



Explore these topics in more depth

PepsiCo's ESG Topics A-Z resource provides detail on strategy, data, policy, progress and more on a wide range of subjects. Click on the expanded portfolio-related links below.

[Nutrition →](#)

[Saturated fat →](#)

[Sodium →](#)

[Sugar →](#)

[Trans fat →](#)

² As of 2016, Top 10 markets represented 63% of beverages volume and 79% of convenient foods volume

³ As of 2017, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 90% of our global convenient foods volume

⁴ As of 2018, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 89% of our global convenient foods volume

⁵ As of 2019, Top 26 Beverage markets represented 79% of our global beverages volume and Top 23 Convenient Foods markets represented 90% of our global convenient foods volume

⁶ As of 2020, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 88% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio.

⁷ Our global progress is based on our Top 23 convenient foods markets, which represent 86% of our global convenient foods volume as of 2021.

⁸ Results reflect exclusion of Be & Cheery portfolio.

Positive Choices: Innovative packaging solutions

PepsiCo is reinventing how packaging is made and offering consumers more sustainable packaging solutions.

We're transforming our product portfolio to use materials that prioritize the environment and deliver high-quality beverages and convenient foods without the need for single-use packaging.

Our efforts focus on reducing the environmental impact of our packaging by developing plastics from non-food, plant-based sources and exploring biodegradable or compostable options.

We're also developing new business models and solutions that reduce packaging, such as drink powders and concentrates, and extending the reach of innovative reuse solutions like SodaStream and SodaStream Professional.



Our packaging innovations

PepsiCo is developing ways to reduce our carbon footprint and avoid waste by reinventing our packaging.

Scale reuse and refill offerings

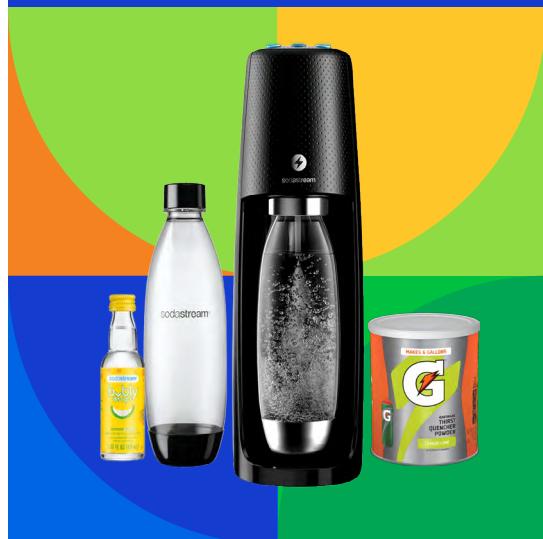
SodaStream Professional Away-from-home hydration station makes customized water

Gatorade powders

Drink mix to create large volumes without bottle

bubly drops

Seltzer flavoring to use with SodaStream



Reinvent packaging materials and solutions

Off The Eaten Path

Commercially compostable chips bags through TerraCycle

Pulpex

World's first fully recyclable paper bottle



Goals & progress

Develop and deploy disruptive sustainable packaging materials and new models for convenient foods and beverages

Sustainable beverage packaging goal

Beverages:
SodaStream/SodaStream Professional, powders, bio- and paper-based packaging

Our actions include:

- Launch of Gatorade sachets in Australia, allowing consumers to use their own reusable water bottles
- Transitioning of brands like Pepsi Zero Sugar, Mtn Dew and Aquafina to 100% recycled PET in various markets

By year end 2022, we intend to set a new target to expand alternative business models, including reusable and refillable bottles or containers, beverages that utilize concentrates such as fountain drinks, prepare-at-home beverages (e.g., SodaStream) or beverages sold in powder or drop form.

