



# 2022 ESG Summary

The information within this PDF is accurate as of June 29, 2023. Unless otherwise noted, our sustainability data reflects progress made during the calendar year (ending December 31), whereas our financial reporting corresponds with our fiscal year, which ends on the last Saturday of December.

As a general matter, recent organizational changes (e.g., acquisitions and divestitures) are reflected in our reporting as soon as practical. When the impact of organizational changes is deemed significant on previously-reported metrics measured against a baseline, those metrics are recast to consistently reflect the impact of such organizational changes.

Unless otherwise noted, goals and progress reflect the impact of our acquisitions of Hangzhou Haomusi Food Co., Ltd. (Be & Cheery), BFY Brands, Inc. (BFY), Pioneer Food Group Ltd. (Pioneer Foods), and SodaStream International Ltd. (SodaStream) and our divestiture of Tropicana, Naked and other select juice brands (Tropicana).

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.

# Leadership message



## Message from the CEO

### When we launched pep+ in 2021, we knew we needed to do two things extremely well.

First, we had to execute an end-to-end transformation of our business, with a focus on building a more sustainable future for people, the planet and our business. This meant rethinking the way we grow our ingredients, how we make, move and sell our iconic portfolio of products, and what choices to offer consumers.

Second, we had to perform whilst we transform. This meant having to grow and deliver value, even as we also reduce our use of natural resources.

A year and a half into this journey, we have put pep+ at the center of virtually everything we do. This focus has driven us to prioritize decisions around regenerative agriculture, reduce added sugars, increase recycled content in our packaging, create circular water systems, advance Diversity, Equity and Inclusion (DE&I) and invest in our communities.

I am pleased to report that in 2022 we delivered our best business performance in a decade, whilst continuing to transform the company:

- We more than doubled our regenerative agriculture footprint;

- We are close to meeting our 2025 operational water-use efficiency goal in high water-risk areas;
- We met our goal to increase Hispanic representation in U.S. managerial positions three years early; and
- We continued to reduce added sugars and sodium in our products.

Thanks go to the hard work of PepsiCo associates around the world who have embraced pep+ and integrated it into their daily work. They are making pep+ part of how we do business. As a result, we learn more every day how to accelerate progress and find innovative solutions to the challenges we, and the planet, face. This makes me both proud and confident that we can all win with pep+.

These results show that transformation and success can go hand in hand.

However, we are also clear-eyed about the challenges: Changing a company of our size and complexity with some 315,000 employees and operations in more than 200 countries and territories, is not an easy or a quick process. Our progress will not always be linear or as fast as many would like, including me.

No doubt, there are places where there is more work to do – especially when it comes to reducing the amount of virgin plastic in packaging and the emissions in our value chain.

Success in both these critical areas is, in part, dependent upon the structure and efficacy of the systems within which we operate. This is why we are working with many others to advocate for regulatory reform and to drive big picture changes in the global food system.

We will continue to invest behind public-private partnerships, to bring all our partners and suppliers along on the journey and to work with other industry players, governments, NGOs, start-ups and consumer organizations to identify solutions.

So, while change on the scale at which we operate will always be challenging, I remain confident in our ability to both transform and perform and to move us ever closer to our longer-term goals.

As ever, I welcome your comments, suggestions and questions on any of the topics and results detailed in this year's report.

**Ramon Laguarta**  
PepsiCo Chairman and Chief Executive Officer

**" I remain confident in our ability to continue to both transform and perform and to move us ever closer to our longer-term goals. "**

**Ramon Laguarta**  
Chairman and Chief Executive Officer



## From the CSO

“Transforming the global food system, including the infrastructure and systems that enable it, is critical for PepsiCo – and all of us – to achieve our ambitious goals. We’re proud of the progress we have made and, at the same time, know that there are areas where we have work to do. We’re committed to playing a leadership role and know that with investment, innovative thinking and expanded collaboration we will be able to drive a lasting and meaningful impact for our business, the planet and the people.”

**Jim Andrew**  
Chief Sustainability Officer



## From the CFO

“The strategic investments we’re making in pep+ will fuel our business to thrive in the long term and will help us build resilience across our global supply chain, while driving positive action for the planet and people.”

**Hugh Johnston**  
Vice Chairman and Chief Financial Officer



## This ESG Summary features information on our strategy, goals and progress of pep+ and its three pillars



### Positive Agriculture

Positive Agriculture is our aspiration to source crops and ingredients in a way that restores the earth, makes the soil healthier, sequesters carbon, and eliminates deforestation while 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.

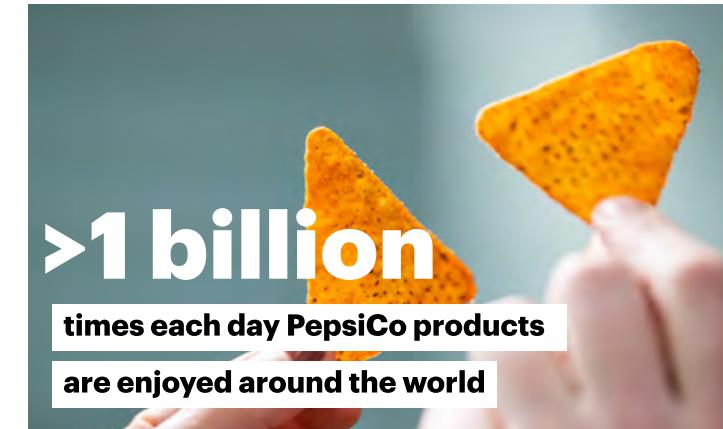
[Learn more →](#)

# Our ESG approach



## About PepsiCo

PepsiCo products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$86 billion in net revenue in 2022, driven by a complementary beverage and convenient foods portfolio that includes Lay's, Doritos, Cheetos, Gatorade, Pepsi-Cola, Mountain Dew, Quaker, and SodaStream. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including many iconic brands that generate more than \$1 billion each in estimated annual retail sales.



## pep+ Pepsico Positive

**Guiding PepsiCo is our vision to Be the Global Leader in Beverages and Convenient Foods by Winning with pep+ (Pepsico Positive). pep+ is our roadmap for how we operate within planetary boundaries and promote positive change for the planet and people.**

Our business is intrinsically tied to the health of the planet and the resilience of our food system so investing in Environmental, Social and Governance (ESG) is essential and will help our business thrive in the long term. As we aim to advance our mission to create more smiles with every sip and every bite for our consumers, customers, associates and communities, planet and shareholders, we believe that operating in a more sustainable way will help build a resilient supply chain and food system.

Not only does pep+ drive sustainable long-term value and competitive advantage for PepsiCo, it also seeks to fundamentally transform business as usual for our industry by inspiring and working alongside our peers to advance positive social, environmental and economic change for all.

We are very clear that pep+ is the future of our company, and we are focused on three interconnected pillars:



### Positive Agriculture

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

[Learn more →](#)



### Positive Value Chain

We are helping to build a circular and inclusive value chain.

[Learn more →](#)



### Positive Choices

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

[Learn more →](#)

# Our value chain

PepsiCo's complex value chain begins with the sourcing of more than 30 agricultural crops and ingredients from our farmers and suppliers around the world. These crops and ingredients are made into beloved PepsiCo products at more than 1,000 manufacturing facilities, including 291 company-owned facilities. Products are packaged and moved across approximately 1.3 billion miles worldwide by our company-owned fleet – and even more than that through third-party transportation providers – to be sold and enjoyed by our consumers more than one billion times a day. Once the product has been enjoyed, the packaging is generally either collected as waste or recycled for another use.



We aim to make each stage of our complex value chain more circular and inclusive to help address global challenges such as environmental degradation, social inequality and lack of access to nutritious food. We are taking bold action designed to reduce our climate-related impacts, replenish watersheds and minimize water use, innovate more sustainable packaging and recapture packaging materials and help improve people's lives throughout our value chain.

### 1 Agricultural Sourcing

PepsiCo sources crops and ingredients from approximately 60 countries. The standards we apply and promote can help improve the environmental, social and economic health of agricultural communities around the world.

### 2 Consumption

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

### 3 Distribution

PepsiCo products are sold in over 200 countries and territories. In 2022, our company-owned fleet traveled approximately 1.3 billion miles worldwide – and even more than that through third party transportation providers – to bring PepsiCo products to customers. We are working to reduce the environmental impact of our fleet by adopting more efficient vehicles and practices.

### 4 R&D and Manufacturing

We spent more than \$770 million on R&D in 2022 as part of our continued investment in developing quality and innovative beverages and convenient foods. Our 291 company-owned manufacturing facilities bring together innovators and operations teams who strive to use water, energy and product ingredients more efficiently. In 2022, we produced more than 90 million metric tons of beverages and convenient foods.

### 5 Post-Consumer

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

## Governance

**At PepsiCo, we believe that strong governance is essential to delivering on our pep+ agenda. Our ESG approach is fully integrated into our business, not a separate activity.**

To [govern](#) our operations and shape our strategy, we have created an integrated structure that combines Board and senior leadership oversight with subject-matter and localized expertise.

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.

At the Executive Committee level, a Sustainability Committee composed of members of our senior leadership management team regularly reviews our strategy and progress toward our pep+ goals, presenting its findings to the full Executive Committee. This provides opportunities for our senior leadership to align on major strategic issues relating to ESG.

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

## Our reporting strategy

PepsiCo uses ESG reporting as the primary method for informing key stakeholders about our goals and progress. Our stakeholders include investors, potential and current employees, customers and consumers, suppliers, non-governmental organizations (NGOs), regulators and others.

Recognizing that stakeholder needs and interests vary, we offer a suite of reporting elements, tailored to different stakeholder groups. Our reporting approach combines disclosure of strategy, policy and data<sup>1</sup>, as well as stories from around the world that show pep+ in action.

Our reporting suite consists of the following:

- This **ESG Summary**: A higher level overview of our pep+ agenda and annual progress. Now in its second year, the ESG Summary helps 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. Readers can also use the [Report Builder](#) tool to download a version suited to their interests.
- **ESG Topics A-Z**: An evergreen deep dive on over 50 sustainability-related topics designed to provide accessible, consistent information to those seeking greater insight on PepsiCo's ESG strategy, management, policies, progress and partnerships.
- **ESG Performance Metrics**: Time-series data about our key sustainability goals, aimed at supporting ESG analysis, primarily for investors, ESG raters and NGOs.
- **Indices and framework responses and other topic-specific disclosures**: These map our reporting to specific metrics established by leading 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 Report](#).

As frameworks and regulations pertaining to ESG continue to evolve in the U.S., European Union and beyond, our commitment to transparency in reporting our strategy, goals, initiatives and progress on ESG topics will remain unwavering.

<sup>1</sup> As a general matter, recent organizational changes (e.g., acquisitions and divestitures) are reflected in our reporting as soon as practical. When the impact of organizational changes is deemed significant on previously-reported metrics measured against a baseline, those metrics are recast to consistently reflect the impact of such organizational changes. Unless otherwise noted, goals and progress reflect the impact of our acquisitions of Hangzhou Haomusi Food Co., Ltd. (Be & Cheery), BFY Brands, Inc. (BFY), Pioneer Food Group Ltd. (Pioneer Foods), and SodaStream International Ltd. (SodaStream) and our divestiture of Tropicana, Naked and other select juice brands (Tropicana). 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 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



**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 2022, more than 90% of grower-sourced crops are sustainably sourced worldwide through SFP



**2017**

First demonstration farm opens in India; by the end of 2022, 89 farms were 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 awarded the inaugural Terra Carta Seal by His Majesty King Charles III in his former role as The Prince of Wales and the Sustainable Markets Initiative in recognition of our commitment to, and driving momentum toward, the creation of genuinely sustainable markets



**2022**

N-Drip partnership  
PepsiCo and N-Drip announce partnership to help farmers around the world adopt game-changing technology in water efficiency



**2022**

pep+ Rnew  
PepsiCo introduces pep+ Rnew with Schneider Electric to accelerate adoption of renewable electricity with value chain partners



**2022**

Supplier Diversity Program  
PepsiCo's Supplier Diversity Program celebrates 40th anniversary and commits to spending more than \$400 million annually with Black and Hispanic-owned suppliers



**2022**

Green Bond  
PepsiCo issues a new \$1.25 billion 10-year Green Bold to help fund key environmental sustainability initiatives under the pep+ agenda



**2022**

Global packaging goal  
PepsiCo announces a global packaging goal to deliver 20% of beverage servings sold through reusable models by 2030



pep+ pillars

# Positive Agriculture

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## PepsiCo's business starts with the earth.

At its core, PepsiCo is an agricultural company. We rely on a secure supply of more than 30 agricultural crops and ingredients – such as potatoes, corn and oats – from approximately 60 countries to make iconic products that bring smiles to consumers around the world.

Through pep+ and our Positive Agriculture agenda, we are committed to helping

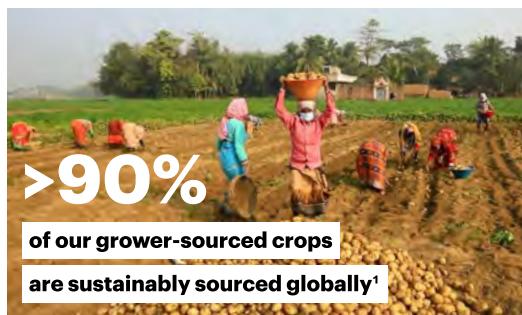
farmers grow food in a way that revitalizes the earth and supports their livelihoods. And, by prioritizing a sustainable food system, we are helping to mitigate environmental and social risks, while also preserving natural resources for future generations.

# Positive Agriculture



## Our footprint

As a global leader in beverages and convenient foods, PepsiCo has an opportunity to use our scale, influence and expertise to help build a more sustainable food system – one that positively impacts natural resources and the people and communities we work with and serve. With products that are enjoyed more than one billion times a day in more than 200 countries and territories around the world, promoting regenerative farming practices and the beneficial outcomes they can drive across our global agricultural footprint can have a big impact:



## Agriculture

**Across the globe, farmers continue to bear the brunt of climate-related risks associated with agriculture and acutely experience the impacts of biodiversity loss, freshwater scarcity and soil degradation on crop yield and resiliency. Many of these farmers' families have worked tirelessly to maintain their businesses for multiple generations, and these impacts pose a threat to their livelihoods.**

We continue to prioritize working collectively with our farmers to advance the adoption of regenerative agriculture practices – a set of techniques designed to improve and restore ecosystems across impact areas to make soil healthier, capture carbon, improve watershed health, protect and enhance biodiversity and strengthen farmer livelihoods by optimizing their long-term yields and farm income. By supporting farmers in this way, PepsiCo aims to help secure its supply, and importantly, help farmers counter climate change today and prepare for agricultural challenges of the future.

Depending on local conditions, regenerative techniques may help farmers to grow more food on the same amount of land with fewer inputs like water, fertilizer and pesticides. We are partnering to help protect farmers against the challenges of climate change, water depletion and soil erosion, while also helping farmers achieve greater profitability.

<sup>1</sup> For grower-sourced crops, sustainable sourcing refers to meeting the independently verified environmental, social and economic principles of PepsiCo's Sustainable Farming Program (SFP).

<sup>2</sup> Regenerative acres reported for 2022 include U.S., Mexico, Canada and 17 European countries only. PepsiCo considers an acre as delivering regenerative impact when the adoption of regenerative agriculture practices results in quantified improvements in at least two of the environmental impact areas, with a preference for GHG to be one impact area. Note that all five are included as potential impact areas to be quantified, including livelihoods improvement. Metric counts the cumulative number of regenerative acres since 2021.

## What is regenerative agriculture?

Our 89 demonstration farms explore potential benefits of regenerative farming techniques.

### Impact Areas<sup>1</sup>



#### Build soil health and fertility

- Rebuild organic matter
- Maintain living roots as much as possible
- Use inputs efficiently
- Plant diverse rotational crops in same field



#### Reduce and sequester CO<sub>2</sub>

- Plant cover crops to sequester CO<sub>2</sub>
- Promote reduced and no-till cultivation for minimal soil disturbance
- Incorporate livestock



#### Improve watershed health

- Help farmers access more efficient irrigation equipment
- Support best practices for scheduling and maintenance
- Transition from flood irrigation to more efficient methods (e.g., drip irrigation and "fertigation")
- Prevent loss of nutrients and other agrochemicals



#### Protect and enhance biodiversity

- Commitment to no deforestation or peat loss
- Edge-of-field biodiversity habitat on farms
- Increase soil microbes
- Use of natural pesticides



#### Improve farmer livelihoods

- Train farmers for on-field agronomy
- Teach most vulnerable farms in supply chain
- Support women farmers economically
- Respect human rights

### Outcomes



**Improve and restore natural ecosystems**



**Build more resilient agricultural systems**



**Ensure farming as a sustainable livelihood**



**Feed more people with fewer inputs**

<sup>1</sup> Refer to PepsiCo's Regenerative Agriculture Practice Bank for a comprehensive listing of practices linked to the five impact areas.

## Approach to regenerative agriculture

The core goal of regenerative agriculture is to improve the resilience of the agricultural system as the world and the climate changes. Regenerative farming is not a new concept by any means, and regenerative farming practices are being implemented by farmers all over the world, from large-scale commercial farming systems to smallholder farms. However, farming is hyper-local, with each farm having unique needs and challenges. Much like the ecosystems they are intended to revitalize, successful regenerative practices are highly interdependent, requiring a localized yet holistic approach that takes the entire farming system into consideration and balances newer regenerative practices with current farming practices that have been adapted for the local context. So, our approach to Positive Agriculture is outcome-oriented rather than prescriptive. We support a wide range of regenerative practices including planting cover crops to protect the soil, reducing tillage to maintain soil health and fertility, and encouraging livestock and other diversity onto farms. These practices, and others, help maintain and add nutrients, improve fertility, maintain soil carbon, control pests and weeds through sustainable management, improve biodiversity, maintain water quality and protect watersheds.

In collaboration with industry peers and cross-sector partners, PepsiCo launched a [Regenerative Agriculture Practice Bank](#) in May 2022 as a resource to help our farmers and suppliers understand the types of regenerative practices and potential resulting outcomes that could be applicable based on unique geographic and crop specificities, as well as local laws and regulations that may apply.

We take a system-wide approach to accelerating regenerative agriculture, marked by collaboration between farmers and other stakeholders in a given region – often across multiple crops, sectors and land

uses – who commit to advancing shared sustainability goals. In 2022, we continued to use this approach as we launched and scaled existing initiatives across our key agricultural commodities in the Midwest U.S., Mexico and Southeast Asia with strategic partners such as the Soil and Water Outcomes Fund and Proforest.

In addition, we launched a [Positive Agriculture Supplier Playbook](#), a public resource that guides key ingredient suppliers and buyers through the steps of implementing and measuring the impact of regenerative farming in their value chain.

With our [agriculture partners](#), we help farmers deliver farm-level impacts such as greenhouse gas (GHG) emissions reductions. We estimate our efforts will reduce and remove at least 10 million tons of GHG emissions by the end of the decade. In 2022, we provided support to more than 3,300 farmers and helped them make measurable improvements on their carbon footprints, biodiversity, soil health and watershed health on over 900,000 acres<sup>1</sup>. This led to the removal of more than 330,000 metric tons of carbon through soil carbon sequestration.

PepsiCo also seeks continuous improvement in agricultural practices that minimize the use of [pesticides and other agrochemicals](#). We engage with external stakeholder groups and industry peers to share and develop best practices in responsible pesticide use and established an internal Global Pesticide Council of cross-functional senior leaders to advise on our policies and programs.

For regenerative agriculture to take root, farmers need economic, social and cultural, and agronomic support. To improve our ability to provide this support, we invest in innovative programs and nurture close partnerships with our farmers, intermediary suppliers and NGOs along our value chain.

In 2022, with new and ongoing strategic partners – some of which were the recipient of the 2022 United States Department of Agriculture's Climate-Smart Commodities grants – we helped to fund and support independent advisories for farmers, facilitate coaching and peer support, and financially incentivize adoption of on-farm conservation and climate-smart practices, including:

- **Soil and Water Outcomes Fund (SWOF).** SWOF was awarded funding through the USDA's Partnerships for Climate-Smart Commodities Initiative, along with approximately \$60 million in support from PepsiCo and other industry peers, to launch the [Midwest Climate-Smart Commodity Program](#). The program will help participating farmers transition to climate-smart practices on nearly one million acres by 2030, with the potential to reduce and capture up to more than three million tons of GHG emissions.
- **Illinois Corn Growers Association (ICGA).** PepsiCo supports the ICGA's [Precision Conservation Management Innovation Project](#) to help address farmers' environmental concerns such as water quality, soil health and GHG emissions by offering agronomic and financial support, as well as economic analysis, to enable sound business decisions related to conservation practices. The project is helping spread regenerative practices across approximately 600,000 acres by 2030.
- **Practical Farmers of Iowa (PFI).** PepsiCo established a long-term, strategic partnership with PFI to help drive regenerative agriculture practices across approximately 1.5 million acres of U.S. farmland by 2030. As part of this work, PepsiCo is making an upfront investment in people and operating systems, aiming to increase farmer resilience, establish sustainable sourcing and achieve GHG emissions reductions across multiple commodities.

- **Archer Daniels Midland (ADM).** PepsiCo established a multi-year shared value [partnership with ADM](#) that aims to reduce carbon intensity by expanding regenerative practices on up to two million acres across our shared supply chains. The project will support farmers across the Midwest U.S. in building resilience to climate change and has the potential to eliminate over 1.4 million metric tons of GHG emissions.



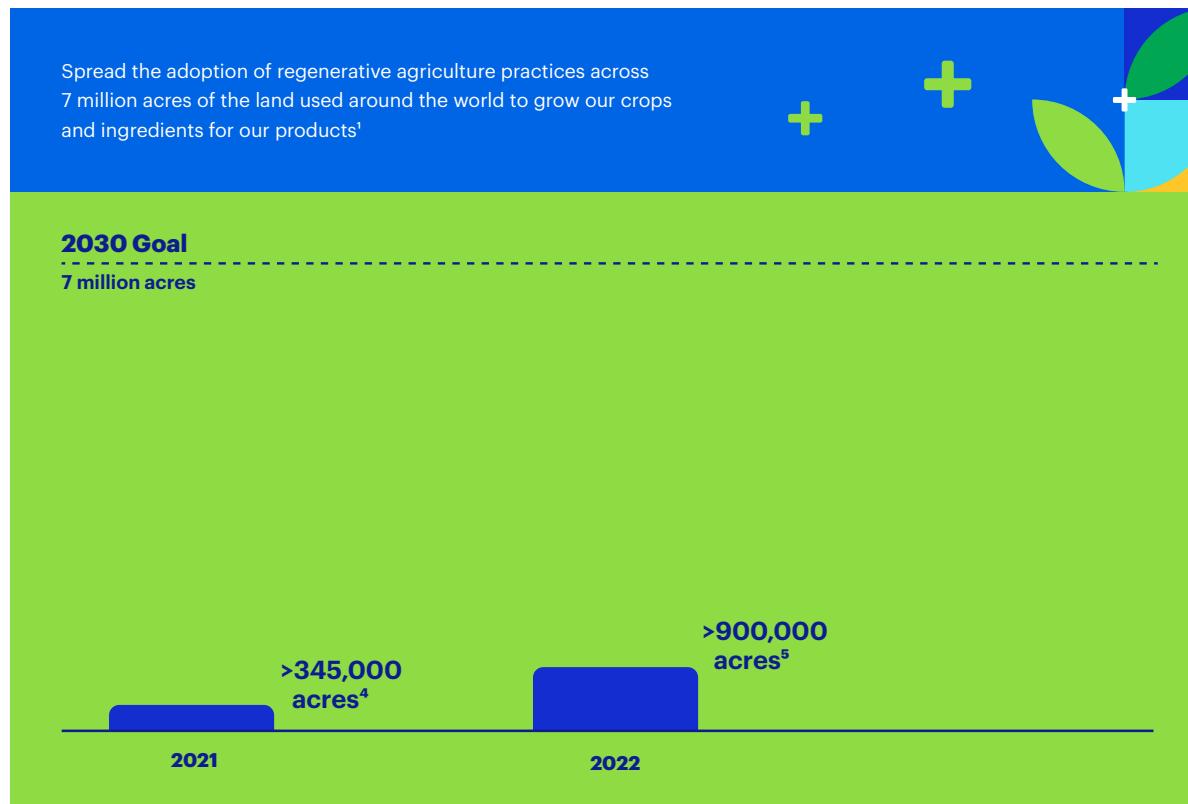
<sup>1</sup>PepsiCo considers an acre as delivering regenerative impact when the adoption of regenerative agriculture practices results in quantified improvements across at least two of the environmental outcome areas, with a strong preference for removing or reducing GHG emissions to be one impact area. Note that all five are included as potential impact areas to be quantified, including livelihoods improvement.

