

PepsiCo 2022 TCFD Index

This index references PepsiCo's reporting against the voluntary guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). It is our fourth report aligned to these guidelines, and, in addition to the universal disclosures, includes disclosure on the cross-industry metrics suggested by the TCFD's 2022 Guidance on Metrics, Targets, and Transition Plans. The information within this PDF is accurate as of publication on 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. Many of the disclosures appear in our [CDP Climate and Water](#) responses due to close alignment between the two frameworks; however, relevant disclosure is also contained within our [2022 Annual Report](#), our [2022 ESG Summary](#), and our [ESG Topics A-Z](#).

Our goal

In January 2021, we announced goals in line with the latest science, more than doubling our previous science-based climate goal. We aim to **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** (2015 baseline).

In addition, we **aim to achieve net-zero emissions by 2040**, one decade earlier than called for in the Paris Agreement. Our target aligns with the Business Ambition for 1.5°C pledge, which PepsiCo signed in 2020, joining other leading companies committing to set science-based emissions reduction targets in line with limiting global warming to 1.5°C above preindustrial levels.



Climate spotlight

Climate risk assessment

PepsiCo has identified climate change as a business risk through its Integrated Risk Management Framework, a process that identifies, assesses, prioritizes, manages, and monitors the risks affecting the Company across its operations.

In line with the recommendations of the TCFD, we have completed and recently updated our climate scenario analysis to identify climate-related risks and opportunities. The analysis considered PepsiCo's wholly-owned assets (such as manufacturing plants, warehouses, R&D centers, and offices), our third party manufacturing assets (e.g. franchise and joint venture arrangements), as well as our agricultural supply chain locations.

The results help us to assess risks and opportunities within various temperature (business as usual, 2°C increase, and for company-owned manufacturing operations, 1.8°C increase scenarios) and timeframe (2020-2100) scenarios.

Supply chain engagement

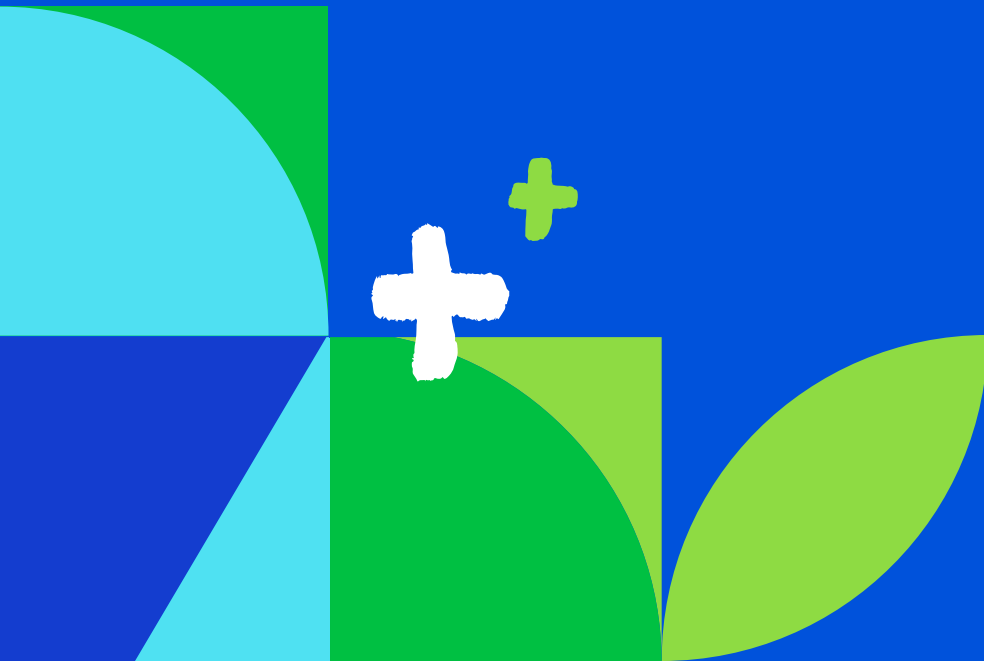
In 2022, PepsiCo launched pep+ REnew, an educational program to simplify the transition to renewable electricity for many businesses. Through a first-of-its-kind partnership for the food and beverage industry, we created pep+ REnew with Schneider Electric – an independent advisor on renewable energy purchasing. The goal: helping suppliers adopt renewable electricity in order to reduce their carbon footprints.