Sustainable foods packaging goal

Convenient Foods: bio- and paper-based materials, reusable or low/no package models

Our actions include:

- Expansion of pilots with rollout of Off The Eaten Path commercially compostable packaging in Whole Foods in the United States

Approach

We're designing our packaging to minimize the use of unsustainable materials, switching to alternative materials that prioritize the environment, and reinventing packaging to reduce the need for single-use plastics through reusable or low- or no-packaging models. We intend to set a new quantifiable goal to reduce our use of single-use packaging for a percent of volume of our beverage portfolio by the end of 2022.

We work with external partners to develop more sustainable packaging solutions. We're working to scale biodegradable film resins for next-generation convenient foods packaging, and with our supply chain providers to scale compostable, renewable, bio- and paper-based and reusable packaging solutions.

In partnership with the packaging technology company Pulpex Limited, we are working to develop the world's first sustainably sourced, fully recyclable paper bottle, made from wood pulp, and our Frito-Lay brand launched commercially compostable packaging made primarily from non-food, plant-based sources for its Off The Eaten Path Veggie Crisps snacks line.

We continue to expand our portfolio of Beyond the Bottle beverages. SodaStream is bringing PepsiCo flavor options such as Pepsi Zero Sugar, Lipton and bubly and SodaStream Professional to additional markets by end of 2022. Our SodaStream Professional business is a mobile-enabled platform that allows people to customize their water away from home, including at offices, colleges and airports, with reusable bottles. SodaStream plans to switch all its flavors from virgin plastic to alternative materials including metal and rPET, which is expected to eliminate the need for nearly 200 million virgin plastic bottles by 2025 in addition to the more than 200 billion plastic bottles the brand is expected to help consumers avoid by 2030.

In our convenient foods business, we are investing in breakthrough food packaging technology and business models that offer new ways to deliver our convenient foods, including refill-on-the-go bulk dispensing models. For example, in 2020, in partnership with UK retailer, Asda, we launched a trial to reduce plastics and explore refillable options in their Sustainability Store.

Explore these topics in more depth

PepsiCo's ESG Topics A-Z resource provides detail on strategy, data, policy, progress and more on a wide range of subjects. Click on the innovative packaging-related link below.

[Packaging →](#)

Positive Choices: Planet + people brands

We're using the scale of our iconic, globally recognized brands to inspire people to make positive choices for our communities and planet.

At PepsiCo, we recognize that our brands connect with consumers and can have a positive impact on the choices they make. More and more people today are purchasing with purpose, expecting that corporations be accountable for the role and impact they have on the planet.

Data shows that [more than half](#) of consumers expect brands to have strong purpose and give back to society, and when consumers think a brand has a strong purpose, they are [4.5 times more likely](#) to champion the company and recommend it to friends and family.

Against that backdrop, our powerful brands are taking action – imagining and implementing steps toward a better future while aiming to deliver the Positive Choices our consumers want and amplify positive outcomes. This includes efforts to drive greater recycling, educating people about the planetary impacts of their buying choices and empowering consumers with transparent environmental labeling on our key products.



Our good partnerships



ELLEN MACARTHUR FOUNDATION



Goals & progress

Planet + People Brands goal

Leverage our scaled brands to embody and amplify positive outcomes for the planet and people, including empowering consumers with transparent environmental labeling on our key products

Goal introduced with the launch of pep+ in 2021. We are in the process of establishing our reporting methodology for this metric.



Our consumer brands have joined the pep+ planet + people agenda, launching initiatives around the environmental and societal causes where they can have the biggest impact:

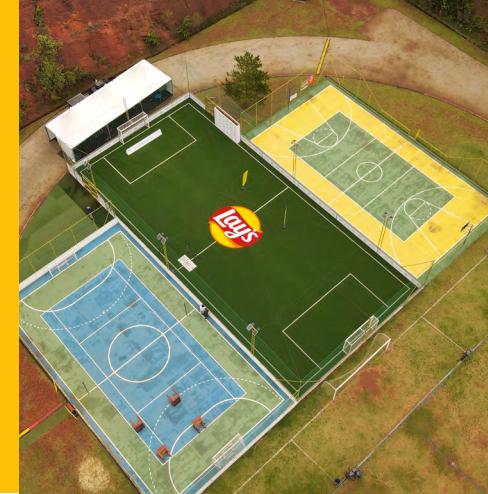
Pepsi

Pepsi educates consumers on the benefits of recycling (through Trash Talk activation with the NFL) and supported Black-owned and Hispanic-owned restaurants in the U.S. during the pandemic.