## Goals & progress

In 2022, we increased our regenerative farming footprint from more than 345,000 to more than 900,000 acres<sup>1</sup> globally through a number of actions – including, for example, establishing groundbreaking partnerships, adopting new technologies and working collaboratively with trusted farmer-facing organizations.

We improved our agricultural water-use efficiency by 14% (compared to a 2015 baseline) when last measured in 2020<sup>2</sup> in high water-risk watersheds by supporting farmers through partnerships, relevant training and programs such as our demonstration farms. In 2022, we sustainably sourced<sup>3</sup> approximately 55% of our key ingredients and positively impacted the livelihoods of more than 11,000 people in our agricultural supply chain and communities by supporting economic prosperity, agency and a sense of security for farmers, farm workers and their households.

### Regenerative agriculture goal



<sup>1</sup> PepsiCo considers an acre as delivering regenerative impact when the adoption of regenerative agriculture practices results in quantified improvements across at least two of the environmental outcome areas, with a strong preference for removing or reducing GHG emissions to be one impact area. Note that all five are included as potential impact areas to be quantified, including livelihoods improvement. Metric counts the cumulative number of regenerative acres since 2021.

<sup>2</sup> Data for 2021 and 2022 not available, as we measure this at least once every three years.

<sup>3</sup> 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. Percentage of volume sustainably sourced and verified by third parties, including volume of Roundtable on Sustainable Palm Oil (RSPO) – certified palm oil and volume of Bonsucro-certified (or equivalent) cane sugar.

<sup>4</sup> Regenerative acres reported for 2021 include U.S. and Canada only.

<sup>5</sup> Regenerative acres reported for 2022 include U.S., Mexico, Canada and 17 European countries only.

## **Commitment to local grassroots work**

Complementing the large-scale partnerships with well-established organizations, we understand the importance of funding innovation and supporting start-up organizations with the potential to scale.

In October 2022, we announced the continuation of the Positive Agriculture Outcomes (PAO) Fund, our global agricultural accelerator. The PAO Fund initially launched in 2021 with the intention of accelerating progress toward our 2030 pep+ Positive Agriculture goals and activating the regenerative agriculture strategy across the business. Currently, the PAO Fund acts as a funding mechanism, offering co-investment to drive diverse and sector-led innovative projects around the world. By providing both financial and technical support to transformative initiatives, the PAO Fund incentivizes and ensures committed action is taken across the whole business, innovation is spurred, and capabilities and capacity are built.

As of December 2022, we had disbursed \$1.8 million and invested in over 20 individual projects across a range of sectors and supply chains, supporting initiatives that test new solutions, help farmers "future-proof" our supply chains and build sustainable landscapes. Projects have been funded across 16 countries, touching every sourcing region and including 13 ingredients.

**To illustrate the impact of the PAO Fund's investments on farmer livelihoods, PepsiCo developed a video series, "[Growing Our Future](#)," showcasing four funded projects.**

### **Brazil**

Supported research in Brazil to help potato farmers improve soil health and preserve it for future generations through research on the benefits of cover crops.



### **Greece**

Collaborated with N-Drip to support a potato farmer in Greece in demonstrating more efficient irrigation systems to adapt to increased drought.



### **India**

Partnered with farmers to improve air quality while enriching farmland with biochar by developing kilns that can turn their agricultural waste into fertilizer.



### **Thailand**

Joined with German Agency for International Cooperation (GIZ) to help Thai potato farmers adapt to climate change through sustainable farming training programs, soil improvement plans and pest and disease education across the entire crop rotation.

[Link to video.](#)



## Positive Agriculture

We also continued to grow our **network of demonstration farms** around the world by leveraging the expertise and local influence of farmers. Our demonstration farm program highlights locally-relevant best practices in regenerative agriculture areas such as nutrients, water-use efficiency and precision farming. The network provides local farmers the opportunity to observe and learn from their peers, helping to scale proven practices and innovative agriculture technologies that further regenerative results.

In 2022, our partnerships yielded value for farmers, the environment and the business (percent increases observed in a control plot vs. a demonstration plot):

- On demonstration farms in India, farmers saw average yield improvements of 3% and reduced GHG emissions by more than 20%.

We continued to grow our network of demonstration farms around the world.

COUNTRY:	F FARMS:
A Argentina	3
B Brazil	4
C Canada	1
D Chile	1
E Colombia	1
F Dominican Republic	2
G Ecuador	2
H Guatemala	1
I India	45
J Mexico	12
K Pakistan	3
L Peru	2
M Thailand	8
N Türkiye	1
O Vietnam	3



- In Thailand, we helped farmers implement pest and nutrient management systems and install drip irrigation. At the end of 2022, farmers saw an 18% yield increase and up to 36% reduction in water use in irrigation.
- In Mexico, we demonstrated ways to save water through various irrigation techniques and improvements in existing irrigation systems. Farmers saw reduced water use in irrigation more than 35% on average (vs. conventional systems), while increasing potato yields by more than two tons per hectare.

At the end of 2022, PepsiCo worked with 89 regenerative demonstration farms to demonstrate new technologies and regenerative practices.

## Supporting nature positive outcomes

Regenerative food systems rely on thriving natural ecosystems in the landscapes where agricultural production occurs. A thriving natural ecosystem can help to regulate weather patterns, such as rainfall, and mitigate the impact of less predictable weather, allowing for ongoing access to a sustainable supply of water and soil, supporting pollinators and controlling pests, supporting sustainable livelihoods and communities, and impacting global climate.

A focus on nature positive outcomes is linked to our broader pep+ ambitions. PepsiCo recognizes both the role that resilient natural ecosystems play in supporting food systems and the risks that agriculture presents for natural ecosystems, including deforestation and ecosystem conversion, natural resource extraction and pollution. Across our supply chains, we have identified opportunities to mitigate those risks and to support the conservation and restoration of nature. Examples of our recent efforts include:

- Promoting and measuring the impact of biodiversity on farms; in 2022, over 700,000 of our more than 900,000 regenerative agriculture acres saw measurable positive impact in biodiversity.
- Engaging with suppliers and the industry (particularly for [palm oil](#)) to aim for zero deforestation, no peat loss or conversion in our supply chains.
- Serving as a Founding Partner of the [Rimba Collective](#), an innovative sustainable finance mechanism to support forest conservation and restoration in palm oil sourcing regions.

- Working with retailers, manufacturers and suppliers to support the transformation of our sourcing regions toward zero deforestation and supporting conservation, restoration and sustainable livelihoods with the [Consumer Goods Forum's Forest Positive Coalition](#) and the [Palm Oil Collaboration Group](#).

- Supporting landscape initiatives around the world, including those in Mexico and Indonesia, that work to holistically address sustainable production and natural ecosystem protection and restoration.

While we have been working on our nature positive approach for many years, the interplay between nature and our business is complex. We recognize that, like all businesses, we aspire to develop a more detailed understanding of our nature-related impacts, risks and opportunities. Work is underway to further build these capabilities, including investing in on-the-ground impact programs, new tools and technology, and fostering partnerships with our supply chain, industry peers and conservation experts.

## Approach to irrigation efficiency

Water is critical to our business and to the farmers we source from, as they rely on clean, safe and sustainable water supplies to irrigate their crops. This shared interest in water conservation is what drives PepsiCo's approach to water-use efficiency – defined as the volume of irrigation water required to grow one ton of raw crop material – and achieving our healthy watershed goal improvement target of 15% by 2025<sup>1</sup>.

We continually seek more sustainable ways to use this precious resource to ensure we are efficiently accessing the water we need to make our products while preserving water access for the communities in which we operate. At the end of 2022, we sourced approximately 45% of our grower-sourced key ingredients from areas of high water-risk.

As we work to improve the water-use efficiency in areas where we directly source our crops, we identify the specific needs of at-risk locations and create action plans that support farmers with the relevant training, equipment and resources they need to meet water goals. Our demonstration farms give farmers

the opportunity to learn local water-use efficiency and water quality improvement best practices in a hands-on, peer-to-peer setting.

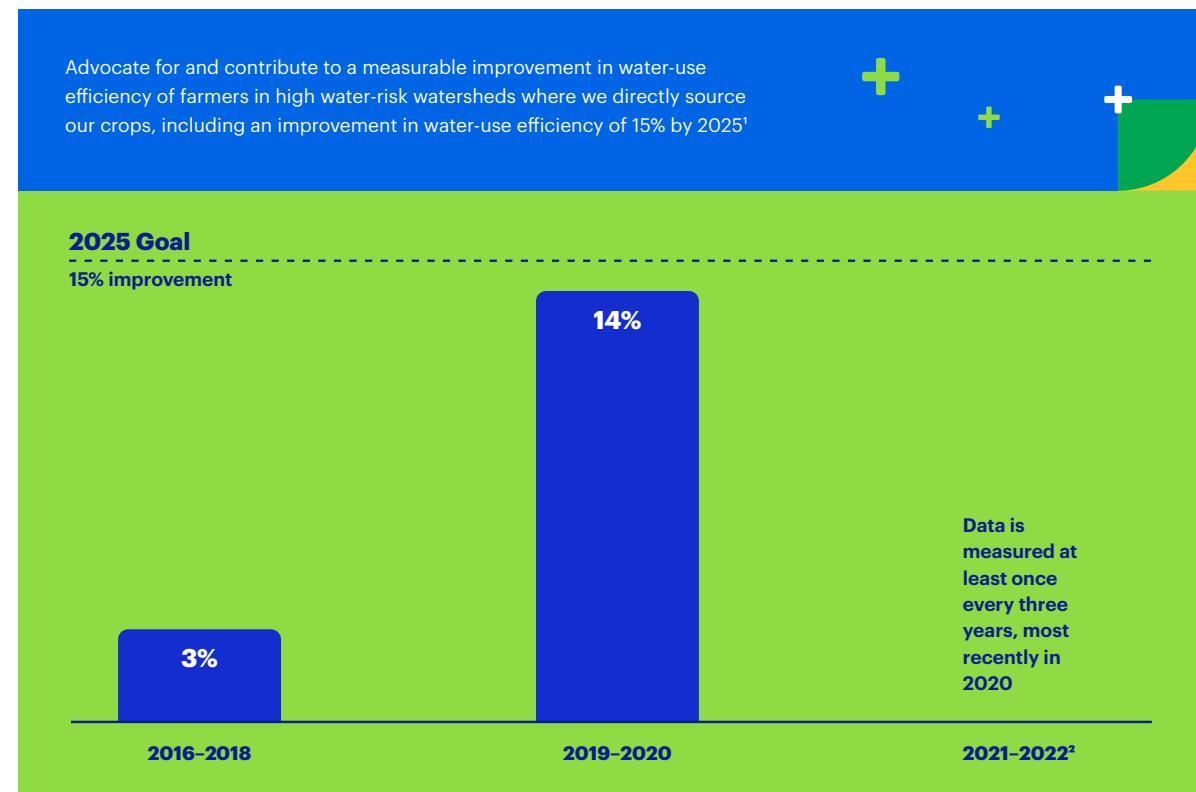
PepsiCo also supports farmers in transitioning to more water-efficient irrigation equipment such as drip irrigation. In March 2022, PepsiCo announced a [partnership with N-Drip](#) to help farmers in our supply chain adopt their game-changing high efficiency irrigation technology across 25,000 acres by 2025. N-Drip's gravity-powered technology combines the water-saving benefits of high-pressure drip irrigation with lower energy, operating and maintenance demands.

By helping farmers transition from the commonly used flood or trench irrigation – known to lose up to 70% of water to runoff or evaporation – our N-Drip partnership aims to improve farmer livelihoods through water savings of up to 50% while, through a more efficient fertilizer application via the water, potentially reducing carbon and methane emissions by approximately 80%



(per season, compared to flood or trench irrigation). N-Drip technology has been used by farmers in India, South Africa, Vietnam, Greece and the U.S., many of whom have reported higher crop yields, less need for use of fertilizers and a significant reduction in water use compared to flood or trench irrigation.

### Irrigation efficiency goal in areas of high water-risk



<sup>1</sup>15% improvement goal measured versus a 2015 baseline.

<sup>2</sup>Data for this time period not available, as we do not measure this metric every year. Assessments are conducted at least once every three years. Next assessment to be conducted in 2023. Last measured in 2020.

## Approach to sustainable sourcing

We depend on a sustainable supply of agricultural raw materials to meet the demands of our business and expectations of our stakeholders. We aim to instill integrity, fairness and stewardship throughout our agricultural supply chain and hold our suppliers accountable to the same standards. Our agricultural suppliers are expected to adhere to our [Supplier Code of Conduct](#) and other relevant sustainable sourcing policies such as our [Land Policy](#) and [Global Human Rights Policy](#), as a condition of doing business with us.

Our [Stewardship of Forests and Natural Ecosystems Policy](#) outlines our aspiration for deforestation- and conversion-free business operations and supply chain. We are implementing this policy in our agricultural value chains where we face forest and natural ecosystem conversion risk, for example, in our palm oil supply chains where we implement a No Deforestation, No Peat, and No Exploitation (NDPE) commitment as outlined in our [Global Policy on Sustainable Palm Oil](#).

Our sustainable sourcing approach aims to improve the livelihoods of farmers in our supply chain while ensuring a steady supply of key ingredients<sup>1</sup> for production. Forty-three percent of our key ingredients (by volume) are "grower-sourced" – purchased directly from farmers through a grower group, while the remaining approximately 57% are "supplier-sourced" with multiple tiers between the farmer and PepsiCo.

Supplier-sourced key ingredients include milk and those derived from crops such as corn, wheat, beet sugar, banana, cocoa, sunflower, soy and canola. We actively collaborate with suppliers, industry groups and NGOs using two approaches to achieve our sustainable sourcing goal:

- High-risk approach (verified volumes):** 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 (continuous improvement):** Consists of working with suppliers to adopt a continuous improvement model, requiring them to demonstrate active work and progress toward outcomes that address the key risks for the farmers in the sourcing region by 2030.<sup>2</sup>

Our **SFP** is a farm-level engagement with growers to build capability, address relevant risks and encourage continuous improvement through fundamental agricultural practices that span the broad aspects of sustainability including positive social, environmental and economic outcomes for growers. SFP focuses on self-assessment, capacity building and verification of farm-level sustainable agriculture practices and principles as described in the [SFP Scheme Rules](#) and [SFP Fundamental Principles](#).

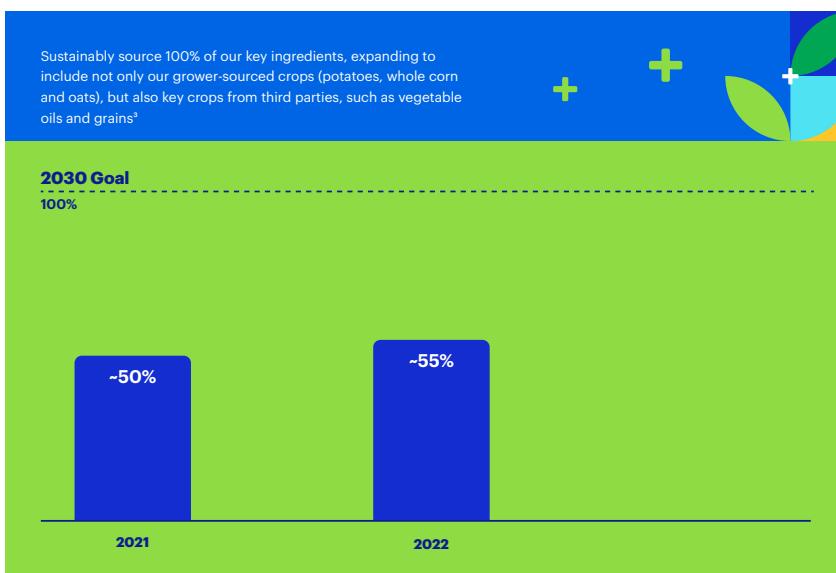
We support our supply chain farmers in their transition to more sustainable approaches, leading to economic benefits, improved food security and climate resilience. For example, [Agrovita](#), a three-year program in partnership with the non-profit Proforest, empowers women and other smallholder farmers in Southeast Mexico to grow their crops in a more sustainable way. PepsiCo purchases crops from participating farmers, who are supported with technical training, financial literacy courses and legal advice related to their right to own land. Agrovita's aim is to drive regenerative practices on more than 29,000 acres and to support

more than 37,000 farmers, at least half of whom are women.

As one of the world's largest buyers of palm oil in the consumer products industry, we remain committed to contributing to a sustainable palm oil industry. In 2022, our purchase represented less than 1% of the global supply. In November 2022, PepsiCo and Unilever supported the first independent smallholder group in Aceh Province, Indonesia – one of the world's last remaining tropical rainforest areas that is also highly susceptible to illegal logging and clearance

for agriculture – in successfully obtaining RSPO and Indonesia Sustainable Palm Oil certification through The Sustainable Trade Initiative (IDH) Verified Sourcing Area landscape-based program. Throughout 2022, we continued to be an active partner in landscape programs such as those in Mexico and Indonesia that are seeking to demonstrate scaled solutions and impacts on palm oil sustainability.

### Sustainable sourcing goal



**~ 55%**  
of our key ingredients were sustainably sourced in 2022



**29,000+**  
acres to benefit from our  
Agrovita program in Mexico

<sup>1</sup> Key ingredients include potatoes, whole corn, oats, grains, vegetable oils, cane sugar, beet sugar, high-fructose corn syrup, orange juice, banana, raw milk, cocoa/chocolate and dairy seasoning.

<sup>2</sup> PepsiCo is only applying the continuous improvement methodology for sustainable sourcing in our row crop programs in the Midwest U.S. where, through our regenerative agriculture programs, we are addressing key risks such as soil loss/degradation and nutrient loss.

<sup>3</sup> 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. Percentage of volume sustainably sourced and verified by third parties, including volume of Roundtable on Sustainable Palm Oil (RSPO) - certified palm oil and volume of Bonsucro-certified (or equivalent) cane sugar.

## Approach to improving livelihoods

Around the world, farmer livelihoods and the food systems on which they depend are threatened by intractable challenges including topsoil depletion, increasing temperatures, more frequent droughts and decreasing biodiversity.

Among the most vulnerable to these impacts are smallholder farmers, farm workers, temporary or migrant workers, and women producers in rural agricultural communities. To help address these challenges, PepsiCo aims to use its scale and influence to source crops in ways that help strengthen farming communities and farmer livelihoods. By helping build healthier, more sustainable and inclusive food systems, we are not only supporting farmers directly, but also securing our supply of the ingredients that our business depends upon.

Our approach focuses on supporting economic prosperity, agency and a sense of security for farmers, farm workers and their households. We rely on strategic partnerships across geographies, sectors, industries and supply chains to leverage technical and financial resources that support farmers in transitioning to more inclusive and regenerative practices.

PepsiCo launched the [Livelihoods Implementation Framework for Engagement \(LIFE\)](#) in September 2022 to establish a roadmap and define metrics to [calculate progress](#) with a focus on improvement in three areas:

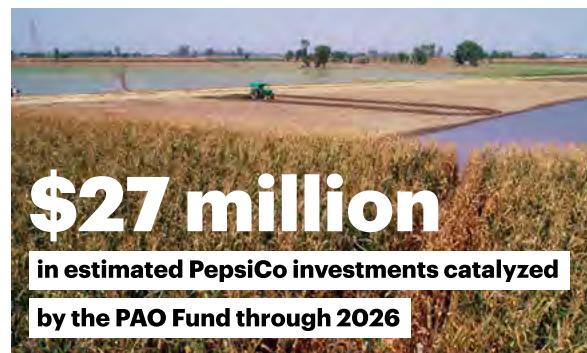
- **Economic prosperity:** Supporting long-term farm profitability and productivity with an emphasis on regenerative agriculture and environmentally sustainable farming practices.
- **Farmer and farm worker security:** Addressing issues of food security, labor conditions and land rights and enabling access to resources.

- **Women's economic empowerment:** Improving women's access, time, agency and use of resources, and decreasing legal and institutional barriers.

The [framework](#) establishes a set of common [Livelihood Outcome Indicators](#) aligned with international norms including the United Nations' (UN) Sustainable Development Goals (SDGs), International Labor Organization (ILO), UN Food and Agriculture Organization (FAO), and UN Guiding Principles on Business and Human Rights.



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



**\$27 million**  
in estimated PepsiCo investments catalyzed  
by the PAO Fund through 2026

At the time of publishing, according to the [FAO](#), women represent 43% of global agricultural workers, yet tend to earn less than their male counterparts and have less access to key resources including training, land ownership, agricultural advisory services, technology and finance. If the equity gap for women were closed, [research](#) by the FAO suggests women-run farms would increase their yields significantly. Our work to bolster gender inclusivity in our agricultural supply chains has the potential to deliver social outcomes for women, including livelihood improvements at the household and community level, greater access to resources and capability building opportunities, as well as business benefits, including resilient supply from a diversified supplier base.

"We [women] are more involved. Before you wouldn't see that, only the man, the husband, would go to the fields. Now we are getting involved in the agro field and I think it is a great opportunity for us. Women can even look at it as a source of income and a way to help the household's income."

**Yasmin Hernández**  
Farmer, Mexico



## Positive Agriculture

PepsiCo and the PepsiCo Foundation continue to build resilient supply chains by supporting diversity and inclusion in farm management. We are often working with the most vulnerable – those that may not have traditionally had access to markets and supply chains, including women, smallholder farmers, Indigenous Communities and People of Color – through strategic partnerships with the U.S. Agency for International Development (USAID), Inter-American Development Bank (IDB), Cooperative for American Relief Everywhere (CARE), National Future Farmers of America Organization, GIZ and the National Black Growers Council.

- In 2020, PepsiCo and USAID established the **Global Development Alliance** (GDA), a shared value partnership focused on building an evidence-based business case for empowering women in agriculture supply chains, demonstrating that gender transformative procurement can drive commercial benefits. Co-invested by PepsiCo and USAID, the Investing in Women to Strengthen Supply Chains Program is a \$20 million global partnership to make the business case for women's economic empowerment.
- The GDA – which has begun implementation in five countries, including India, Pakistan, Vietnam, Colombia and Peru – collaborates with local PepsiCo agriculture teams to design and deliver programs that work with both existing and new PepsiCo suppliers to build their capacity and knowledge around the inclusion of women. Through pilot partnerships that implement Gender Smart Leadership Lab and Gender Smart Farm programs, both farm management and women workers are exposed to inclusive agronomy advice, receive training on new techniques and are given access to new regenerative agriculture technologies. Participating farms serve as learning

hubs that provide data and insights on the economic impact of empowering women on farms and will help scale investments within PepsiCo and other global companies.