Fleet decarbonization

In December 2022, we took delivery of the first all-electric Tesla semi trucks in production. These trucks, part of a larger order to be deployed across both our beverage and convenient foods businesses, will allow us to explore emerging technologies that will position us for the future. Additionally, Frito-Lay deployed over 40 electric vans in North America in 2022 to evaluate how best to leverage electric vehicles and technologies moving forward. See Fleet decarbonization for more on our efforts to reduce emissions from our company-owned fleet and third-party transportation.

Green Bond

In July 2022, PepsiCo issued its second Green Bond, a 10-year, \$1.25 billion senior notes offering that will focus on investments to deliver key environmental sustainability initiatives under two pillars of our pep+ agenda: Positive Agriculture and Positive Value Chain. This will include investments in decarbonization projects to support progress against our Climate goals. In October 2022, we published our third and final annual Green Bond Report on our 2019 Green Bond, describing our use of proceeds. As of December 31, 2021, PepsiCo had allocated \$974 million in proceeds from the issuance of its first Green Bond to Eligible Green Projects. This represents 100% of the net proceeds and includes investments in all three eligible categories of packaging, decarbonization, and water.



Universal disclosures

Topic	Disclosures	Reporting status	Reference
Governance	Describe the board's oversight of climate-related risks and opportunities Cross-industry metric category: Remuneration	Reported	2022 CDP Climate Response: C1.1a-b ESG Topics A-Z: Climate change ESG Topics A-Z: Sustainability governance
	Describe management's role in assessing and managing climate-related risks and opportunities	Reported	2022 CDP Climate Response: C1.1b, C1.2, C1.2a
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Reported	2022 CDP Climate Response: C2.3, C2.4 2022 Form 10-K: Item 1A. Risk Factors
	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning Cross-industry metric categories: transition risks, physical risks, climate-related opportunities	Reported	2022 CDP Climate Response: C2.3, C2.4, C3.4
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Reported	2022 CDP Climate Response: C3
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	Reported	2022 CDP Climate Response: C2.1, C2.2 ESG Topics A-Z: Climate change
	Describe the organization's processes for managing climate-related risks	Reported	2022 CDP Climate Response: C2.1, C2.2 ESG Topics A-Z: Climate change
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Reported	2022 CDP Climate Response: C2.1, C2.2 ESG Topics A-Z: Climate change
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Reported	2022 CDP Climate Response C2.2
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks Cross-industry metric category: GHG emissions	Reported	2022 CDP Climate Response: C6 ESG Topics A-Z: Climate change
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets Cross-industry metric category: internal carbon prices	Reported	2022 CDP Climate Response: C4.1, C4.2 2022 ESG Performance Metrics; Positive Value Chain

Sector-specific metrics

Financial category	Climate-related category	Metric	Reporting status	Reference
Revenues	Risk Adaptation & Mitigation	Revenues/savings from investments in low-carbon alternatives	Reported	2022 CDP Climate Response: C4.3b
Expenditures	Water	Total water withdrawn and total water consumed	Reported	2022 CDP Water Response: W1.2b ESG Topics A-Z: Water
		Percent of water withdrawn and consumed in regions with high or extremely high baseline water stress	Reported	2022 CDP Water Response: W1.2d ESG Topics A-Z: Water
	GHG Emissions	Purchased energy (Scope 2): Emissions from purchased heat, steam, and electricity consumed on the farm/plant	Reported	2022 CDP Climate Response: C6.2 ESG Topics A-Z: Climate change ESG Topics A-Z: Renewable energy
Assets	Water	Number of company-owned production sites in regions with high or extremely high baseline water stress	Reported	2022 CDP Water Response: W4.1b, W4.2 ESG Topics A-Z: Water
	Risk Adaptation & Mitigation	Investment (CapEx) in low carbon/water alternatives Cross-industry metric category: capital deployment	Reported	2022 CDP Climate Response: 4.3b 2022 CDP Water Response: W4.3, W7.2 2022 Green Bond Report