Lay's

Lay's supports female farmers in Egypt, Peru and Uganda and celebrates the local origin of our potatoes in our key markets, including the U.S., Mexico, Turkey and Brazil. In addition, Lay's RePlay initiative, in partnership with the UEFA Foundation for children and streetfootballworld, reuses empty chip packs to help create sustainable football pitches, uniting communities around the world through the power of football.



Quaker

Quaker is expanding their Qrece program in Latin America, a program with the PepsiCo Foundation, CARE and Un Kilo de Ayuda, which addresses the basic needs of malnourished children, beginning with a healthy meal and ending with the ingredients for a promising, fulfilling future.



Doritos

Doritos supports the LGBTQ+ community across Latin America with the ambition of promoting diversity, equality and respect by continuing the Doritos Rainbows initiative. In the U.S., Doritos promotes Solid Black, an initiative that amplifies bold Black voices of strength and resilience and aims to empower and give young Black people a positive platform to showcase their identity.



Approach

At PepsiCo, we are listening to consumers and taking the initiative to be more purposeful wherever we can. We're thinking about where ingredients are sourced and by whom, how much water and energy is used to make our products, how we can be more efficient and sustainable with our packaging solutions, and how our brands show up for their communities.

We know we don't have all the answers on this journey. Partnership is the key to progress, bringing expertise, complementing our capabilities and increasing trust and credibility. We're engaging with key partners with shared ambitions, including the Ellen MacArthur Foundation, The Nature Conservancy, World Wildlife Fund and Sustainable Brands.

We are working to develop industry-wide environmental labeling standards that let consumers know that buying a particular product will help build a more sustainable food system – from the way the ingredients were grown, to the way it was made, to the way it was designed to be consumed.

We're proud that our brands are leading the charge to become sustainability leaders, from Pepsi-branded products in 11 European markets transitioning to 100% rPET bottles by the end of 2022 (which is expected to eliminate over 70,000 tonnes of conventional virgin plastic per year and reduce GHG emissions per bottle by roughly 30%) to the effort of Frito-Lay's Off The Eaten Path to reduce GHG emissions by offering commercially compostable packaging made with 85% plant-based materials.

Explore these topics in more depth

PepsiCo's ESG Topics A-Z resource provides detail on strategy, data, policy, progress and more on a wide range of subjects. Click on the planet + people-related links below.

[Philanthropy →](#)

[Diversity, equity and inclusion →](#)

[Sustainable product design →](#)

[Read our latest sustainability and community impact stories →](#)



PEPSICO

2021 ESG Performance Metrics

The information within this PDF is as of June 28, 2022.

As a general matter, recent organizational changes (e.g., acquisitions and divestitures) are reflected in our reporting as soon as data becomes available, at which point, previously reported impacted metrics that are deemed significant are recast to consistently reflect the impact of the organizational changes.

Unless otherwise noted, information available with respect to our acquisitions of Hangzhou Haomusi Food Co., Ltd. (Be & Cheery), BFY Brands, Inc. (BFY), Pioneer Food Group Ltd. (Pioneer Foods), Rockstar Energy Beverages (Rockstar) and SodaStream International Ltd. (SodaStream) is included herein.

Targets apply to PepsiCo's operations as well as our value chain (e.g., franchise bottlers, joint ventures where PepsiCo has operational control, co-manufacturers, etc.) unless otherwise noted.