- Building upon the lessons learned from PepsiCo and USAID's co-funded four-year Integrated Land and Resource Governance (ILRG) program in West Bengal, India (our longest running women's economic empowerment program), ILRG has helped over 1,100 female potato producers gain agricultural training, 97% of whom have applied agronomy and sustainable farming knowledge and skills. Results from 2022 also showed that 55% of participants reported their family experienced an increase in income from potato farming, and 95% of women reported they improved their confidence as farmers over the season.
- Through the **Next Generation Agriculture Fund**, a three-year, \$2 million partnership with IDB, PepsiCo is researching and taking action to enhance the role of women as strategic partners in our potato supply chain. By testing and demonstrating the impact of gender-smart solutions, the fund is helping to identify gender-related issues and challenges in our supply chains in the Dominican Republic, Ecuador and Guatemala.

Learn more about PepsiCo's key [agricultural strategic partnerships](#), how they are contributing to progress toward our 2025 and 2030 pep+ goals and the growing resilience and sustainability of our agricultural supply chain.

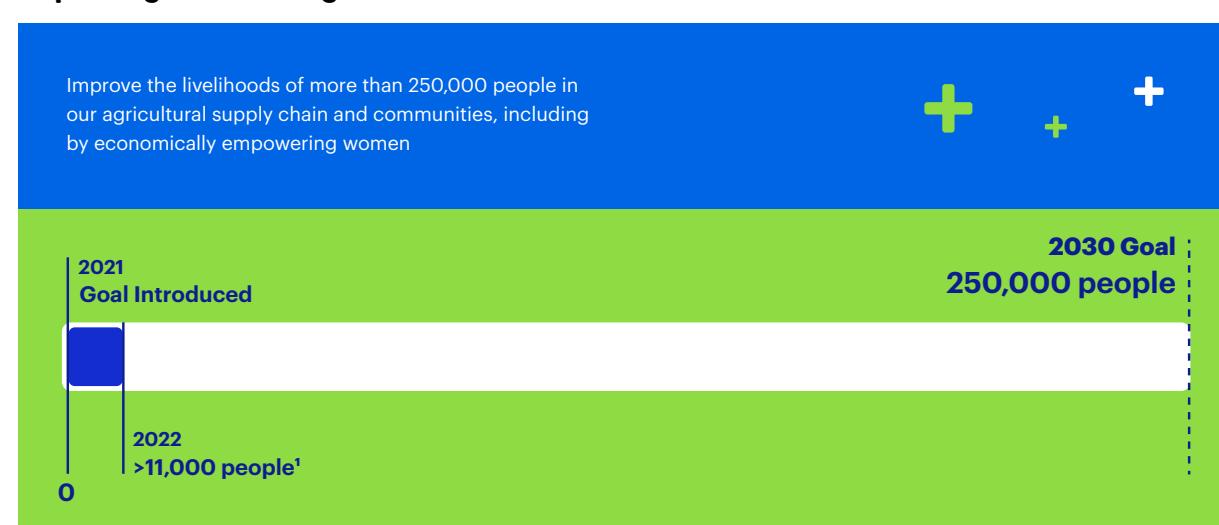
"I must say that the trainings are very essential. I believe there have been multiple areas where farmers lacked knowledge. We often used chemicals without realizing their harmful effects; we used to sow seeds without treating them; and we didn't know the right way to irrigate or the right amount of water needed which led to diseases. After gaining knowledge on various potato diseases, we are much more aware of it now."

**Anita Singh, 50**

Farmer and Participant in West Bengal Women's Economic Empowerment program



### Improving livelihoods goal



<sup>1</sup> Metric counts the cumulative people impacted since 2021.

## Positive Agriculture stories



PepsiCo announces second round of projects funded by its global agriculture accelerator, The Positive Agriculture Outcomes Fund

[Learn more →](#)



PepsiCo, ADM announce groundbreaking agreement aiming to reduce carbon intensity by supporting regenerative agriculture practices on up to 2 million acres of farmland

[Learn more →](#)



PepsiCo continues progress towards ambitious climate goals

[Learn more →](#)



PepsiCo announces \$216 million investment in long-term partnerships with three major farmer-facing organizations to support regenerative agriculture transformation on more than three million acres of U.S. farmland

[Learn more →](#)

### Explore agriculture topics in more depth

PepsiCo's [ESG Topics A-Z](#) provides detail on strategy, data, policy, progress and more on a wide range of subjects.

- [Agriculture →](#)
- [Bioengineered Food and Ingredients →](#)
- [Climate change →](#)
- [Deforestation →](#)
- [Human Rights →](#)
- [Land Rights →](#)
- [Palm Oil →](#)
- [Pesticides and other Agrochemicals →](#)
- [Sustainable sourcing →](#)
- [Water →](#)

## Our 2022 ESG Performance Metrics

This download contains detailed performance data, tracking progress against our goals over the past five years.

[Download 2022 ESG Performance Metrics →](#)



pep+ pillars

# Positive Value Chain

**A value chain is the collection of resources, activities, processes and people needed to sustain and operate a viable business.**

PepsiCo's complex value chain begins with the sourcing of more than 30 agricultural crops and ingredients from our farmers and suppliers around the world. These crops and ingredients are made into beloved PepsiCo products at more than 1,000 manufacturing facilities, including 291 company-owned facilities. Products are packaged and then moved over approximately 1.3 billion miles worldwide by our company-owned fleet – and even more than that through third-party transportation providers – to be sold and enjoyed by our consumers more than one billion times a day. Once the product has been enjoyed, the packaging is generally either collected as waste or recycled for another use.

We are working to make every stage of our value chain more circular and inclusive and to help advance the systemic changes we believe are needed to tackle significant global challenges such as environmental degradation, social inequality and access to nutritious food. These changes are not only good for our business but also for the partners and people throughout our value chain, as well as the communities we serve.

We are taking bold action aimed to reduce our climate-related impacts, replenish watersheds and minimize water use, innovate more sustainable packaging and recapture packaging materials, but know there are many challenges to overcome.

We aim to keep pushing for better – particularly with respect to our GHG emissions and packaging goals – as growth in our business has impacted our progress against these pep+ goals. We know that achieving these ambitious goals will require further investment and innovation, and we face challenges from the limitations of existing technology and regulations. However, we understand the leadership role we need to play, the infrastructure and regulatory requirements, and the partnerships and scalable technologies needed to keep building momentum and we remain focused on advancing our agenda.

# Positive Value Chain: Climate

Our world is already feeling the effects of climate change and fast, bold action is needed. At PepsiCo, we are eager to help lead the way toward net-zero. Not only because we know climate change threatens the prosperity of people and communities, but also, because it challenges the long-term sustainability of companies like us, and the millions of jobs we collectively support.

To help mitigate these risks and adapt to new realities, it is essential for PepsiCo to build resilience to protect against climate change.

That means we need to reduce our dependence on fossil fuels, including by investing in sustainable solutions like renewable energy.

We have set an ambitious goal of achieving net-zero emissions across our entire value chain by 2040 and an interim goal to reduce absolute emissions (Scopes 1, 2 and 3) across our value chain by more than 40% by 2030, which includes a reduction of 75% in Scope 1 and 2 emissions (both goals against a 2015 baseline).

We always aim to do more to drive progress toward our climate goals, and we are focusing our climate strategy on the areas where we can have the biggest impact: manufacturing, agriculture, packaging, transportation and vending and cooling equipment.

## Our climate action strategy

### Reaching net-zero GHG emissions while increasing business resiliency



## Approach

In addition to proven approaches to reducing internal carbon emissions, we are also seeking new ways to influence reductions at the individual farmer level, as well as among large-scale suppliers, and advocating for industry-wide change.

[PepsiCo's Climate Action Strategy](#) aims to reduce more than 26 million metric tons of GHG emissions, the equivalent of taking more than five million cars off the road for a year. Informed by science, our approach is built on **mitigation** to reduce GHG emissions to decarbonize our supply chain, and **adaptation** to reduce vulnerability by incorporating climate risk into our business continuity plans.

**We know that turning the tide will take diligence and time, but we are laying the foundation by putting substantial influence and investment behind climate action and building resilience.**

We are continuing to make investments that are designed to help advance our pep+ transformation, through decarbonization and climate resilience in our operations and value chain, among other ambitions. In 2022, we completed our second [Green Bond](#) issuance, with a 10-year, \$1.25 billion<sup>1</sup> senior notes offering. In addition to investments in regenerative agriculture, pursuing net water positive impact, circular economy and virgin plastic waste reduction, net proceeds are being allocated to investments in decarbonization and climate resilience within our operations and value chain. These include, for example, sustainable energy

generation using solar installations and other means, greener buildings that receive third-party verifications, energy efficiency efforts and/or reducing GHG emissions at facilities, upgrading of vending and cooling equipment and the expansion of cleaner transportation, such as electric fleet vehicles. In 2022, we continued growing our industry-leading electric fleet by taking delivery of the first-ever Tesla Semis, and deploying electric trucks from several other manufacturers.



We aim to drive fundamental change by working toward our net-zero emissions goal and catalyzing industry-wide impact. We are developing and supporting solutions to decarbonize operations across our value chain, including a range of initiatives to increase zero- and near-zero emissions delivery vehicles for our company-owned fleets, improve energy-use efficiency and scale renewable fuel solutions at manufacturing sites. We aim to achieve 100% renewable electricity in our operations by 2030 and in all our franchise and third-party operations by 2040.<sup>2</sup>

We have launched innovative programs that hold the potential to become templates for decarbonizing operations. Where effective, they can be replicated at other PepsiCo facilities and become the building blocks for scaling impact.

- In 2022, we continued to work toward our goal of 100% renewable electricity in our direct operations, and approximately 65% of our global electricity needs were met by renewable sources.<sup>3</sup>
- Our Frito-Lay facility in Modesto, California – one of the largest in the U.S. – is a role model for decarbonizing in one of the most challenging sectors: transportation. A major hub for delivery trucks, the plant is home to half of PepsiCo's new Tesla semi-trucks. To date, it has cut GHG emissions by 91% at its transportation center since 2019 through its transformation into a first-of-its-kind showcase of large-scale commercialization of [near-zero and zero emission technologies](#) in manufacturing, warehousing and distribution. It is the first Frito-Lay manufacturing facility to implement site-wide alternative fuel vehicles, on-site renewable energy generation, energy storage equipment and employee electric vehicle charging stations.

- In 2022, we completed installation of a biogas pilot project at one of our facilities in China that collects organic waste such as potato peels and sludge from the wastewater treatment station and transfers it to an anaerobic tank to produce biogas. The biogas is used to generate electricity for production, and the residue can be repurposed as organic fertilizer on potato farms, a contribution to both our pep+ agriculture and climate goals. The pilot is designed to generate approximately 2.4 million kilowatts of electricity per year and will reduce GHG emissions by around 1,400 metric tons per year.

- At a facility in the Netherlands, we have made initial investments to adopt a renewable electricity system and [phase out the use of natural gas](#). This is expected to replace 4.5 million cubic meters of gas annually, saving 8,500 metric tons of GHG emissions. The Volt system turns electricity from nearby solar and wind farms into heat, and includes a heat storage and transfer system to circulate the thermal oil that powers the fryers to make Lay's and Cheetos.

**We believe that effectively addressing climate change requires action throughout the value chain.**

The biggest challenge in our journey to net-zero emissions is reducing Scope 3 emissions, which accounted for 93% of our global GHG emissions in 2022. Scope 3 emissions increased by 7% from a 2015 baseline, largely due to business growth. Our emissions intensity (calculated as million metric tons GHG emissions per \$ billion net revenue) was 0.71 in 2022,

<sup>1</sup> PepsiCo's 2022 Green Bond Framework defines eligible project categories as circular economy and virgin plastic waste reduction; decarbonization and climate resilience within our operations and value chain; pursuing net positive water impact; and regenerative agriculture.

<sup>2</sup> To achieve 100% renewable electricity, PepsiCo has targeted a diversified portfolio of solutions. These include Power Purchase Agreements (PPAs), which finance the development of new renewable electricity projects such as solar and wind farms, as well as energy attribute certificates (EACs), known as renewable energy certificates (RECs) in the U.S., from existing wind or solar farms, which are credits certified by independent third-parties that support existing electricity generation from renewable sources.

<sup>3</sup> The goal is being accomplished using a diversified portfolio of solutions, including RECs. Results reflect exclusion of Be & Cheery portfolio. Decrease from prior year is primarily due to the unavailability of renewable energy certificates in Russia.

## Positive Value Chain: Climate

down from 0.93 in 2015, reflecting net revenue growth that has outpaced our emissions increase, but work remains to reduce the linkage between business and emissions growth.

We expect all our value chain partners – including suppliers, contract manufacturers and franchise bottlers – to set science-based climate targets, and we are supporting them in this transition. In 2022, we hosted our first value-chain-wide global pep+ Sustainability Summit, bringing together suppliers to contribute to climate targets with four expectations:

1. Report Scope 1 & 2 emissions to us by the end of 2023;
2. Set, or commit to setting, a Science-Based Target (SBT) by the end of 2023;
3. Convert PepsiCo's portion of electrical load to renewable electricity, where available, by the end of 2023; and
4. For agricultural suppliers, collaborate with us to develop an action plan for sustainable ingredients and to build regenerative agriculture acres by the end 2023.

Urgent action to achieve net-zero emissions also requires working with strategic partners. We partnered with Schneider Electric in early 2022 to [launch pep+ REnew](#), a new educational program designed to accelerate the adoption of renewable electricity in our supply chain. REnew educates supply chain partners on available procurement options and helps them to successfully and efficiently transition to renewable electricity by, for example, buying renewable electricity credits or entering into a power purchase agreement (PPA) for a solar or wind farm. PepsiCo is currently assembling an inaugural cohort to provide resources and guidance on joining and executing an aggregate

PPA – a buying tool that allows multiple partners to jointly invest in a renewable electricity project.

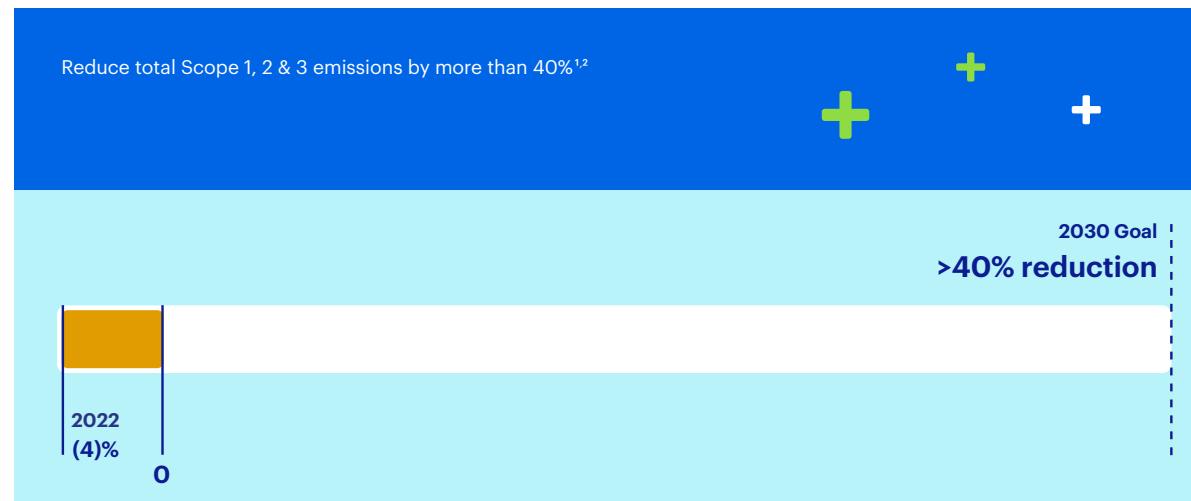
In addition, through our demonstration farms and other investments, we work with our farmers and supply chain partners to scale regenerative [agriculture](#) practices that sequester carbon and reduce GHG emissions across seven million acres of land used across the world to grow our crops and ingredients for our products.

## Goals & progress

At the end of 2022 – just over one year since launching pep+ – we have made significant investments, piloted or adopted innovative technologies, launched groundbreaking programs and entered into strategic partnerships to reduce emissions throughout our value chain. While we did improve our GHG intensity, our 2022 emissions were up against baseline due to strong business growth since 2015. In 2022, PepsiCo's total GHG emissions across Scopes 1, 2 and 3 were approximately 61 million<sup>1</sup> metric tons, which represents a 4% increase from our 2015 baseline. We have not yet made progress in line with our ambitions but we remain focused on achieving our goals.

**Achieve net-zero emissions across our value chain by 2040.**

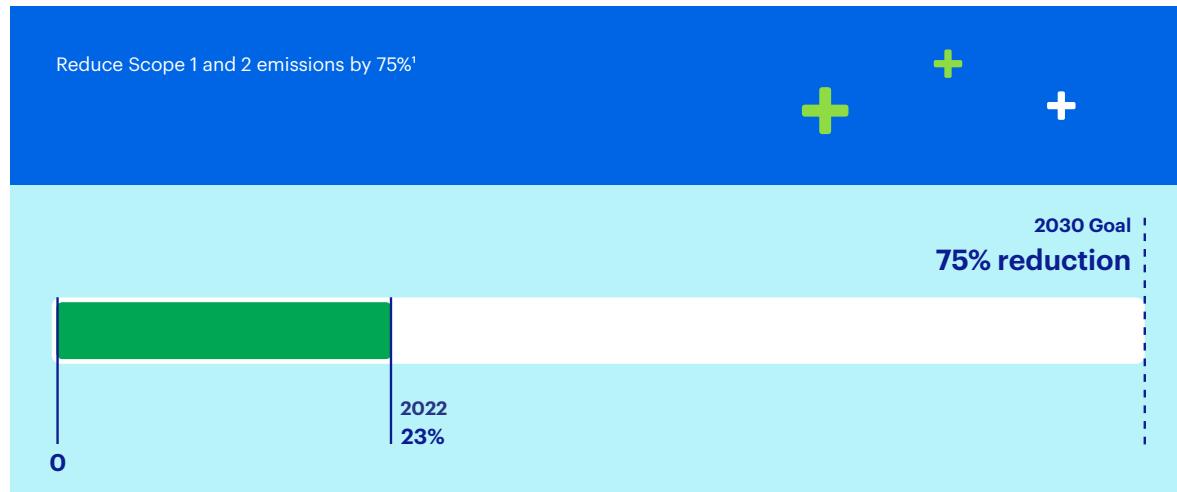
### GHG emissions reduction goal



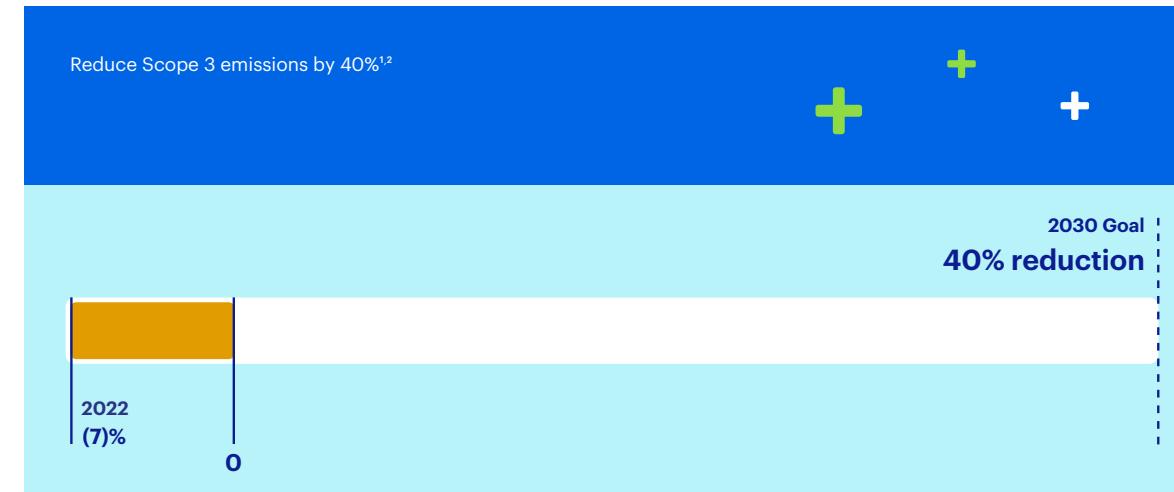
<sup>1</sup> Measured versus a 2015 baseline. In 2022, we remeasured the 2015 baseline to reflect the divestiture of Tropicana, enhancements in our calculation methodology and the inclusion of additional data.

<sup>2</sup> Where 2022 actual data was not available, estimated 2022 data was used. 2022 Scope 3 progress impacted by increased packaging use, transportation, third-party manufacturing and other purchased goods due to business growth.

**Scope 1 and 2 emissions reduction goal**



**Scope 3 emissions reduction goal**



**Explore Climate topics in more depth**

PepsiCo's [ESG Topics A-Z](#) provides detail on strategy, data, policy, progress and more on a wide range of subjects.

[Climate change →](#)  
[Renewable energy →](#)  
[Fleet decarbonization →](#)

[Read stories about Climate initiatives at PepsiCo →](#)

<sup>1</sup> Measured versus a 2015 baseline. In 2022, we remeasured the 2015 baseline to reflect the divestiture of Tropicana, enhancements in our calculation methodology and the inclusion of additional data.

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# Positive Value Chain: Water



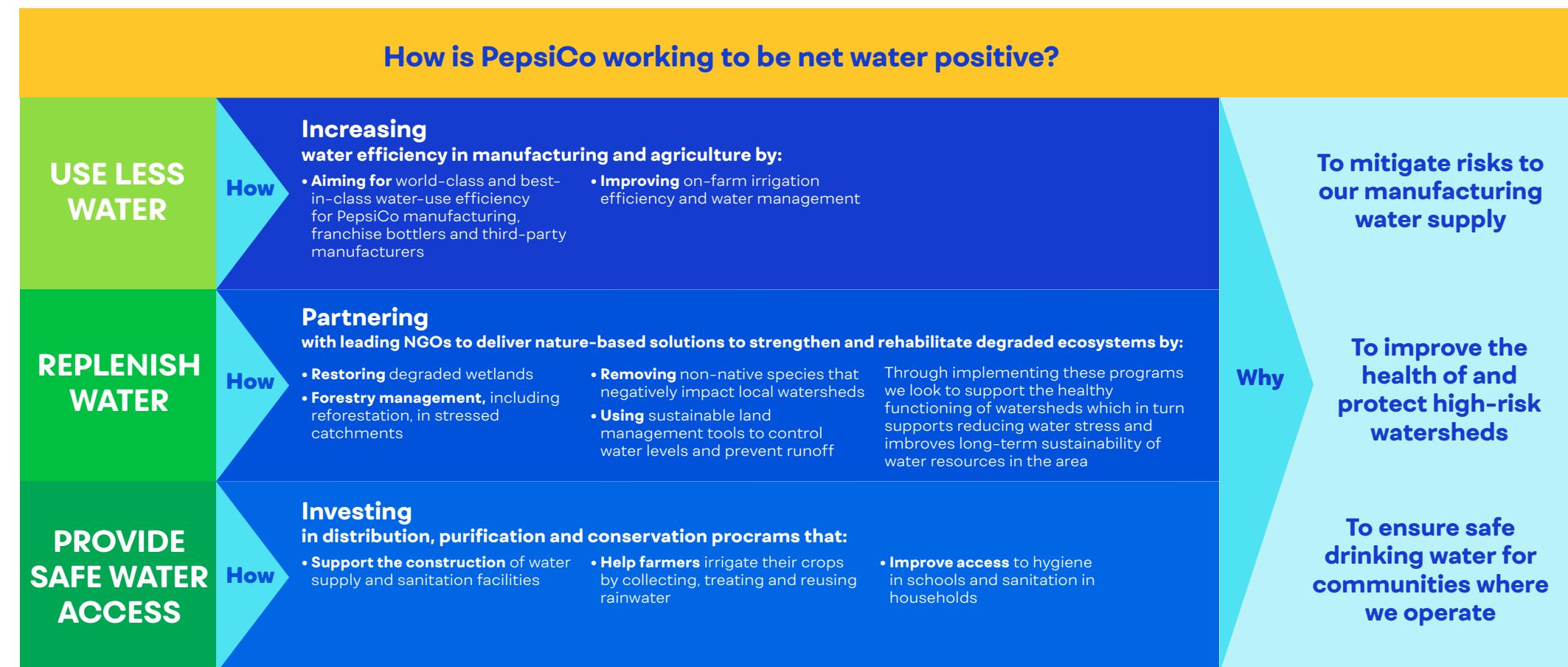
**Water is a precious resource, and we are working to make every drop we use go as far as possible and to strengthen local watersheds wherever we operate.**

Not only does water scarcity threaten PepsiCo's ability to source ingredients and manufacture our products, it also has serious implications for the environment and the farmers and communities in our value chain.