Our Sustainability Reporting Suite includes multiple resources available online that explain our approach to help build a more sustainable food system. This document reflects progress against our sustainability goals, as they were structured in 2021. For detail on how we measure performance against these goals, see the [Calculation Methodology on ESG Topics A-Z](#).

About our evolving ambitions

The introduction of pep+ (PepsiCo Positive) in 2021 gave PepsiCo the opportunity to re-evaluate its sustainability goals. For some of these, we made the decision – based on our latest understanding of needs and opportunities – to extend the scope and/or level of ambition. In most of these cases, we are now striving to achieve results by 2030 in line with our broader pep+ agenda.

We have also introduced 17 new goals that align with our pep+ vision to operate within planetary boundaries and inspire positive change for the planet and people.

Throughout this ESG Performance Metrics Sheet, we have indicated these new and evolved goals with the symbols indicated in the key below. Detail on specific goals is provided in the "Comments" column throughout.



POSITIVE AGRICULTURE



+ New goal introduced
↔ Expanded scope and/or timeline

★ 3rd-party limited assurance

Target Metrics	Status	2030 Target	2021	2020	2019	2018	2017	2016	Comments
Spread the adoption of regenerative agriculture practices across 7 million acres, approximately equal to 100% of the land used around the world to grow our crops and ingredients for our products	+	7 million acres	>345,000 acres ¹						Regenerative acres demonstrate measured improvement in sequestering carbon to reduce GHG emissions AND at least one other of the following: improved soil health, improved watershed health, improved biodiversity or improved livelihoods.
Advocate for and contribute to a measurable improvement in the health of high water-risk watersheds where we directly source our crops, including an improvement in water-use efficiency of 15% by 2025²		15% (2025 Target)	-% ³	14% ⁴	-% ³	3% ⁴	-% ³	-% ³	To focus efforts on implementing sustainable practices, we currently intend to collect and publish agricultural water-use efficiency data at least every three years. High water-risk locations defined by WRI's Aqueduct tool.
Sustainably source 100% of our key ingredients, expanding to include not only our grower-sourced crops (potatoes, whole corn and oats), but also key crops from third parties, such as vegetable oils and grains^{5,6}	↔	100%	~50%						Percentage of volume sustainably sourced and verified by third parties, including volume of certified sustainable palm oil meeting Roundtable on Sustainable Palm Oil (RSPO) standard and volume of certified sustainable cane sugar meeting Bonsucro or equivalent standard.
Improve the livelihoods of more than 250,000 people in our agricultural supply chain and communities, including by economically empowering women	+	>250,000 people							Goal introduced with the launch of pep+ in 2021. Progress reporting for this metric is in process.

¹ Regenerative acres reported for 2021 include U.S. and Canada only

² 15% improvement goal measured versus a 2015 baseline. The metric was previously reported in our Water section.

³ Data for this time period not available, as we measure this metric at least every three years

⁴ Results reflect the exclusion of Pioneer Foods, BFY and Be & Cheery

pepsico.com/our-impact/sustainability/sustainability-report • pepsico.com/our-impact/esg-topics-a-z

⁵ For grower-sourced crops, sustainable sourcing refers to meeting the independently verified environmental, social and economic principles of PepsiCo's Sustainable Farming Program (SFP). For supplier-sourced crops, sustainable sourcing is achieved through a third-party standard that has been benchmarked as equivalent to the SFP or, in limited regions, a continuous improvement program addressing the main environmental and social risks with growing the relevant crop.