Pressure on the world's water supply continues to grow and is exacerbated by climate change, drought, water pollution and growing demand. According to [World Wildlife Fund \(WWF\)](#), only 3% of the world's water is freshwater, and over two-thirds of that is frozen in glaciers or otherwise unavailable.

We are working to become net water positive by 2030. This means achieving best-in-class<sup>1</sup> water-use efficiency in 100% of high water-risk PepsiCo and third-party manufacturing facilities and world-class<sup>1</sup> water-use efficiency in all other PepsiCo and third-party manufacturing facilities; improving the health of high water-risk watersheds where we directly source our crops including an improvement in water-use efficiency; replenishing more water than we use from local watersheds; and delivering safe water access to those who need it most. Our vision is that, wherever in the world we operate, water resources will be in a better state because of our presence.

## Our path to net water positive



<sup>1</sup> Best-in-class water-use efficiency for beverage facilities is defined as 1.2 liters of water (or less) per liter of beverage production. Best-in-class water-use efficiency for convenient foods facilities is defined as 0.4 liters of water (or less) per kg of convenient foods production. World-class water-use efficiency for beverage facilities is defined as 1.4 liters of water (or less) per liter of beverage production. World-class water-use efficiency for convenient foods facilities is defined as 4.4 liters of water (or less) per kg of convenient foods production.

## Approach

Our long-term water strategy aims to achieve sustainable water security for our business, natural ecosystems and local communities that depend on an accessible and reliable supply of clean, safe water.

Our net water positive ambition is to use water as efficiently as possible across our manufacturing operations and agriculture practices, replenish local watersheds by returning more than 100% of the water we use and deliver safe water access to those who need it most.

In support of our goal of being net water positive in 100% of high water-risk company-owned and third-party manufacturing facilities by 2030, we are driving progress and accountability on water-use efficiency in our own operations. We are scaling the installation of new water-efficient manufacturing processes and investment in technologies to make our operations among the most water-efficient in the world.

To reduce our freshwater consumption, we are piloting innovative water treatment technology in high water-stress areas to use as models for other PepsiCo sites around the world.

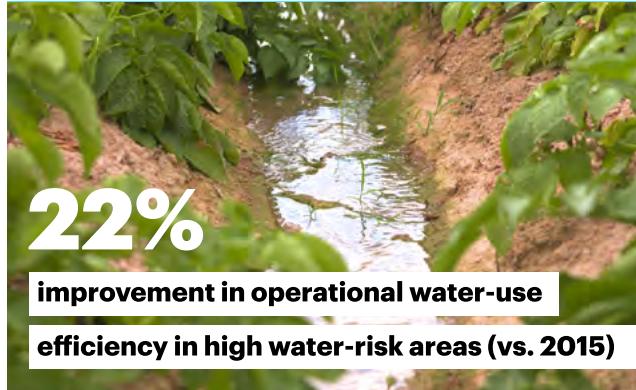
- **Vallejo, Mexico facility:** At one of our largest foods manufacturing facilities in the world, PepsiCo has created its first truly circular water system. For more than 200 days in 2022, Vallejo achieved zero freshwater consumption (zero liter/kg), drawing zero water from the conventional supply during this period. By installing water-use efficiency technology to recycle water on-site, including a filtration and reverse osmosis system, low-water cooking processes and rainwater harvesting, and treating and reusing processed water from other nearby companies within our catchment areas, Vallejo has increased its water-use efficiency by 85% (compared to a 2015 baseline).

- **Funza, Colombia facility:** For more than 200 days in 2022, this site operated using zero freshwater, with no burden on local municipalities, by capturing rainwater for use in its operations.

- **Kolkata, India facility:** The average potato is made up of about 80% water. At our Kolkata plant, we developed a way to give the water naturally occurring in the potatoes a purpose by capturing it and cleaning it to safe drinking standards instead of letting it evaporate off as steam during cooking. The technology can recover more than 50% of the water used in the potato chip cooking process. Early results show the process can save each facility up to 60 million liters of water per year. PepsiCo has the potential to scale this application, where regulations permit, at up to 30 high water-risk areas by 2030.

We continue to expand internal partnership initiatives such as our Resource Conservation (ReCon) program, through which PepsiCo facilities across the globe work together to identify and share best practices in operational water-use efficiency. We are also making progress toward our goal of 100% adoption of the Alliance for Water Stewardship (AWS) Standard in high water-risk manufacturing areas by 2025. We have made strong progress over the year doubling the number of facilities implementing the AWS Standard driven largely by our high water-risk facilities in Africa, Middle East and South Asia (AMESA) and PepsiCo Beverages North America (PBNA). In addition, eight facilities in the PepsiCo AMESA sector completed adoption in 2022.

We believe the best way to tackle water stress at the watershed level is to engage all stakeholders and, through collective action, work toward a common goal of improving water governance and conservation. Our approach is to understand the water challenges at the local level and support collaborative solutions that drive equity and address the specific needs of each watershed.



**22%**  
improvement in operational water-use  
efficiency in high water-risk areas (vs. 2015)



**200+ days**  
operating our plants with zero freshwater

use in 2022 in Vallejo, MX & Funza, CO

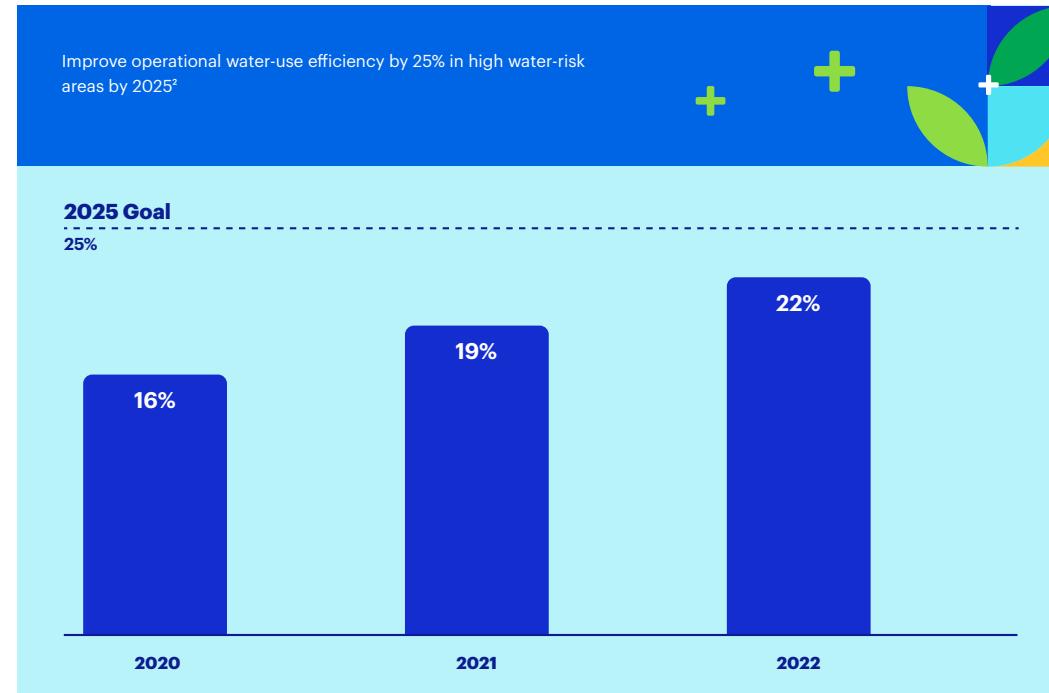
- In South Africa, PepsiCo has established a partnership with WWF to support watershed conservation in four of the country's 22 strategic water sourcing areas. Programmatic activity under this partnership includes landscape management interventions such as the clearing of invasive alien trees, the restoration of grasslands and improved agricultural practices, which has created economic opportunities and improved local livelihoods.

Learn more about our efforts to advocate for and contribute to a [measurable improvement in water-use efficiency of farmers](#) in high water-risk watersheds where we directly source our crops and our work to [deliver safe water access to 100 million people by 2030](#).

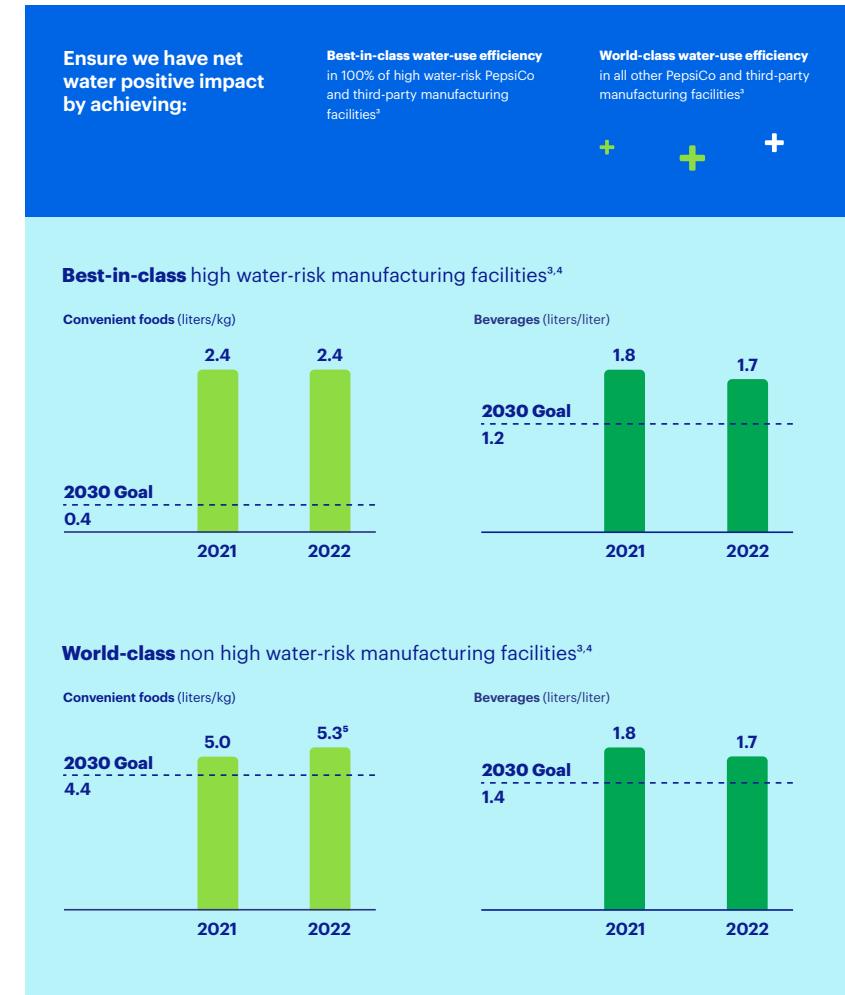
## Goals & progress

Water stewardship has long been one of PepsiCo's top priorities. In 2022, we recorded a 22% improvement in our water-use efficiency rate in our high water-risk locations when compared to our 2015 baseline; replenished approximately 45%<sup>1</sup> of the water used in our company-owned manufacturing facilities in high-risk watersheds, or approximately 8.7 billion liters of water; and at the end of 2022, we had 61 facilities in the process of adopting, and eight facilities that completed adoption of the AWS Standard.

### 2025 Operational water-use efficiency goal



### 2030 Operational water-use efficiency goals



<sup>1</sup> We continue to measure progress against our original 2025 goal and our extended 2030 goal. Third-party manufacturers are not yet included in our 2030 goal progress, but will be included in future calculations. In 2022, an updated water risk assessment identified additional company-owned high water-risk facilities, which are in-scope for calculating progress against our 2030 goal only. Excluding these additional company-owned facilities' water usage, we replenished 52% of water used in high water-risk facilities in 2022, representing progress against our original 2025 goal. See Calculation methodology for detail on how we measure progress against our pep+ goals.

<sup>2</sup> 25% improvement goal measured versus a 2015 baseline; high water-risk locations defined by World Resources Institute's Aqueduct tool. In 2022, we remeasured the 2015 baseline and prior results to reflect the divestiture of Tropicana.

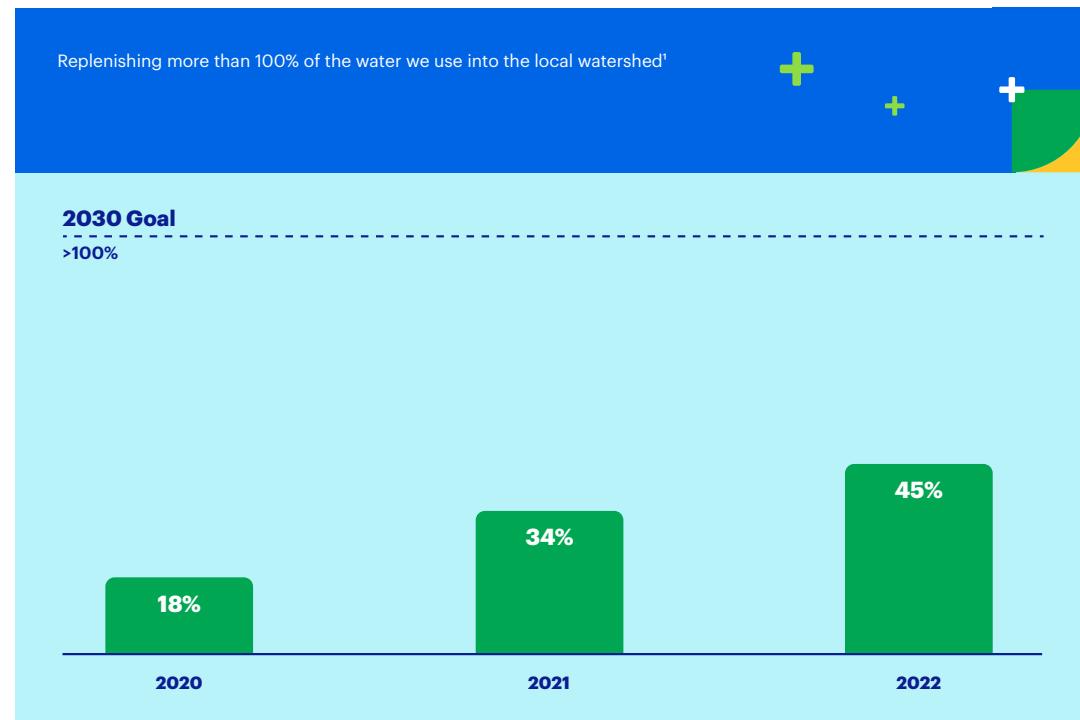
<sup>3</sup> Best-in-class water-use efficiency for beverage facilities is defined as 1.2 liters of water (or less) per liter of beverage production. Best-in-class water-use efficiency for convenient foods facilities is defined as 0.4 liters of water (or less) per kg of convenient foods production. World-class water-use efficiency for beverage facilities is defined as 1.4 liters of water (or less) per liter of beverage production. World-class water-use efficiency for convenient foods facilities is defined as 4.4 liters of water (or less) per kg of convenient foods production.

<sup>4</sup> World Resource Institute's Aqueduct water stress assessment tool is used to reconfirm high water-risk areas every three years. Results reflect the exclusion of third-party facilities.

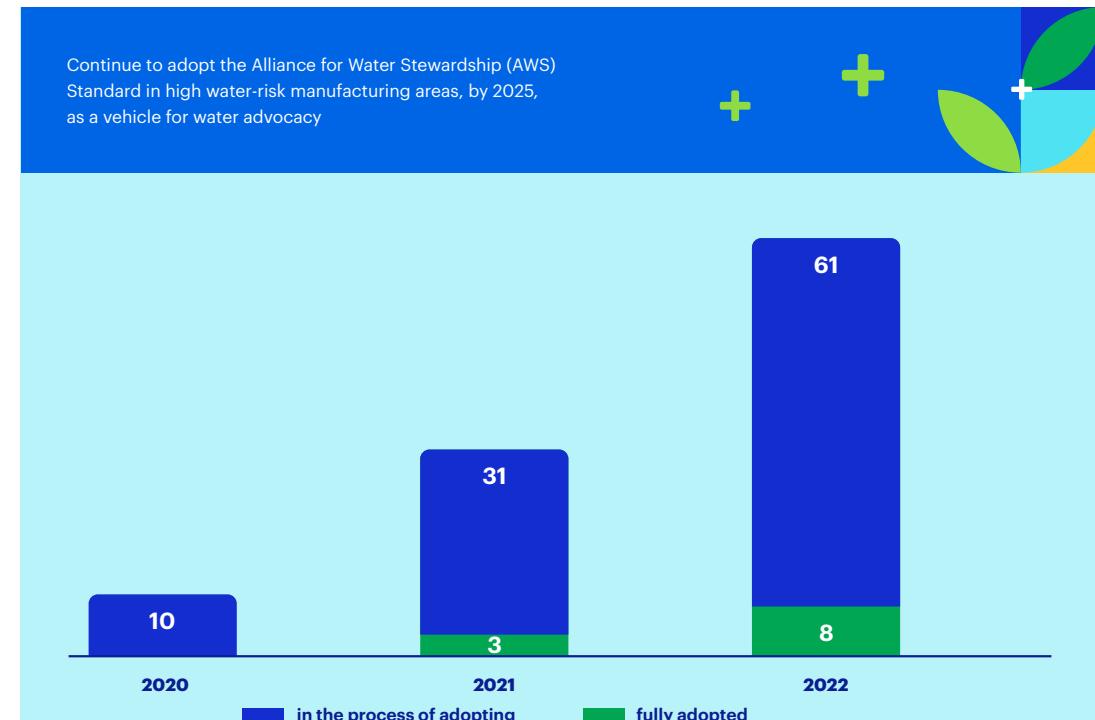
<sup>5</sup> 2022 results reflect reclassification of several non high-water risk facilities as well as the adverse impact of year-over-year change in production output.

## Positive Value Chain: Water

### Local watershed replenishment goal



### Water Stewardship Standard goal



### Explore Water topics in more depth

PepsiCo's [ESG Topics A-Z](#) provides detail on strategy, data, policy, progress and more on a wide range of subjects.

[Water →](#)

[Agriculture →](#)

[Human rights →](#)

[Read stories about Water initiatives at PepsiCo →](#)

<sup>1</sup>We continue to measure progress against our original 2025 goal and our extended 2030 goal. Third-party manufacturers are not yet included in our 2030 goal progress, but will be included in future calculations. In 2022, an updated water risk assessment identified additional company-owned high water-risk facilities, which are in-scope for calculating progress against our 2030 goal only. Excluding these additional company-owned facilities' water usage, we replenished 52% of water used in high water-risk facilities in 2022, representing progress against our original 2025 goal. See Calculation methodology for detail on how we measure progress against our pep+ goals.

# Positive Value Chain: Packaging



## PepsiCo envisions a world where packaging never becomes waste.

At PepsiCo, we design our packaging materials to balance several critical criteria, including compliance with food safety regulations, maintaining freshness and quality of the product, environmental sustainability, affordability and consumer preferences, including convenience.

That said, we recognize that packaging waste, when disposed of improperly, is a global problem and we know there is a significant role we can – and must – play to help address this challenge.

Our three-pronged strategy includes **reinventing** our packaging to use new renewable materials along with low- or no- packaging formats and scaling reusable models, **reducing** the amount of packaging we use, and driving **recycling** and a circular economy for recycled materials.

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. These efforts also advance our goal to reduce GHG emissions across our value chain by more than 40% by the end of this decade.

As we look to achieve our ambitious packaging goals, we plan to take additional mitigating actions to reduce virgin plastic use. In 2022, our results did not reflect the intentions we have. We have more challenges to overcome to address

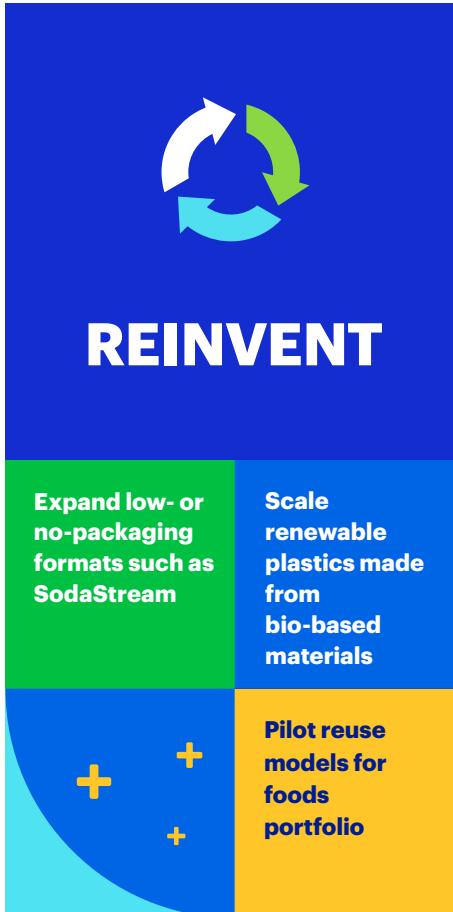
packaging usage and those challenges are significant and complex. We believe we have the right strategy to address those within our value chain and seek to make the investments needed to deliver progress. However, regardless of our intentions, our actions alone will not be enough.

Unfortunately, there is no single solution that alone can solve the systemic challenges and diverse global dynamics that have the potential to enable success but, at this time, are contributing barriers to progress.

We are committed to working together with partners across the value chain to find scalable solutions – those that are economically viable, meet quality and safety standards, appeal to consumers and work within industry systems – such as innovative packaging designs, aligned policy principles and improved recycling infrastructure, that will help us achieve our sustainable packaging goals.

## Our sustainable packaging vision

How we are working toward our vision of a world where packaging never becomes waste



## Approach

PepsiCo aims to create a circular economy for packaging, which requires a concerted effort of partnering with policymakers, NGOs, food and beverage industry participants, scientists, producer responsibility organizations, investors, trade associations, materials recovery facilities, waste collectors and consumers, among others.

We work closely with partners to promote sustainable practices and accelerate innovation throughout the packaging value chain. We are reinventing the packaging materials we use to reduce our environmental impact. Our efforts focus primarily on using packaging materials that are recyclable, compostable, biodegradable, or reusable (RCBR) not

only by design but also taking into account end-of-life management, incorporating recycled content into our plastic packaging, and developing renewable alternatives to fossil-fuel-based materials, including plant-based plastics.

As we work to achieve our goals, we are also supporting the development of collection, sortation and recycling infrastructure to process the materials we put in market and we are working to help increase consumer education and acceptance; however, challenges remain.

The lack of sufficient collection, sortation and waste management infrastructure and well-designed policies to support the development of a more circular plastics

supply chain through recycling, composting and reuse, as well as varying consumer behavior across markets are some of the key challenges we face in making progress on achieving a packaging portfolio that is fully RCBR.

In order to address these current global infrastructure and other challenges, we are leveraging partnerships to identify solutions across the value chain and advocate for smart policies.

In support of our goal to invest to increase recycling rates in key markets, PepsiCo collaborates with organizations globally. We do this through multi-stakeholder partnership platforms such as the Consumer Goods Forum (CGF) Plastic Waste Coalition of Action, the World Economic Forum (WEF), the Ellen MacArthur Foundation (EMF) and The Recycling Partnership (TRP). These pre-competitive collaborations focus on aligning global standards and practices and advocating policies and regulations that properly incentivize circular solutions.

Through our partnerships with several consortia, we cofounded the [Composting Consortium](#) in 2022. The group is managed by the investment firm Closed Loop Partners (CLP) and aims to define best practices across the compostable packaging value chain, test various composting technologies, identify enabling environment factors that support the industry's development and outline the business case for greater investment in this emerging space.

In 2022, we committed [\\$35 million](#) to help create the [Closed Loop Local Recycling Fund](#) to advance new small-scale, modular recycling systems in U.S. communities. We are also a founding member of the [Closed Loop Infrastructure Fund](#) and have invested in the [Closed Loop Beverage Fund](#) through [American Beverage Association's Every Bottle Back Initiative](#).

Alongside industry peers, in 2023, we invested in [Circular Services](#), a developer launched by CLP and Brookfield Renewable, whose goal is to build recycling facilities that will enable U.S. cities to abandon the costly practice of dumping waste in landfills by ensuring that valuable commodities are recycled and reused in domestic supply chains. Since 2018, PepsiCo and PepsiCo Foundation have committed to invest more than \$100 million in global recycling partnership initiatives to help elevate recycling rates and waste collection.



**We are reinventing our packaging materials and solutions to be **recyclable, compostable, biodegradable, or reusable** by design**

### Off The Eaten Path

Commercially compostable chip bags that can be mailed back and composted through TerraCycle

### Label-free PET bottle

Label-free PET bottle successfully launched in Korea in 2021 and China in 2022

### 7Up Zero Sugar

Transitioned from green to clear plastic in 12+ international markets

## Positive Value Chain: Packaging

In addition to investments in recycling, we have taken steps to light-weight bottles, reduce film thickness, minimize packaging materials, incorporate recycled content and bio-based materials and transition from plastic to alternative materials such as paper.

To further our recycled content objectives, we:

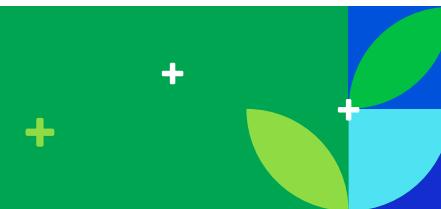
- In 2022, entered into an agreement with Eastman to supply us with recycled polyethylene terephthalate (rPET) made from non-bottle feedstock that would otherwise go to landfill, including volume that will come from a new plant that Eastman will build in the next few years which, once online, is expected to have an annual output capacity of more than 150,000 tons of rPET.
- Made progress on transitioning to rPET bottles across several markets:
  - Through advocacy and partnerships, in 2022, PepsiCo AMESA launched multiple brands, such as Aquafina and Pepsi, in rPET across six markets (South Africa, Bangladesh, Pakistan, Egypt, Kuwait and Qatar), with plans to expand modestly in 2023.
  - In 13 European markets, key Pepsi-branded<sup>1</sup> products have transitioned to 100% rPET bottles.

plastic and glass bottle offerings in partnership with PepsiCo bottlers; expanding reusable cups for our growing fountain drinks business; and accelerating growth in powders and concentrates. We currently offer beverages in reusable or returnable containers in more than 80 markets around the world.

We joined four pre-competitive industry working groups to accelerate learnings on scaling and measuring reuse in packaging: the Ellen MacArthur Foundation's Scaling Reusable Packaging project; World Economic Forum's Consumers Beyond Waste initiative; CLP NextGen Cup Consortium; and the Consumer Goods Forum Reuse/Refill Workstream.

Aligned with the Ellen MacArthur Foundation's [Reuse – Rethinking Packaging](#) framework, our four-part strategy to achieve this goal includes expanding our SodaStream business at home and in workplaces through SodaStream Professional; building out our refillable

**Set new global packaging goal to deliver  
20% of all beverage servings we sell  
through reusable models by 2030.**



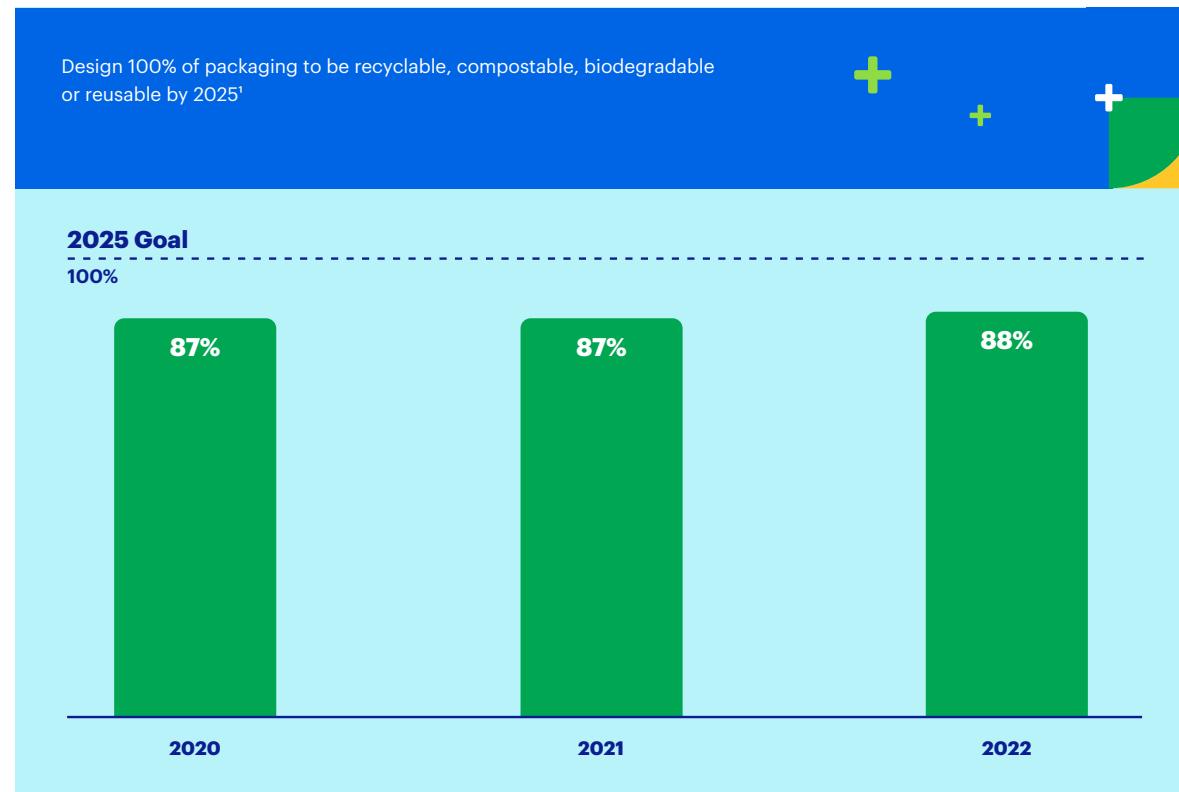
<sup>1</sup>Includes Pepsi, Pepsi MAX, Pepsi MAX Lime, Pepsi MAX without caffeine, Pepsi Light, Pepsi Light without caffeine.

## Goals & progress

Greater than anticipated business growth, as well as external factors such as the limited availability and high cost of recycled content, and a need for regulatory unlocks in some markets, contributed to a 2% increase in virgin plastic use per serving and an 11% increase in our absolute plastics tonnage compared to baseline.

We remain focused on the targets we have set and aim to continue making the decisions and new investments needed to help accelerate our efforts. We will take the lessons learned this year to inform our strategy so that as our business grows, we do so sustainably.

### Recyclable, compostable, biodegradable or reusable goal



### Recycling rate goal

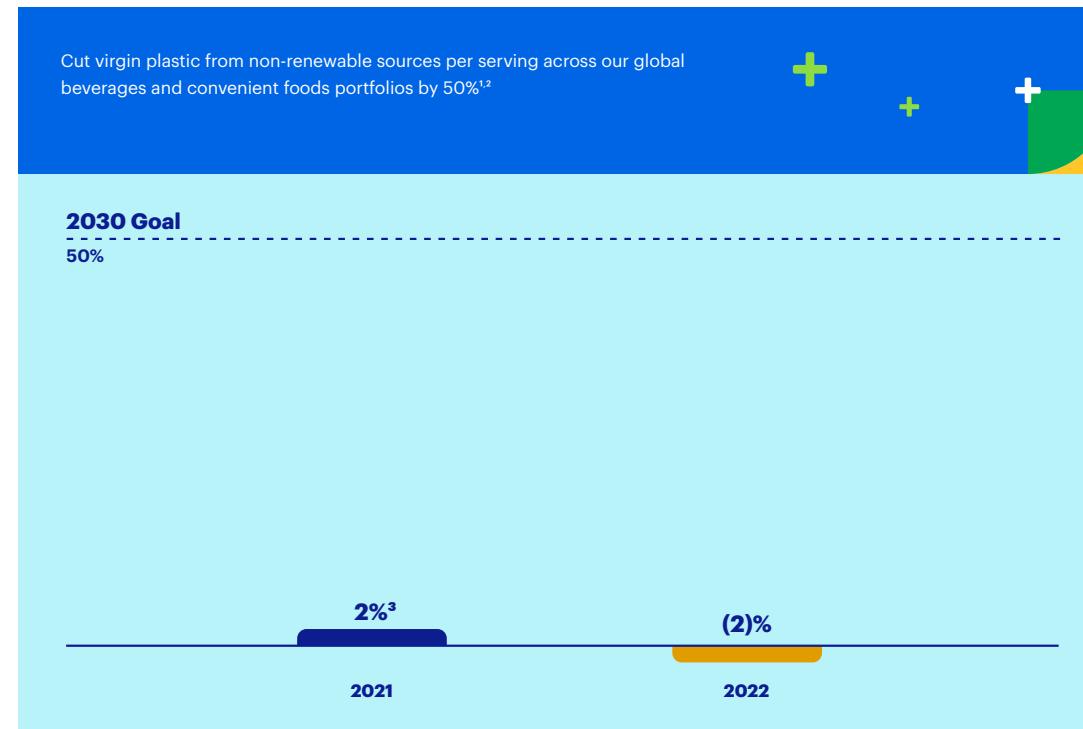


<sup>1</sup>PepsiCo considers packaging to be recyclable, compostable, biodegradable or reusable (RCBR) if certain end-of-life waste management criteria is achieved. See "Calculation methodology" in our ESG Topics A-Z for an explanation of how we calculate the percentage of our packaging that is RCBR. Goal expanded in 2021 to include reusable packaging, updated metric not measured in prior years.

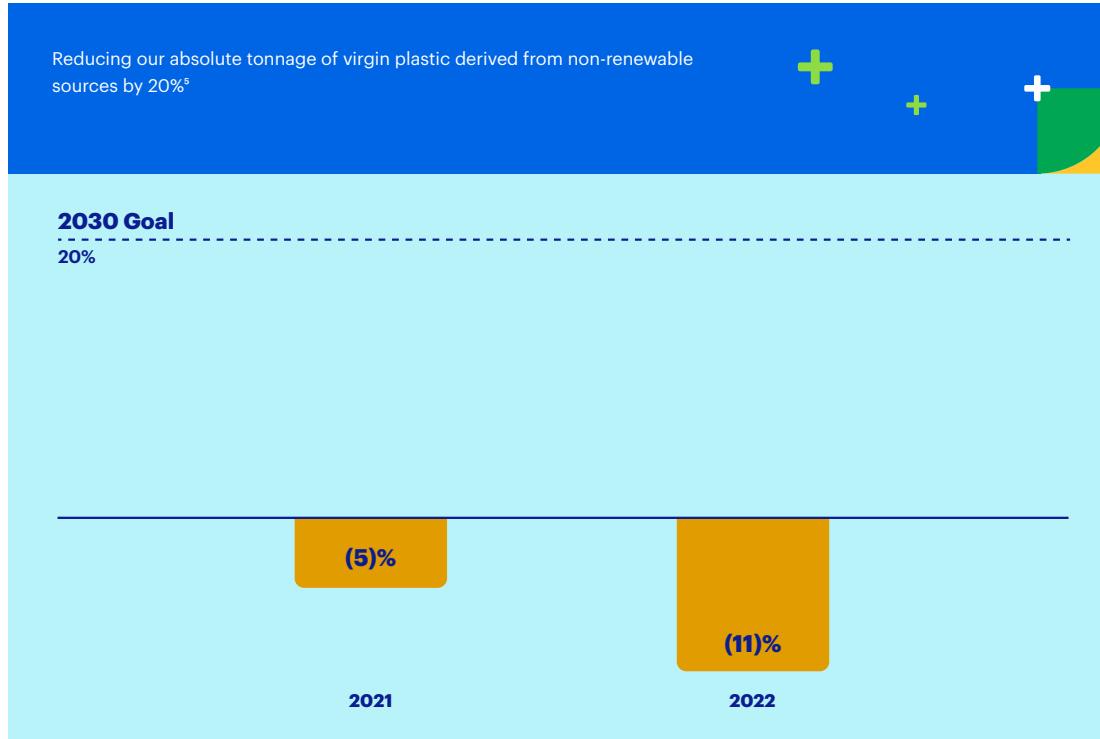
<sup>2</sup>Further information on our partnerships, including with Closed Loop Partners, the Alliance to End Plastic Waste and Circulate Capital, can be found on the Packaging page in our ESG Topics A-Z.

## Positive Value Chain: Packaging

### Per serving non-renewable virgin plastic reduction goal



### Absolute non-renewable virgin plastic reduction goal



### Scaling new business models goal



### Alternative materials goal



<sup>1</sup> Measured versus a 2020 baseline.

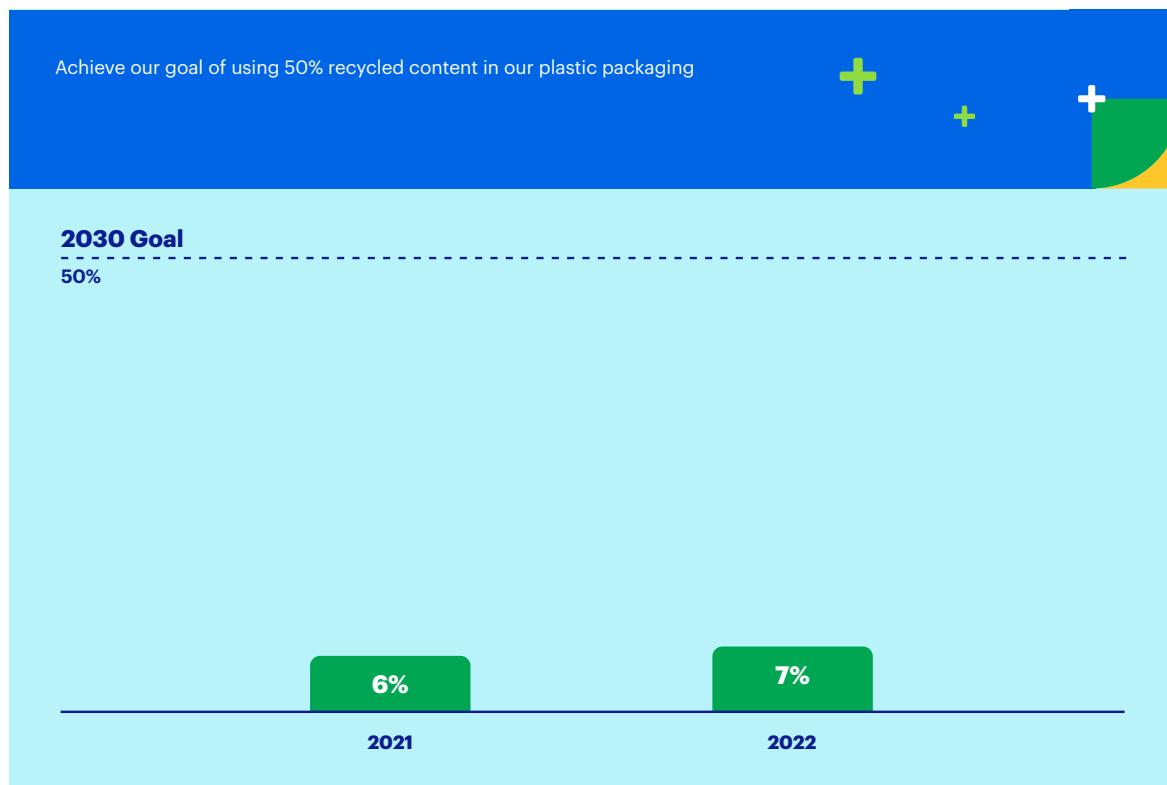
<sup>2</sup> We remeasured the 2020 baseline to reflect the divestiture of Tropicana and to include additional data.

<sup>3</sup> In 2022, we restated 2021 results due to remeasurement of 2020 baseline.

<sup>4</sup> Our total beverage servings account for all beverage sales volume. Reuse models include, but are not limited to, SodaStream, SodaStream Professional, fountain beverages, returnable glass and plastic bottles, and concentrates and powders.

<sup>5</sup> Measured versus a 2020 baseline. 2022 performance impacted by increased virgin plastic use due to business growth.

### Increase recycled content goal



### Explore Packaging topics in more depth

PepsiCo's [ESG Topics A-Z](#) provides detail on strategy, data, policy, progress and more on a wide range of subjects.

[Packaging →](#)

[Green Bond →](#)

[Sustainable product design →](#)

Read stories about Packaging initiatives at  
[PepsiCo →](#)

# Positive Value Chain: People



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

Our scale and influence as a leading global company puts us in a unique position to elevate people's lives and advance principled business practices around the world. We strive to create and maintain a diverse, equitable and inclusive workplace and world and a safe environment within our company, our supply chain and our communities. This means that championing safety, dignity and human rights is foundational to the way we do business.

## Our positive impact on people

### How we are using our scale and scope to have a positive impact on people:

<b>Increased supplier diversity spend</b> From an initial spend of \$5 million in 1982 to nearly \$30 billion spent over the past 40 years across PepsiCo's entire value chain	<b>Continued to expand our development programs</b> Including our global Transformational Leadership Program, Indelible Mark, INSPIRA, Pinnacle, and She Works Wonders for Women, which gives women employees tools to fulfill their career aspirations and succeed as leaders	<b>Delivered meals around the world</b> Through our Food for Good program, PepsiCo has delivered more than 270 million meals since 2009, and to more than 47 million people since 2016 around the world	<b>Expanded One Smile at a Time</b> Our first global volunteering program, with employees volunteering more than 290,000 hours in 2022
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## Approach, 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.**

### Approach to job and volunteer growth opportunities

PepsiCo has a tradition of investing in programs and initiatives to help our approximately 315,000 employees grow and develop their careers and personal lives. We are building on that history with three programs that focus on career enhancement and community involvement.

PEP U Degreed, a PepsiCo University offering, and myeducation are programs with distinct approaches to building job skills. PEP U Degreed, an online, self-service platform launched in 2020, leverages artificial intelligence and machine learning to suggest personalized learning resources based on people's skills, interests and connections with colleagues and individual learning habits.

Launched in 2022, myeducation helps frontline and professional U.S.-based employees develop fresh skills in a classroom setting. It offers access to more than 100 flexible education and upskilling programs from reputable schools and universities – with PepsiCo covering 100% of the cost of tuition, books and fees for selected education programs. Since launch, more than 360 employees have completed a degree or a

school program, and more than 1,600 U.S.-based employees have enrolled. According to our internal data, myeducation participants are 1.5 times more likely to experience a job level change.

One Smile at a Time, PepsiCo's first global volunteer initiative, provides resources and support to encourage and empower employees to cultivate prosperity in their communities. In 2022, One Smile at a Time delivered on that aim as employees volunteered more than 290,000 hours of their time to assist local communities in more than 25 countries. In the process, we developed digital assets and issued a playbook in 16 languages to help facilitate greater engagement and support the reach of our employees in their local communities.

In 2023, we will continue to nurture engagement and empower employees to volunteer. We already stepped up activities during Global Volunteering Month in April 2023. We further plan to integrate One Smile at a Time into our Employee Resource Group programs and launch a content series to highlight employees' volunteer work and elevate the program's impact.

### 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 2022 actions include:

- Helping PepsiCo employees build and strengthen their leadership and professional skills through a variety of global training and development programs such as our PepsiCo University (PEP U) Degreed online learning platform. In 2022, employees completed over 1 million hours of training
- Launching myeducation, which will enable U.S. employees, in the frontline population and elsewhere, to upskill and re-skill by offering specific interventions and paths, all without going into debt
  - Enabling more than 360 employees to earn degrees or complete courses, including more than 60 employees who received Commercial Driver's License (CDL) certification through our tuition-free myeducation program since it began last year

### Volunteer growth goal

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

#### Our actions in 2022 included activating the One Smile at a Time program to:

- Unite the volunteer efforts of our employees across more than 25 countries to donate their time and talent to the communities where they live and work
- Make a positive impact on local communities worldwide by spending more than 290,000 hours in volunteering actions

## Approach to Racial Equality Journey managerial representation

**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.**

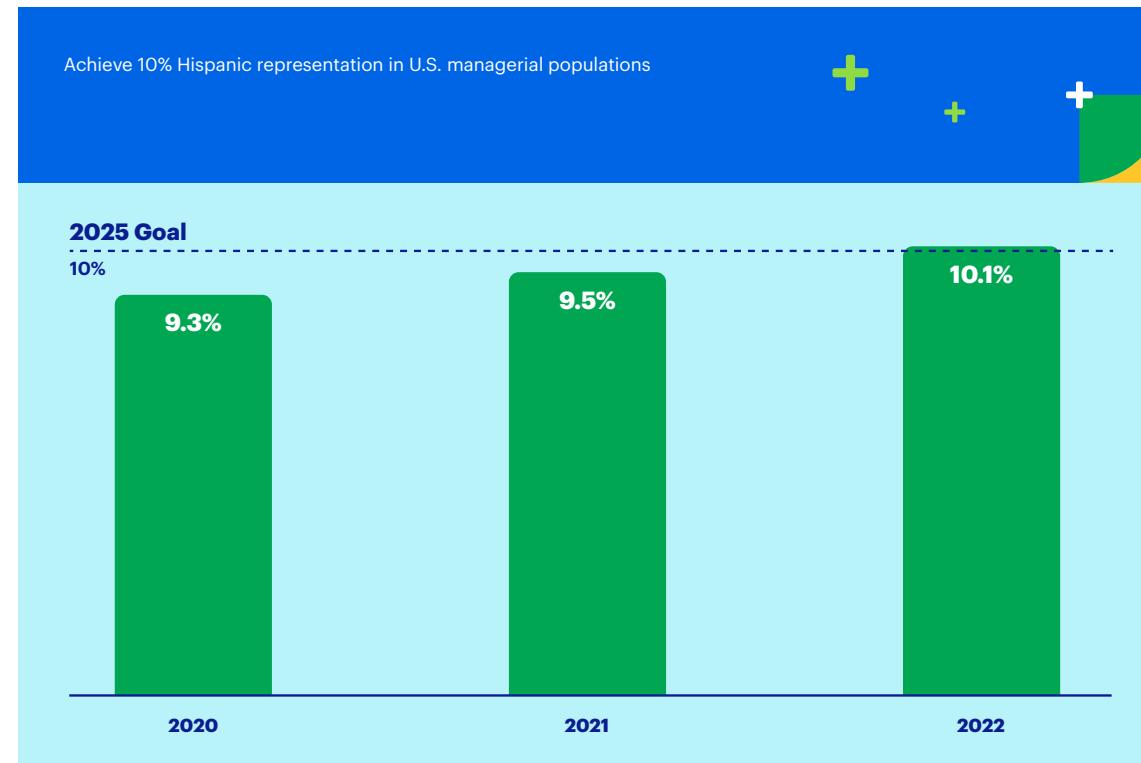
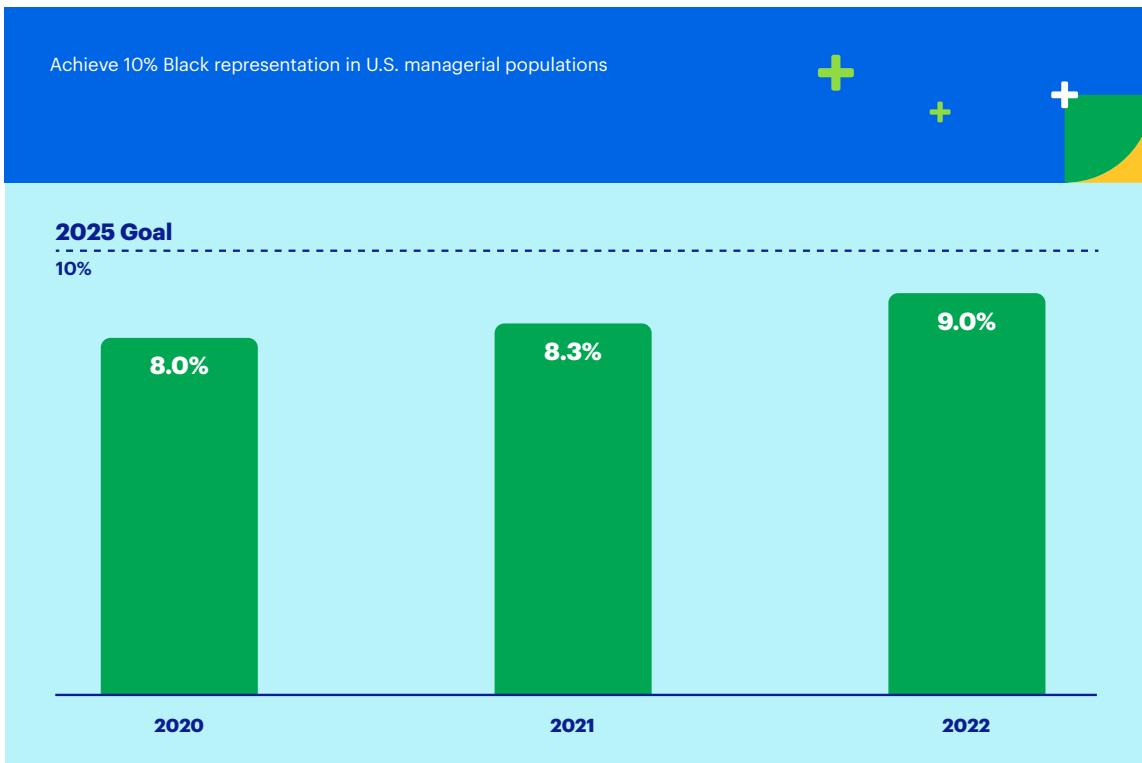
We are making progress against our U.S. Racial Equality Journey goals. In 2022, we continued monitoring data across our internal working councils for our Racial Equality Journey (REJ) to help ensure we can sustain our progress well beyond 2025. Launched in 2020, REJ is comprised of a five-year set of goals with a focus on three pillars: People, Business and Communities. Within our company, we focus on increasing the representation of Black and Hispanic employees at the manager level at PepsiCo to mirror the workforce availability in the communities where we operate. Outside our walls, we

are using our scale and influence to increase Black and Hispanic representation among our suppliers and partners. We are also striving to drive long-term change across our communities by addressing systemic barriers to economic opportunity and advancing economic empowerment for Black and Hispanic Americans.