⁶ Cane sugar: Results reflect the exclusion of SodaStream and Pioneer Foods



POSITIVE VALUE CHAIN: CLIMATE



New goal introduced
 3rd-party limited assurance
 Expanded scope and/or timeline

Target Metrics	Status	2030 Target	2021	2020	2019	2018	2017	2016	Comments
Reduce absolute greenhouse gas (GHG) emissions across our value chain by more than 40% by 2030, including a 75% reduction in emissions from our direct operations. Achieve net-zero emissions by 2040.								For more information, visit the Climate Change page on ESG Topics A-Z.	
Reducing Scope 1 and 2 emissions by 75%¹		75%	25%	23%	9%	6%	4%	1%	Goal timeline extended to 2030. Goal ambition increased from 20% to 75% reduction.
Reducing Scope 3 emissions by 40%^{1,2}		40%	(5)%³	3% ³	2%	3%	- ⁴	- ⁴	Goal timeline extended to 2030. Goal ambition increased from 20% to 40% reduction. 2021 Scope 3 progress impacted by increased packaging use, transportation, third-party manufacturing and other purchased goods due to business growth.
Reducing total Scope 1, 2 & 3 emissions by more than 40%^{1,2}		>40%	(2)%³	5% ³	2%	3%	- ⁴	- ⁴	Goal timeline extended to 2030. Goal ambition increased from 20% to more than 40% reduction. 2021 Scope 3 progress impacted by increased packaging use, transportation, third-party manufacturing and other purchased goods due to business growth.

¹ Measured versus a 2015 baseline

² Where 2021 actual data was not available, estimated 2021 data was used

³ Results reflect the exclusion of Be & Cheery and certain Scope 3 emissions for other acquisitions where data is not available

⁴ Scope 3 data for this time period is not available



POSITIVE VALUE CHAIN: WATER



New goal introduced
 3rd-party limited assurance
 Expanded scope and/or timeline

Target Metrics	Status	2030 Target	2021	2020	2019	2018	2017	2016	Comments
Improve operational water-use efficiency by 25% in high water-risk areas by 2025 ^{1,2}		25% (2025 Target)	18%	15%	9%	4%	2%	1%	Between 2006–2015, water-use efficiency improved by 26% in global legacy operations.
Ensure we have net water positive impact by achieving:									
Best-in-class water-use efficiency in 100% of high water-risk manufacturing sites, PepsiCo and third-party facilities ³ (for PepsiCo facilities, this equates to more than 50% reduction in absolute water use from 2015 baseline year)									
High water-risk beverages sites (liters/liter) ²	 	1.2	1.8		Goal introduced with the launch of pep+ in 2021. Metric not reported in prior years.				
High water-risk convenient foods sites (liters/kg) ²	 	0.4	2.4		Goal introduced with the launch of pep+ in 2021. Metric not reported in prior years.				
World-class water-use efficiency in all other manufacturing sites, PepsiCo and third-party facilities ³									
Non high water-risk beverages sites (liters/liter) ²	 	1.4	1.8		Goal introduced with the launch of pep+ in 2021. Metric not reported in prior years.				
Non high water-risk convenient foods sites (liters/kg) ²	 	4.4	5.0		Goal introduced with the launch of pep+ in 2021. Metric not reported in prior years.				
Replenishing back into the local watershed more than 100% of the water we use ⁴	 	>100%	34%	18%	10%	8%	11%	9%	Goal ambition expanded to include third-party facilities (100%) and more than 100% for company-owned operations by 2030.
Continue to adopt the Alliance for Water Stewardship (AWS) Standard in high water-risk manufacturing areas, by 2025, as a vehicle for water advocacy									
Number of high water-risk facilities that have fully adopted the AWS Standard		3	0	0	– ⁵	– ⁵	– ⁵	– ⁵	
Number of high water-risk facilities that are in the process of adopting the AWS Standard		31	10	3	– ⁵	– ⁵	– ⁵	– ⁵	

¹ 25% improvement goal measured versus a 2015 baseline. High water-risk locations defined by WRI's Aqueduct tool.