We have continued advancing our goals with respect to Black and Hispanic representation among PepsiCo managers. Two leadership development programs

we have created for Black and Hispanic employees have helped to fuel this progress. More than 82 Black managers and more than 68 Hispanic managers, along with their direct supervisors, have completed our six-month Breakthrough Organizational Leadership Development (BOLD) program, which instills leadership skills. We also implemented mandatory Unconscious Bias and Inclusive Leadership Training for our U.S. executives; 100% of the required population completed the training.

### Racial Equality Journey managerial representation goals



## Approach to helping address inequalities

Last year marked the 40th anniversary of our Supplier Diversity program. Since 1982 when the program began, our annual volume of business with U.S.-based certified, diverse suppliers – those whose owners are Women, Black, Hispanic, Asian, LGBTQ+, Native American, Individuals with Disabilities and U.S. Veterans – has risen from \$5 million to more than \$1 billion. In furtherance of our REJ goals, we pledged to spend more than \$400 million annually with Black and Hispanic-owned suppliers – a figure we surpassed by more than \$30 million in 2022. We estimate this investment will unlock over \$600 million in Gross Domestic Product impact and employ over 6,000 people.

Now in its second year, our \$50 million Juntos Crecemos (Together We Grow) platform supports small Hispanic-owned businesses, including restaurants, bodegas and meat markets across the U.S. To date, the program has helped more than 500 enterprises with marketing and safety essentials. Pepsi Dig In, a similar-sized program to strengthen Black-owned restaurants, has provided more than \$22 million to date to Black restaurateurs since its inception in 2020.

In 2021, PepsiCo and the PepsiCo Foundation launched a two-part scholarship program to support 4,000 Black and Hispanic collegians over five years. In 2022, we expanded the program's Uplift Scholarships for students attending community colleges to 20 U.S. cities. Additionally, the S.M.I.L.E. (Success Matters in Life & Education) program provides scholarships to talented students transferring from two-year to four-year schools. Collectively, in 2022, the PepsiCo Foundation provided nearly 1,800 scholarships to students across the United States.

### Reduced inequalities goal

Continue to help address inequalities for historically marginalized people and underserved businesses and communities



#### Our actions include:

- Increasing our engagement and programs at colleges and universities to cultivate and increase hiring of diverse talent
- Tailoring our tools, resources and skill-building programs to elevate business impact, while ensuring DE&I is embedded across the talent lifecycle as we strive for equitable outcomes
- Expanding our diverse supply base across our value chain and investing in diverse-owned businesses by providing grants and business-building support services
- Continuing to benchmark ourselves across industry peers to ensure our continual progress

## Approach to women in management

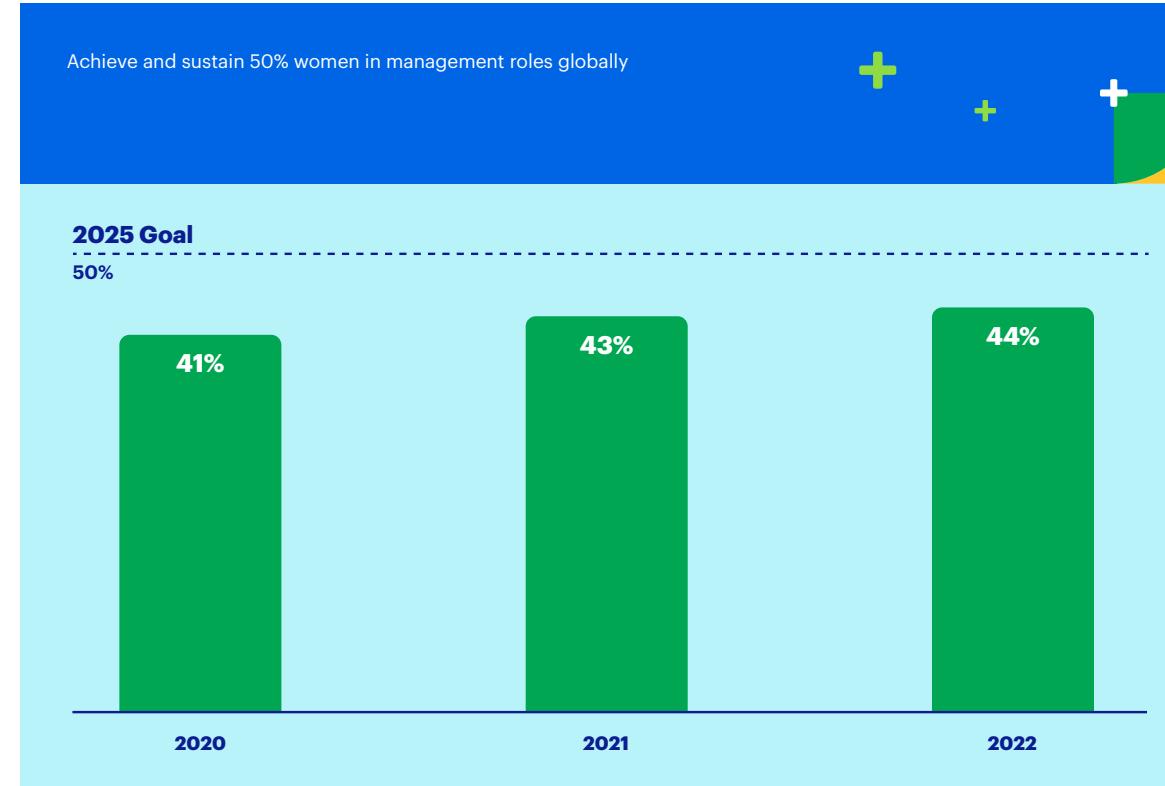
PepsiCo believes that ensuring women have equal access to hiring and advancement opportunities and strong representation in our management ranks makes us a more innovative and competitive company. We remain focused on our goal of 50% women in management roles around the world by 2025.

As part of our efforts to cultivate women's talents, we provide a range of mentoring, coaching and development programs for women at different career stages. They include our Transformational Leadership Program (TLP) for Women, a global mentoring program designed to equip women with the tools they need to elevate their business impact and achieve their professional goals within a large and complex organization.

In our Pinnacle Group program, senior sales managers teach leadership skills to top-performing women sales associates. The program was created to increase retention of PepsiCo female sales talent, while strengthening and diversifying our future leadership pipeline. The 10-year-old program has a retention rate of 70%.

In Latin America, our INSPIRA multi-year program aims to accelerate career growth for female managers and executives and establish a strong bench of women leaders. In PepsiCo AMESA, our Tamakani program has proudly empowered Saudi women since its inception. We have set out to equip women with the necessary tools, knowledge and networks to become impactful leaders. We have done so through relevant partnerships with associations dedicated to empowering women and who share our vision and values as a brand.

### Women in management goal



## Approach to pay equity

Ensuring pay equity across employee groups has been the aim of our review process since 2016. We apply a comprehensive global pay equity review process to 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.

### Pay equity goal

Achieve and sustain pay equity for our global professional population by maintaining a comprehensive global pay equity review process



Women and men continue to be paid within 1% of each other<sup>1</sup>

## Approach to our Supplier Code of Conduct

We expect that all our suppliers, vendors, contractors and consultants meet the same high standards of responsible business behavior that PepsiCo embraces – standards enumerated in our Global Supplier Code of Conduct regarding ethics, labor practices, health and safety and environmental management. PepsiCo has set a goal of extending the principles of the Global Supplier Code to all our franchisees and joint venture partners by 2025.

### Supplier Code of Conduct goal

Extend the principles of our Supplier Code of Conduct to all of our franchisees and joint ventures by 2025



#### Our actions include:

- Continuing to engage directly with our franchise and joint venture partners through our Sustainable Sourcing Program, prioritizing action on our pep+ priority areas, including our salient human rights issues

<sup>1</sup> After controlling for legitimate drivers of pay such as job level, geographic location and performance ratings; based on base compensation. 71 countries included in 2020 analysis, 72 countries included in 2021 and 2022 analysis, representing more than 99% of salaried population.

## Approach to human rights

PepsiCo is committed to respecting the fundamental human 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.

As part of this approach, we focus our efforts on our most salient human rights issues, including those that pose the greatest risk of severe negative impacts through our company's activities and business relationships. We identified six salient human rights issues during our initial assessment in 2017.

As a result of the reassessment performed in 2022, we added climate change as a salient issue due to the severe challenges it poses for human rights. We know that the physical effects of climate change impede the exercise of universal human rights – the right to food, water, sanitation and housing – and worsen inequities in living conditions across the world. We will continue to embed human rights risk management into our climate mitigation and resilience efforts to more fully address climate-related human rights impacts.

We also expanded the salient issue of vulnerable workers into a cross-cutting lens that is applied across all salient issues to help ensure that vulnerability is effectively considered in the approach for each salient issue. For instance, we have identified worker groups that are especially vulnerable to exploitation and forced-labor related impacts – migrant workers, women, young workers and temporary/contract workers – and focused our efforts on addressing the impacts most commonly faced by these groups such as bonded labor and recruitment fees. PepsiCo

is collaborating with other global brands to advocate for fair pay, conditions and protections for workers throughout our value chain.

Additionally, we use a risk-based human rights due diligence approach as part of our [Sustainable Sourcing Program](#), which encourages our business-critical, first-tier ingredient suppliers to adhere to sustainable sourcing practices and apply these principles across their respective supply chains. This approach aims to mitigate adverse impacts on the workers throughout our supply chain and prioritize areas where the risks to rights holders are highest. The process monitors and assesses potential impacts, integrates findings into our internal systems, remediates impacts and tracks the effectiveness of our actions.

### Human rights goal

Promote fair and safe working conditions for all by advancing respect for human rights everywhere we operate and throughout our business activities<sup>1</sup>



#### Our actions include:

- Completing a formal reassessment of our salient human rights issues to determine whether certain issues have become higher priorities over time and to establish new action plans
- Updating our Global Human Rights Policy to ensure alignment with stakeholder feedback, emerging regulatory developments and internationally-recognized best practices, as well as publishing our Human Rights Defenders (HRDs) Statement outlining our commitment to respect the rights of HRDs throughout our value chain
- Adding climate change to the list of salient human rights issues PepsiCo faces and reframing other issues, including fair pay and working conditions and forced labor, in light of last year's assessment

<sup>1</sup>In late 2021, we initiated a strategic review of the most salient human rights issues for our value chain to ensure that we focus on the most urgent human rights concerns. We concluded this review and provided a more detailed update in late 2022.

## Approach to striving for an injury-free work environment

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

### Injury-free work environment goal



<sup>1</sup>To align with U.S. Occupational Safety and Health Administration calculation methodology, PepsiCo now reports Lost Time Incident Rate (LTIR) as Lost Time incidents per 200,000 hours worked. For comparison purposes, we re-calculated prior years' performance data previously reported per 1,000,000 hours.

<sup>2</sup>2022 results reflect the exclusion of SodaStream. 2021 and 2020 results reflect the exclusion of SodaStream and Pioneer Foods.

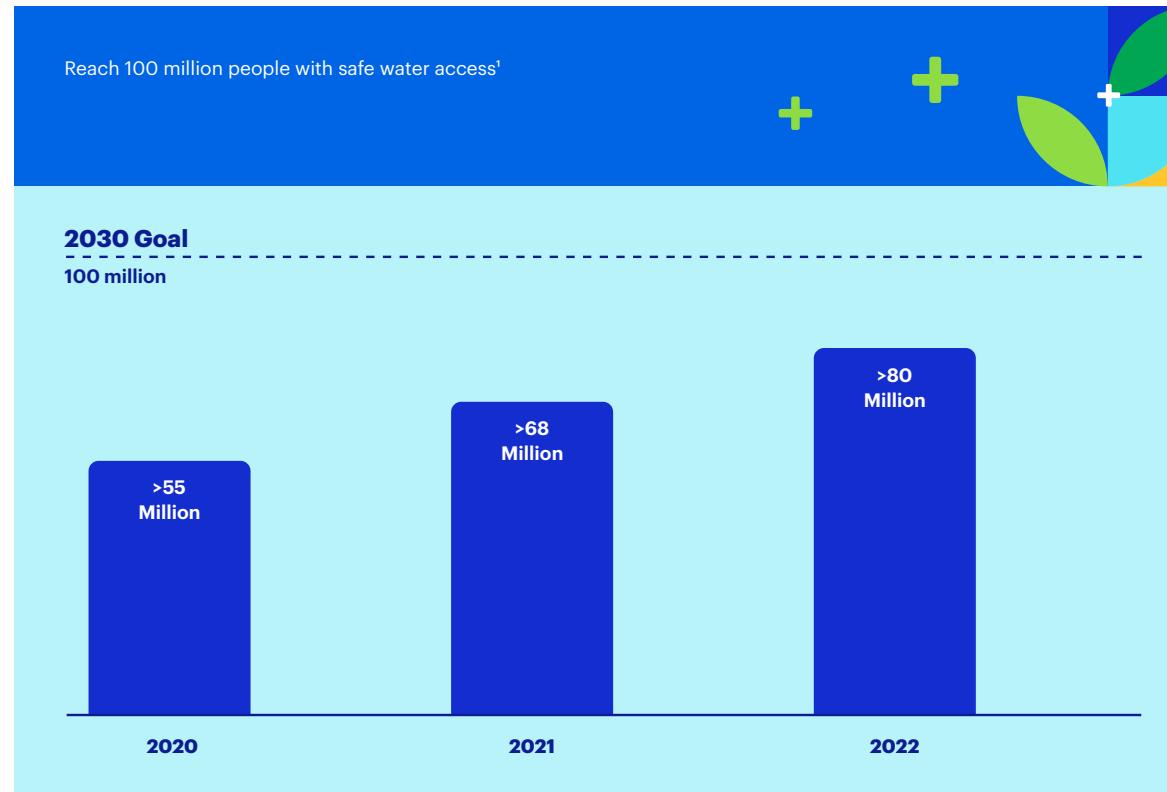
## Approach to providing safe water access

Access to clean, safe water is a human right that the [UN reports](#) two billion people, a quarter of the human population, currently lack. Climate change and environmental degradation have aggravated the shortage of access to clean, safe water, which could displace 700 million people by 2030. Water stewardship has long been a priority at PepsiCo, and we were one of the first companies to recognize water as a human right. Over the past 15 years, PepsiCo and the PepsiCo Foundation have invested more than \$53 million and committed other resources to help ensure that more people can realize that right.

In partnership with NGOs including WaterAid, Water.org, Safe Water Network and the National Business Initiative, along with local organizations, we have driven improvements in watershed management, agricultural technologies, distribution, purification and conservation that have a real impact on people's daily lives.

As of 2022, we were closing in on our goal to provide safe water access to 100 million people by 2030. At the end of 2022, the PepsiCo Foundation had ensured access to clean, safe water for more than 80 million people worldwide since 2006. This includes 12 million people in 2022 alone.

### Safe water access goal



<sup>1</sup> 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.

## Approach to advancing food security

Food security is essential to thriving communities. When people get the nutrition they need, children are better educated, economies grow and people live healthier, longer lives. Yet access to nutritious food is another vital need that much of humanity lacks. Climate change, rising costs and conflicts across various regions have amplified a hunger crisis affecting approximately 828 million people.

For more than a decade, PepsiCo and the PepsiCo Foundation have worked with more than 60 nonprofits, industry peers, local and international organizations and our employees across 28 countries to expand access to nutritious food. We are using our global scale to create local impact and help realize zero hunger in the communities where we live and work.

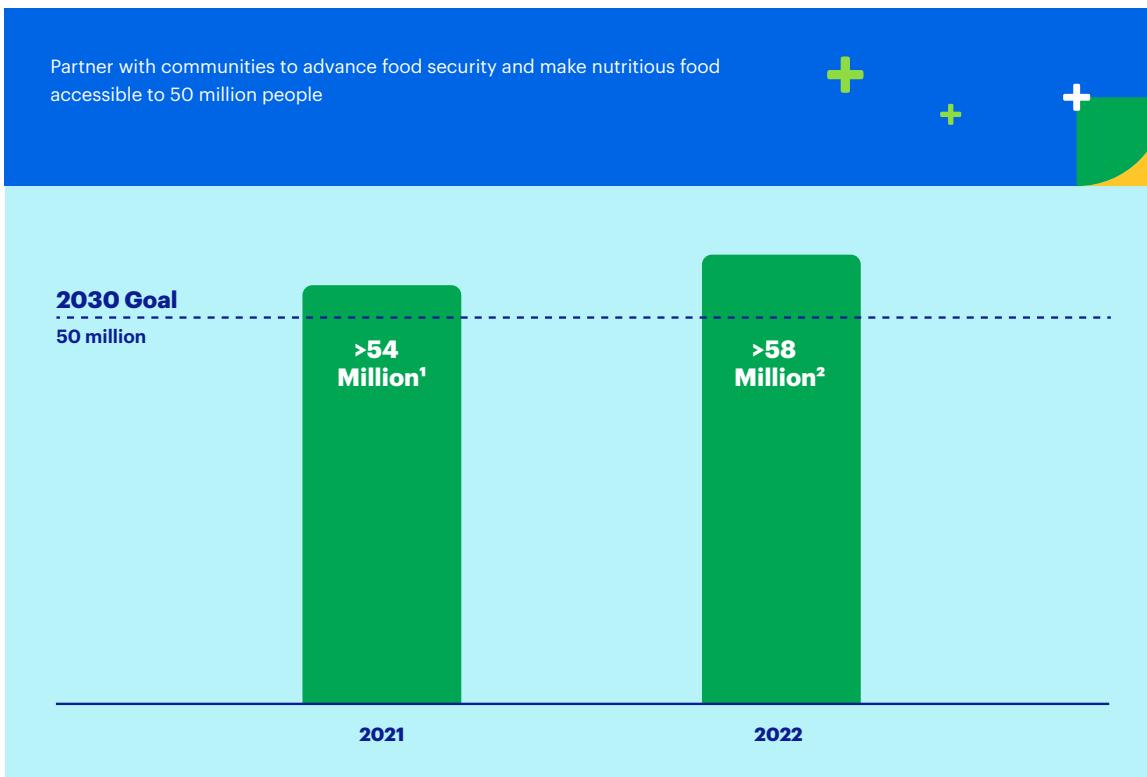
Through our Food for Good program, we have leveraged our resources to deliver more than 270 million meals to underserved communities since 2009. We began tracking beneficiaries in 2016 and since then, have delivered food to more than 47 million people through the program. In addition to distributing food, Food for Good will help us toward our goal of improving the livelihoods of more than 250,000 people in the agricultural supply chain by 2030, with a focus on economically empowering women and making farming more diverse.

We aim to meet three global goals through a combination of philanthropic initiatives, such as our Food for Good program, and commercial initiatives:

- Invest \$100 million through 2030 as part of the [Zero Hunger Private Sector Pledge](#).
- Make nutritious food accessible to 50 million people by 2030 (progress tracked starting in 2021).

- Provide training in sustainable agriculture and economic support to five million female farmers and members of their communities by 2025, to help them increase their crop yields, incomes and access to nutrition.

### Food security goal



### Explore People topics in more depth

PepsiCo's [ESG Topics A-Z](#) provides detail on strategy, data, policy, progress and more on a wide range of subjects.

[Diversity, equity and inclusion →](#)

[Employee demographics →](#)

[Employee engagement →](#)

[Employee learning and development →](#)

[Employee recruitment →](#)

[Employee well-being →](#)

[Environment, health and safety →](#)

[Forced labor →](#)

[Freedom of association →](#)

[Gender parity →](#)

[Human right →](#)

[Pay equity →](#)

[Philanthropy →](#)

[Supplier diversity →](#)

[Sustainable sourcing →](#)

[Read stories about People initiatives at PepsiCo →](#)

### Our 2022 ESG Performance Metrics

This download contains detailed performance data, tracking progress against our goals over the past five years.

[Download 2022 ESG Performance Metrics →](#)

<sup>1</sup>Initial target setting for this metric did not include Pioneer Foods, which delivered accessibility for over 20 million people 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 Nations (FAO).

<sup>2</sup>The food security target will be reassessed in 2023 to fully account for both commercial and charitable efforts. Progress results represent the cumulative sum of people reached with nutritious meals per annual reporting period through programs funded by the PepsiCo Foundation, as well as through commercial efforts.