² Results reflect the exclusion of Be & Cheery

³ All best-in-class and world-class results for 2021 do not reflect inclusion of third-party facilities

⁴ Results reflect the exclusion of SodaStream and Be & Cheery, and do not reflect inclusion of third-party facilities

⁵ Data for this time period is not available



POSITIVE VALUE CHAIN: PACKAGING



+ New goal introduced ★ 3rd-party limited assurance
↔ Expanded scope and/or timeline

Target Metrics	Status	2030 Target	2021	2020	2019	2018	2017	2016	Comments
Cut virgin plastic from non-renewable sources per serving across our global beverages and convenient foods portfolio by 50% ¹ through:	↔ ★	50%	5%						Goal expanded in 2021 to 50% for beverages and convenient foods.
Scaling new business models that avoid or minimize single-use packaging materials	+								Goal introduced with the launch of pep+ in 2021. We are in the process of establishing our reporting methodology for this metric.
Reducing our absolute tonnage of virgin plastic derived from non-renewable sources by 20%, including by:	↔ ★	20%	(5%)						2021 performance impacted by increased plastic use due to business growth.
Use of market-leading bio-based materials and increase incorporation of recycled content (50% across plastics)	↔ ★	50%	6%						Goal timeline extended to 2030 and goal expanded to 50% recycled content.
Design 100% of packaging to be recyclable, compostable, biodegradable or reusable by 2025	↔ ★	100% (2025 Target)	87%	87%					Goal expanded in 2021 to include reusable packaging.
Invest to increase recycling rates in key markets by 2025		Our actions include: <ul style="list-style-type: none"> • Educating and encouraging consumers to recycle • Partnering to increase and improve recycling infrastructure and building solutions for current and future material streams 							Further information on partnerships, including with Closed Loop Partners, the Alliance to End Plastic Waste and Circulate Capital, are detailed on the Packaging page on ESG Topics A-Z.

¹ Measured versus a 2020 baseline



POSITIVE VALUE CHAIN: PEOPLE



+ New goal introduced
↔ Expanded scope and/or timeline

★ 3rd-party limited assurance

Target Metrics	Status	2030 Target	2021	2020	2019	2018	2017	2016	Comments
<p>Provide meaningful jobs and growth opportunities for our people and empower them to make a positive impact at work, at home and in their local communities.</p>									
Increase the employability of our people through increased access to degrees, skill development and new roles, providing meaningful growth opportunities to everyone at every stage	+		<p>Our 2021 actions include:</p> <ul style="list-style-type: none">• Launching a tuition assistance program giving U.S. associates access to 100+ debt-free degrees, certificates and trades programs• Increasing breadth and depth of self-paced learning content in our learner experience platform• Initiating platform rollout for frontline learning that is easier to access and navigate						
Empower our associates with the resources and time needed to cultivate prosperity in our communities	+		<p>Our actions include implementing the <u>One Smile at a Time</u> program to:</p> <ul style="list-style-type: none">• Empower our associates who volunteer with the resources they need• Unleash the passion of our employees, especially our frontline associates• Provide opportunities to volunteer and micro-volunteer• Enable employees to connect with their colleagues and communities• Provide a simple way to sign up, track and show impact through a digital platform• Provide clear communications to all employees and find ways to engage						