## Positive Value Chain stories



PepsiCo introduces innovative clean electricity program: pep+ RNew

[Learn more →](#)



Frito-Lay Transforms California Facility into Showcase for Sustainability

[Learn more →](#)



PepsiCo Issues New \$1.25 Billion 10-Year Green Bond As Company Accelerates pep+ Transformation

[Learn more →](#)



Irrigating crops with a water-conserving innovation in Greece

[Learn more →](#)



An innovative project saving millions of liters of water a year in Mexico

[Learn more →](#)



How PepsiCo is working to protect water resources around the world

[Learn more →](#)



PepsiCo introduces new packaging goal, doubling down on scaling reusable packaging options

[Learn more →](#)



PepsiCo Europe sets ambition to eliminate virgin fossil-based plastic in all of its crisp and chip bags by the end of the decade

[Learn more →](#)



PepsiCo Beverages North America invests \$35 million to help close gap in recycling access through investment in Closed Loop Local Recycling Fund

[Learn more →](#)



We're uniting our volunteer efforts to cultivate prosperity in our communities and advance our pep+ journey

[Learn more →](#)



PepsiCo's Supplier Diversity Program celebrates 40th anniversary and commits to spending more than \$400 million annually with Black and Hispanic-owned suppliers

[Learn more →](#)



PepsiCo creates dedicated North America Multicultural Business and Equity Development Organization to accelerate Racial Equality Journey and community efforts across beverage and convenient food businesses

[Learn more →](#)



pep+ pillars

# Positive Choices

**Our iconic billion-dollar brands inspire people every day to make choices that are better for them and the planet.**

People throughout the world enjoy PepsiCo products more than one billion times a day, so we have an incredible opportunity to use that scale to inspire consumers to make a positive impact on our planet and communities and to make positive choices within their own lives.

We are on a mission to create more smiles with every sip and every bite, and we are doing that for our consumers by creating joyful moments through our delicious products and unique brand experiences.

For example, we are making it easy for consumers to choose the great-tasting beverages and convenient foods they want while working to accelerate the reduction of added sugars in beverages and sodium and saturated fat in convenient foods and offering them a product portfolio with diverse ingredients such as legumes, plant-based proteins and whole grains.

To meet consumer demand for more sustainable packaging, we continue to innovate on platforms that require little or no single-use packaging, and we offer reuse models in more than 80 markets, including SodaStream, SodaStream Professional, Gatorade Gx, fountain beverage reusable cups, returnable glass and plastic bottles, concentrates

and powders. Learn more about our disruptive [packaging solutions](#) in Positive Value Chain.<sup>1</sup>

We are empowering our consumers to make more informed decisions. We are aiming to equip them with simple and clear information on our packaging and exploring ways to empower them with transparent environmental labeling. We are also rethinking packaging to reduce our carbon footprint and minimize waste to meet consumer demand for more options.

Of critical importance is the role our brands can play in creating a more diverse, equitable and inclusive world. This means addressing inequality in our business partnerships, in our communities and in the workplace. We are combining consumer trends data with a deep empathy and understanding of the cultural nuances of our consumers across the globe; and the diversity of our workforce allows us to connect with the consumer on a personal level and put consumer needs at the center of innovation and marketing.

Our approach to Positive Choices is delivering growth across beverages and convenient foods, and we anticipate that growth will continue to accelerate as we continue to harness the reach and culture-shaping impact of our iconic brands.

<sup>1</sup>The Positive Choices innovative packaging solutions section is now included under the packaging section of the pep+ Positive Value Chain pillar alongside all of our packaging goals. This includes goals that were communicated in our 2021 ESG Summary to develop and deploy disruptive sustainable packaging materials and new models for beverages and convenient foods, which is now covered under our new reuse goal introduced in late 2022.

# Positive Choices: Expanded portfolio offerings



We have enhanced our product portfolio to help build a more sustainable food system by making it easier for consumers to make Positive Choices that are better for people and the planet.

We continue to expand our portfolio offerings in an effort to meet our goals and to continue providing consumers with the products they want through a combination of reformulation, new product innovations and the acquisition of new brands.

We are also improving the nutritional profile of our convenient food products by including diverse ingredients that help consumers meet dietary recommendations for key food groups such as legumes, whole grains, plant-based proteins, fruits and vegetables, and nuts and seeds.

By displaying [clear and prominent labeling](#) on our product packaging, we are making it easy to understand the nutritional content of our beverages and convenient foods, empowering consumers to make informed, positive choices.

## Our portfolio advancements

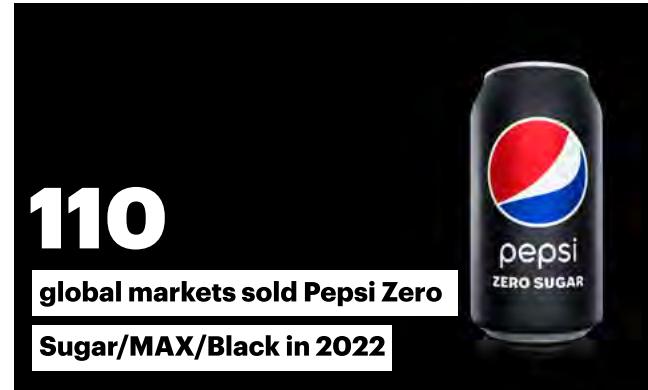
### Expanded portfolio options through Positive Choices

+ + +	+ + +	+ + +
<b>QUAKER</b> -ESTD 1877-	<b>SunChips</b> Black Bean	<b>QUAKER</b> -ESTD 1877-
<b>Quaker Puffed Granola</b> Satisfying blend of delicious ingredients including whole grain oats and whole grain rice puffs	<b>SunChips Black Bean</b> Made with whole grains and real black beans	<b>Quaker Cruesli Zero Sugar</b> New product launched in Belgium and the Netherlands with no added sugars or sweeteners
<b>At least 36g whole grains per serving</b>  Less than 100mg of sodium per serving	<b>1g of saturated fat per serving</b>  No artificial flavors	<b>3g of fiber and 14g of whole grains per serving</b>  No artificial flavors, no preservatives
<b>Rich in fiber</b>  No added sugars, no added sweeteners	<b>0.5g of saturated fat per serving</b>  No artificial flavors, colors or preservatives	<b>No added sugars, no added sweeteners</b>  No artificial flavors, colors or preservatives

## Approach

We continue to innovate and expand our portfolio with products that provide more nutritional benefits. Not only are we improving the nutritional profile of many products through reformulations that reduce added sugars in beverages and sodium and saturated fat in convenient foods, we are also investing in innovation to deliver important food groups and nutrients that contribute to a healthy diet – accelerating a journey we initiated decades ago.

PepsiCo complies with all relevant labeling laws and regulations in all markets in which our products are sold. To provide consumers with a range of positive choices that prioritize better nutrition and to help consumers make more informed decisions about the environmental impact of their purchase, we aim to provide clear information on our packaging. We are working toward a consistent approach to nutritional labeling to help consumers make conscious, informed choices throughout the world.



## Goals & progress

### Expand our portfolio to provide more consumer choices with products that are better for the planet, as well as people.

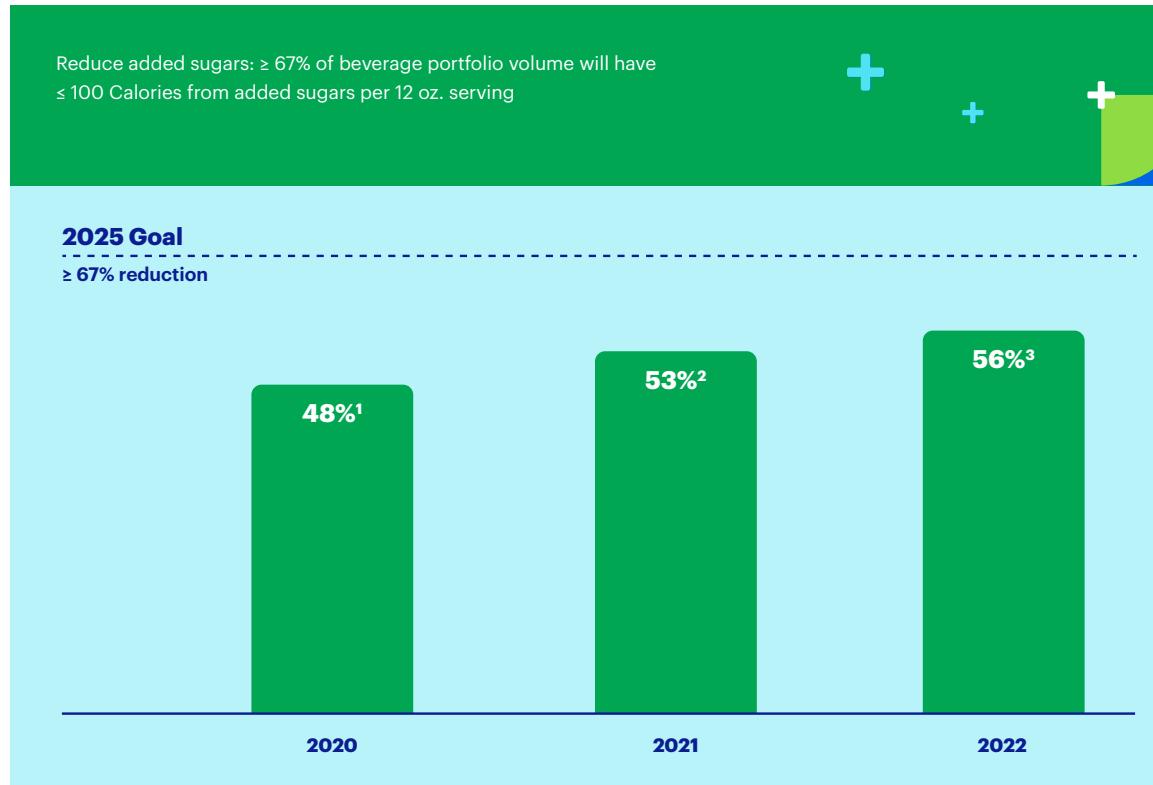
Balancing the nutritional profile of our portfolio has been a focus of ours for many years, and we are proud of the progress we have made to reduce added sugars in beverages and sodium and saturated fat in convenient foods, all while maintaining the great tastes our consumers love.

In 2022, as in the prior year, 75% of our convenient foods portfolio volume did not exceed 1.1g of saturated fat per 100 Calories – a goal we achieved ahead of schedule in 2021. In addition, in 2022, 68% of our convenient foods portfolio volume did not exceed 1.3mg of sodium per Calorie.

And, we continue to make progress on our added sugars goal. In 2022, 56% of our beverage portfolio volume contained no more than 100 Calories from added sugars per 12 oz. serving.

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

#### Sugar reduction goal



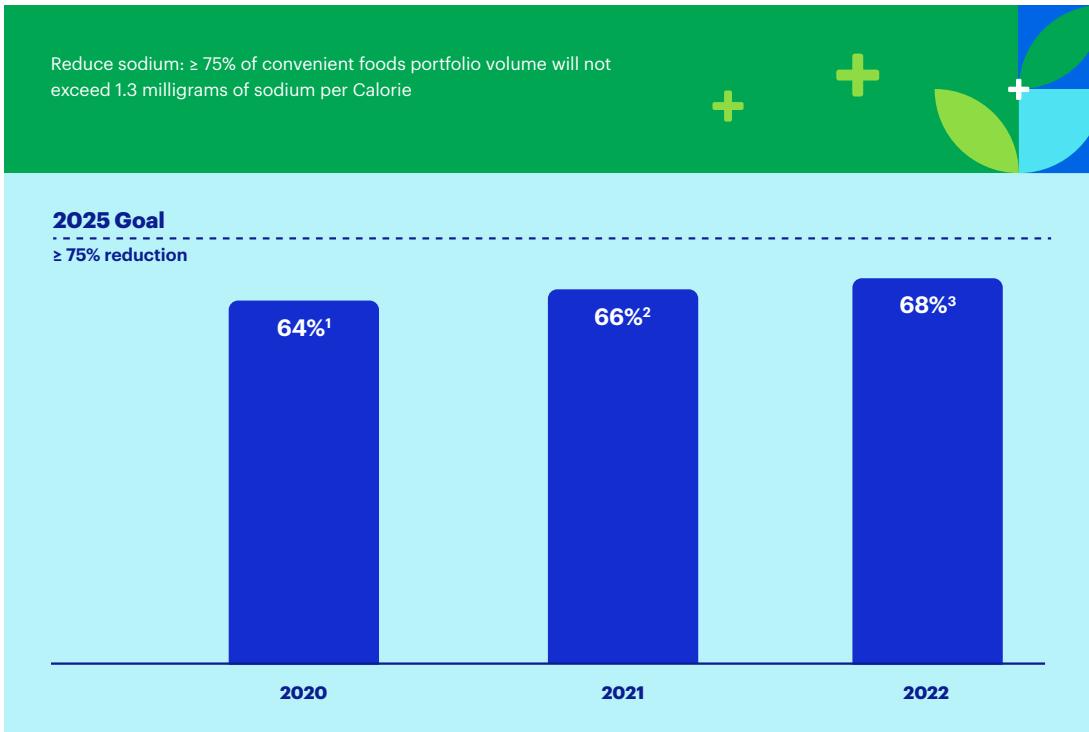
<sup>1</sup> As of 2020, Top 26 Beverage markets represented 80% of our global beverages volume and Top 23 Convenient Foods markets represented 88% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio.

<sup>2</sup> As of 2021, Top 26 Beverage markets represented 79% of our global beverages volume and Top 23 Convenient Foods markets represented 86% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio.

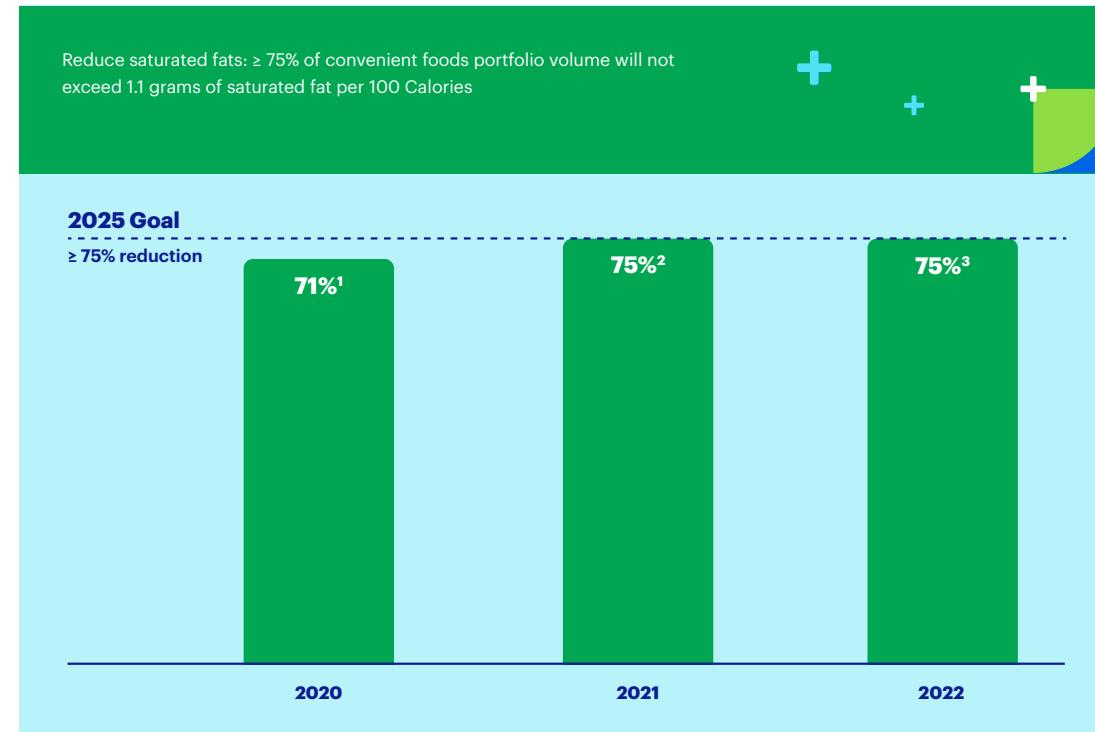
<sup>3</sup> As of 2022, Top 26 Beverage markets represented 78% of our global beverages volume and Top 23 Convenient Foods markets represented 86% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio.

## Positive Choices: Expanded portfolio offerings

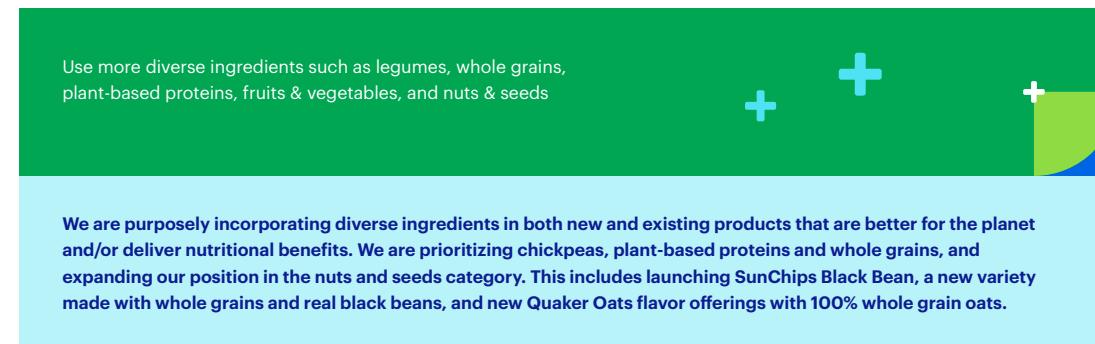
### Sodium reduction goal



### Saturated fat reduction goal



### Diverse ingredients goal



<sup>1</sup> 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.

<sup>2</sup> As of 2021, Top 26 Beverage markets represented 79% of our global beverages volume and Top 23 Convenient Foods markets represented 86% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio.

<sup>3</sup> As of 2022, Top 26 Beverage markets represented 78% of our global beverages volume and Top 23 Convenient Foods markets represented 86% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio.

# Positive Choices: Positive brands for the planet and people



We know that our brands such as Lay's, Doritos, Gatorade, Pepsi-Cola, Quaker and SodaStream each have a unique resonance with consumers and can influence the choices they make. That is why we are building purpose into our brands and using their power to inspire consumer action toward a better future for the planet and people.

We hope to educate consumers about the impacts of their buying choices and empower them with clear environmental labeling on our products. We remain committed to investing in the communities in which we operate and want to leverage the power of our many iconic brands to help promote a more diverse, equitable and inclusive world.

## Approach

At PepsiCo, people come first, which is why we strive to address our consumers' needs and empower them with information that can help them make better choices. We are also committed to transparency. Through adopting more transparent nutritional labels and supporting the development of industry-wide environmental labeling standards, we are making it easy to learn what's inside our products and how their ingredients were grown, processed and packaged.

## Goals & progress

### Positive brands for the planet and people 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

#### Our actions include:

- Continuing to drive positive outcomes through our brands globally, with initiatives activated locally staying true to the challenges and opportunities in each of the markets
- Aiming to adopt the environmental labeling scheme(s) which have a broad, industry-wide adoption
- Actively engaging and shaping external environmental labeling developments

**Many of our consumer brands are committed to our pep+ agenda, aiming to positively influence environmental and societal causes where they can have the biggest impact:**

### Doritos

In partnership with the PepsiCo Foundation, Doritos promotes SOLID BLACK®, an ongoing initiative to provide resources and a platform for Black Changemakers who use innovation and boldness to drive culture and give back to their communities. In addition, the Doritos Rainbow campaign in Latin America has elevated the brand's commitment to supporting the LGBTQ+ community.



### Stacy's

Stacy's Pita Chips continued its longstanding commitment of championing women-owned businesses with the announcement of its 2023 class of the Stacy's Rise Project™, a grant and mentoring program for female entrepreneurs.



### Gatorade

As a sponsor of the Union of European Football Associations (UEFA) Champions League and the UEFA Women Champions League, each year Gatorade drives positive change for both people and the planet through its "5v5" soccer tournament, to give young men and women from every background the chance to play competitive sport.

### SunChips

In 2022, SunChips brought back its "Art Seen" campaign and spotlighted underrepresented, diverse artists at an exhibit in Miami. In 2023, select artists featured in the Miami exhibit will be featured on millions of SunChips bags and on SunChips social media and advertising.



## Positive Choices stories



PepsiCo's partnership with UEFA goes beyond the pitch

[Learn more →](#)



Rise To The Occasion: Stacy's® Pita Chips and Hello Sunshine celebrate stories of resilient women through announcement of short film

[Learn more →](#)



SunChips® To Spotlight Underrepresented Artists On Bags And In New Exhibit During Premier Art Week In Miami

[Learn more →](#)



Pepsi® launches new and improved Pepsi Zero Sugar, proving zero never tasted so good

[Learn more →](#)

### Explore Positive Choices topics in more depth

PepsiCo's [ESG Topics A-Z](#) provides detail on strategy, data, policy, progress and more on a wide range of subjects.

Diversity, equity and inclusion →

Nutrition →

Philanthropy →

Product labeling and claims →

Saturated fat →

Sodium →

Sugar →

Sustainable product design →

Trans fat →

## Our 2022 ESG Performance Metrics

This download contains detailed performance data, tracking progress against our goals over the past five years.

[Download 2022 ESG Performance Metrics →](#)



# 2022 ESG Performance Metrics



The information within this PDF is accurate as of June 29, 2023. Unless otherwise noted, our sustainability data reflects progress made during the calendar year (ending December 31), whereas our financial reporting corresponds with our fiscal year, which ends on the last Saturday of December.

As a general matter, recent organizational changes (e.g., acquisitions and divestitures) are reflected in our reporting as soon as practical. When the impact of organizational changes is deemed significant on previously-reported metrics measured against a baseline, those metrics are recast to consistently reflect the impact of such organizational changes.

Unless otherwise noted, goals and progress reflect the impact of our acquisitions of Hangzhou Haomusi Food Co., Ltd. (Be & Cheery), BFY Brands, Inc. (BFY), Pioneer Food Group Ltd. (Pioneer Foods), and SodaStream International Ltd. (SodaStream) and our divestiture of Tropicana, Naked and other select juice brands (Tropicana).

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 2022. For detail on how we measure performance against these goals, see [Calculation methodology on ESG Topics A-Z](#).



## POSITIVE AGRICULTURE



3rd-party limited assurance

Target metrics	2030 Target	2022	2021	2020	2019	2018	Comments
<b>Spread the adoption of regenerative agriculture practices across 7 million acres of the land used around the world to grow our crops and ingredients for our products</b>	<b>7 million acres</b>	<b>&gt;900,000 acres<sup>1</sup></b>	>345,000 acres <sup>2</sup>	Goal introduced with the launch of pep+ in 2021. Metric not reported in prior years.			PepsiCo considers an acre as delivering regenerative impact when the adoption of regenerative agriculture practices results in quantified improvements in at least two of the environmental impact areas, with a preference for GHG to be one impact area.
	15% (2025 Target)	-% <sup>4</sup>	-% <sup>4</sup>	14%	-% <sup>4</sup>	3%	To focus efforts on implementing sustainable practices, we currently intend to collect and publish agricultural water-use efficiency data at least once every three years. World Resource Institute's Aqueduct water stress assessment tool is used to reconfirm high water-risk areas every three years.
<b>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</b>	<b>100%</b>	<b>~55%<sup>5</sup></b>	~50%	Goal expanded with the launch of pep+ in 2021. Combined metric not measured in prior years.			Percentage of volume sustainably sourced and verified by third parties, including volume of Roundtable on Sustainable Palm Oil (RSPO) - certified palm oil and volume of Bonsucro-certified (or equivalent) cane sugar.
<b>Improve the livelihoods of more than 250,000 people in our agricultural supply chain and communities, including by economically empowering women</b>	<b>&gt;250,000 people</b>	<b>&gt;11,000 people<sup>6</sup></b>	Goal introduced with the launch of pep+ in 2021.			The livelihoods improvement goal focuses on improvements in three areas: economic prosperity, farm and farm worker security and women's economic empowerment.	

<sup>1</sup> Metric counts the cumulative number of regenerative acres globally since 2021. Regenerative acres reported for 2022 include U.S., Mexico, Canada and 17 European countries only

<sup>2</sup> Regenerative acres reported for 2021 include U.S. and Canada only

<sup>3</sup> 15% improvement goal measured versus a 2015 baseline

<sup>4</sup> Data for this time period not available, as we do not measure this metric every year. Assessments are conducted at least once every three years. Next assessment to be conducted in 2023. Last measured in 2020

<sup>5</sup> 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

<sup>6</sup> Metric counts the cumulative people impacted since 2021



## POSITIVE VALUE CHAIN: CLIMATE



3rd-party limited assurance

Target metrics	2030 Target	2022	2021	2020	2019	2018	Comments
<b>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.</b>							<b>For more information, visit the <a href="#">Climate change page on ESG Topics A-Z</a>.</b>
<b>Reduce Scope 1 and 2 emissions by 75%<sup>1</sup></b>	75%	23%					Metric assured since 2008
<b>Reduce Scope 3 emissions by 40%<sup>1,2</sup></b>	40%	(7)%	Prior year results are being recalculated to be consistent with the remeasured 2015 baseline.				2022 Scope 3 results impacted by increased packaging use, transportation, third-party manufacturing and other purchased goods due to business growth. Pending 2022 assurance
<b>Reduce total Scope 1, 2 &amp; 3 emissions by more than 40%<sup>1,2</sup></b>	>40%	(4)%					2022 Scope 3 results impacted by increased packaging use, transportation, third-party manufacturing and other purchased goods due to business growth.

<sup>1</sup> Measured versus a 2015 baseline. In 2022, we remeasured the 2015 baseline to reflect the divestiture of Tropicana, enhancements in our calculation methodology and the inclusion of additional data

<sup>2</sup> Where 2022 actual data was not available, estimated 2022 data was used



## POSITIVE VALUE CHAIN: WATER



3rd-party limited assurance

Target metrics	2030 Target	2022	2021	2020	2019	2018	Comments
<b>Improve operational water-use efficiency by 25% in high water-risk areas by 2025<sup>1,2</sup></b>	<b>25% (2025 Target)</b>	<b>22%</b>	19%	16%	10%	4%	This ambition and impact builds on PepsiCo's long record of improving water-use efficiency. Between 2006–2015, water-use efficiency improved by 26% in global legacy operations at the date of target setting. Metric assured since 2015
<b>Ensure we have net water positive impact by achieving:</b>							
<b>Best-in-class water-use efficiency in 100% of high water-risk PepsiCo and third-party manufacturing facilities</b>							
• High water-risk beverages facilities (liters/liter) <sup>1,3</sup>	<b>1.2</b>	<b>1.7</b>	1.8	Goal introduced with the launch of pep+ in 2021. Metric not reported in prior years.	Best-in-class water-use efficiency for beverages facilities is defined as 1.2 liters of water (or less) per liter of beverage production. Metric assured since 2021		
• High water-risk convenient foods facilities (liters/kg) <sup>1,3</sup>	<b>0.4</b>	<b>2.4</b>	2.4	Goal introduced with the launch of pep+ in 2021. Metric not reported in prior years.	Best-in-class water-use efficiency for convenient foods facilities is defined as 0.4 liters of water (or less) per kg of convenient food production. Metric assured since 2021		
<b>World-class water-use efficiency in all other PepsiCo and third-party manufacturing facilities</b>							
• Non high water-risk beverages facilities (liters/liter) <sup>1,3</sup>	<b>1.4</b>	<b>1.7</b>	1.8	Goal introduced with the launch of pep+ in 2021. Metric not reported in prior years.	World-class water-use efficiency for beverages facilities is defined as 1.4 liters of water (or less) per liter of beverage production. Metric assured since 2021		
• Non high water-risk convenient foods facilities (liters/kg) <sup>1,3</sup>	<b>4.4</b>	<b>5.3</b>	5.0	Goal introduced with the launch of pep+ in 2021. Metric not reported in prior years.	World-class water-use efficiency for convenient foods facilities is defined as 4.4 liters of water (or less) per kg of convenient food production. 2022 results reflect reclassification of several non high-water risk facilities as well as the adverse impact of year-over-year change in production output. Metric assured since 2021		

<sup>1</sup> World Resource Institute's Aqueduct water stress assessment tool is used to reconfirm high water-risk areas every three years

<sup>2</sup> 25% improvement goal measured against 2015 baseline. In 2022, we remeasured the 2015 baseline and prior results to reflect the divestiture of Tropicana

<sup>3</sup> Results reflect the exclusion of third-party facilities



## POSITIVE VALUE CHAIN: WATER



3rd-party limited assurance

Target metrics	2030 Target	2022	2021	2020	2019	2018	Comments
<b>Ensure we have net water positive impact by achieving (continued):</b>							
<b>Replenishing back into the local watershed more than 100% of the water we use<sup>1</sup></b>	<b>&gt;100%</b>	<b>45%</b>	34%	18%	10%	8%	With the launch of pep+, we extended our 2025 replenishment goal to 2030, increasing the scope to include third-party manufacturers and striving to replenish more than 100% of the water we use in high water-risk areas. See <a href="#">Calculation methodology</a> for detail on how we measure progress against our pep+ goals. Metric assured since 2021
<b>Continue to adopt the Alliance for Water Stewardship (AWS) Standard in high water-risk manufacturing areas, by 2025, as a vehicle for water advocacy</b>							
<ul style="list-style-type: none"> <li>Number of high water-risk facilities that have fully adopted the AWS Standard</li> <li>Number of high water-risk facilities that are in the process of adopting the AWS Standard</li> </ul>	(2025 Target)	<b>8</b>	3	0	0	- <sup>2</sup>	Metric assured in 2022
	(2025 Target)	<b>61</b>	31	10	3	- <sup>2</sup>	Metric assured in 2022

<sup>1</sup> World Resource Institute's Aqueduct water stress assessment tool is used to reconfirm high water-risk areas every three years. We continue to measure progress against our original 2025 goal and our extended 2030 goal. Third-party manufacturers are not yet included in our 2030 goal progress, but will be included in future calculations. In 2022, an updated water risk assessment identified additional company-owned high water-risk facilities, which are in-scope for calculating progress against our 2030 goal only. Excluding these additional company-owned facilities water usage, we replenished 52% of water used in high water-risk facilities in 2022, representing progress against our original 2025 goal

<sup>2</sup> Data for this time period is not available



## POSITIVE VALUE CHAIN: PACKAGING



3rd-party limited assurance

Target metrics	2030 Target	2022	2021	2020	2019	2018	Comments
<b>Cut virgin plastic from non-renewable sources per serving across our global beverages and convenient foods portfolio by 50% through<sup>1</sup>:</b>	<b>50%</b>	<b>(2)%</b>	2% <sup>2</sup>	Goal expanded with the launch of pep+ in 2021. Metric not measured in prior years.	2022 results impacted by greater than anticipated business growth, as well as external factors such as the limited availability and high cost of recycled content. In addition, we did not realize the anticipated benefit of recent regulatory unlocks that are pending practical application.		
<b>Scaling new business models that avoid or minimize single-use packaging materials (e.g., models that reuse, refill, prepare at home, utilize concentrates like powders, drops, etc.), with the aim of delivering 20% of all beverage servings we sell through reusable models by 2030</b>	<b>20%</b>			• Goal expanded with launch of pep+ in 2021. Updated metric not measured in prior years. • Quantitative goal introduced in late 2022. We plan to report progress against this goal starting with 2023 data.	Our total beverage servings account for all beverage sales volume. Reuse models include SodaStream, SodaStream Professional, fountain beverages, returnable glass and plastic bottles, and concentrates and powders. Further information can be found on the <a href="#">Packaging</a> page in our ESG Topics A-Z.		
<b>Reducing our absolute tonnage of virgin plastic derived from non-renewable sources by 20%, including by seeking to<sup>1</sup>:</b>	<b>20%</b>	<b>(11)%</b>	(5)%	Goal expanded with the launch of pep+ in 2021. Metric not measured in prior years.	2022 results impacted by greater than anticipated business growth, as well as external factors such as the limited availability and high cost of recycled content. In addition, we did not realize the anticipated benefit of recent regulatory unlocks that are pending practical application.		
<b>Our actions include:</b>							
<ul style="list-style-type: none"> <li>- Use market-leading bio-based and renewable materials</li> <li>- Achieve our goal of using 50% recycled content in our plastic packaging</li> </ul>	<b>50%</b>	<b>7%</b>	6%	Goal expanded with the launch of pep+ in 2021. Metric not measured in prior years.	Further information on our recycled content objectives can be found on the <a href="#">Packaging</a> page in our ESG Topics A-Z.		

<sup>1</sup> Measured versus a 2020 baseline. We remeasured the 2020 baseline to reflect the divestiture of Tropicana and to include additional data

<sup>2</sup> In 2022, we restated 2021 results due to remeasurement of 2020 baseline



## POSITIVE VALUE CHAIN: PACKAGING



3rd-party limited assurance

Target metrics	2030 Target	2022	2021	2020	2019	2018	Comments
<b>Design 100% of packaging to be recyclable, compostable, biodegradable or reusable by 2025<sup>1</sup></b>	<b>100% (2025 Target)</b>	<b>88%</b>	87%	87%	Goal expanded with the launch of pep+ in 2021. Metric not measured in prior years.		 Metric assured since 2021; pending 2022 assurance
<b>Invest to increase recycling rates in key markets by 2025</b>	<b>(2025 Target)</b>	<b>Our actions include:</b> <ul style="list-style-type: none"><li>• Educating and encouraging consumers to recycle.</li><li>• Partnering to increase and improve recycling infrastructure and building solutions for current and future material streams.</li></ul>					Further information on partnerships, including with Closed Loop Partners, the Alliance to End Plastic Waste and Circulate Capital, are detailed on the <a href="#">Packaging</a> page in our ESG Topics A-Z.

<sup>1</sup> PepsiCo considers packaging to be recyclable, compostable, biodegradable or reusable (RCBR) if certain end-of-life waste management criteria is achieved. See "Calculation methodology" in our ESG Topics A-Z for an explanation of how we calculate the percentage of our packaging that is RCBR. Goal expanded in 2021 to include reusable packaging. Updated metric not measured in prior years.



## POSITIVE VALUE CHAIN: PEOPLE



3rd-party limited assurance

Target metrics	2030 Target	2022	2021	2020	2019	2018	Comments
<p><b>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.</b></p>							
<b>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</b>		<b>Our actions include:</b> <ul style="list-style-type: none"><li>Helping PepsiCo employees build and strengthen their leadership and professional skills through a variety of global training and development programs such as our PepsiCo University (PEP U) Degreed online learning platform. In 2022, employees completed over one million hours of training.</li><li>Launching myeducation, which will enable U.S. employees, in the frontline population and elsewhere, to upskill and re-skill by offering specific interventions and paths, all without going into debt.<ul style="list-style-type: none"><li>- Enabling more than 360 employees to earn degrees or complete courses, including more than 60 employees who received Commercial Driver's License (CDL) certification through our tuition-free myeducation program since it began last year.</li></ul></li></ul>					
<b>Empower our associates with the resources and time needed to build and cultivate prosperity in our communities</b>		<b>Our actions include activating the <u>One Smile at a Time</u> program to:</b> <ul style="list-style-type: none"><li>Unite the volunteer efforts of our employees across more than 25 countries to donate their time and talent to the communities where they live and work.</li><li>Make a positive impact on local communities worldwide by spending more than 290,000 hours in volunteering actions.</li></ul>					



## POSITIVE VALUE CHAIN: PEOPLE



3rd-party limited assurance

Target metrics	2030 Target	2022	2021	2020	2019	2018	Comments
<b>Build a better workplace and world by advancing human rights and diversity, equity and inclusion (DE&amp;I) for our people, in our business partnerships and our communities including:</b>							
<b>Continue to make measurable progress against our Racial Equality Journey goals in the U.S.</b>							
• Achieve 10% Black representation in U.S. managerial populations	<b>10% (2025 Target)</b>	<b>9.0%</b>	8.3%	8.0%	Goal added to pep+ vision in 2021.		
• Achieve 10% Hispanic representation in U.S. managerial populations	<b>10% (2025 Target)</b>	<b>10.1%</b>	9.5%	9.3%	Goal added to pep+ vision in 2021.		
<b>Continue to help address inequalities for historically marginalized people and underserved businesses and communities</b>	<b>Our actions include:</b> <ul style="list-style-type: none"> <li>Increasing our engagement and programs at colleges and universities to cultivate and increase hiring of diverse talent.</li> <li>Tailoring our tools, resources and skill-building programs to elevate business impact, while ensuring DE&amp;I is embedded across the talent lifecycle as we strive for equitable outcomes.</li> <li>Expanding our diverse supply base across our value chain and investing in diverse-owned businesses by providing grants and business-building support services.</li> <li>Continuing to benchmark ourselves across industry peers to ensure our continual progress.</li> </ul>						
<b>Achieve and sustain 50% women in management roles</b>	<b>50% (2025 Target)</b>	<b>44%</b>	43%	41%	41%	40%	
<b>Achieve and sustain pay equity for our global professional population by maintaining a comprehensive global pay equity review process</b>	<b>Women and men continue to be paid within 1% of each other<sup>1</sup></b>						72 countries included in 2022 analysis, representing more than 99% of salaried population.
<b>Extend the principles of our Supplier Code of Conduct to all of our franchisees and joint ventures by 2025</b>	<b>Our actions include:</b> <ul style="list-style-type: none"> <li>Continuing to engage directly with our franchise and joint venture partners through our Sustainable Sourcing Program, prioritizing action on our pep+ priority areas, including our salient human rights issues.</li> </ul>						See additional information within our <a href="#">Human rights</a> and <a href="#">Sustainable sourcing</a> pages in our ESG Topics A-Z.

<sup>1</sup> After controlling for legitimate drivers of pay such as job level, geographic location and performance ratings; based on base compensation. 33 countries included in 2018 analysis. 69 countries included in 2019 analysis. 71 countries included in 2020 analysis. 72 countries included in 2021 and 2022 analysis, representing more than 99% of salaried population



## POSITIVE VALUE CHAIN: PEOPLE



3rd-party limited assurance

Target metrics	2030 Target	2022	2021	2020	2019	2018	Comments
<b>Build a better workplace and world by advancing human rights and diversity, equity and inclusion (DE&amp;I) for our people, in our business partnerships and our communities including (continued):</b>							
<b>Promote fair and safe working conditions for all by advancing respect for human rights everywhere we operate and throughout our business activities</b>		<b>Our actions include:</b> <ul style="list-style-type: none"> <li>Completing a formal reassessment of our salient human rights issues to determine whether certain issues have become higher priorities over time and to establish new action plans.</li> <li>Updating our Global Human Rights Policy to ensure alignment with stakeholder feedback, emerging regulatory developments and internationally-recognized best practices, as well as publishing our Human Rights Defenders (HRDs) Statement outlining our commitment to respect the rights of HRDs throughout our value chain.</li> <li>Adding climate change to the list of salient human rights issues PepsiCo faces and reframing other issues, including fair pay and working conditions and forced labor, in light of last year's assessment.</li> </ul>					In early 2022, PepsiCo's Global Human Rights Office initiated a formal assessment to examine whether other human rights issues have become greater priorities over time. The assessment process was led by an external organization that helped us: evaluate our progress since 2017; reexamine the potential impacts our business activities might have on rights holders; and assess the potential severity and likelihood of those impacts across our value chain in line with the criteria outlined in the UNGP Reporting Framework. For more information on our salient issues, please see the dedicated webpages on our <a href="#">Human rights</a> webpage or our <a href="#">2022 Salient Human Rights Issues Update</a> .
<b>Continue to strive for an injury-free work environment<sup>1</sup></b>		<b>0.46</b>	0.51	0.41	0.48	0.50	To align with the U.S. Occupational Safety and Health Administration calculation methodology, PepsiCo now reports Lost Time Incident Rate (LTIR) as Lost Time incidents per 200,000 hours worked. For comparison purposes, we have re-calculated prior years' results previously reported per 1,000,000 hours.
<b>Reach 100 million people with safe water access<sup>2</sup></b>	<b>100 million</b>	<b>&gt;80 million</b>	>68 million	>55 million	44 million	22 million	We increased this goal to 100 million by 2030, having achieved more than 50 million in 2020.
<b>Partner with communities to advance food security and make nutritious food accessible to 50 million people<sup>3</sup></b>	<b>50 million</b>	<b>&gt;58 million</b>	>54 million <sup>4</sup>	Goal introduced with the launch of pep+ in 2021. Metric not measured in prior years.			Results include programs funded by the PepsiCo Foundation that are intended to provide nutritious meals.

<sup>1</sup> 2022 results reflect the exclusion of SodaStream. 2021 and 2020 results reflect the exclusion of SodaStream and Pioneer Foods. 2019 results reflect the exclusion of SodaStream

<sup>2</sup> Metric counts the cumulative number of people provided with access to safe water since 2006

<sup>3</sup> The food security target will be reassessed in 2023 to fully account for both commercial and charitable efforts. Results represent the cumulative sum of people reached with nutritious meals per annual reporting period through programs funded by the PepsiCo Foundation, as well as through commercial efforts

<sup>4</sup> Initial target setting for this metric did not include Pioneer Foods, which delivered accessibility for over 20 million people 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 Nations (FAO)



## POSITIVE CHOICES: EXPANDED PORTFOLIO OFFERINGS



3rd-party limited assurance

Target metrics	2025 Target	2022	2021	2020	2019	2018	Comments
<b>Continue to provide consumers choice for every occasion by expanding our product offerings by 2025.</b>							
<b>Reduce added sugars: ≥ 67% of beverage portfolio volume will have ≤100 Calories from added sugars per 12 oz. serving</b>	<b>≥67%</b>	<b>56%<sup>1</sup></b>	53% <sup>2</sup>	48% <sup>3</sup>	47% <sup>4</sup>	44% <sup>5</sup>	Our global results are based on our Top 26 beverage markets, which represent 78% of our global beverages volume as of 2022. <small>★ Metric assured since 2016</small>
<b>Reduce sodium: ≥ 75% of convenient foods portfolio volume will not exceed 1.3 milligrams of sodium per Calorie</b>	<b>≥75%</b>	<b>68%<sup>1</sup></b>	66% <sup>2</sup>	64% <sup>3</sup>	61% <sup>4</sup>	58% <sup>5</sup>	Our global results are based on our Top 23 Convenient Foods markets, which represent 86% of our global convenient foods volume as of 2022. <small>★ Metric assured since 2016</small>
<b>Reduce saturated fats: ≥ 75% of convenient foods portfolio volume will not exceed 1.1 grams of saturated fat per 100 Calories</b>	<b>≥75%</b>	<b>75%<sup>1</sup></b>	75% <sup>2</sup>	71% <sup>3</sup>	62% <sup>4</sup>	61% <sup>5</sup>	Our global results are based on our Top 23 Convenient Foods markets, which represent 86% of our global convenient foods volume as of 2022. <small>★ Metric assured since 2016</small>

<sup>1</sup> As of 2022, Top 26 Beverage markets represented 78% of our global beverages volume and Top 23 Convenient Foods markets represented 86% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio

<sup>2</sup> As of 2021, Top 26 Beverage markets represented 79% of our global beverages volume and Top 23 Convenient Foods markets represented 86% of our global convenient foods volume. Results reflect exclusion of Be & Cheery portfolio

<sup>3</sup> 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

<sup>4</sup> 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

<sup>5</sup> 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

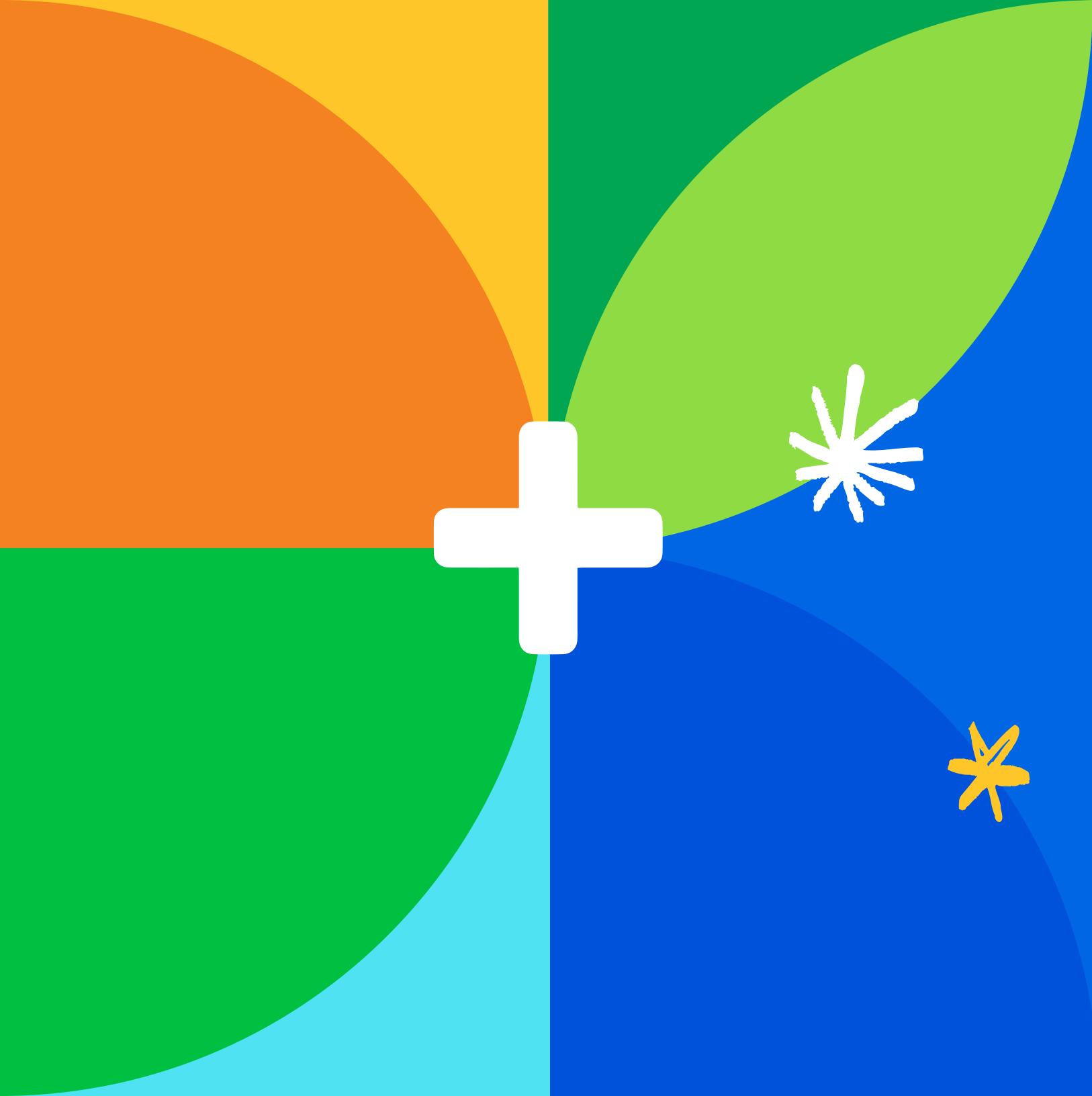


## POSITIVE CHOICES: PLANET + PEOPLE BRANDS



3rd-party limited assurance

Target metrics	2025 Target	2022	2021	2020	2019	2018	Comments
<b>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</b>	<b>Our actions include:</b> <ul style="list-style-type: none"><li>Continuing to drive positive outcomes through our brands globally, with initiatives activated locally staying true to the challenges and opportunities in each of the markets.</li><li>Aiming to adopt the environmental labeling scheme(s) which have a broad, industry-wide adoption.</li><li>Actively engaging and shaping external environmental labeling developments.</li></ul>						



**Read the PepsiCo 2022 ESG Summary [here >>](#)**

**FORWARD-LOOKING STATEMENTS**

This PepsiCo, Inc. 2022 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.