POSITIVE VALUE CHAIN: PEOPLE



New goal introduced
 3rd-party limited assurance
 Expanded scope and/or timeline

Target Metrics ¹	Status	2030 Target	2021	2020	2019	2018	2017	2016	Comments
Build a better workplace and world by advancing human rights and diversity, equity and inclusion (DE&I) for our people, in our business partnerships and our communities including:									
Continue to make measurable progress against our Racial Equality Journey goals in the U.S.									
Achieve 10% Black representation in U.S. managerial populations		10% (2025 Target)	8.3%	8.0%	Goal added to pep+ vision in 2021.				
Achieve 10% Hispanic representation in U.S. managerial populations		10% (2025 Target)	9.5%	9.3%	Goal added to pep+ vision in 2021.				
Continue to help address inequalities for historically marginalized people, and underserved businesses and communities		<p>Our actions include:</p> <ul style="list-style-type: none"> Increasing our engagement and programs at colleges and universities to cultivate and increase hiring of diverse talent Tailoring our tools and resources, while continuing to deepen our engagement with external advocacy organizations to support our diverse workforce, including associates with disabilities, LGBTQ+ associates, veterans and communities of color Developed skill-building programs to elevate business impact, while focusing on sponsorship and mentorship of our diverse talent 							
Achieve and sustain 50% women in management roles		50% (2025 Target)	43%	41%	41%	40%	39%	38%	
Achieve and sustain pay equity for our global professional population by maintaining a comprehensive global pay equity review process		<p>Women and men continue to be paid within 1% of each other²</p>							
Extend the principles of our Supplier Code of Conduct to all of our franchisees and joint ventures by 2025		<p>Our actions include:</p> <ul style="list-style-type: none"> Continuing to engage directly with our franchise and joint venture partners on our pep+ priority areas, including human rights Completing expansion of our <u>Sustainable Sourcing Program</u> to franchise and joint venture partners in Europe and Latin America 							

¹ Having achieved our goal in 2021, we are sunsetting the goal to provide 12.5 million women with essential resources for workforce readiness and programs that empower women in the food system and farming by 2025. In 2022, we will report similar program efforts to economically empower women in agriculture.

² After controlling for legitimate drivers of pay and based on base compensation; analysis excludes frontline. U.S. and U.K. included in 2016 analysis. 21 countries included in 2017 analysis. 33 countries included in 2018 analysis. 69 countries included in 2019 analysis. 71 countries included in 2020 analysis, representing more than 99% of salaried population.



POSITIVE VALUE CHAIN: PEOPLE



New goal introduced
 3rd-party limited assurance
 Expanded scope and/or timeline

Target Metrics	Status	2030 Target	2021	2020	2019	2018	2017	2016	Comments
Build a better workplace and world by advancing human rights and diversity, equity and inclusion (DE&I) for our people, in our business partnerships and our communities including (continued):									
Promote fair and safe working conditions for all by advancing respect for human rights everywhere we operate and throughout our business activities									<p>Our actions include:</p> <ul style="list-style-type: none"> Revising our Global Human Rights Policy to strengthen our expectations and reflect emerging best practices in several areas, including our salient human rights issues Piloting a new remote worker voice initiative with over 500 workers to gain insight into potential risks in our direct operations, and planning to further scale this initiative within other operations in 2022 Continuing to expand our Sustainable Sourcing Program to additional segments of our external value chain (e.g., contract labor providers) and evaluating additional areas for expansion in 2022 (e.g., transportation and logistics)
Continue to strive for an injury-free work environment	 	2.48¹	1.99 ¹	2.28 ¹	2.44	2.49	2.81		Progress showcases Lost Time Incident Rate (LTIR) per million hours worked. While this metric is new to our pep+ agenda, metric has been previously reported on our Environment, Health and Safety page on ESG Topics A-Z.
Reach 100 million people with safe water access ²		100 million	>68 million	>55 million	44 million	22 million	16 million	11 million	Goal increased to 100 million by 2030, having achieved more than 50 million in 2020.
Partner with communities to advance food security and make nutritious food accessible to 50 million people ³		50 million	>54 million	Goal introduced with the launch of pep+ in 2021. Metric not measured in prior years.					Progress results include programs funded by the PepsiCo Foundation that are intended to provide nutritious meals, utilizing external standards established by the Global Alliance for Improved Nutrition (GAIN) and the Food and Agriculture Organization of the United States (FAO).

¹ 2021 and 2020 results reflect the exclusion of SodaStream and Pioneer Foods. 2019 results reflect the exclusion of SodaStream.

² Metric counts the cumulative number of people provided with access to safe water since 2006. This metric was previously reported in our Water section.

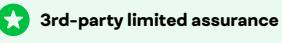
³ Initial target setting for this metric did not include Pioneer Foods, which delivered accessibility for over 20 million people by 2021.



POSITIVE CHOICES: EXPANDED PORTFOLIO OFFERINGS



New goal introduced
↔ Expanded scope and/or timeline



3rd-party limited assurance

Target Metrics	Status	2025 Target	2021	2020	2019	2018	2017	2016	Comments
Continue to provide consumers choice for every occasion by expanding our product offerings by 2025.									
Reduce added sugars: ≥ 67% of beverage portfolio volume will have ≤100 Calories from added sugars per 12oz. serving	★	≥67%	53%	48% ²	47% ³	44% ⁴	40% ⁵	40% ⁶	Our global progress is based on our Top 26 beverage markets, which represent 79% of our global beverages volume as of 2021.
Reduce sodium: ≥ 75% of convenient foods portfolio volume will not exceed 1.3 milligrams of sodium per Calorie	★	≥75%	66% ¹	64% ²	61% ³	58% ⁴	56% ⁵	54% ⁶	Our global progress is based on our Top 23 convenient foods markets, which represent 86% of our global convenient foods volume as of 2021.
Reduce saturated fats: ≥ 75% of convenient foods portfolio volume will not exceed 1.1 grams of saturated fat per 100 Calories	★	≥75%	75% ¹	71% ²	62% ³	61% ⁴	61% ⁵	66% ⁶	Our global progress is based on our Top 23 convenient foods markets, which represent 86% of our global convenient foods volume as of 2021.

¹ Results reflect exclusion of Be & Cheery portfolio

² As of 2020, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 88% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio.

³ As of 2019, Top 26 Beverage markets represented 79% of our global beverages volume and Top 23 Convenient Foods markets represented 90% of our global convenient foods volume

⁴ As of 2018, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 89% of our global convenient foods volume

⁵ As of 2017, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 90% of our global convenient foods volume

⁶ As of 2016, Top 10 markets represented 63% of our global beverages volume and 79% of our global convenient foods volume



POSITIVE CHOICES: INNOVATIVE PACKAGING SOLUTIONS



New goal introduced
 3rd-party limited assurance
 Expanded scope and/or timeline

Target Metrics	Status	2030 Target	2021	2020	2019	2018	2017	2016	Comments
Develop and deploy disruptive sustainable packaging materials and new models for beverages and convenient foods.									
Beverages: SodaStream/SodaStream Professional, powders, bio- and paper-based packaging		Our actions include: • Launch of Gatorade sachets in Australia, allowing consumers to use their own reusable water bottles • Transitioning of brands like Pepsi Zero Sugar, Mtn Dew and Aquafina to 100% recycled PET in various markets							By year end 2022, we intend to set a new target to expand alternative business models, including reusable and refillable bottles or containers, beverages that utilize concentrates such as fountain drinks, prepare-at-home beverages (e.g., SodaStream), or beverages sold in powder or drop form.
Convenient Foods: bio- and paper-based materials, reusable or low/no package models		Our actions include: • Expansion of pilots with rollout of Off the Eaten Path commercially compostable packaging in Whole Foods in the United States							



POSITIVE CHOICES: PLANET + PEOPLE BRANDS



New goal introduced
 3rd-party limited assurance
 Expanded scope and/or timeline

Target Metrics	Status	2030 Target	2021	2020	2019	2018	2017	2016	Comments
Leverage our scaled brands to embody and amplify positive outcomes for the planet and people, including empowering consumers with transparent environmental labeling on our key products		Goal introduced with the launch of pep+ in 2021. We are in the process of establishing our reporting methodology for this metric.							



Read the PepsiCo 2021 ESG Summary [here >>](#)

FORWARD-LOOKING STATEMENTS

This PepsiCo, Inc. 2021 ESG Summary contains statements reflecting our views about our future performance that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim," "anticipate," "believe," "drive," "estimate," "expect," "goal," "intend," "may," "plan," "project," "strategy," "strive," "target" and "will" or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties. For information on certain factors that could cause actual events or results to differ materially from our expectations, please see PepsiCo's filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. PepsiCo undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

